Our Identities Are Different: Unpacking the Presence and Absence of Organizational Identity in Corporate Apologies

Dilek Gergin, The University of Western Ontario

Supervisor: Zbaracki, Mark, The University of Western Ontario
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Abstract

Corporate public apologies are becoming increasingly common, despite consumers' apparent, widespread dissatisfaction with the statement that they are given. Following Goffman's (1971) classification of accounts and apologies, I argue that public demands for an apology may include an implicit demand for a change in the organizational identity. However, organizational identity and apology literatures do not consider such a sudden shift as feasible, or advisable. Combining insights from these literatures, I argue that factors that seem to restrict the feasibility and decrease the advisability of a sudden shift in organizational identity can in fact counter each other to offer a possible, and beneficial mechanism of change. In this interactive conceptualization of organizational identity, public criticism functions as a source of feedback and suggestions taking into account larger shifts in the normative background, for the creation and adoption of an identity more aligned with the organization's environment.

Combining two literatures in the absence of any precedent, I conduct an exploratory qualitative comparative analysis including constructs from both literatures, on a sample of N = 31 selected from a comprehensive dataset containing newswire reports on corporate apologies from 2008 to 2016. I use "references to organizational identity" in the corporate apology to operationalize the firm's interpretation of the public criticism as a demand for a change. Analysis reveals a variety of paths that lead to the presence and the absence of references to organizational identity. I interpret these paths based on their potential to provide accurate and valuable feedback and suggestions for a change or an adjustment in the organizational identity. I provide working propositions for a broader research agenda, and conclude by discussing the theoretical and practical implications of the results.

Keywords
corporate apologies, organizational identity, account, change, csQCA
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# Table of Contents

Abstract ................................................................................................................................. i

Acknowledgments .................................................................................................................. ii

Table of Contents .................................................................................................................... iii

List of Tables ............................................................................................................................ vi

List of Appendices ................................................................................................................... vii

Chapter 1 Introduction ............................................................................................................ 1

1 Introduction ........................................................................................................................... 1

Chapter 2 Literature review .................................................................................................... 11

2 Organizational Identity ......................................................................................................... 11

2.1 Central, enduring, and distinctive ..................................................................................... 14

2.2 Empirical roots of the two conceptualizations of organizational identity .................... 16

2.2.1 Identity as enduring ..................................................................................................... 17

2.2.2 Identity as continuous ............................................................................................... 19

2.3 Theoretical and methodological implications ................................................................ 22

2.4 Social actor perspective .................................................................................................. 24

2.4.1 Borrowing an individual level construct .................................................................. 24

2.4.2 An enduring identity ................................................................................................. 25

2.5 Social constructionist perspective ................................................................................... 26

2.5.1 Identity across levels ................................................................................................ 27

2.5.2 A continuous identity .............................................................................................. 28

2.6 Integrating both approaches .......................................................................................... 29

2.7 Introducing apologies to organizational identity .......................................................... 33

Chapter 3 Corporate apologies ............................................................................................ 35

3.1 Applying an organizational identity lens ....................................................................... 40
### 3.2 Organizational accounts, and organizational apologies

Chapter 3 Methods

4 Research design

4.1 Methodological considerations

4.2 Theoretical considerations

5 Qualitative comparative analysis

5.1 Data and sample

5.1.1 Population characteristics

5.1.2 Selection of cases

5.1.3 Additional sources of data

5.2 Conditions

5.2.1 Identification of conditions

5.2.2 Emic approach: two concurrent perspectives in the data

5.2.3 Selection of conditions

5.3 Preliminary analyses

5.3.1 Necessity analyses

5.3.2 Counterfactuals included in the analysis

6 Findings

6.1 Results of the analysis

6.2 Interpretation of solutions

6.2.1 Informative potential of the accusation

6.2.2 Presence of "reference to organizational identity in corporate apology"

6.2.3 Absence of "reference to organizational identity in corporate apology"

6.2.4 Working propositions

6.3 Demand for change, and the recognition thereof
Chapter 4 Discussion ................................................................. 100

7 Discussion ................................................................................. 100

7.1 Implications of the findings .................................................. 101

7.1.1 Organizational identity ....................................................... 101

7.1.2 QCA .................................................................................. 103

7.2 Practical implications .............................................................. 104

7.3 Limitations ............................................................................ 105

7.4 Future research ................................................................. 107

Chapter 5 Conclusion ................................................................. 109

8 Conclusion: an interactive conceptualization of identity ......... 109

References .................................................................................. 112

Appendices .................................................................................. 125

Curriculum Vitae ........................................................................ 131
List of Tables

Table 1. Cases selected for the sample ................................................................. 58
Table 2. Summary of events and insights for the cases in the sample .................. 59
Table 3. List of conditions identified in the data .................................................. 66
Table 4: Distribution of cases in the intermediary analysis with 1 condition ............ 70
Table 5. Distribution of cases in the intermediary analysis with 2 conditions .......... 71
Table 6. Conditions included in the final analysis ................................................ 73
Table 7. Truth table ............................................................................................. 76
Table 8. Presence of references to organizational identity in corporate apologies .... 82
Table 9. Absence of references to organizational identity in corporate apologies ...... 82
Table 10. Presence of references to organizational identity ................................... 130
Table 11. Absence of references to organizational identity ..................................... 130
List of Appendices

Appendix A: List of constructs extracted from identity and apology literatures .......... 125

Appendix B: Solution consistency and coverage for intermediary analyses ................. 130
Chapter 1 Introduction

1 Introduction

*Social drama is inherent to an apologetic exchange, because with an apologia there is a huge corporation charged with an egregious wrong, which is being tried in the court of public opinion via the television news.*

*Hearit, 2006: 14*

Corporate apologies have recently increased in number, but with a concurrent trend in their failure to be accepted by their audience, the general public, to whom they are addressed (Fuchs-Burnett, 2002: 31; Koehn, 2013; Lazare, 2004: 6-10; MacLachlan, 2015; Patel & Reinsch, 2003). Examining the dynamics of public accusations and apologies at the interpersonal level, Goffman (1971) makes a distinction between accounts that provide excuses or justifications for the past behavior, and apologies that accept the blame, express regret, and commit to change. In apologies, the offender commits to this change through a "split self" (Goffman, 1971: 118), by separating and condemning the past "self" who behaved in an unacceptable manner, and adopting a new "self" who commits to not offending in the future.

In daily parlance however, the term 'apology' is applied both to accounts and apologies. At the organizational level, news reports often characterize any statement issued by a company following an accident, a public accusation, or any negative event as a 'corporate apology.' For instance, accused of conducting a mood altering experiment on its users without their consent, in a 'corporate apology' Facebook only responded "this was communicated terribly and for that communication we have apologised" (Macrae, 2014). In another instance, concerning an ad campaign that paid female college students to wear sweatpants with the words "Double Down" across the rear, accused of "send[ing] a message that it's okay to objectify and sexualize women," a KFC spokesman "apologized to anyone who is offended by the campaign but said response has generally been positive" ("KFC ad uses buns to promote bunless sandwich," 2010). GM, on the other hand, when questioned on the subject of a decade long negligence that led to at least 13
deaths "pledged top-to-bottom changes in shifting from a 'cost culture' to a focus on safety and quality," but only offered "sincere apologies" to customers inconvenienced by the subsequent product recalls (Mathes, 2014). As illustrated by these examples, statements reported as 'corporate apologies' often correspond to accounts that may ignore the main accusation, seek to minimize the damage, or express sorrow without accepting responsibility (Lazare, 2004: 98).

In some cases an account may be a better fit for the 'public demand for an apology,' when the term 'apology' is again used to cover both accounts and apologies in describing the public reaction. When Maple Leaf Foods was faced with a deadly listeriosis outbreak, its public communications consisted of updates on actions taken, on the potential causes of the incident based on available information, and a restatement of the company culture with an emphasis on food safety (Gandz, 2012). As opposed to a condemnation of the past "self" and a commitment to change as in an apology, the organization instead committed to uphold its existing values, and making necessary adjustments in its operations as previously unknown information became available. In other cases however, a mismatch between a demand for an apology and a supply of an account may backfire on the organization. In response to public outrage, legal repercussions, and accused of a violation of professional code of ethics, Rupert Murdoch's News Corp issued an 'apology' including statements such as "we are deeply sorry for the hurt suffered by the individuals affected" and "we regret not acting faster to sort things out" ("Rupert Murdoch says sorry," 2011). Failing to match the severity of the offenses, and merely expressing sympathy instead of addressing the accusations, the statement instead provoked more probing into the self-interested motives behind the decision to issue such an 'apology,' and a deeper look into the inconsistencies between company statements on the same subject to cast further doubt as to their sincerity (Lawless, 2011). If the public demand for an 'apology' corresponds to a genuine expectation of a fundamental change and a "split" of the organization's past and future "selves," regardless of the eloquence of its expressions of sympathy, an account in the form of an excuse that attempts to minimize the offense, or a justification that provides an alternative interpretation of the act, would be likely to fail to satisfy this demand.
At the interpersonal level, sudden shifts in one's "self" can be motivated by mechanisms such as guilt, regret, and empathy for the victim, traits that have survived a natural selection that favors cooperation, and allows for adjustments in conduct after an initial failure to cooperate (O'Hara & Yarn, 2002). At the organizational level however, in the absence of mechanisms that can substitute for guilt and regret (Tavuchis, 1991) such sudden shift are more difficult to implement. From a sociological lens, the "self" that changes in Goffman's (1971) framework provides coherence and consistency in the way the individual interacts with the environment. The corresponding construct at the organizational level is organizational identity (Albert & Whetten, 1985) that also provides consistency across time, and coherence among different members' behaviors on behalf of the organization (King, Felin, & Whetten, 2010). However, resistance through the founders' imprinting effects (Stinchcombe, 1965), due to members' psychological need for stability (Fiol & O'Conner, 2002) and identification with the organization (Fiol, 2002), or the centrality of identity which would incur considerable switching costs (Whetten, 2006), organizational identity can be quite difficult to change in response to external, unanticipated demands for a "split" in the identity.

According to one of the two major approaches to organizational identity any change that may occur would do so slowly and gradually (Albert & Whetten, 1985: 275) and fit the life-cycle model from Van de Ven and Poole's (1995) ideal types, through development with a prescribed sequence (Gioia, Patvardhan, Hamilton, & Corley, 2013). Externally triggered crises may influence the outcome (Van de Ven & Poole, 1995: 515), but cannot instigate a fast change in response to these events. An alternative conceptualization assumes a socially constructed organizational identity, negotiated among members (Ashforth & Mael, 1996), and fluid such that can be shaped by managerial sensegiving (Gioia & Chittipeddi, 1991) and slowly "pulled" toward a target (Gioia & Thomas, 1996). A common underlying assumption in this conceptualization is teleological change (Gioia et al., 2013: 139) through a purposeful, strategic implementation with a specific goal (Van de Ven & Poole, 1995), which cannot account for unplanned and externally initiated change. Neither model therefore fits the circumstances around a public accusation and demand for a genuine apology, involving a "split self" that condemns the former organizational identity and commits to adopt a new one. In such cases, the
unpredictable (as opposed to "deterministic or probabilistic," Van de Ven & Poole, 1995: 522) and externally triggered nature of change through interaction with the organization's environment better fits the dialectic model (Van de Ven & Poole, 1995: 521; Reger et al., 1998: 142), with the organization defending its extant identity as the thesis and the public demanding a shift toward a new identity as the antithesis, to formulate a synthesis by the resolution of the conflict between arguments through an interactive conceptualization of organizational identity.

The limited amount of investigation into the dialectic model of organizational identity change often focuses on internal sources of conflict, and on interactions among coalitions inside the organization. For instance, throughout the transition from "Bell System" to "US West" from 1984 to 1988, the organization often referred to its former identity as the antithesis of its new identity to help define it (Reger et al., 1998: 141). Similarly, during the reorganization of "U.S. Post Office Department" into "U.S. Postal Service" in the 1970s (Biggart, 1977), management was actively pursuing the destruction of the former identity as well as the creation and adoption of a new one. Rodrigues and Child (2008) present a similar case of internal conflict during the privatization of a Brazilian telecommunications company in the 1990s. In a slightly different case that introduces external audiences, in 1994 Intel refused to replace a faulty chip for the majority of its customers and attempted to justify the decision on technical grounds, which instead fueled customer anger (Hearit, 1999). However, through the resolution of this conflict across the organizational boundaries with an apology and an announcement to replace the faulty product, the company also tackled and resolved an ongoing, internal conflict between "technological leadership" and "customer oriented" identities (Reger et al., 1998: 142).

In Intel's case, customer reaction sharpens an existing tension between two arguments with a recognized value and advocacy inside the organization. In other situations though, a crisis and a public demand for an apology may instead bring into focus previously unattended issues that may warrant managerial attention (Coombs, 2010). During the latest financial crisis in 2008, banks received widespread criticism over their executive compensation practices and reckless risk taking behavior. Accused of a global crisis and
yet soliciting financial assistance themselves, bank executives started to issue public apologies that were uncharacteristic at that time (Vencat, 2008). On the other hand their statements about being "profoundly sorry about the position we have reached" and "extremely sorry that this has come about" ("RBS boss apologises," 2008) were characterized as "non-apologies" (Lanchester, 2009) using an empathic 'sorry' (Lazare, 2004: 98) that failed to assume any responsibility and merely expressed an acknowledgment of the damage. Without any commitment to change, as the economy began showing signs of recovery bank executives openly admitted to adhering to similar practices and fostering the same culture of risk taking as before the crisis (Slater, 2012). In only a few years however, this propensity for extreme risk taking among bankers resulted instead in a lending rate rigging scandal (Perry, 2012) and a $2 billion trading loss (Wagner, 2012) that led to strict regulatory measures that was met with strong objections before these events. Issuing a genuine apology in 2008, accompanied by a change in organizational identity that took the public reaction into account would have improved the reputation of the focal organization and the banking sector in general, and may have prevented the subsequent events that introduced additional external regulations and restricted the strategic flexibility available to the organizations.

I would argue then, that a public demand for an apology can be a source of information about changing trends and sensibilities in the organization's environment that, unless heeded in time, may later lead to harsher penalties. In addition to eschewing reprimand, through a genuine apology and a change in identity, the organization can achieve a better fit with the present and future norms and values in the society. Additionally, by synchronizing the internal identity change with the external demand for it, organizations can more easily motivate their members and stakeholders, and secure their buy-in.

At the same time, as with any source of information some public demands should be screened, and disregarded for any strategic purpose. To find the right balance between action and inaction, organizations would need to view the public reaction as a source of information to be processed, evaluated, and acted upon selectively. Dutton and Dukerich (1991), in their classic study of how the New York Port Authority dealt with people using their facilities for shelter throughout the 1980s, can demonstrate this question of balance:
The organization first adopted an arm's length approach, then decided to fully engage with the problem in response to negative press and an increasing pressure from its members. In time, as it assumed the responsibilities of other organizations this intense involvement also drew new criticism. By the final stages of the longitudinal study, the organization finally reestablished its distance and settled on a strategy of "silent advocacy," still spending the effort but carefully avoiding the credit.

Single case studies such as the Dutton and Dukerich (1991) example can provide in depth insight over a long period, in exchange for generalizability over a broader population. On the other hand, larger data sets and randomly selected samples to better represent a population introduce other difficulties due to a lack of familiarity with individual cases, or quality of data collection when the researcher is not directly involved with the process. To fill the gap between these two ends of a spectrum, comparative case studies offer broader generalizability assisted by a level of familiarity with small (N = less than 10) to medium (N = 10 to 50) sized samples (Greckhamer & Mossholder, 2011). Informed by the insights from the apology and organizational identity literatures, and with a research design operating in the medium-N interval, I focused on the interpretation of the events and the organization, and on future looking commitments expressed in the media coverage of corporate public apologies, to collect 1141 newswires on statements reported as 'corporate apologies.'

During data collection however, it became apparent that genuine apologies accompanied by a "split self" and commitments to change were extremely rare, with most statements reported as 'apologies' consisting of accounts, such as excuses or justifications for the event. Some 'apologies' would simply express sympathy for the harm done, as the examples from the banking sector above. Even accounts that acknowledge responsibility for the outcome would be likely to deny any intent or foreknowledge, and only offer behavioral changes such as improvements in processes or control systems. For example, following the third largest coal ash spill in U.S. contaminating freshwater with lead and arsenic, Duke Energy took responsibility for the incident and committed to clean up the river affected by the leak (Biesecker & Weiss, 2014), however the company did not discuss any systematic changes in its stance toward the communities and natural
resources under constant threat by its operations, or any plans to reevaluate how it interacts with its environment as it conducts its business.

In the meantime despite the absence of genuine apologies and the prevalence of accounts in the data, with limited variation on this classification, I have instead observed that in a specific subset of these accounts the companies referred to their organizational identity, while in others they did not. Without a readily apparent condition that might distinguish between, and explain the presence or absence of these references, I consulted the crisis management literature to look for any interpretations for this observation. The inclusion of organizational identity, a component that by definition consists of a collection of positive traits (Whetten, 2006), can be explained through mechanisms such as reminding the audiences of past good deeds (Coombs, 2007). Such explanations however, could not account for the subset of cases exhibiting a systematic absence of references to organizational identity in corporate apologies.

Combining theoretical insights from the interpersonal apology (Goffman, 1971) and organizational identity (Albert & Whetten, 1985) literatures with empirical insight from my data collection on 1141 cases of corporate apologies from 2008 to 2016, I interpret this presence of references to organizational identity in corporate ‘apologies’ as the acknowledgment of a public demand for a genuine apology. In the opposite case, the absence of such references would suggest that the organization instead evaluates the public demand, correctly or mistakenly, as a demand for an account. I would argue that in the case of ‘apologies’ that refer to identity, organizations would recognize the nature of the demand and as a response seek to implicitly explain the absence of a genuine apology, or any commitments to fundamental change. The existing theoretical and practical landscape could account for such an indirect way to deal with this demand: Due to an absence of any theoretical guidance from the organizational identity literature, as well as any precedents in practice, companies would be likely to discard the possibility of a sudden shift in identity, under any circumstances. Consequently, all public demands for an apology and a "split" in identity would be countered by accounts, explaining the uniformity in the data.
Indeed, when the requirements for a genuine apology, a sudden and externally triggered change in identity are evaluated in isolation in the extant literature, they seem likely to disrupt members' and stakeholders' need for stability (Fiol & O'Connor, 2002), and without any prior managerial sensegiving to prepare the organization (Gioia & Chittipeddi, 1991), such a change might incur considerable switching costs (Whetten, 2006). Compared with the risks of such a sudden change, costs of public dissatisfaction with the issued statement might be preferable. On the other hand, when considered in conjunction, characteristics of a sudden and external change and the internal resistance to it could counter the potential negative impacts and provide unique benefits: When the organizational identity attracts criticism through the demand for an apology, member identification would also weaken and facilitate a transition (Fiol, 2002), where the public reaction could provide the necessary motivation for a "fast push" away from an unfavorable identity, instead of a managerially instigated "slow pull" toward an ideal one (Gioia & Thomas, 1996). In addition, the specific target of public criticism among different components of identity, as well as any comparisons with positive or negative benchmarks that the public finds relevant to the case, could function as signposts for the strategic direction to be taken by the organization through this transition.

A cursory look at the data fails to reveal a single evident factor concurrent with the presence or absence of references to identity, such as the severity of the inflicted harm, assumption of responsibility by the company, or any precedents in the past, but instead presents a variety of configurations of circumstances that lead to these outcomes. This variation might further suggest that not all public demands for an apology warrant a strategic consideration, and not all signposts should be followed. Public demands might be solely motivated by a resistance to novelty, reluctance to learn, or to adapt to a new technology: When Apple Maps was first introduced in 2012, it was met with ridicule over its inaccuracy and criticism for prioritizing competitive concerns over customer satisfaction, with a media coverage reminding of similar instances in the past when the company was accused of failing to meet customer needs (Chan & Chang, 2012). Yet the following corporate 'apology' showed insistence and confidence in the choices made, emphasizing a customer oriented but also a resolutely innovative identity. In time, with continuing use and incremental updates the app was able to meet, and in some areas
exceed customer expectations. As such, a public demand for an apology can be a valuable source of information, but would need to be evaluated strategically before acting upon it.

Summarizing the arguments above, I have identified two dimensions regarding the variation in (1) the acknowledgment of the public demand for a change in identity, and (2) the strategic significance of the information contained in the accusation. The first dimension pertains to the interpretation of the public accusation by the firm as either a demand for a change in identity, or only as a demand for more information, an adjustment in processes, additional precautions, etc. The second distinguishes between different combinations of event, accusation, and apology characteristics to determine whether the public criticism is motivated by short-term considerations such as inconvenience due to novelty, or draws upon long-term shifts in the normative landscape, able to provide information on higher level changes in the organization's environment. Despite the lack of variation in the nature of corporate public 'apologies,' a majority of which are accounts instead of apologies, variation along these two dimensions can be relevant to the function of corporate apologies for the organizational identity, with the potential to offer practical suggestions concerning changes in identity based on a combination of theoretical and empirical insights. My research then attempts to address the broader question of:

*Under which combinations of conditions is a corporate public apology with a change in organizational identity warranted?*

More specifically, it attempts to distinguish corporate accounts that in fact recognize a need for a genuine apology, and accusations that warrant such a genuine apology and change in identity, by identifying patterns in the accusation, event, and 'apology' characteristics through an answer to the question:

*What configurations of accusation, event, and apology characteristics are necessary and/or sufficient for a reference to organizational identity in corporate public apologies?*
These research questions focus on the combined impact of conditions taken from the relevant literatures and informed by the observation of population level data, on the presence or absence of an outcome, namely a reference to organizational identity in corporate apologies. To provide an answer, set theoretic methods, and specifically qualitative comparative analysis (QCA) is able to identify pathways through combinations of conditions that in conjunction lead to an outcome (Fiss, Marx, & Cambré, 2013), allowing the inclusion of constructs from multiple levels and theories in the same analysis (Crilly, 2013). However, with a different underlying logic than statistical methods interested in variance, or qualitative case studies focusing on processes, QCA requires a fundamentally different research design than these more familiar methods (Schneider & Wagemann, 2010). Instead of research questions that address the variance in the dependent variable caused by independent variables, or those that seek to illuminate processes underlying phenomena, QCA can answer questions pertaining to subset relationships of necessity and sufficiency for configurations of conditions that can explain an outcome set (Berg-Schlosser, De Meur, Rihoux, & Ragin, 2008; Greckhamer, Misangyi, Elms, & Lacey, 2008; e.g. Amenta, Caren, & Olasky, 2005; Greckhamer, 2011).

In the following part, I will first present the current literature on organizational identity, focusing on the major tensions in the literature with examples from case studies and quantitative research over larger samples. As the exposition progresses, the descriptive, normative, and prescriptive arguments surrounding change in organizational identity at conceptual, theoretical, and empirical levels should become clearer. I will then switch to the apology literature that provides the theoretical basis for my main argument, linking public expectations and corporate apologies to changes in organizational identity. Next, I will introduce my research design including data and sample characteristics and method of analysis, before presenting and interpreting the solutions extracted at the end of the analysis. I will conclude by discussing the contributions to theory and practice, and suggestions for future research.
Chapter 2 Literature review

2 Organizational Identity

Organizational identity refers to what is perceived as central, enduring, and distinctive about an organization (Albert & Whetten, 1985). As an example, Elsbach and Kramer's (1996) study of business schools reveals organizational identities ranging from a participatory and diversified culture, to a creative and innovate program, a technical, entrepreneurial, or interdisciplinary focus, or a global reputation with a strong alumni network. Assuming both meanings of 'distinctive,' identity is distinguishing, setting the focal organization apart, as well as distinguished, an attribute with positive connotations (Whetten, 2006). Despite the limited range of exclusively positive traits, identity nonetheless exhibits considerable variation among organizations even within the same environment, or for the same organization across time and space: Two banks operating in the same area may maintain "small-town" versus "competitive leadership" identities (e.g. Fox-Wolfgramm, Boal, & Hunt, 1998), or an increasingly diversified company may define itself in more and more abstract terms, moving from a product based identity such as an "oil and gas company" to a "discovery company" (Barney, 1998). Thus, considerable variation exists among organizational identities even within the boundaries of only distinguished, or positive, attributes.

With a definition based on subjective 'perceptions,' it becomes necessary to determine whose perception will be taken into consideration in discussions on the organization's identity. Scholars have proposed several models that seek to position identity within a nomological network, and while they may differ in specifics, a common aspect among them is that identity is internal to the organization. At the same time, perceptions of external stakeholders' about the organization can still heavily influence organizational identity. In their notable case study of the Port Authority of New York and New Jersey, Dutton and Dukerich (1991) present how the organization tackled the issue of homeless people using its facilities for shelter during the 1980s. An initial appeal to the "business-like" aspect of identity sought to externalize the issue, outsourcing the responsibility to law enforcement and social service agencies. However, ineffectiveness of this arms-length stance was exacerbated by the harsh responses in the media. In the end, negative
external evaluations about the organization prompted managers to refer to, and to emphasize their "professional" identity and take charge of the problem, formulating and implementing an effective and compassionate solution.

To establish a consistent terminology and to be able to combine insights from related literatures, Hatch and Schultz (1997; 2002) place identity between culture and image in two cyclic processes: Inside the organization, culture provides the internal context, a collection of cultural raw materials that members use to construct identity, and identity serves as the expression of this culture. On the outside, image functions as the projected expression of the identity, which then mirrors and absorbs the external image back inside for evaluation and reinterpretation by organizational members. As an external counterpart to identity, scholars often study image in relation to identity - or specifically one or more out of three types of image (Brown, Dacin, Pratt, & Whetten, 2006; Foreman, Whetten, & Mackey, 2012; Whetten & Mackey, 2002): A projected image, i.e. expression of identity in the way members want outsiders to see it; a construed image, i.e. interpretation of members about how outsiders see the organization; and a perceived image, the way outsiders actually see the organization. Illustrating the close relationship between identity and image, Gioia and Thomas (1996) conducted a case study where a "desired future image" (a future projected image) was set as a vision that "pulled" organizational identity toward it. Adding a temporal dimension to these constructs, university administrators implemented a strategic change initiative by constructing an image of a "mythical university." This composite, idealized benchmark combined the best features of their peer institutions, and motivated members to recognize their shortcomings and strive toward this ideal, through a mechanism similar to Hatch and Schultz' (2002) theoretical model.

Echoing findings from this study, Gioia, Schultz, and Corley (2000) focus on the interactions between identity and image (specifically projected image, the way members want outsiders to see identity; and construed image, the interpretation of members as to how outsiders see it). They discuss how this feedback loop can be used to manage both, in order to either pull organizational identity toward a specific direction, or improve organizational reputation (or perceived image) by adjusting the way identity is projected outward. Focusing on the identification of members with the organization at the
individual level, Dutton, Dukerich, and Harquail (1994) also examine organizational identity and distinguish between the two external reflections of identity, reputation and image, defining reputation as "outsiders' beliefs about what distinguishes an organization" (perceived image), and image as "internal members' own assessment of these [external] beliefs" (construed image).

King and Whetten (2008) add legitimacy to these variations on image, as another external construct, but from the institutional theory. They position legitimacy as a fundamental component of identity: In combination with reputation, the organization's perceptions of external legitimacy satisfies its need for conformity with a group of similar organizations, and through (internal) perceptions concerning its (external) reputation it acquires differentiation within this group. Then, in terms of the three aspects of organizational identity, legitimacy provides its central and enduring characteristics and reputation, its distinctive qualities. Foreman et al. (2012) further elaborate on this idea and combine the two nomological networks, connecting legitimacy, reputation, and image, and expressing them in terms of organizational identity. They position this model within the existing reputation literature by explicitly stating the definition they use among several alternatives available, as "perceptions or judgments of the overall organization as good, attractive, and appropriate" (Lange, Lee, & Dai, 2011), thus building a link between the two literatures. With respect to legitimacy and image, their model places legitimacy as a factor that influences the projected image toward an ideal representation of organizational identity. Informed by expectations in the environment, central and enduring attributes become consistent with institutional norms, in addition to distinctive qualities specific to the organization. Reputation, in this model, becomes the outcome of external stakeholders' evaluation of the difference between the projected image, the idealized expression of identity by organizational members, and the perceived image, external stakeholders' subjective evaluation of organizational identity.

As presented above, even definitions concerning the neighboring constructs and literatures which relate to identity as a whole often refer to and differentiate between its individual components, the central, enduring, and distinctive aspects of identity, to specify their connection to the construct. However, not all three of these criteria are
equally well received: Scholars often question their definitions, meaning, necessity, or connection to identity, and empirical evidence in support of each view can be found in the identity literature. As such, the discussion will now turn inwards, to address the individual components of the identity construct, and how they relate to larger issues and debates in the literature.

2.1 Central, enduring, and distinctive

Of the three criteria for organizational identity, distinctiveness is relatively well accepted in the literature (Gioia et al., 2013). Discussions on distinctiveness often become relevant only in studies using an institutional lens to contrast the opposing needs for similarity and difference at the organizational level. Studies that explicitly discuss distinctiveness often conceptualize it as the “flip side of isomorphism” (Glynn, 2008), that balances conformity with a group with differentiation within it (Glynn & Abzug, 2002; Glynn & Dacin, 2000; Glynn & Marquis, 2006; Navis & Glynn, 2010).

The criteria of centrality, while mostly taken as given without any explicit discussion in studies on identity, may become problematic in terms of its compatibility with the concept of multiple identities (Corley et al., 2006) where a single organization incorporates more than one typical organizational identity, such as in traditional examples like hospitals or universities that integrate commercial and non-commercial identities (Albert & Whetten, 1985), or in recently emerging fields such as microfinance (Battilana & Dorado, 2010). However, even Albert and Whetten’s (1985) seminal paper that introduced the concept of organizational identity, along with the criterion of centrality, discusses dual identities as a prevalent form without any implication that centrality of the identity implies uniqueness. Scholars have since extensively investigated the case of organizations with hybrid identities (e.g. Albert & Whetten, 1985; Battilana & Dorado, 2010; Glynn, 2000), where, for the organizations they study (e.g. a university, microfinance institutions, or a symphony orchestra) the duality itself stands at the center of the organizational form. Increasing the number to more than two, and drawing heavily on the literature on individual identities, Pratt and Foreman (2000) explore the possibility of multiple identities at the organizational level, referring to the multiplicity of identities at the individual level that individuals adopt as they undertake different roles in different
social environments. Similar to individuals, organizations also operate under an institutional complexity, and along the way add various aspects to their identities to deal with various field-level pressures (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011; e.g. Sillince & Brown, 2009). On the other hand, the kind of *multiplicity* in their model can simply be interpreted as the different aspects of a multifaceted, composite, and comprehensive, but still single and *central* identity (Corley et al., 2006). To resolve the discrepancy between interpretations of single versus multiple identities, Pratt and Kraatz (2009: 386-7) add another layer to the identity construct and introduce the idea of a *central* "organizational self," a structure around different "organizational identities" that combine and prioritize them into a coherent whole. While these nuances remain outside the scope of the current study, in sum, discussions about the *centrality* criterion often merely refer to *centrality* at different levels and using a different terminology, such as referring to multiple "aspects" of a *central* identity, or a *central* organizational "self" that combines multiple identities. Elsewhere, apart from these conceptual discussions identity scholars often implicitly accept the original definition of centrality and apply it in their work (Corley et al., 2006).

The remaining criterion of *endurance* causes the highest amount of discord among identity scholars and proves to be a source of continuing debate (Gioia et al., 2013), with empirical evidence to suggest both *enduring*, i.e. stable and durable identities, as well as an ongoing construction of fluid identities with abstract 'labels' that grant it *continuity*, but without a stability in the underlying meanings attached to these labels (Gioia et al., 2000). Scholars who contribute to this debate often link these two conceptualizations to the broader discussions of *organizational change*, and to the deeper differences of opinion around the nature of social reality and their approaches to the creation of knowledge (Godfrey et al., 1998). Meanwhile, rather than discouraging conversation within the identity literature, the seemingly incompatible nature of these two conceptualizations of an *enduring* and *continuing* identity tends to promote several attempts at reconciliation (e.g. Corley, 2004; Gioia, Price, Hamilton, & Thomas, 2010; Ravasi & Schultz, 2006).
The rest of the literature review traces the empirical roots of these two conceptualizations of identity, with opposing views concerning the possibility, advisability, or necessity of a change in organizational identity. After the empirical evidence in support of opposing views on identity, I will present the broader theoretical perspectives that it generated, followed by some of the prominent examples that seek to incorporate these opposing views. These attempts at an integration provide examples of the introduction of novel ways to conceptualize identity, and change of identity, based on empirical evidence. This in-depth review of available evidence and theoretical examples will be helpful, and necessary, in the later steps of the study by informing and shaping the main purpose of the paper: the introduction of a new conceptualization of identity, and a new model of change through corporate apologies.

2.2 Empirical roots of the two conceptualizations of organizational identity

Organizational identity provides a frame of reference for members' sensemaking and interpretation of the environment (Weick, Sutcliffe, & Obstfeld, 2005), influences the issues that draw managerial (e.g. Tripsas, 2009) and member attention (e.g. Battilana & Dorado, 2010), and shapes organizational decisions based on a "logic of appropriateness" (March, 1997). As a result, distinctions over the nature and properties of identity may become loaded with overarching and long-term ramifications, concerning the role and function, and the eventual "fate" of organizations (Gioia et al., 1998), and by extension of their members and the social environment within which they are embedded (Godfrey et al., 1998).

Centered on the attribute of *endurance* in Albert and Whetten's (1985) original definition, this debate within the identity literature often expands into arguments concerning organizational change, and specifically to the possibility or meaning of changes in the organizational identity. For some authors, identity is an anchor in stability at the opposite end of flexibility (Whetten & Mackey, 2002), while for others, it remains constantly in flux as a "momentary accomplishment" (Pratt & Kraatz, 2009). As the argument crystallizes, what seems like an empirical question of whether organizational identity changes or not, or a theoretical question of choosing among different definitions of
"identity," "identities," or "self," etc., starts to resonate with a deeper, more provocative divergence of views around the fundamental nature of change within the social realm, a debate that has its roots in the field of sociology, and on the "nature of society" (Burrell & Morgan, 1979: 10-20) concerning the consensus versus conflict models that either normalize or question the status quo, and presuppose either stability or change. Such a debate had occurred in person, and was later transcribed and published, at the Academy of Management meetings on organizational identity in 1997 (Whetten, 1998). During a final conversation among the key contributors to the literature, proponents of opposing views on change would support their arguments through references to the tension between embracing the complexity of human experience or simplifying it for better understanding, the value of storytelling or measurement in the study of strategy and organizations, or the definition of science as a specific way of asking or as a specific way of answering questions (Godfrey et al., 1998).

Scaling back to within the identity literature, the enduring attribute of organizational identity may attract accusations of "relentless realism and objectivism [...] based on natural science models," and of "overemphasizing managerial interests in comparison to employee interests" (Gioia, 1998), whereas the idea of an identity in flux may seem insufficient to provide the reliability and validity required for scholarly inquiry (Whetten, 2006). These charges further illustrate the deeper conceptual distance that proponents of different views on identity change see reflected in their empirical evidence. Fueled by differences of opinion on the nature of knowledge, of human nature, or of society (Burrell & Morgan, 1979), theoretical arguments adhering to incompatible assumptions about these fundamental questions cannot directly counter or refute these charges. As such, instead of attending them directly I will present the empirical evidence for both views before moving on to theoretical and methodological differences, to assess their capacity to provide a framework for the interpretation of empirical observations of organizational identity.

2.2.1 Identity as enduring

Whetten (2006: 225) defines the criterion of endurance both as elements of identity that have passed the test of time, and as those that signal a forward-looking commitment,
implying irreversibility and a future *endurance* to be recorded retrospectively. In this regard, a possibility of change in what members perceive to be *central* and *distinctive* attributes of an organization would also be less likely than a change in other features, even in organizations with an identity of dynamism: In Penn State, the identity of 'diversity' seen by members as a *central* feature of the organization would also affect hiring decisions, in the process changing less *central* features of the organization such as the composition and characteristics of faculty, from a collegial and collaborative group to an "entrepreneurial mob" (Godfrey et al., 1998). In this sense, short-term and contested definitions of "who we are" that members would expect to change in time would not constitute a central aspect of the organization, or part of its identity (Godfrey et al., 1998). Meanwhile, any potential changes in the *central* attributes of an organization would be expected to incur tremendous switching costs due to misidentification, misunderstanding, or misclassification of the organization by external audiences (Whetten, 2006), and elicit strong resistance in organizational members who need to act in recognizable and consistent ways (Whetten, Felin, & King, 2009). Indeed, Albert and Whetten (1985) introduced the concept of organizational identity based on an observation of an unusually strong reaction to a small departmental budget cut in a university, and noticing the similarities between this disproportionate reaction with the phenomenon of "identity crisis" from the psychology literature (Whetten, 2006).

In line with these predictions, in some cases the empirical evidence points to an organizational identity that remains stable over long periods of time, with episodic change that occurs only as a response to external cues such as new norms (e.g. Fox-Wolfgramm et al., 1998), technological advances (e.g. Tripsas, 2009), shifting market conditions (e.g. Ravasi & Schultz, 2006), or negative reputational performance evaluations (e.g. Martins, 2005). Under these circumstances, managers may introduce a planned strategic change in order to adapt to these changes in the environment. However, organizational identity can be a considerable source of inertia, which extends back to factors such as members' resistance to change, that originates from individuals' deep rooted psychological need for stability (Fiol & O'Connor, 2002). Due to this resistance, introducing change without taking into account these fundamental tendencies for stability and consistency, and without any specific measures to deal with members' adherence to
the former identity, would end in varying degrees of success: The organization may simply return back to its former identity, as in Nag, Corley, and Gioia's (2007) case study of a technology company where strategic changes to become more market-oriented encountered strong resistance by organizational members. Scientists who in one hand agreed with the motives for change, nevertheless enjoyed their discretion for "controlled chaos" which they perceived as conducive to their creative work, and which in turn shaped their perceptions of what was central and distinctive about their organization. The executive team, despite their formal authority over the employees and the availability of sanctions such as through funding decisions, had to yield to resistance, abort their plans for holistic change, and content itself with local, incremental improvements improvised by members.

On the opposite end of the spectrum, Biggart's (1977) account of the reorganization of U.S. Post Office Department into U.S. Postal Service in 1971 illustrates the highly political processes of active, purposeful identity management. During this period, the former identity of "service at all costs" with an uncompromising devotion to public service, was replaced by the "quasi-market" identity that instead emphasized efficiency above all. In this case management recognized the endurance and inertia of the former identity, but perceived it as competing with and undermining the new one. As a remedy they sought to "destroy the ideology" it represented, and the "power bases" who strongly identified with and supported the former identity, while building structures and routines around the new identity to replace existing ones. To this end, they engaged in various projects from symbolic changes in the organization's name and design of equipment, to internal communications and training sessions that propagated the new ideology, while mid-level managers were offered greater, albeit symbolic, participation to ensure their alliance with the new identity. In a sense, over a decade the identity had changed, but only due to the recognition of and action against the endurance of the former identity.

2.2.2 Identity as continuous

A direct confrontation between old and new identities stands in stark contrast with Fiol and O'Connor's (2002) model of introducing radical change incrementally, still with a purposeful management of identity, but through sensegiving, persuasion, and
cooperation. Authors compare the case of Peace Corps reforestation efforts in rural Guatemala with an archival study of restructuring in the Transportation Systems Division at General Electric in the 1980s. In the Guatemalan case, the proposed changes of reforestation were perceived as undermining the central and distinctive attributes of the community identity, where corn production enjoyed a highly spiritual status. Under these circumstances, management of identity change occurred through smaller concessions such as planting fruit trees instead of forestry trees, and through the addition of new identities without the reduction of former ones such as adding vegetable gardening and raising rabbits to corn production. For the equivalent process at General Electric, the paper traces how a redesign of work flow reduced idle time and improved the payment structure for the workers, bypassing an initial, ostensible conflict of interest through buy-in for the new identity. In both cases, small scale pilot projects helped community and organizational members reinterpret the proposed changes not as undermining the existing central and distinctive attributes of identity, but as promoting common goals and adding new identities to existing ones, that are more aligned with the changing conditions and environmental pressures.

In cases such as these, researchers observe a more fluid, and momentarily constructed identity. Expressing identity in abstract terms allows the labels that describe identity to remain stable and commonly held by members (Reger et al., 1998), while the interpretations of these labels vary both among individuals and across time, allowing for variation and flexibility (Gioia et al., 2000). Managers may engage in sensegiving efforts to supply appropriate meanings to these labels that match the organization's strategy (e.g. Gioia & Chittipeddi, 1991), or leave them open to interpretation in order to attain a superficial consensus even in the absence of such a consensus around their meanings (e.g. Fiol, 2002), whereas members may negotiate identities that they perceive as socially desirable, and actively advocate for their own divergent visions for the organization (Ashforth & Mael, 1996). Corley and Gioia (2004) illustrate each one of these processes in their case study of a spin-off company, with identity change occurring at the level of both labels and meanings. Shedding identity elements pertaining to the parent company, often by describing their organization mainly as "not like it," the new organization attempted to create its own independent identity. Meanwhile employees, who were
distributed company shares, were prevented from receiving information from managers
due to procedural regulations, which instigated identity ambiguity and an unfulfilled
imperative for managerial sensegiving. In addition, discrepancies between the official
rhetoric, organizational reality, and external evaluations caused concerns about the
feasibility of the projected future images, and about their incompatibility with the past. In
response, as soon as the regulations allowed, managers engaged in a renewed effort to
project a desirable future image, and to model the behavior that fits the new identity.

In their seminal paper on organizational identity, Albert and Whetten (1985) discuss both
stepwise and incremental changes (Gioia et al., 2000). According to their model, even
without any planned change, as the organization undertakes new roles throughout its
lifetime it also acquires new identities. Reminiscent of identity at the individual level
(Goffman, 1959; Mead, 1934), as the organization grows and matures, interaction with an
increasingly complex environment supplies the incentive to acquire new identities: Over
time, a "normative" organization such as a university becomes more business-like as its
administrative and financial responsibilities gradually increase, meanwhile as a
"utilitarian," for-profit organization grows and expands, its stakeholders expect it to
devote more resources to social and environmental causes. These changes may be
introduced during major transitions in the organization's life, such as a merger or
divestment, or they may occur incrementally and without notice, for instance over a
period of sustained growth and expansion. In the end, regardless of the path through
which the organization adopts these identities, they become central and distinctive for the
organization.

From one perspective, the organization's continuing operations in those environments
ensure the endurance of these identities (Pratt & Kraatz, 2009, p.403): As the consistent,
stable interface through which the organization interacts with these different
environments, a change in this enduring identity would incur tremendous costs. On the
other hand, regardless of the organization's formal, long-term commitments and
members' need for stability, an abstract set of labels may be temporarily sufficient to
provide the continuity that internal and external stakeholders need, while the meaning of
these labels is subjected to incremental adjustments in order to better position the
organization within its environment (Gioia et al., 2000). Then, depending on the circumstances and the function that identity plays at any given moment, abstract labels would allow for multiple interpretations of identity and help build consensus, while more concrete messages or single, managerially supplied interpretations of labels would be effective in strengthening member identification (Fiol, 2002).

As introduced above, Gioia and Thomas (1996) explore how a desired future image can gradually pull identity toward an ideal, "mythical" state. In their case, managers of a university undergoing strategic change viewed identity as malleable, but also as having enough inertia that they did not believe an effort to directly modify identity could succeed. Following an indirect path, they instead "projected," or presented and propagated an image throughout the organization that would seem agreeable to all members, and replace the existing organizational identity by moving members' collective beliefs about the organization toward this end goal. Gioia et al. (2000) model this process as an ongoing comparison between organizational identity, members' perception of what is central, enduring, and distinctive about the organization, and organizational (construed) image, i.e. their perception of outsiders' evaluation of identity. Members monitor this external feedback, and their beliefs about the organization are shaped by the ongoing interaction between image and identity (Dutton & Dukerich, 1991). This allows managers to use image across time, through future projections or through re-interpretations of the organization's history, to influence members' beliefs and introduce gradual changes. To this model, Reger, Gustafson, Demarie, and Mullane (1994) add the dimension of an "identity gap," where managers achieve change by keeping the perceived discrepancy between image and identity at a moderate level: Wide enough to motivate members and break the inertia of identity, but small enough not to stress and discourage them.

2.3 Theoretical and methodological implications

Scholars interpret these discrepancies between empirical observations as indicative of different theoretical conceptions of organizational identity, which leads to different methodological approaches to phenomena, and which in turn tends to recreate findings that are aligned with the initial theoretical view of the researcher (Foreman & Whetten,
An identity that appears as continuous and as constantly in flow, can be accounted for by the researchers' intentional choice to focus on organizations undergoing change. Gioia and Thomas (1996), for instance, specifically examine "strategic change" in a university, a context traditionally more familiar with incremental change, while Fiol and O'Connor (2002) address the issue of breaking the resistance against "radical change." Other cases feature transitions between parent and spin-off identities (Corley & Gioia, 2004), or identities before and after mergers (Clark, Gioia, Ketchen Jr., & Thomas, 2010).

In contrast, when the research question concerns antecedents and consequences of organizational identity, scholars often engage in variance models instead of longitudinal analyses of processes around the identity construct. Martins (2005), building upon a case study by Elsbach and Kramer (1996), measures the impact of the "strength" and "external orientation" of identity on the relationship between image-identity discrepancies and magnitude of change in response to this discrepancy. Meanwhile, through two surveys one year apart, Dukerich, Golden, and Shortell (2002) operationalize identity as a weighted combination of 37 items to investigate its links to perceived image and member identification, and provide evidence for an enduring identity, at least over the one year gap between their two surveys. Without the limitations of the short span of cross-sectional data from surveys, Phillips and Kim (2009) investigate the "identity preserving" decoupling acts by records companies using historical data from 1920 to 1929, while Navis and Glynn (2010) document the increasing emphasis on distinctive attributes of identity in press releases of satellite radio firms from 1990 to 2005. Despite the longitudinal data however, these models assume an enduring identity that remains stable for the duration under study. In addition, as Dukerich et al. (2002) note, while their data suggests an enduring identity, these methods cannot differentiate between identity labels expressed in formal documents, which is expected to remain the same to provide continuity, and the meanings members attribute to those labels, which constitutes the part of the identity that may be in flux.

Based on extrapolations and generalizations of these two groups of findings in the literature, scholars have formulated two conceptions of identity, namely the social actor
and *social constructionist* perspectives (Ravasi & Schultz, 2006) that adopt fundamentally opposing paradigms in their ontology, epistemology, and views on change. Meanwhile, other empirical evidence suggests the coexistence of both conceptualizations, which instigates attempts to reconcile the two either through a contingency approach (e.g., Corley, 2004), or with a sequential, complementary process between them (e.g., Gioia et al., 2010; Ravasi & Schultz, 2006). The theoretical and methodological aspects of these two perspectives will be discussed next.

2.4 Social actor perspective

Scott and Davis (2007: 362), contemplating the place, role, and meaning of organizations within a modern society, and with an historical perspective, compare organizations with nation-states and individuals as one of the "three central types of *social actors* [that] have evolved as the major foci of agentic power." Along those lines, the *social actor* perspective of organizational identity builds on the concept of identity at the individual level (Albert & Whetten, 1985), and focuses on the similarities between the manner in which individuals and organizations interact with their environment: They are both held accountable for their actions with legal rights and responsibilities (Whetten & Mackey, 2002), and society allows both individuals and organizations a certain amount of sovereignty and self-interested behavior (Whetten et al., 2009). In that regard, King et al. (2010) argue that organizational members can be viewed as 'member-agents' acting on behalf of an organization with agentic capabilities that match the responsibility attributed to it, and members' behavior and decisions can be thought of as a reflection of the organization's identity and goals.

2.4.1 Borrowing an individual level construct

To justify borrowing an individual level construct, scholars refer to the functional equivalence between two levels: In addition to the relational aspects mentioned above, at both levels identity forms through interaction with the environment (Gioia, 1998), represents a balance between conformity and differentiation that maintains both legitimacy and reputation for the organizations (King & Whetten, 2008) similar to the psychological principle of "optimal distinctiveness" for individuals (Brewer, 1991), while
both individuals and organizations acquire and manage multiple identities as they "perform" in different social settings (Goffman, 1959; Mead, 1934; Pratt & Foreman, 2000), and they both respond to identity threats through cognitive tactics (Elsbach & Kramer, 1996) and ego defenses (Brown & Starkey, 2000). After establishing functional equivalence, scholars look for structural properties of the organization that can undertake the same function as identity at the individual level. As such, in the absence of a brain, a nervous system, or any physical presence that maintains identity at the individual level (King et al., 2010), organizations have structural properties that can "support" the organizational identity, namely the strategy, actions, behavior, decisions, statements, and commitments (Whetten et al., 2009) that satisfy the criteria of centrality, endurance, and distinctiveness proposed by Albert and Whetten (1985).

2.4.2 An enduring identity

From a social actor perspective, organizational identity exists independent of the observer or the organizational members, as a latent construct to be "inferred from its posited effects or consequences" (Whetten, 2006). With an objectivist approach and a positivist methodology (Corley et al., 2006), studies subscribing to this view seek answers to questions pertaining to the antecedents or consequences of identity, such as naming conventions prevalent within a field explaining the variance in newly formed organizations' names that "encode [their] central features" (Glynn & Abzug, 2002: 267), or the impact of "identity-discrepant cues" received from organizations leaving a group, on the focal organization's likelihood of terminating its own membership with that group (Rao, Davis, & Ward, 2000). Other studies investigate specific properties of identity such as "external orientation" (Martins, 2005) or "attractiveness" (Dukerich et al., 2002) to explain the variance in the "extent of organizational change" or the "strength of organizational identity." In another study that attempts to directly quantify the construct of identity itself, Dukerich et al. (2002) provide survey respondents with a list of potential identity claims concerning their organization, as items in a survey, including abstract components such as "trustworthy" or "proactive," along with more concrete ones such as "state-of-the-art medical technology" and "focused on education," asking members to attribute weights to these items and combining them to measure organizational identity.
itself. Methodologically, this represents an effort to discover an existing, latent variable where survey responses are analyzed as objective data by the researchers. On the other hand, the individual items in the survey rely on findings from previous inductive studies that establish the emic voice, which adds an interpretive dimension to the construct through both the subjective perceptions of prior informants, and through the subjective evaluations of current study's respondents. In another survey, also built on prior case studies, Martins (2005) measures the strength of organizational identity through a survey where respondents indicate their agreement with high inference statements such as "People at this school seem to have a strong sense of the school's history" on a seven-point Likert scale. Then, with abstract survey items informed by case studies, identity is still modeled and operationalized as, and the data interpreted as indicative of, an objective construct with a measurable impact on organizational behavior, such as the magnitude of strategic change.

In both cases, as well as in studies using secondary data from historical or archival sources, identity constitutes a property of the organization, observable by respondents and measurable by researchers. However, these studies do not make any claims about the processes through which identity takes shape: Identity is not formed by its objectively observable expressions such as the organization's behavior, strategy, or vision, but is reflected in them. Instead, in order to explain the processes by which identity is created, other scholars focus on members' collective beliefs about "who we are," with their interpretations of, and the meanings they ascribe to, the labels represented in the formal expressions of identity discussed above.

### 2.5 Social constructionist perspective

Instead of measuring the impact of identity on the variance in other constructs, as in the social actor view, other scholars are interested in the processes through which identity is formed within an organization. To this end, they apply a constructionist approach and study the sensemaking processes of organizational members (Gioia & Chittipeddi, 1991). Within the interpretivist tradition, Weick (1995) positions sensemaking as "about authoring as well as interpretation, creation as well as discovery" (p.8) to emphasize members' construction, or "enactment" of their environment (p. 30) and the structures that
Constrain and enable their actions (p. 31). Organizational identity constitutes one of the elements of this structure that, through path dependencies and historical commitments, restricts the available choices for organizational action (Whetten, 2006). On the other hand, unlike the social actor conceptualization of identity as an objective, measurable construct, identity in the social constructionist view allows for more ambiguity with a dual nature with both labels and meanings (Gioia et al., 2000; illustrated in Corley, 2004; Corley & Gioia, 2004; Pratt & Rafaeli, 1997): While the label, as the structural aspect of identity constitutes its symbolic part, an active sensegiving that seeks to influence members' sensemaking (Gioia & Chittipeddi, 1991) can reinterpret this structure (Gioia et al., 2000) and reshape the organizational context to allow change and flexibility of meanings, and thus, of identities (Corley & Gioia, 2004).

2.5.1 Identity across levels

The social constructionist perspective similarly takes its cue from the construct of identity at the individual level: Methodologically, individual identity provides a familiar construct that helps organizational members easily grasp, and elaborate on the meaning of organizational identity (Gioia, Schultz, & Corley, 2002), and theoretically, this connection underlines the interactive processes by which identity is formed at both levels (Gioia, 1998). Theoretical underpinnings for this conceptualization may be found in Wiley (1988), who proposes an "emergence and feedback" mechanism across sociological levels, which allows for the formation of new levels or new social realities to counter a "levels imperialism," (p. 260) which suggests a closed, static hierarchy among social structures. After introducing an "interaction level" between the individuals and the society, Wiley (1988) discusses a potential "organizational" level. In contrast, Weick (1995) argues for a distinct level of "organizing" which balances the variation created in dyadic "interactions," and the control from "social structures," through continuous conversation that allows for the creation of shared understandings and meanings among organizational members (p. 75). Following this line of thought, social constructionist perspective defines organizational identity as emerging out of organizational members' shared beliefs (Corley et al., 2006), constantly negotiated (Ashforth & Mael, 1996), and essentially an ongoing work-in-progress (Gioia et al., 2000). In this subjective approach,
identity resides within organizational members whose shared beliefs determine its *centrality, endurance, and distinctiveness*: An organizational attribute is *central* and *distinctive* if members agree that it is central and distinctive, and it *endures*, or remains uncontested, as long as members can affirm its external validation (Gioia et al., 1998).

### 2.5.2 A continuous identity

Despite the *shared* nature of identity, however, social constructionist perspective recognizes that managers hold a privileged position in organizations (Gioia et al., 1998), "with a greater potential to influence the thinking and actions of others" (Ashforth, Rogers, & Corley, 2011: 1146), which justifies a dominant empirical focus on the beliefs, interpretations, and perceptions of members at higher levels of the organization (e.g. Clark et al., 2010; Corley & Gioia, 2004; Gioia & Chittipeddi, 1991; Gioia & Thomas, 1996; Golden-Biddle & Rao, 1997; Tripsas, 2009). Yet other studies may either combine insights from informants across a variety of levels (e.g. Battilana & Dorado, 2010; Dutton & Dukerich, 1991; Elsbach & Kramer, 1996; Gioia et al., 2010; Nag et al., 2007; Pratt & Rafaeli, 1997; Ravasi & Schultz, 2006), and focus specifically on the differences of observations across these levels (e.g. Brown & Humphreys, 2006; Corley, 2004; Humphreys & Brown, 2002; Rodrigues & Child, 2008), or report their case exclusively from the perspective of employees at lower levels of the organizational hierarchy (e.g. Fiol, 2002; Fiol & O'Connor, 2002). For instance, in an ethnography Gioia and Chittipeddi (1991) describe a strategic change initiative as it unfolds, from the point of view of the President in a public university. Starting from before the President assumes office and before the change efforts are implemented, their observations reveal a sequential process of sensemaking and sensegiving by the President, such as observing the organizational dynamics, signaling a vision, then gathering feedback, and re-energizing change, with corresponding sensemaking and sensegiving efforts by other members. Their ethnography also reveals a simultaneous, progressive trend where the managerial sensegiving involves increasingly larger audiences, ensuring support in an incremental way before moving forward to broader sets of stakeholders. In the opposite direction, Pratt and Rafaeli (1997) document bottom-up identity negotiations between day and night shift nurses in an attempt to assert control. Following a strike and a sudden
change in the number and nature of patients, night shift nurses advocate for a new, more appropriate identity in line with the acute care activities that dominate their time, while day shift nurses defend the existing, patient-focused rehabilitation identity. As a symbol that expresses multiple meanings of autonomy and prestige, "scrubs" become tools that night shift nurses employ to support their claims of increased responsibilities as health care professionals.

These examples explicitly focus on organizations undergoing major changes, due to internal or external factors. Change, especially according to the proponents of social constructionist perspective, constitutes a widespread phenomenon that cannot be considered as an anomaly, and should be taken as the norm for contemporary organizations in fast paced environments (Gioia, 1998; Gioia et al., 2000). On the other hand, even practices that promote flexibility and adaptability may be considered as a reflection of a consistent philosophy (Godfrey et al., 1998: p.285), and as an *enduring* element of organizational identity. Furthermore, as a boundary condition that mirrors the social actor perspective, studies with a social constructionist view often do not make any claims about the relatively stable periods between major changes. In an exception that emphasizes this boundary condition, Corley and Gioia (2004) report that despite the intense identity ambiguity and vagueness in meanings during the two year period around the spin-off that they study, a follow-up interview two years later reveals that the organizational identity has remained similar to the one at the end of this change process, despite the technological, innovative, and dynamic environment in which the organization operates. Such findings support the argument that phenomena that involve a more realistic mixture of change and stability across time may support the co-existence of both conceptions of identity in practice.

### 2.6 Integrating both approaches

The idea that organizations, and by extension organizational identities are formed through processes of social construction is equally well accepted by both the social constructionist and the social actor views (Whetten, 2006; Whetten & Mackey, 2002). However, once the identity is formed these two views disagree on what constitutes a significant contribution to our understanding of organizations through the study of organizational
identity: With a different set of research questions that focus on the practical implications of identity and its influence on behavior (Whetten, 2006), scholars adopting the social actor perspective often model organizational identity as if its formation or change has already concluded, or as if it remains static for the duration of the study, and apply matching methodologies (Gioia et al., 2000). In contrast, with an interest in the way these dynamic processes unfold, a social constructionist perspective often relies on case studies and ethnographies that can capture the interpretive schemas and meaning systems of members. In sum, as an extension of the ontological and epistemological differences between the two conceptualizations of identity as a stable, objective construct that can be inferred and measured through its reflection on behavior, or as a fluid, subjective construct to be observed through members' definitions of it, social actor and social constructionist views are also separated by scholars' choices about research design such as research questions, contexts, and phenomena to be examined. As a result, studies which feature a combination of these research design elements often reveal a co-occurrence of different conceptualizations of identity across time or space.

In a case study which covers almost three decades of a technology company, Ravasi and Schultz (2006) locate three disrupting changes in the environment: First due to low-cost competition, then to recession, and finally to competitors with a differentiation strategy similar to the focal organization. In response, managers rely on culture as a context, or a collection of raw materials to construct an identity "claim," which the authors classify as a reflection of the social actor conception of identity. Members then formulate identity "understandings" of these claims, also embedded in the organizational culture, which the authors consider to be a process closer to the social constructionist conception of identity. To push on these boundary conditions, Gioia et al. (2010) focus on the identity formation processes in a college, and discuss the impact of the absence of history, or any cultural context that managers or members can use for sensegiving or sensemaking. They identify a combination of mechanisms: Founders' vision helps categorize the organization within its environment, which delineates the available identity claims. Then sensemaking based on individuals' personal histories lead to negotiations among members, and to a consensus on the distinctive attributes of the identity. Finally, the organization as a separate, independent social actor "expresses" this tentative identity for external
validation through its member-agents. As a result, findings indicate that during identity formation, the complementarity between the two conceptualizations of identity is not merely a sequential ordering as Ravasi and Schultz (2006) observed, but a reciprocal, "mutually constitutive" relationship.

From a different angle of inquiry, Corley (2004) exposes an "identity differentiation," and the context dependent nature of the ways members experience and interact with organizational identity during a spin-off. Across the organizational hierarchy, members at different levels all tend to associate identity with their daily roles: Managers perceive identity as expressed through the organizational strategy, are attuned to discrepancies between image and identity, and attempt to introduce change formally through identity labels. On the other hand, members at lower levels of the hierarchy who rarely interact with customers or other external stakeholders, see identity as expressed in organizational culture, are disturbed with temporal inconsistencies between projected future images, past history, and the present reality. Change in identity, from this perspective, should be emergent as reflected in behaviors, actions, or the meanings associated with the labels managers provide. As a result, co-existence of social actor and social constructionist perspectives, in addition to a lack of clear boundaries between the two conceptualizations across the organizational hierarchy, support the view that such sharp distinctions between ontologies and epistemologies may be unwarranted, and unable to explain or predict real life phenomena.

With a similar premise of differences across levels in the organizational hierarchy, Rodrigues and Child (2008) apply a critical perspective to organizational identity, following the lead of a number of recent studies (e.g. Brown & Humphreys, 2006; Humphreys & Brown, 2002). Exploring the case of a Brazilian telecommunications company, they define "corporate identity" as a special "form" of organizational identity that serves managerial interests and represents their vision for the organization. With a constructionist ontology, the authors mention a potential variety in organizational identities held by coalitions other than the "leading group" of senior managers (p.889). On the other hand, without elaborating further on this idea they focus on the corporate identity, recognizing the salient role it plays within the organization. Despite the
constructionist ontology, the study relies mainly on formal documents and statements by managers as its data source, similar to methodologies with a social actor perspective. In addition, however, archival data from a union newspaper serves as an aggregate measure of agreement with, and of legitimacy granted to this corporate identity by organizational members. Within this framework, then, the role played by members is reactive instead of constructive, without proposing an alternative identity but through either legitimizing the corporate identity or opposing it to pressurize for change (pp.893, 896, 901).

In addition to their theoretical insights, studies such as the Rodrigues and Child (2008) case that combine ontologies with methods and data sources used more frequently by the opposing conceptualization of identity (Foreman & Whetten, 2016: 56) provide precedents that only follow the specific requirements of their research questions, at times stepping outside the boundaries of typical matches between theory and methods from the literature. In my study, corporate apologies, as statements issued on behalf of the organization, are formal accounts of past behavior and future-oriented commitments, reminiscent of an objective organizational identity. On the other hand public accusations and corporate apologies, as well as newswire reports on them, only provide a social construction of the past including the event that triggers the apology, circumstances surrounding it, harm inflicted on victims, responsibility attributed to the organization, its past record of similar events, etc. And yet, as a secondary data source newswire reports on corporate apologies do not contain any direct information on member perceptions of the organizational identity, as often turned to by the social constructionist view. Despite these apparent discrepancies however, my research question specifically addresses the impact of corporate apologies on organizational identity: Either as formal commitments to change that reflect organizational identity itself as per the social actor view, or through the sensegiving mechanisms that influence a gradual shift in member sensemaking discussed within the constructionist view, apologies have the potential to contribute to a change in organizational identity. Moreover, as will be discussed in detail under methods, my data source consists of media coverage on corporate apologies that both report and shape public discussion, as “forums in which stakeholders provide, directly or indirectly, accounts and rationales for their positions during controversies” and at the same time allowing “framing or agenda-setting” by the media (Patriotta, Gond, & Schultz, 2011).
This dual role of an impartial provision of facts and of sensegiving (Lange & Washburn, 2012) can similarly be applied to either conceptualization of identity, interpreting the data as a medium that propagates the formal corporate statement, or as a source for sensegiving that influences member interpretations of identity. In sum, instead of applying an established set of theory and methodology, I will combine theoretical insights and follow methodological examples that, albeit unfamiliar, do not conflict with any assumptions in the literature. In turn, this unfamiliar pairing will help me address my research question with more precision than would be possible with any existing model.

2.7 Introducing apologies to organizational identity

Within the consensus assumption that normalize the status quo and presuppose stability (Burrell & Morgan, 1979: 14), any attempt at change can be problematic: In addition to sources of inertia mentioned earlier, such as members' need for stability and tendency for identification, cognitive and behavioral barriers, and the 'core-ness' of identity that makes it resistant to change, through a "double-looped process" (Gioia et al., 2013: 136) identity is further reinforced by filtering the information that will be processed by the organization. In contrast, the critical approach, as illustrated in the Rodrigues and Child (2008) example above, questions the assumption of consensus and the exclusive focus on shared beliefs and agreed upon identity claims prevalent in the identity literature. However, it instead assumes a constant struggle for dominance among groups with essential, static conflicts of interest. Within this premise, change becomes merely a means of achieving higher influence in decision making and greater control over resources within the organization under a zero-sum assumption, serving or undermining the interests of opposing subsets of coalitions (e.g. Biggart, 1977; Brown & Humphreys, 2006; Rodrigues & Child, 2008). Such a conceptualization of change leaves little room for shifting interests and emerging alliances inside the organization or across its borders, and does not consider cases without inherent conflicts, or temporary alliances among coalitions with different and varying, but not diametrically opposed interests.

With observations spanning a decade, Dutton and Dukerich (1991) illustrate these flexible alliances within the Port Authority and across its borders: Supported by management, two initiatives that strongly resemble the solutions to which the
organization eventually acceded in 1989, were taken as early as in 1982. However, with the appointment of a new director this managerial support turned into a mandate to "run [it] like a business." In time, members were feeling the pressure from the identity threat posed by negative media coverage, while management still opted for an arms-length approach. As the negative coverage started to eclipse flagship projects with large budgets, management reluctantly decided to take upon the responsibilities of other organizations in a result-oriented approach. Although appreciated by members, this approach also attracted criticism about "stretching the mandate" of the organization and allocating its resources to unrelated activities. Questioning of the organization's involvement in projects outside its area of expertise in turn shaped the reserved managerial response in subsequent stages, resulting in a "silent advocate" role. During the same period, across organizational borders, early allies from the police force later entered into a conflict of interest with the repeal of an antiloitering law that subjected officers to liability.

Meanwhile consumers, who initially complained about the people who "smelled and looked dirty" and demanded that someone "do something about" it, were later outraged by the Port Authority's "inhumane" regulations that threw people out on the streets in the cold of winter. Finally, as the organization insisted on backing and financing solutions that fit its strategy, relations with organizations that initially opposed these plans later assumed a collaborative character.

Shifting interests and potential for alliances among stakeholders inside and outside organizational boundaries suggest that a sufficiently strong impetus can align the interests of the entire organization due merely to their shared attribute of organizational membership. This impetus may emerge following a scandal, an organizational misdeed, or an oversight that leads to a crisis and that produces a widespread negative reaction in the external audiences of the organization. Such external criticism can pose an identity threat (Elsbach & Kramer, 1996), and create negative emotions in members (Harquail, 1998). As a response, members can engage in cognitive tactics to frame the situation in a different way if the situation provides a sufficient level of uncertainty over responsibility and culpability (Lange & Washburn, 2012). If such cognitive flexibility is not possible, Dejordy and Creed (2016) list the options available to members as leaving the organization, or remaining to work for change. Under these circumstances, a change in
organizational identity that might otherwise present considerable risks to the survival of the organization despite careful planning and implementation (e.g. Corley & Gioia, 2004; Fiol & O’Connor, 2002; Nag, Corley, & Gioia, 2007; Tripsas, 2009), can become a viable option that garners the support of a majority of organizational members.

To better understand the context around the organization during such times, I will next present the empirical and theoretical foundations of studies on corporate apologies. As I will attempt to form connections with the organizational identity literature, my purpose will be to combine two concurrent drivers of change in organizations, facing public criticism that weakens identification and proposes an alternative identity, in a synergistic way that offsets each other’s inertial tendencies.

3 Corporate apologies

Apology is more than an acknowledgment of an offense together with an expression of remorse. It is an ongoing commitment by the offending party to change his or her behavior. It is a particular way of resolving conflicts other than by arguing over who is bigger and better. It is a powerful and constructive form of conflict resolution, embedded, in modified form, in religion and the judicial system. It is a method of social healing that has grown in importance as our way of living together on our planet undergoes radical change. It is a social act in which the person, group, or nation apologizing has historically been viewed as weak, but more than ever is now being regarded as strong. It is a behavior that requires of both parties attitudes of honesty, generosity, humility, commitment, and courage. (Lazare, 2004: 263)

In interpersonal settings, an apology in its simplest form includes the acknowledgment of an offense, and an expression of sorrow (Tavuchis, 1991: 36), with additional components that are either explicitly mentioned or implicit in the expression of sorrow such as a commitment to reform, remorse, regret, guilt, shame, acceptance of responsibility, asking for forgiveness, clarifications and explanations, and offers of reparation (Hearit, 2006: 69). With a focus on their social function, Goffman (1971: 108)
places apologies among "remedial interchanges" that help reproduce social norms and reaffirm actors' adherence to them. Accusations that precede apologies, either formal or informal, are more interested in the latent intent behind the act rather than merely its consequences, as an indication of the offender's future disregard for the rules (p.102). Intent constitutes one of the possible meanings of responsibility, similar to mens rea, i.e. the "guilty mind" in law, in addition to other meanings of responsibility such as direct causation, compensation, or prior knowledge (p.98). However, concerning the remedial work with the aim of reestablishing public order (p.108), responsibility becomes less technical and instead socially constructed based on ostensible cues (p.106). Recalling the Dutton and Dukerich (1991) study, despite the Port Authority's lack of direct involvement with the root causes of rampant homelessness in the area, it was still held responsible for a solution to the problem, at least within the boundaries of its facilities. Meanwhile in 2008, leaders from the banking sector insistently interpreted the global financial crisis as an incident outside their individual influence or control, without taking responsibility for their incremental contributions to the recreation of a complex, tightly coupled system with limited slack and thus prone to catastrophic failure (Perrow, 1984: 88, 93-4).

A fluid conceptualization of responsibility allows alleged offenders to construct alternative versions of their responsibility in their defense (Goffman, 1971: 106) through the "performative utterance" of an account, or an apology1 (p.101). Accounts claim a less offensive motivation behind the act by constructing another narrative around it, while apologies distance the present "self" from the past "self" who committed the act, and reaffirm a correct attitude from now on toward the norm that was violated (p.118), thus hoping to be "accepted back" into the society (p.107).

1 A third remedial interchange, "request," typically occurs before the offense, and involves exchanges such as "excuse me, could you pass the salt?" (Goffman, 1971: 114-5). Corporations may also engage in similar communications such as end of service notices, or announcements about upcoming changes in customer policies. However, their planned nature and differences in the temporal sequence of communication and offense places them further apart than "apologies" and "accounts," so the current analysis will only focus on these two.
"Apology" is often used as a generic term that applies to all types of remedial work. However, critical distinctions exist between them. Accounts, a type of remedial work as an alternative to apologies, provide a new context for the offending act in an attempt to change audiences' inferences about the offender's character into an acceptable one: A character that maintains a correct attitude toward social norms (Goffman, 1971: 112). Thus, based on the same past behavior the accusations and the account infer different readings of the offender's character, which should be either reprimanded or accepted at the present, due to expectations of either disregard or adherence to norms in the future. Meanwhile apologies, instead of challenging the interpretations of past behavior, challenge the implied consistency of the character, and claim to have a new one (p.113). Thus, apologies imply a split of the self, as the ritual of a change of heart (p.116) where the present self condemns and detaches itself from the past self that committed the offense, with the implication that it will maintain a correct attitude toward social norms in the future.

Recalling the discussion in the introduction on genuine apologies, a "split" at the organizational level would correspond to a sudden change in organizational identity that can be detrimental to the organization (Whetten, 2006). As such, despite the widespread use of the term "apology" to represent all remedial work, and "corporate apology" all organizational statements following a negative event, during my data collection it became evident that corporate apologies are predominantly accounts that contest implications about enduring negative attributes in audience accusations, as processes of social construction of responsibility and subsequent inferences about the organizational identity apply similarly to accusations and "apologies," or accounts, at the organizational level.

Public accusations often originate in the press where media reports, just as statements from the corporation or regulatory bodies, engage in sensegiving about the event and the role played by related parties (Lange & Washburn, 2012), thus contributing to the social construction of the offense, and establishing the moral responsibility of the organization (Greve et al., 2010: 84). News of recent negative events may include mentions of similar incidents in the past, either by the same organization or within the same industry. Additionally, if the event has well known causes or widely shared beliefs about them, the
media can directly attack the identity of the organization referring to these well-established links between the observable facts and the alleged intent behind them. As a result, behavior that is perceived as a clear violation of social norms can attract severe reprimand, damaging the \textit{(perceived) image} (Foreman et al., 2012), however a firm with a clean record is still less likely to be seen as morally responsible for an offense (Lange & Washburn, 2012). As an example, during a busy Christmas season in 2013 Target announced that credit card and identity data was stolen from customers who shopped at its stores within the last few weeks (D'Inocenzio & Fowler, 2013). In addition to potentially exposure to fraud, customers' personal information was also compromised because of the company's failure to protect private data with which it was entrusted. However, an account that detailed company efforts over the last decade to change industry norms as a precaution against precisely this kind of eventuality, with the restatement of a customer centered identity based on trust and confidence, helped the company mitigate attributions of responsibility in negative responses and accusations. Likewise, in response to a fatal listeriosis outbreak, Maple Leaf Foods provided an account that emphasized its identity, a "culture of food safety," even more, clearly distancing the event from any possibly intentional behavior by the organization, thus regaining acceptance from consumers (Noronha, 2008).

In evolutionary terms, apologies make a promise about future compliance with shared norms, to induce the offended party to reestablish connections and resume cooperation at the present (O'Hara & Yarn, 2002). Within this dynamic, the ability to detect deception and evaluate \textit{sincerity} grants considerable advantages through cooperation with reformed offenders, without being fooled by cheaters. As a result, this "uncanny" ability to detect insincerity constitutes a common trait among humans (e.g. DePaulo, Zuckerman, & Rosenthal, 1980), however it cannot be applied to the evaluation of corporate apologies since organizations cannot be sincere (Tavuchis, 1991: 117). Case studies, as well as editorials and commentary on public apologies often circumvent this issue through proxies such as the spokesperson's \textit{sincerity} (e.g. Benoit & Brinson, 1994; Brocato, Peterson, & Crittenden, 2012; Choi & Chung, 2012), or objective evidence of corrective action (e.g. Hearit, 1995), as a measure of the positive evaluation and acceptance of corporate apologies (Fuchs-Burnett, 2002; e.g. Shapiro, 1991; Xie & Peng, 2009).
As opposed to this empirical approach through individual level operationalizations, theoretical studies argue that public expectations of sincerity do not apply to apologies at the organizational level, and that even blatantly insincere apologies can be effective (Lazare, 2004: 118). According to this view, the ritual of "public confessional" confirms future conformity with norms (Hearit, 2006: 216), and the fact that the apology is on record ensures that it will be effective in its function of reconciliation and repair (Tavuchis, 1991: 109). This clarification helps make the distinction between individual and organizational levels, by explicitly avoiding an anthropomorphic conversion suggesting an 'organizational sincerity,' or a reification by treating the spokesperson's emotional state as somehow indicative of the organization's future behavior.

Rather than theoretical underpinnings of the phenomenon however, literature on corporate apologies is mainly focused on extracting consistent and demonstrable correlations, through the impact of specific components, dimensions, and properties of the apology ritual on its subsequent acceptance by the public and success in restoring the company image (e.g. Benoit & Brinson, 1994; Benoit & Drew, 1997; Coombs, 2007; Harter, Stephens, & Japp, 2000; Hearit, 1995; Koehn & Goranova, 2014; Lange & Washburn, 2012). As such, the multilayered meanings and structural variations at the individual level (Goffman, 1971: 166-83) are directly transferred to corporate apologies, scrutinizing the subtleties in spokespersons' expressions, choice of words, and the context of corporate apologies in order to detect components shared by well-received apologies, such as expression of sympathy (Coombs & Holladay, 2008), respect (Koehn, 2013; Xie & Peng, 2009), honesty and a consistent discourse (Benoit, 1997), and a voluntarily delivery (Cohen, 1999) by the CEO (Coombs & Holladay, 2012).

At the individual level, the ritualistic role of apologies seeks to remedy the wider offense committed against the society by the violation of its norms (Hearit, 2006: 37) as opposed to the restitutive role that targets the offended parties in an effort to make amends (Goffman, 1971: 116). For companies, this ritualistic role may have far greater implications, both positive and negative, than the restitutive one: On the plus side, the benefits from an authentic, unequivocal commitment of future adherence to social norms may easily offset any financial damages and liabilities due to the assumption of
responsibility (Cohen, 1999). In a case study on Maple Leaf Foods, Gandz (2012) tracks how the impact of a fatal listeriosis outbreak reaching $37 million in losses, including settlements in class action law suits, were successfully mitigated within the next year. Compensating for the considerable short-term losses, a continuous, transparent exchange of information with the public ensured that the company quickly regained consumers' confidence, recovered its reputation, and its financial losses. On the other hand, disregard for ritual can be equally damaging, despite any restitution that may follow. At a recent congress hearing in response to an incident at United Express Flight 3411, several airline representatives faced harsh criticism, and a pressure to implement new policies under the threat of new regulations, that may substantially increase their costs (Zumbach, 2017). This case vividly illustrates the negative impact of an initial victim blaming, despite many subsequent apologies (McCann, 2017) and a generous restitution toward both the offended party and the broader consumer base (Mutzabaugh, 2017).

3.1 Applying an organizational identity lens

At the individual level, an apology at its core needs to convey sorrow, with the implication or explicit commitment for future adherence to norms (Goffman, 1971; Tavuchis, 1991). Sorrow, or "seeing the offender suffer," helps restore the balance (Hearit, 2006: 209; Lazare, 2004: 61-4), while a commitment of future adherence to norms ensures mutually beneficial exchanges (O'Hara & Yarn, 2002). Then, through the components of sorrow and commitment, the function of an apology is to remedy past injustices, and reestablish cooperation, to eventually forgive, heal, and resume the relationship (Lazare, 2004). However, organizations are unable to feel sorrow or be sincere, thus they cannot suffer either. On the other hand they can incur costs, where financial loss replaces suffering at the individual level as a structure that supports the same function of establishing justice. Hearit (2006: 209) hints at this metaphorical translation between structures of suffering and material loss that both fulfill the function of justice, characterizing compensation as the organization's "own form of suffering." In addition, this suggests that the practice of restitution may have been translated back to the individual level, a practice that historically remained absent from interpersonal apologies (Hearit, 2006: 209). In that sense, even in interpersonal cases where the offender is
incapable of experiencing sorrow, and suffer through remorse or empathy, compensation may be the only structure to support the function of justice, and may apply to both individuals, and corporations, that Tavuchis (1991: 43) defines as "sociopathic."

The second function of apologies, commitment for future adherence to norms, creates a challenge: The singular source of agency at the individual level, responsible for both the sincere expressions of sorrow and commitment at the present, and for actual behavior in the future, ensures consistency within different social settings and across time. In Meadian terms (1934), the apology would signify a different arrangement of "generalized others" to form a different "me," that together with the "I" that responds to this new "me," forms the new "self." In contrast, at the organizational level, multiple sources of agency varying both spatially and temporally, renders the personal sincerity of any single member or spokesperson moot in predicting the present or future behavior of other members. Nonetheless, organizational identity can serve as an organizational level structural equivalent of sincerity, ensuring consistency among members (King et al., 2010) and across time (Whetten, 2006: 225), thus, fulfilling the function of commitment for future adherence to norms.

This idea is implicitly suggested by Tavuchis (1991: 101) as the mechanism behind the remedial capacity of being "on the record," through the binding power of formal statements and commitments. Without the stabilizing effects of organizational identity to substitute for sincerity at the individual level, the mere utterance of commitment in this mechanism could not ensure a similar consistency and coherence across time and among members, and fail to satisfy public expectations. Instead, supported by central, enduring, and distinctive features of an organization, identity can impose a normative imperative similar to the "moral responsibility" at the individual level (Goffman, 1971: 99), with members referring to this identity in their decision making (King et al., 2010: 296) through a "logic of appropriateness" (March, 1997: 17).

Within the crisis management literature, scholars focus on many of the neighboring constructs within the nomological network around identity: In one of the early taxonomies based on case studies Benoit (1997) classifies image restoration strategies
available in times of crisis, Coombs (2007), focusing on reputation, builds on this idea to propose causal links between crisis characteristics and stakeholder reactions, while Hearit (1995), with an ethical approach, introduces corporate social legitimacy (Dowling & Pfeffer, 1975) as the source of the crisis that leads to the apology. Yet, the acute nature of crises and the fast response that audiences expect from organizations restrict the scholarly attention to identity itself, despite the close links between image, reputation, and legitimacy and organizational identity.

Despite the practical limitations due to the temporal misfit between the short-term crisis responses and the long-term identity, the stabilizing effects of organizational identity can actually help explain the puzzling, and persistent resistance to apologies among some corporations. Dismissing the prevalence and practical benefits of apologies, managers may still prefer denial as their first choice, considering apology only as a response to public pressure (Lazare, 2004: 40). As a textbook example, a recent United Airlines case where a passenger refused to give up his seat and was forcibly taken out, illustrates the use of "attacking the accuser" and "bolstering" tactics (Benoit & Drew, 1997) as an initial response, by calling the victim "disruptive and belligerent" while commending employees for going "above and beyond to make sure we fly right" (McCann, 2017), in other words, employing strategies known for the last two decades to be the least appropriate, and the least effective choices as crisis responses (Benoit & Drew, 1997), with predictable results. Cohen (2004) suggests both financial and cultural explanations, that corporate legal counsel may favor denial to mitigate potential liabilities, while victims' counsel may favor it due to potential commissions from large settlements (Cohen, 2005), in addition to a prevalent "macho ethos" among lawyers that cannot even accommodate the idea of a humble apology (Cohen, 1999: 1042-6). This explanation provides an example of how a central feature of organizational identity can be a source of resistance to change, through its enduring properties that, within a now obsolete normative context, would be considered as a distinctive, positive trait. Generalizing from this argument based on an observation from the field of legal advice available to companies to companies themselves, a similar mechanism may explain the managerial reluctance to apologize: Despite the widespread acceptance of the practice, in organizations espousing values from previous decades, managers may find it difficult to
reconcile apologies with the existing organizational identity, and use them only as a calculated move and as a last resort. Alternatively, persistence of denials may be explained directly as a defensive mechanism against identity threats: As a response to the devaluation of identity dimensions, members may engage in defensive cognitive tactics that develop alternative categorizations to highlight positive dimensions and more favorable comparison groups (Elsbach & Kramer, 1996). In the case study on Intel, Hearit (1999) describes the severe managerial reluctance to even acknowledge, let alone apologize for, a faulty processor prone to miscalculations, which constitutes an identity threat toward a core competence of the organization, and the main component of the organizational identity (Reger et al., 1998: 142).

In sum, the stability and inertia of organizational identity makes it less manageable than the neighboring constructs of image, reputation, or legitimacy, since identity may often present a hindrance to crisis management efforts due to its enduring qualities, in a time where a swift response is needed. This can explain the current absence of identity in the crisis management literature. On the other hand by relaxing the assumption that identity cannot change quickly, rather than a liability that hinders incremental crisis management efforts, identity can become the main component of a successful crisis management effort, where through a fundamental change it can provide an accurate, and satisfactory response to public demands for a genuine apology.

### 3.2 Organizational accounts, and organizational apologies

While organizational identity literature presents several instances of identity change, they often occur as a result of long-term strategic initiatives from managers (e.g. Gioia & Chittipeddi, 1991), and through mechanisms such as a gradual "pull" to a desired future image (e.g. Gioia & Thomas, 1996). In the event of a crisis, with unexpected accusations from external stakeholders and an abrupt public demand for change, such planned, long term, and incremental changes may not offer a satisfactory answer to these immediate demands. At the individual level, rather than a gradual, incremental pull toward a desired future, an apology provides a sudden "push" from an undesirable past (Goffman 1971: 113-4), which, according to the literature on organizational identity, would be either
impossible to achieve due to identity's inertia, or a dangerous attempt due to the sudden nature of the change that would incur tremendous costs to the organization (Whetten, 2006), and severely undermine members' need for stability (Gioia et al., 2000). One such instance may be found in the broad scale product recall, attribution of responsibility in numerous deaths, and the subsequent apology issued by General Motors in 2014. Company faced allegations of prior knowledge for 10 years about a malfunctioning part linked to several fatal car accidents, and public accusations described these fatalities as a direct reflection of the organizational identity, as "the cost of doing business GM style," even until the day it issued an apology during a Congress hearing (Eisenstein, 2014). While short of a clear admission of responsibility over the deaths of its customers (Mathes, 2014), the apology expressed a clear, distinct shift in the organization's identity, moving "from a cost culture to customer culture," specifically acknowledging multiple internal and external stakeholders, and the strong support this change receives from members at all levels of the hierarchy (Barra, 2014).

Despite the rarity of such genuine apologies, defined as accompanying a change in organizational identity, as a midway solution accounts that include references to the organizational identity may be interpreted as an acknowledgment of the public expectation for a genuine apology, and as statements that attempt to provide an explanation for the lack thereof. Revealing the patterns of conditions that seem to urge organizations to issue such statements with references to identity, can inform the direction for future research that might further unpack this mechanism.

In the next section I will explain my research design through my choice of QCA as the method of analysis and a suitable tool to answer my research question, data and sample characteristics, and through decisions taken during intermediate analyses with justifications based on available theory and empirical evidence. I will then interpret and discuss my findings, before concluding the study.
Chapter 3 Methods

4 Research design

4.1 Methodological considerations

I have so far illustrated the possibility of undergoing a change in identity in organizations facing a public demand for an apology, based on the mechanisms taken from the organizational identity and apology literatures. These mechanisms of change either exclusively focus on slow and gradual life-cycle progressions or study teleological implementation through purposeful, planned strategic initiatives, and do not readily consider change triggered by an external, public demand. Literature contains studies that illustrate how such demands can work through an indirect mechanism where the public reaction urges internal members to advocate for change inside the organization, and triggers managerial considerations for the implementation of a strategic initiative informed by the public demand. The classic Dutton and Dukerich (1991) case provides an example that shows the increasing internal calls for change as public criticism becomes more and more pressing. Following this mechanism, while the organization eventually undergoes a change as a response to the initial demands, taking into consideration the speed with which an organization needs to respond to crises, such a lengthy process would still lead to dissatisfaction among external audiences that demand a change, at least an initiative or commitment to change, in a timely manner (Hearit, 2006: 64).

As an alternative, I proposed a shorter process where the information contained in the public reaction accelerates the managerial deliberation and provides a signpost for the direction and the target of the strategic implementation. However, as a source of information such demands need to be screened and evaluated as to their strategic value.

At this point, my broader question was:

*Under which combinations of conditions is a corporate public apology with a change in organizational identity warranted?*

Both literatures that contributed to my understanding of the phenomenon rely heavily on single case studies, to better illustrate the intricate processes that influence decisions and
behavior, and shape the consequences. The proposed underlying mechanism for the research question also centers on the strategic value of public reactions, where a multitude of factors involving the characteristics of the event, accusation, and apology work in conjunction. Recognizing this multitude of factors that interact in complex ways, I selected qualitative comparative analysis (QCA) to guide my methodology, and extract patterns, or configurations of conditions within relevant constructs in the data.

Combining the organizational identity and apology literatures with a strategic lens, the analysis needs to take into account a collection of constructs from different literatures and at various levels. The variety in the conditions also supports the choice of QCA as a suitable method: With set membership as a unit of analysis, to be discussed further below, QCA does not discriminate between levels of analysis (Lacey & Fiss, 2009), and fits well with a study on corporate apologies, involving a considerable variety in levels among relevant constructs (Frandsen & Johansen, 2010: 435).

Theoretical expectations about causal relations for the mechanisms involved in the phenomenon of interest should also guide in the selection methodology (Schneider and Wagemann, 2012). QCA operates under a conjunctural assumption of causality (Berg-Schlosser et al., 2008), where factors influence the outcome not in isolation, but in combination. This assumption also fits the domain of corporate apologies well: The observation of a negative event triggers a public reaction that takes into account event, observer, and firm characteristics (Lange & Washburn, 2012). Without a clear causation or irrefutable evidence, as can be frequently encountered in organizational misbehavior, the attribution of blame consist of a negotiation between internal members and external audiences where a multitude of factors are considered in making inferences for the reconstruction of the event, or in defense of the company (Goffman, 1971). In turn the organization responds to these allegations with a statement that would ideally restore the company's image (Benoit, 1997), while balancing event and accusation characteristics, and keeping in mind a variety of institutional norms and stakeholder expectations (Coombs, 2007).
Another assumption of causality, *equifinality*, corresponds to the existence of multiple possible pathways for the same outcome, and *asymmetric causation* recognizes that a co-occurrence between two factors cannot be extrapolated to their mutual absence (Berg-Schlosser et al., 2008). Concerning *equifinality*, the observed outcome, a reference to organizational identity in the 'apology,' can be explained as an image restoration strategy, or a recognition of a demand for a genuine apology as argued here. As such, the proposed mechanisms and their interpretation presume a variety in the meaning and purpose of references to organizational identity, and rely on the *equifinality* assumption. In contrast, these arguments do not propose an opposite mechanism for the absence of references, where the combined influence of accusation, event, and 'apology' characteristics may still reveal patterns that suggest a demand for change and a pathway for a potentially informative public reaction, with an implicit recognition of a demand for change by the organization that nonetheless substitutes a reference to its identity by another component, e.g. sorrow, shame, compensation, etc. in its 'apology.'

The fit between the mechanisms discussed in the apology literature and the causal assumptions of QCA provide a methodological justification, whereas such a comparative case analysis would also introduce theoretical advantages, and new opportunities to expand the existing body of knowledge in the identity literature.

### 4.2 Theoretical considerations

Ontologically, identity in general and organizational identity in particular possess a relational, comparative nature, a consensus shared by all conceptualizations of organizational identity (Gioia & Hamilton, 2016). The *distinctive* aspect specifically brings to fore comparisons between similar organizations, that maintain their legitimacy through a simultaneous conformity with broader norms (King & Whetten, 2008) and a differentiation, disassociation, or an adversarial distancing of their identity with respect to the "other" (Bartel, Baldi, & Dukerich, 2016; Brewer, 1991; Elsbach & Bhattacharya, 2001). Despite this ontological justification however, only a handful of case studies focus on identity in more than one organization (Foreman & Whetten, 2016). Single case studies constitute a majority of the body of research on identity, where through the purposeful selection and examination of the processes of change they reveal valuable
information about those processes. Meanwhile, their focus on "extreme cases" impede the generalizability of their insights in the absence of any comparisons to cases without change, and reduce their contributions to the understanding of the properties and capabilities of organizational identity (Foreman & Whetten, 2016).

The few examples of comparative case studies often conduct in-depth studies on a few cases from the same industry: Fox-Wolfgramm et al. (1998) for instance investigate the different responses to increasing institutional pressure of two banks that correspond to the "prospector" and "defender" strategic orientations from the Miles and Snow typology (Miles, Snow, Meyer, & Coleman Jr., 1978), while Battilana and Dorado (2010) compare two microfinance institutions to reveal the significant contributions of the development and infusion of organizational identity among members through formal and informal initiatives. Such categorical similarities between the organizations under comparison can function as an experimental control and help focus only on the fewer number of differences. On the other hand, the social construction of identity would be expected to make it more analogous to the actor-centered conceptualization of competition, influenced by less formal, and more cognitive definitions of a "frame of comparability" (Porac, Thomas, Wilson, Paton, & Kanfer, 1995). In this regard, a larger breadth of comparison might be required to formulate accurate generalizations concerning the nature of organizational identity, its formation, or possibility of change.

In the current study, I combine 'typical' and 'diverse' case selection strategies (Gerring, 2006) to obtain a medium sized (N = 31) sample of company-apology pairs. Based on a comprehensive survey of a population of 1141 cases, this research design reflects the observation that facing a negative public reaction and legitimacy concerns applicable across industries, organizations would model prominent apologies from different industries (captured by the 'diverse' strategy), and external audiences would consider well-known cases (captured by the 'typical' strategy) as positive or negative benchmarks to evaluate the focal 'apology.' While the cross-sectional data cannot provide any direct observation of change in organizational identity, familiarity with each case through an extensive collection of information spanning a longer time frame allowed me to interpret the patterns in the data as indicative of the presence, absence, or the advisability of a
potential for change. As a result, an inclusion of both the presence and absence of the outcome offered a wider perspective on the antecedents of, and the boundary conditions for the phenomenon of interest.

5 Qualitative comparative analysis

QCA was initially conceived as a method that can fill the gap between small-N (less than 10) qualitative case studies and large-N (more than 50) quantitative statistical analyses (Greckhamer & Mossholder, 2011). For this reason, it has been referred to as "quali-quantitative comparative analysis" by some QCA scholars to emphasize the flexibility it presents in combining constructs from previously incompatible methods (Rihoux, 2003). On the other hand, it uses a fundamentally different logic than both of these methods: Instead of focusing on the impact of independent variables on the variance in a dependent variable (Rihoux, 2003), or observing processes through which a phenomenon of interest occurs (De Meur, Rihoux, & Yamasaki, 2008: 159), QCA investigates the combined impact of multiple factors on the presence or absence of an outcome, with an assumption of causal complexity (Fiss et al., 2013). This assumption consists of three elements: **equifinality**, **conjunctural causation**, and **asymmetric causation** (Berg-Schlosser et al., 2008: 8-9). **Equifinality** allows for the existence of different paths leading to the same outcome, such as both low cost and differentiation strategies leading to high performance (Fiss, 2011: 398). **Conjunctural causation** examines the impact of factors in combination, such as the interdependence of industry munificence, in conjunction with corporate diversification, leading to superior business-unit performance in the manufacturing sector (Greckhamer et al., 2008). **Causal asymmetry** accounts for the non-linearity of the causal links between factors, without assuming that the inverse of a cause would lead to an inverse effect. Bell, Filatotchev, and Aguilera (2014) show that a high perceived value of foreign IPOs can be explained by the presence of strong legal protection in the firm's home country, but the absence of legal protection can also lead to either a high or low value, depending on firm level factors. In the previous sections I have proposed that a firm may acknowledge a public demand for a change in organizational identity and refer to this demand in its apology, but the demand may be motivated by a violation of social norms, or by practical short-term concerns such as inconvenience (i.e. equifinality). In
addition, my argument depends on the combined impact of factors regarding the event, accusation, and apology characteristics to bring about an outcome (i.e. conjunctural causation), without the assumption that combinations of the absence of these factors could explain the absence of the outcome (i.e. causal asymmetry). My argument then builds on these three assumptions, justifying the use of QCA as a fitting method to analyze my data, and a fitting approach for my research design (Rihoux, 2003).

In a QCA each case is expressed as a configuration of conditions: Key factors such as causal variables, determinants, stimuli, etc. called conditions, and the outcome of interest analogous to a dependent variable, are analyzed as a group, or a configuration (Rihoux & Ragin, 2008: xix). In other words each case illustrates a configuration, a possible permutation of conditions, where the number of different cases that represent the same configuration can vary depending on the sample size and the number conditions included in the analysis (Berg-Schlosser & De Meur, 2008). These conditions, rather than independent variables, are conceptualized as sets, where cases are assigned membership scores to each set (Schneider & Wagemann, 2012: 3) such as 1 and 0 in the basic versions of QCA, meaning the case is a member of, or 'inside,' the condition set (1) or not a member, or 'outside' of it (0).

Once all cases are expressed as a series of membership scores, QCA employs Boolean algebra (Rihoux & Marx, 2013) to combine the information available in individual cases through logical minimization, using "AND," "OR," and "NOT" operators (Schneider & Wagemann, 2012: 44-7). For instance both Apple and Maple Leaf Foods referred to their organizational identity in their apologies, reminding the public of their past efforts to prevent the occurrence of an event similar to the one for which they apologized. On the other hand, the former was for a malfunctioning product, and the latter for a fatal food contamination. Considering only these two pairs of conditions, logical minimization would combine these two cases through the "OR" operator, and declare that membership or non-membership to the set of 'health hazard' for the event (condition) can explain membership to the set of 'reference to identity' in the apology (outcome). The software "fs/QCA" (Ragin & Davey, 2017) can apply this minimization to a larger number of cases and conditions than would be feasible by hand, and can extract solutions that
represent patterns in the data that consist of a logically minimized collection of configurations that can explain the presence or absence of the outcome (Schneider & Wagemann, 2012: 55). Following this introduction on the fundamental properties of QCA, I will now discuss specifics concerning the selection of my sample and conditions.

5.1 Data and sample

In their discussion of case selection techniques, Seawright and Gerring (2008) make the distinction between case studies that focus on a particular case and those that seek to understand the characteristics of a broader population based on a small sample of cases. Through this exploratory study I also aim to understand a broader population of corporate apologies, using the comparative techniques available through QCA, to explain my outcome of interest: the presence or absence of a reference to organizational identity in corporate statements issued following a negative event and as a response to an existing or potential negative public reaction. Although exhaustive, especially for set analysis techniques as for all empirical research, defining the outcome as clearly and fully as possible greatly improves the subsequent steps of the analysis, such as the case selection process in the current study (Berg-Schlosser & De Meur, 2008: 21).

The objective of generalization over a population imposes two requirements on the case selection strategies: representativeness, and variation on the dimensions of interest (Gerring, 2006: 88). Selection of cases constitutes a critical issue for QCA due to its case sensitivity: As a tool that seeks to extract patterns in the data, different solutions may be produced at the end of the analysis depending on the initial sample (De Meur et al., 2008). To deal with this problem, scholars recommend increasing the homogeneity of cases by limiting the variance in conditions outside of the scope of the investigation (Berg-Schlosser & De Meur, 2008), where the homogenization in case selection functions as an experimental control (Marx & Dusa, 2011). I followed this recommendation and extended the same strategy to the definition of my population, introducing boundary conditions that attempt to limit the variation in factors unrelated to the current analysis.
5.1.1 Population characteristics

To collect data on my population, I started by retrieving 8628 newswire articles from the Factiva database through the query:

apolog* and date from 20080101 to 20161231 and (rst=APRS or rst=LBA or rst=AFPR) and ns=CCAT

that searches for articles containing the string "apolog*," published between January 1, 2008 and December 31, 2016, by Associated Press, Reuters, or Agence France Presse, and with a subject categorized under "corporate/industrial news." I selected these criteria to define preliminary boundaries for my population of interest, and scope conditions for the findings. Such limitations are intended as theoretically driven and empirically supported sources of homogeneity in the population and subsequently in the sample, in order to improve the validity of generalizations and help deal with the case sensitivity of QCA (De Meur et al., 2008). In the subsequent steps, I introduced additional criteria to obtain a theoretically and empirically meaningful population, as I will discuss below.

The first parameter, which also reflects the definition of my phenomenon of interest, captures all company statements reported as apologies. I did not attempt to evaluate these statements based on any external criteria, instead relying only on the contents of the newswire which characterizes them as apologies, in a manner that both reflects, and shapes audience evaluations and public discussion on these statements. Accordingly, in the following presentation of the empirical part of my studies I will adhere to the terminology used in my data sources, where any such organizational statement is categorized as an "apology" independent of any theoretical differentiation between apologies and accounts, or of their later evaluation as "non-apologies." Specifically, the search string "apolog*" covers the noun "apology" in singular or plural, and the verb "apologize" in any tense or person. A string search that does not include synonyms may have limited the number of results, by excluding a random subset of cases or introducing a systematic bias in the search results. On the other hand, within the results for the string "apolog*" I did not observe any commonly used synonyms. Furthermore, in later stages as I conducted company-specific searches without the string "apolog*," I did not encounter any newswires that did not use the term "apology" to report on my
phenomenon of interest, namely, organizational statements issued following a negative event and as a response to an existing or potential negative public reaction. As such, my population includes statements that are reported precisely as "apologies."

I set the time interval from 2008 to 2016 due to its recency, and as a relatively stable period in terms of the relationship between businesses and the society in the aftermath of the 2008 global financial crisis and a steadily increasing use of social media. Dynamics of business-society relations lie at the center of the underlying mechanisms around my phenomenon of interest, corporate apologies: My arguments rely on observations of a response to an explicit or implicit public demand for an apology, based on which I infer a violation of social norms as distinct from any violation of laws or professional rules of conduct. Under these circumstances, any considerable shifts in the power-dependence relationships between businesses and the society may have an impact on the content and attributes, or even the presence of corporate apologies (Mitchell, Agle, & Wood, 1997). A similar concern also shapes the decision to only include for-profit organizations, reflected in the last parameter that returns results categorized under "corporate/industry news," with the assumption that governmental bodies and non-profits would be held to different standards and normative expectations with respect to their relationship with the society. As a result, when selecting a time interval and subset of organizations for my population I only included corporate apologies issued between 2008 and 2016.

Concerning the media outlets, I have restricted my sources to three global newswire services: Associated Press, Reuters, and Agence France Presse. Newswires profess to a level of objectivity and neutrality which contributes to the homogeneity in the data. Moreover, their global coverage provides a theoretically meaningful criterion: Instead of a geographical definition for the organization such as the country of origin or operation in a specific market, my population includes corporate apologies that feature in a global news publication, which suggests that these corporate statements are likely to be of interest to a global audience. Considering the proposed mechanisms involving a violation of macro level social norms, this criterion provides a boundary condition for the available data that accurately represents my theoretical framework.
Within the search results, to obtain a population that accurately represents my phenomenon of interest, I read these 8628 articles to manually remove false positives involving negative statements and comments on the absence of apologies (e.g. the company did not apologize," "should apologize," etc.), or reports referring to apologies issued in the past. For the latter, I noted the reported date of the company statement and checked my dataset to ensure that I had already included a prior report on the apology.

In addition to grammatical and temporary measures, by evaluating cases individually I was also able to introduce more specific criteria that helped me delineate a finer grained boundary for a theoretically meaningful definition of a population. In line with the understanding of organizational identity as an influence on member behavior on behalf of the organization (King et al., 2010), in the current study that attempts to study organizational identity with respect to corporate apologies, I only included apologies where the preceding event that triggered the apology consisted of an act taken on behalf of the organization, thus excluding apologies for individual misdeeds such as drunken behavior, hate speech, etc. While individual misbehavior especially by prominent members of an organization may negatively impact the organization's reputation, this mechanism remains outside the scope of my argument linking apologies to public demands for a change in organizational identity, a demand which would be unlikely to happen as a response to an individual misdeed unrelated to the organization's operations.

Reflecting the emphasis on the violation of social norms, and the conceptualization of an apology as remedial work (Goffman, 1971), I did not take into consideration apologies for unambiguous crimes planned in advance, such as fraud or embezzlement. When the apology accompanies judicial proceedings it acquires a different meaning, and loses its potential to repair broken social ties by itself. In addition, I excluded newswires that only included statements on apologies made in private, often to individuals (e.g. "we apologized to the family"), instead of reports on public apologies (e.g. "the company apologized for the mistake"). The former would also constitute an apology from many to one (Tavuchis, 1991: 90) with considerably different dynamics, and regardless of the recipient (i.e. individual(s) or a stakeholder/society in general) the public delivery of the
apology in the latter changes its meaning, and can have a considerable impact on the content of the apology (Tavuchis, 1991: 100-3).

Once I applied these criteria to the search results, I obtained a population of 1141 corporate-apology pairs. As an inclusive population based on a comprehensive search of newswires over a span of 9 years, the cases still exhibited homogeneity with respect to variables outside my theoretical framework due to the inclusion of these criteria.

5.1.2 Selection of cases

Following the specification of the boundaries of my population, I consulted case selection techniques in the literature, especially those that pertain to the selection of a subset of cases out of a larger available population. Berg-Schlosser and De Meur (2008) recommend selecting cases that first maximize homogeneity, to establish a "domain of investigation" for units with sufficiently similar characteristics as to allow comparison, and then to maximize heterogeneity within a minimum number of cases, to increase "diversity within the selected universe." While they address case selection, or case identification strategies specifically suited to QCA, with access to a large population of data I also extended my literature review to recommendations on case selection from within a larger pool of available cases.

In line with my objective to be able to understand the dynamics of a larger population by using a representative sample, Gerring (2006) defines a 'typical' case as one that "exemplifies what is considered to be a typical set of values, given some general understanding of a phenomenon," using the term 'typical' interchangeably with 'representative' (p. 91). To define what might be considered as 'typical' for my research, I relied on my empirical observations over the population of interest: During data collection I encountered numerous reports on recent apologies featuring references to past apologies, often made by other firms. In these discussions, these past apologies were used as models, or as benchmarks (positive or negative) to evaluate the more recent apology. In addition, past apologies in news reports often coincided with case studies from the crisis management literature, a field which provides consultancy to corporations and shapes their future corporate apologies. In the end, through repeated mentions and
due to their prominence in the collective memory, some corporate apologies were imitated by organizations, and used as benchmarks by the external audiences. In line with these observations, I defined a representative sample for this population as this set of cases evoked and used as benchmarks, and operationalized 'typicality' as the number of times the company name was mentioned in reports on corporate apologies.

To collect data on this measure I ran the same query I presented above, and referred to Factiva's in-built function to construct a list of "most mentioned companies," within the search results that served as a starting point for my population. Those results contained the cases in my final population as well as the ones I excluded, however the mechanism for 'typicality' would still apply with the inclusion of these cases: False positives may refer to these 'typical' apologies with a normative tone, urging the focal firm to mimic the typical firm, and in other cases with individual misdeeds or criminal charges the typical apology may still serve as a benchmark, underlining its commendable (or condemnable) features and increasing its prominence in public discussion on apologies.

This list of most frequently mentioned companies served as a starting point for my case selection, and in the next stage I combined the 'typical' case selection technique with the 'diverse,' following Gerring's (2006) recommendation to combine complementary techniques. In a similar vein, Berg-Schlosser and De Meur (2008) discuss the 'most similar' and 'most different' systems for QCA: In the 'most similar' design, through a comparison between cases with as many similar conditions as possible, it becomes possible to attribute any differences in the outcome to the limited number of different conditions. The 'most different' design on the other hand compares cases with a similar outcome but as much variance in other conditions as possible, to eliminate as many conditions unrelated to the outcome as possible. Through a similar process, the 'diverse' case selection technique from a larger pool of available cases provides a mixture of most-similar and most-different analysis (Gerring, 2006: 98) with the aim of maximizing variance along relevant conditions.

In the literature, the 'typical' and 'diverse' techniques (Gerring, 2006; Seawright & Gerring, 2008) are presented within a research context with an existing theoretical basis
that provides established, or suggested and contested links between conditions, to be tested in subsequent analyses. With an existing relationship between two conditions available in the literature, the 'diverse' technique seeks to capture the full range of variance along these dimensions. In the current, exploratory study without any known links between conditions, I instead tried to capture the diversity in clusters of apologies I encountered during the construction of my population: In some industries, firms would frequently issue similar apologies related to the specific nature of their field of operations, such as airlines apologizing over delays due to weather conditions, online services over data breaches, or food producers over contamination.

To incorporate this variation in my sample, I selected a maximum of 4 company-apology pairs from each industry, based on a less formal definition of industry that takes into account the types of events and apologies common to the firm's operations, instead of any formal classification such as the SEC. To combine the 'typical' and 'diverse' case selection strategies, I included the 'most typical' apologies from each industry: In the list of "most mentioned companies" within the results for my initial search parameters, I started to select the most frequently mentioned companies, classifying them according to this informal definition of industry. After a maximum of 4 firms, I ignored subsequent firms from the same industry and moved down to the next firm on the list. To pinpoint the specific company-apology event, I conducted separate searches for each firm on this sample across the same time interval (by adding the parameter "fds=" followed by Factiva's specific abbreviation for the firm), and read the articles chronically to see which event and apology initiated the instigation of subsequent references to the firm in discussions on future apology events.

My final sample, as presented in Table 1, consists of 31 cases from 11 industries where, other than Comcast, each firm is represented by only one company-apology pair. Further details on the cases will be presented at the end of the next section.
Table 1. Cases selected for the sample

<table>
<thead>
<tr>
<th>Industry</th>
<th>Case(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online services</td>
<td>Netflix (2011), Apple (2012), Facebook (2014)</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>Novartis (2013)</td>
</tr>
</tbody>
</table>

5.1.3 Additional sources of data

With a list of company names and dates for specific company-apology events, I then collected additional data on each case, not to be included in the analysis, but to help me familiarize myself with the cases. In the absence of any requirements to collect comparable data common across all cases, I was able to obtain information from a variety of sources, and integrate the insights I gathered on each case for research decisions and the interpretation of findings at the end of the analysis.

First I added the firm specific search parameter, removed the "apolog*" string, and changed the time interval to dates that covered an interval of two months around the apology. In cases where a prior event, a future decision, or any such incident was mentioned in relation to the focal event, and thus was deemed to be relevant, I conducted additional searches around the dates of those incidents to learn more about them.

Second, I limited the time interval to 2 weeks around the event, and removed the restriction on news sources to obtain a comprehensive set of reports, comments, critiques, and reviews for the event, and any developments leading to the event from a variety of sources. In a subset of cases, some of the sources such as newspapers, opinion articles and editorials, or less formal outlets such as blogs would attempt to either attack or defend the firm, often for brands that inspire a strong identification for their customers or might attract heavy criticism from the wider consumer base (e.g. Apple, GM, BP, etc.). Despite the often emotional language and the unconcealed bias, these sources offered a
unique look into audience reactions reported in the newswire, and an understanding of cases especially with unexpectedly vocal reactions to relatively minor events (e.g. Netflix), or subdued reactions to mistakes with significant repercussions (e.g. JPMorgan, Target, etc.). Other sources such as industry publications, or reports with a larger coverage such as market reviews that referred to the apology from a narrow, specialized focus did not provide a comprehensive critique of the event, but the points they would raise could often explain the disproportionately defensive company statements to milder public reactions (e.g. Bloomberg), or dismissive, disinterested responses in the face of a stronger negative public opinion (e.g. Facebook, Toyota, etc.).

In addition to this systematic data collection across all cases, for a better understanding of case specific information (e.g. "PEG programming"), technical details (e.g. legal proceedings), or any other issue that needed clarification I also referred to company websites, and any online sources such as blogs, reviews, social media, etc. Table 2 shows a summary of the insights I gathered at the end of this process for the cases in my sample.

**Table 2. Summary of events and insights for the cases in the sample**

<table>
<thead>
<tr>
<th>Telecommunications</th>
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<tbody>
<tr>
<td><strong>Comcast (2008):</strong> During the transition from analog to digital services, company wanted to prioritize more popular channels over PEG programming, a move that would limit its access and require paid subscription. The initiative attracted regulatory criticism, company denied any intentional discrimination, but agreed to fully cooperate with regulators.</td>
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<tr>
<td><strong>Verizon (2008):</strong> (An) employee(s) accessed (then) President-elect Obama's phone records, an allegedly inactive phone without voice mail or e-mail access. Company apologized, did not disclose the names or number of employees involved, but said it conducted an internal investigation and fired responsible parties.</td>
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<tr>
<td><strong>Comcast (2015):</strong> Company offered privacy of customer information including name, phone, and address as a paid service, but due to a technical failure published the information of customers who paid for privacy. Company apologized, reached a settlement which it &quot;applauded,&quot; and paid $100 to each victim.</td>
<td></td>
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<tr>
<th>Media</th>
<th></th>
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<tbody>
<tr>
<td><strong>News UK (2011):</strong> Company hacked the phones of public figures, celebrities, relatives of deceased terrorist attacks, and interfered with the investigation of a minor murder victim when her voice mail was activated while she was reported at missing at the time. The Guardian broke the news on top of bribery and corruption charges for officials related to the company, and the 168-year-old company shut down, after which the CEO apologized for the &quot;wrongdoing that occurred&quot; while referring to company's conduct as &quot;holding others to account.&quot;</td>
<td></td>
</tr>
</tbody>
</table>
**Bloomberg (2013):** An "error" allowed company reporters to access "private client data," concerning which bank employee looked up what information on company terminals. Customers (e.g. JP Morgan, Goldman Sachs, etc.) accused the company of spying on them, while the company apologized profusely, bringing up its culture and heritage, and promising new measures that would prevent any such breaches of privacy in the future.

**Online services**

**Netflix (2011):** Company wanted to separate DVD and streaming services that operated on different business models, but the sudden, unwelcome change attracted anger over the lack of input taken or asked from customers. The CEO apologized for the inconvenience, seemingly addressing customers, but also ensuring markets that the company had confidence in the profitability of its strategic decision and would adhere to it in the long term.

**Apple (2012):** In an eagerly awaited new model, company removed a rival's app, which has been improving its service through the repeated use of the company's customers. But company's replacement app failed to match its quality. CEO apologized for the frustration caused by the incomplete app, but asked customers to 'trust the process' that would improve the app through continuing use. He suggested its rival's app as an alternative in the meantime, impressing some of the consumers with his humility.

**Facebook (2014):** Results of a two-year-old experiment on 700,000 users were published, revealing that people's emotions can be changed by manipulating the emotional reactions they receive. Users were unaware of such a study and disturbed by the news, but when prompted, the COO apologized for "the manner in which the study was communicated," ensuring that the company was in compliance with regulations.

**Web portal**

**Google (2010):** During its mapping activities company wanted to collect information about available wireless signals, but an experimental software also collected snippets of private data. Company expressed shame, and pledged to implement new privacy measures for all of its users. Reports discussed previous allegations of violation of privacy, but recognized the appropriateness of company's reaction.

**Yahoo (2012):** User names and passwords were hacked, stolen, and sold online from a number of accounts, initially estimated to be 400,000. Security experts criticized the apparent lack of precautions, mentioned the vulnerability that other companies faced as a result, but again recommended that users choose tough passwords and change them often.

**Microsoft (2012):** Previous monopoly charges from three years earlier had set a deadline for the company to offer an explicit choice among rival browsers. Three years later facing fines company respectfully apologized, claimed that it missed the deadline due to a technical error, and asked for an extension. Reports mentioned both company's previous anti-trust problems, and regulators' increased for scrutiny and eagerness for fines in some cases.

**Airline**

**British Airways (2008):** Amid protests outside, Heathrow opened its Terminal Five to be used exclusively by the company. On the same day, service interruptions started to appear within minutes, for which the company apologized, but also called "teething problems." Passenger reactions ranged from disillusioned to still impressed with the new terminal.
American Airlines (2012): When whistleblowers from regulatory bodies revealed negligence in inspections, political pressure caused these regulators to increase their scrutiny, demand more strict compliance, and conduct additional inspections. Company had to cancel some of its flights, and apologized for the inconvenience, but remained supportive of the regulators.

Delta Air Lines (2016): Differentiating itself as the airline that does not cancel any flights even at the expense of several hours of delays, when "a power outage in its hub in Atlanta, Georgia" caused a system shutdown, company canceled nearly a thousand flights and delayed many others, potentially disrupting even more flights globally. Reports cited instances of several technical problems around the world causing similar disruptions, with the implication that it could happen to everyone, while customer reactions sounded frustrated, but resigned.

Finance

Royal Bank of Scotland (2008): Through the expression of feelings such as "chastened" and "disappointed," and characterizing the 2008 financial crisis almost like a natural disaster, company "apologized" to its shareholders right before they voted almost unanimously to receive a government rescue package.

Bank of America (2011): Company's online banking website was down for the fifth consecutive day without a satisfactory explanation about the causes, at which point the case called for a global news coverage discussing and dismissing potential hacking activity, or retaliation for the company's announcement of introducing additional charges for its services.

JPMorgan Chase (2012): Only months after accusing reporters of exaggerating the risks involved in its investments, and still arguing against regulations that would limit risky investments, company announced a substantial 'trading loss' in a conference call with stock analysts, but kept defending its strategy and insisted that it only needed incremental adjustments to ensure this would not happen again.

Barclays (2012): Following the news that its employees routinely rigged Libor rates, company was accused of stigmatizing all British financial institutions by association. When the public outrage focused on its "high profile, highly paid" CEO famous for the quote that it was "time for bankers to stop saying sorry," the CEO resigned due to political pressure, and the company promised to establish a "zero tolerance policy" over actions that might harm its reputation.

Food

Maple Leaf Foods (2008): One of the company's plants was linked to a deadly listeriosis outbreak, to which it responded by an extensive product recall. Reports underlined that such a significant crisis could threaten the survival of the company, while the CEO issued a televised apology that recognized the difficulty of finding the cause, but promised the audiences that the company would held itself accountable.

KFC (2010): To promote a new type of burger called "double down," company hired female college students to wear sweatpants inscribed with "double down." Famous for "unusual" ad campaigns, company did not agree that objectifying female college students was offensive.

McDonald's (2015): After reporting an annual loss in Japan for the first time, company apologized for "unexpected objects" in its food including human tooth and pieces of metal, but pledged to do "whatever it takes" to restore their image. Report mentioned that Japanese customers are used to a higher standards on food safety.
### Chipotle (2015): Latest in a long series, company closed down a restaurant that infected 141 customers. Reports referred to falling stock prices, and a potential damage to its reputation as a provider of fresh, GMO free food, while the founder promised new food-safety practices that would make the company the safest place to eat.

### Automotive

#### Toyota (2010): A faulty gas pedal from one of its suppliers created a system wide problem for the company due to its lean business model using the same component in multiple products, with limited slack. Identification of the issue and formulation of a decision on how to deal with it took a long time, during which audiences were concerned about the lack of updates. Company decided to involve external experts to monitor quality, in an "innovative, aggressive" approach. Reports commented on the poor PR management, but recognized the difference in norms in the Japanese culture.

#### General Motors (2014): After more than a decade of knowingly producing cars with a defective part that turned out to be potentially fatal, company initiated massive recalls shortly after a change of CEOs a couple of months before the event. In a congressional hearing the CEO apologized for the inconvenience of the recalls, rather than for the deaths and injuries, but emphasized a fundamental change in the company's 'culture' that prioritizes safety. Reports, as well as markets, acknowledged the difficulty of her position and commended her for handling of the situation well.

#### Volkswagen (2015): After years of probing by regulators, company admitted to using software that recognizes testing conditions and reduces performance to improve emission scores. CEO expressed shame over breaking stakeholders' trust. Reports focused on potentially devastating costs of the crisis, and company stocks dropped considerably, but the CEO also reminded customers of the lack of any safety concerns, that higher emissions were only harmful to public health.

### Retail

#### Walmart (2011): Accused of labeling regular pork as organic, Chinese officials fined the company "10 times the value of the falsely labeled pork sold." Reports referred to the company's history of similar accusations, but also implied that regulators may single out larger companies to serve as a warning to others, or to set food safety norms.

#### Target (2013): Customer credit card data was stolen through an external attack, which was discovered shortly before the Christmas season. Company provided extensive information, set up a hotline, and offered fraud protection, while reports mentioned its efforts to implement safer credit card technologies for years, and similar external attacks in a variety of industries, emphasizing that it could have happened to anyone.

#### Home Depot (2014): In a disturbingly similar event to Target's data breach from 9 months earlier, reports evaluated the aspects of the event through this comparison as well: Experts found the company's security measures, especially with a recent event, quite inadequate, meanwhile frequency of the events reduced the intensity of audience reactions, and differences in the unavailability of any competitors also favored the company.

### Energy

#### BP (2010): Two months after an oil rig explosion and following a long negotiation with President Obama, the company issued an apology and announced the details on a compensation fund for the victims. The President needed a "win" for his own political credit, but without crippling this "strong and viable company." Despite the considerable costs to the firm, markets welcomed the increased certainty.
**Duke Energy (2014)**: A coal ash spill into a river, containing arsenic, lead, mercury, and other heavy metals, prompted the company to travel to the site of the accident and present its apologies and pledges to the communities directly affected by the spill. Reports on the discrepancies between regulator and expert measurements imply that official numbers may be too optimistic, and that the long-term impact of the event may be worse than the official statements may suggest.

**Pharmaceuticals**

**Novartis (2013)**: A "now-former employee" of the company acted in a way "beyond what [the company] considers appropriate" and fabricated data to support the argument that their drug was effective. Company issued a non-apology expressing "regret for the concern," but in the same report that discusses the invalidity of this argument based on a fabrication "beyond appropriate," the company still maintained that the drug was effective and that patients should keep taking it.

### 5.2 Conditions

#### 5.2.1 Identification of conditions

Conditions for a QCA must be included based on theoretical justifications (Berg-Schlosser & De Meur, 2008). In the absence of an existing theoretical basis that directly addresses the conceptual space at the intersection of organizational identity and apologies, I combined Amenta and Poulsen's (1994) comprehensive and conjunctural approaches to the selection of conditions, with an inductive focus based on my familiarity with the cases in my sample (Yamasaki & Rihoux, 2008). Their comprehensive approach incorporates all relevant factors identified in the literature, but a large number of conditions can be quite problematic in QCA. The conjunctural approach on the other hand attempts to test predictions in theory with existing conjunctural formulations, however theory building based on the effects of configurations of conditions remains scarce in organization theory (Fiss et al., 2013). As a remedy, Yamasaki and Rihoux (2008) propose an inductive version of this approach using familiarity with cases as the origin of configurational expectations, as opposed to a deductive method based on existing theory. To this end, I first compiled an extensive list of constructs relevant to the organizational identity and the apology literatures (available in Appendix A), to serve as a guide and a starting point during the processing of data.

Albert, Ashforth, and Dutton (2000: 13) characterize organizational identity as a "root construct" that, as a ubiquitous subtext of organizational phenomena, contributes to a variety of discussions such as concerning strategy, development, team-building, and
socialization. As a fundamental concept in social science (Pratt, Schultz, Ashforth, & Ravasi, 2016), it has been difficult to reach a consensus regarding the meaning and definition of identity. Some scholars interpret this lack of consensus as part of a creative process that does not impede progress (Albert et al., 2000), yet others as troubling, noting that "that which explains everything, explains nothing" (Pratt, 2003). To address these concerns, Whetten (2006) builds on Albert and Whetten's (1985) seminal article to define identity in a way that would allow scholars to distinguish references to identity within organizational discourse, and to differentiate it from related constructs such as culture, image, and identification. As an initial guideline for the coding process, instead of relying on a single formal definition I extracted all of the descriptions concerning the centrality, endurance, and distinction of the aspects of identity in Whetten's (2006) study. Next, I consulted review articles (Corley et al., 2006; Foreman & Whetten, 2016; Gioia et al., 2013) and my own literature review to obtain a list of studies on organizational identity. By examining their contents, I compiled a comprehensive inventory of further definitions for and components of organizational identity (e.g. purpose, principles, values, etc.), and relevant concepts (e.g. norms and traditions, ideology, action and strategy, sensemaking, etc.) in addition to image, culture, and identification discussed in detail in the literature as part of the nomological network of organizational identity.

After the organizational identity literature, I also collected constructs from the apology literature. Despite a similar prevalence of single case studies, crisis management literature on corporate apologies features several well established taxonomies that seek to classify event characteristics, organizational actions, and types of corporate apologies based on their content, narrative elements, or method and medium of delivery (e.g. Benoit, 1997; Coombs, 2007). These classifications provided a useful framework to analyze corporate apologies based on newswires reports, as well as Goffman's (1971) classification of apologies and accounts including excuses, justifications, and explanations, in addition to a set of relevant constructs from management literature on public evaluations of negative corporate events (Lange & Washburn, 2012).

During coding, aligned with the overarching "iterative logic" of QCA (Berg-Schlosser et al, 2008: 14), I referred to this initial compilation of constructs from related literatures to
look for references to these constructs in newswire reports on corporate apologies, in an "iterative dialogue between ideas and evidence" (De Meur et al., 2008: 149). The process mimicked the case selection process where I individually evaluated cases for inclusion, and extracted generalizable rules to refine the definition of my population. For the selection of constructs, using newswires as a data source I identified expressions in the newswires that matched the definitions and constructs in my list. Specifically, I selected sentence as my coding unit and coded a condition as 'true' if the newswire contained any references to it, and 'false' otherwise. When the match between the expressions in the newswire and the definitions from literature seemed unclear, I took notes concerning my justifications for the inclusion or exclusion of the expression as a representation of the condition in question, in an effort to formulate a more detailed definition for that condition that combines both the initial, theoretically informed definitions taken from the literature, and the additional specifications based on empirical evidence.

At the end of this step, I constructed a table indicating the presence or absence of 47 conditions within 31 cases, based on constructs from related literatures and empirical evidence. For instance, in Chipotle's apology for a food contamination outbreak, I coded the statement "[CEO] pledged that strict new food-safety practices would prevent future outbreaks" as a "reference to commitments" in the apology and a reflection of the endurance criterion of organizational identity, which by the definition in literature includes future looking statements that signal prospectively enduring commitments (Whetten, 2006). In another example, I interpreted expressions such as "previous privacy complaints" and "once again, Google has demonstrated a lack of concern for privacy" as suggesting an ongoing, enduring issue with the firm and coded them as "references to the firm's past" in the accusation, that can strengthen future attributions of blame for the organization (Lange & Washburn, 2012). Additionally I also identified, defined, and included in my analysis conditions that were absent in the extant literature, but appeared frequently in my data: While emotional responses from audiences are a part of the corporate apology literature, "moral offense" as a separate condition, describing an expression of disapproval due to unethical behavior in the absence of any anger or outrage, emerged from data during the iterative coding process. Examples such as the statement that Comcast's "[public, educational and governmental] programming deserves
first-class treatment, not second-class billing," or the accusation that Barclays "[brings] the City of London into disrepute" distinctly address the inappropriateness of the acts, rather than the negative emotions they provoke.

Table 3 contains the final list of 47 conditions categorized as part of the apology, accusation, or event characteristics, with their definitions, and their frequency of occurrence in the 31 cases.

**Table 3. List of conditions identified in the data**

<table>
<thead>
<tr>
<th>Category</th>
<th>Condition</th>
<th>Definition</th>
<th>#</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apology - Organizational identity</td>
<td>Centrality - Priorities</td>
<td>Priorities, core tenets, managerial preferences</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Centrality - Policies</td>
<td>Policies, procedures, processes, agreements</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Endurance - Commitments</td>
<td>Commitments, overarching goals, responsibilities, pledges</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Endurance - Values</td>
<td>Values, culture, history, moral virtue</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Distinctiveness - Ideals</td>
<td>Ideals, guiding principles, high standards</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Distinctiveness - Imperatives</td>
<td>Self-imposed imperatives, propriety, avoidance of (in)acceptable behavior</td>
<td>4</td>
</tr>
<tr>
<td>Apology - Response</td>
<td>Accept responsibility</td>
<td>Admission of, and eagerness to correct mistake</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Shame</td>
<td>Expression of shame, guilt, self-disappointment</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Justification - Defense</td>
<td>Act defended as the right choice within the context</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Justification - Accident</td>
<td>Event presented as beyond the organization's control</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Justification - Denial</td>
<td>Denial of inferences about the underlying intent behind the act</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Excuse - Incompetence</td>
<td>Assertion of inability to realize, but an intent to achieve a different, acceptable result</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Excuse - Employee</td>
<td>Corrupt employee(s) identified as the only culprit, event as an isolated case</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Excuse - Minimize offense</td>
<td>Attempt to undermine severity, spread, or further implications of the event's results</td>
<td>15</td>
</tr>
<tr>
<td>Apology - Content</td>
<td>Use of &quot;I&quot;</td>
<td>e.g. &quot;I apologize&quot; instead of &quot;we apologize&quot;</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Irrelevant</td>
<td>References to positive attributes unrelated to the event or the accusation</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Change</td>
<td>Promise of a fundamental change in identity</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Initiative</td>
<td>Information on implemented or planned initiatives to compensate for the offense</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>Compensation</td>
<td>Monetary compensation, initiatives that are costly to the firm but helpful for the victims</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Weasel words</td>
<td>Only when identified as weasel words in the report</td>
<td>6</td>
</tr>
<tr>
<td>Category</td>
<td>Condition</td>
<td>Definition</td>
<td>#</td>
</tr>
<tr>
<td>-------------------</td>
<td>----------------</td>
<td>----------------------------------------------------------------------------</td>
<td>----</td>
</tr>
<tr>
<td>Accusation -</td>
<td>Past - Firm</td>
<td>Mention of past mistakes of the focal firm, including those identified as</td>
<td>18</td>
</tr>
<tr>
<td>Content</td>
<td></td>
<td>such in hindsight, including those identified as such in hindsight.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Past - Industry</td>
<td>Mention of similar cases in the same industry.</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Past - Event</td>
<td>Mention of similar events, based on event (not firm or industry) characteristics</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Expert opinion</td>
<td>Academics, industry insiders, stakeholder groups that criticise or defend the firm, or offer an alternative interpretation for the event</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Institutional accusation</td>
<td>Regulatory overlook, politician accomplices, etc.</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Insincerity - Non-apology</td>
<td>Only when identified as a non-apology in the report</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Insincerity - Selfish motives</td>
<td>Mention of benefits of the offensive act or of the apology for the focal firm</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Insincerity - Duplicity</td>
<td>Mention of statements or actions in direct conflict with the assertions in the apology</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Event complexity</td>
<td>Discussion on the intricate or technical nature of the event</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Greater potential impact</td>
<td>Discussion on the potential for greater harm, or catastrophic repercussions of the event</td>
<td>14</td>
</tr>
<tr>
<td>Accusation -</td>
<td>No blame - Strategic decision</td>
<td>Event characterized by external audiences as a valid and necessary decision, and a result of conscious deliberation</td>
<td>4</td>
</tr>
<tr>
<td>Blame</td>
<td>No blame - External factors</td>
<td>Event characterized as a result of, or a response to broader shifts in the economic, political, social, etc. factors</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Indirect blame - Outside attack</td>
<td>Recognition of an external culprit, and of the firm as a victim</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Indirect blame - Employee</td>
<td>Recognition of the event as isolated case, and the result of a deviant internal culprit</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Blame - System failure</td>
<td>Recognition of a lack of incompetence, of the complex, unforeseeable nature of event</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Blame - Oversight/error</td>
<td>Assigning blame without intent, &quot;the firm should have known/done better&quot;</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Blame - Organizational misdeed</td>
<td>Assigning blame with intent, as a crime facilitated by the organization's structure</td>
<td>10</td>
</tr>
<tr>
<td>Victims</td>
<td>Involuntary association - Individual(s)</td>
<td>Event harms or has a potential to harm a single individual or a limited group</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Involuntary association - Society</td>
<td>Event has a realized or potential global negative impact</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Voluntary association - Customers</td>
<td>Faulty product, service interruption, mishandling customer data, etc.</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Voluntary association - Shareholders</td>
<td>A public apology over a mistake that primarily affects shareholders</td>
<td>1</td>
</tr>
<tr>
<td>Category</td>
<td>Condition</td>
<td>Definition</td>
<td>#</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-----------</td>
<td>-----------------------------------------------------------------------------</td>
<td>----</td>
</tr>
<tr>
<td>Audience reaction</td>
<td>Anger</td>
<td>Anger, outrage, disgust, demand for compensation</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Moral offense</td>
<td>Disapproval, ethical arguments, objection over principles or the normative implications</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Derision</td>
<td>Mockery, ridicule</td>
<td>2</td>
</tr>
<tr>
<td>Harm</td>
<td>Inconvenience</td>
<td>Costs of learning, new procedures, need of additional vigilance over security/privacy</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Financial</td>
<td>Financial costs, loss of income, increased prices</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Health hazard</td>
<td>Threat or damage to physical or mental health</td>
<td>12</td>
</tr>
</tbody>
</table>

All of the conditions and the outcome of interest in my study are coded as 'true' or 'false,' consistent with the corporate apology literature which studies the presence or absence of specific components in an apology without any measure of magnitude. As a result I use crisp set QCA, the first QCA technique to be developed, to analyze my data which consist of binary values of set membership as either 0 or 1. Instead of undermining the potential for complexity however, such simplicity in the coding of conditions allows a rigorous comparison of the complex causal processes and interactions between conditions underlying the phenomenon (De Meur et al., 2008: 149). Current trends among scholars using QCA also reflect a preference for simplicity in conditions, with crisp set QCA appearing in 72% of the applications of this method (Rihoux, Álamos-Concha, Bol, Marx, & Rezsohazy, 2013).

### 5.2.2 Emic approach: two concurrent perspectives in the data

My data source and the subsequent analysis only considers the content of newswires. Conditions are only 'present' if they can be found among the contents of the report. These reports are coded as the *voice* of the external audiences, except for quotations or paraphrased statements from company spokespeople as internal members, coded as the *voice* of the organization. This duality does not present any theoretical contradictions however, since it is distributed accordingly among conditions: Statements concerning the organizational identity expressed by organizational members are a part of the corporate apology and are coded under this category, whereas statements about the company's past are recorded as a part of the accusation. Similarly, evaluations of the event such as the proposed causality expressed by company spokespeople are a part of the apology whereas attribution of blame by external audiences constitutes a part of the accusation.
5.2.3 Selection of conditions

Next step concerns the selection of conditions that can accurately explain the outcome. Number of conditions needs to be kept low, due to the difficulty in interpreting the findings above a certain number of conditions (De Meur et al., 2008). Moreover, with a small or medium size sample, a high number of conditions may result in limited diversity where only a limited portion of the logically possible configurations of conditions are represented by the empirical evidence (Berg-Schlosser & De Meur, 2008), in which case QCA may start to extract patterns even from within random data (Marx & Dusa, 2011). To quantify these thresholds, Marx and Dusa (2011) conducted analyses using random data to obtain a series of benchmark numbers, based on which they recommend a maximum of 5 conditions for a sample size of N = 31 to prevent limited diversity and to ensure that the analysis extracts meaningful patterns.

Keeping the methodological constraints in mind, once I identified and coded the presence of 47 theoretically and empirically relevant conditions in my sample I moved on to the inductive part of my selection of conditions (Amenta & Poulsen, 1994; Yamasaki & Rihou, 2008). At each step, I conducted intermediary QCA analyses to identify conflicting cases and configurations that needed a finer grained definition, to obtain a subset of conditions that can accurately explain the presence or absence of my outcome.

To illustrate, the first condition I included in this subset concerns "references to firm's past" in the public accusation, as reported in the newswire. For this initial condition I relied mainly on theoretical justifications: Impression management can help with one-time crises, however as a response to challenges that "[call] into question the merit or importance of core, distinctive, and enduring organizational traits," members would be expected to engage in identity affirmation tactics (Elbsach & Kramer, 1996). Applying this prediction to the context of corporate apologies, I argued that if the report on a recent negative event refers to failings in the organization's past it would be perceived as a threat to the positive, enduring qualities of organizational identity, and urge the organization to refer to these positive qualities of its identity in its response to the accusations. For the complementary analysis of the absence of the outcome, I argued that in the absence of a reference to the organization's past, the response would directly address the recent
negative event, without the need to remind the audiences of the central, enduring, and distinctive qualities of the organization.

To test these predictions, I constructed a 2-by-2 (Table 4), similar to a QCA with only one condition. The analysis revealed that 11 out of 18 cases with a reference to the firm's past (condition i = 1) also contained a reference to organizational identity as predicted (outcome = 1), and 6 out of 13 cases without a reference to the firm's past (condition i = 0) the apology did not refer to organizational identity, as predicted (outcome = 0). In other terms, in 11 out of 18 cases the reference to identity (outcome = 1) could be explained by a reference to the firm's past in the accusation (condition i = 1), and in 6 out of 13 cases the absence of a reference to identity (outcome = 0) could be accounted for by the absence of a reference to the firm's past in the accusation (condition i = 0).

Table 4: Distribution of cases in the intermediary analysis with 1 condition

<table>
<thead>
<tr>
<th>Outcome: reference to organizational identity</th>
<th>Present (o = 1)</th>
<th>Absent (o = 0)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absent (i = 0)</td>
<td>Discrepancy: Verizon, Delta, British Airways, Target, Comcast (2015), Novartis</td>
<td></td>
</tr>
<tr>
<td>Absent (i = 0)</td>
<td>Present (i = 1)</td>
<td></td>
</tr>
<tr>
<td>Condition i: reference to firm's past</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In the next step I focused on the off-diagonal cases (condition i = 0, outcome = 1 and condition i = 1, outcome = 0) that ran counter to the prediction, and relied on my familiarity with the sample to identify conditions that could resolve this discrepancy. In 3 cases out of 7 with a reference to identity but without a reference to the firm's past (outcome = 1, condition i = 0), the public reaction involved a moral offense (condition j = 1): In the case of Bloomberg the violation of privacy, for Facebook experimentation without consent, and for General Motors maximization of profit at the expense of human lives constituted a major focus of the accusation. As a result, even though the accusation did not refer to any negative events from the past, the apology still reminded the audiences of the positive, enduring traits of the organizational identity to address these normative accusations. Meanwhile, in 5 cases out of 7 without a reference to identity but
a reference to the firm's past (outcome = 0, condition i = 1), no moral objection to the event was reported in the newswire (condition j = 0): For Yahoo, Microsoft, and Royal Bank of Scotland the technical nature of the events made it difficult to attribute blame, while for American Airlines and Bank of America the frequent occurrence of the event in the absence of any harm other than inconvenience prevented the formation of a strong public reaction. As such, despite the mentions of the firm's past, without a clear attribution of blame or a negative reaction questioning the core principles of the firm, the apology did not refer to the organizational identity. This second model, combining cases with "references to the firm's past" or "moral offense" in audience reactions to the event, can explain the presence of the outcome in 14 out of 18 cases, and the absence of the outcome in 11 out of 13 cases (Table 5).

Table 5. Distribution of cases in the intermediary analysis with 2 conditions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Present (o = 1)</td>
<td>As predicted: Verizon, Delta, British Airways, Target, Comcast (2015), Novartis; Yahoo, Microsoft, American Airlines, RBS, Bank of America,</td>
<td>Discrepancy: KFC, Volkswagen</td>
</tr>
<tr>
<td>Absent (o = 0)</td>
<td>(i = 0) or (j = 0)</td>
<td>(i = 1) or (j = 1)</td>
</tr>
<tr>
<td></td>
<td>Condition i: reference to the firm's past</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Condition j: moral offense</td>
<td></td>
</tr>
</tbody>
</table>

In QCA, cases that display a discrepancy correspond to contradictory rows in the truth table, the inventory of empirical evidence where each case is expressed as a configuration of the values for membership in condition and outcome sets. Cases with the same values for all the conditions, but different values for the outcome, present logically contradictory rows that should ideally be resolved before the logical minimization takes place, without which the solutions extracted by the analysis would not be able to reflect the empirical evidence with accuracy: If any remaining contradictory cases are excluded from the logical minimization process with a conservative approach, the solution would not be
able to make use of the empirical evidence they contain (Rihoux & De Meur, 2008: 48), and the implicit assumption that such a case does not exist and that its outcome is not known, may distort the minimization process (Rihoux & De Meur, 2008: 67). If on the other hand the cases are included in the minimization, QCA would require the researcher to assign the same outcome value to the configurations containing these cases, and the analysis would extract solutions that reflect the information based on this opposite outcome value assigned to the contradictory cases (Schneider & Wagemann, 2012: 186).

In light of the challenges of handling contradictory rows during the analysis, I opted to reduce, and if possible resolve all contradictions before the analysis. With a sample size that preserves familiarity with individual cases while attempting to obtain generalizations applicable to a larger population, elimination of any case could undermine the contributions of this depth of understanding of the sample, and endanger the objective of the study. Furthermore, in an exploratory research design that seeks to extract a comprehensive gamut of paths leading to the outcome of interest, in a conceptual domain without an established theoretical foundation, I preferred not to risk making any potentially faulty assumptions or generalizations about the empirical evidence.

As an alternative, with a large pool of conditions informed by relevant literatures and empirical evidence, and in the absence of theoretical predictions concerning the outcome, I modified the conditions included in the model in an effort to improve its fit. Despite their potentially troubling impact, contradictions can provide valuable information about the data and the model (De Meur et al., 2008), especially concerning the selection or definition of the conditions and the outcome, by pinpointing a need for a different, or finer grained specification for contradictory groups of cases. To this end, the primary strategy to deal with contradictions prior to the analysis is to add another condition (Rihoux & De Meur, 2008: 48-9). However, recalling the problems associated with a high number of conditions such as limited diversity and difficulty in interpretation, scholars recommend complementary strategies such as the removal and replacement of existing conditions in the model (Rihoux & De Meur, 2008: 48-9), or the creation of higher order constructs that combine multiple conditions (Schneider & Wagemann, 2010).
I followed the recommendations in the literature, and continued improving the fit of the model until I resolved all discrepancies in the data through the addition, replacement, or construction of higher order conditions (Rihoux & De Meur, 2008: 48-50; Schneider & Wagemann, 2012: 120), with an acceptably low number of conditions with respect to my sample size (5 conditions for a sample size of 31; Marx & Dusa, 2011), presented in Table 6. For the conditions combined in a higher order condition (under "excuse," "emotional response," and the outcome, "reference to organizational identity"), numbers in parentheses indicate their individual frequency within the sample, and due to overlaps between them the sum of their frequencies may exceed the frequency of the higher order condition.

Table 6. Conditions included in the final analysis

<table>
<thead>
<tr>
<th>Condition</th>
<th>combines</th>
<th>Description</th>
<th>#</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accusation:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reference to firm's past</td>
<td>Past - Firm (18)</td>
<td>Mention of past mistakes of the focal firm, including those identified as mistakes in hindsight</td>
<td>18</td>
</tr>
<tr>
<td>Reaction:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moral offense</td>
<td>Moral offense (12)</td>
<td>Disapproval, ethical arguments, objection over principles or the normative implications</td>
<td>12</td>
</tr>
<tr>
<td>Harm:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health hazard</td>
<td>Health hazard (12)</td>
<td>Threat or damage to physical or mental health</td>
<td>12</td>
</tr>
<tr>
<td>Apology:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excuse</td>
<td>Incompetence (7) Employee (5)</td>
<td>Any attempt to reduce the severity of negative consequences or of the blame, by claiming incompetence or lack of control over the act</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Minimize offense (15)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reaction:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emotional response</td>
<td>Anger (10) Derision (2)</td>
<td>Anger, outrage, disgust, demand for compensation; mockery, ridicule</td>
<td>10</td>
</tr>
<tr>
<td>Outcome</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reference to organizational identity</td>
<td>Centrality - Priorities (4)</td>
<td>Any reference to the organization's priorities, central processes, culture, history, future commitments, driving goals, principles, ideals, etc. by internal members</td>
<td>18</td>
</tr>
</tbody>
</table>

The process of merging conditions depends on both methodological and theoretical justifications: Extremely low frequencies represent a skewed distribution, which can distort the analysis and produce trivial necessary conditions (Schneider & Wagemann, 2012: 232-4) where the absence of the condition appears as a necessary condition for the
outcome even though the relation is not meaningful, or informative. Empirically, I conducted intermediary analyses for the 6 components within the composite outcome, "reference to organizational identity," to evaluate their individual contributions. However, in line with the theoretical predictions concerning the interconnected nature of the central, enduring, and distinctive aspects of identity (Whetten, 2006), empirical evidence did not reveal any systematic patterns between any of the conditions and references to only the central, enduring, or distinctive characteristics of the organization. Lastly, concerning theoretical justifications, for "reference to organizational identity" and "excuse" the hierarchy between these conditions and their components are already discussed in the literature. The condition "emotional response" on the other hand combines "anger" and "derision," and serves as a counterpoint to the empirically originated condition "moral offense." This dichotomy presents a theoretically meaningful contrast between the emotional, individual responses and moral, universal objections to the event, with empirical support and practical implications, as will be discussed in the interpretation of findings.

At the end of this step, through the resolution of discrepancies, cases with either the presence or absence of the outcome could be explained by exclusively different configurations of these 5 conditions; in other words, none of the configurations were represented by a group of cases with different outcomes. Reduction of contradictions improves the consistency of the model, where a complete resolution of all contradictions increases it to 1. Consistency of the model functions as a parameter of fit, a numerical value for the accuracy of the model with respect to data, while the consistency of individual solutions measures the degree to which the outcome of cases in that solution set coincide with the outcome of the solution (Schneider & Wagemann, 2012: 123-9). In set theoretic expressions, a consistency of 1 indicates that all of the cases in a solution set are also members of the outcome set, or that the solution is a subset of the outcome. Interpretation of this set relation in terms of sufficiency would indicate that, with a consistency of 1 it is sufficient to know that a case is a member of this solution, to also know that it is a member of the outcome set. As consistency decreases, the number of cases that contradict this sufficiency relation, that is, members of the solution set that are not members of the outcome set, increases.
In a crisp set analysis, inconsistencies in a solution directly follow logical contradictions in the truth table (Schneider & Wagemann, 2012: 129): Cases with the same combination of values for the conditions, but different values for the outcome, lead to solutions with a consistency lower than 1. Due to this immediate connection, my research decision to eliminate contradictions also ensured that the solutions and the model would all have a consistency of 1. All else being equal, a higher consistency for a solution indicates a more consistent link to the outcome. However, similar to the trade-offs concerning the management of contradictions, a higher consistency may also present other predicaments.

In the process of ensuring that configurations were not represented by cases leading to different outcomes, number of cases that represented some of the configurations decreased to 1. Such low membership numbers would have been problematic in a larger sample, where a frequency threshold higher than 1 would have eliminated these configurations from the analysis. Still, for small or medium sized samples (e.g. with fewer than 100 cases) a single case per configuration would be acceptable (Schneider & Wagemann, 2012: 153), and with a larger sample these configurations would also be expected to be represented by a higher number of cases.

Next to consistency, coverage provides another measure of fit, but one that often behaves antagonistically to consistency. Coverage measures how much of the outcome set can be explained by a solution, or by the entire model (Schneider & Wagemann, 2012: 129-39). Unique and raw coverage further distinguish between the cases that can only be explained by the focal solution, and its total coverage including the cases that may intersect with other solutions. A higher consistency would tend to imply a finer grained definition for the set, with strict inclusion criteria that would decrease the number of members, and in turn would be likely to diminish the coverage of the set. Current study conformed to these dynamics, with the addition of each condition increasing the solution consistencies, and decreasing the coverage of individual solutions. On the other hand the overall consistency and coverage, measures of fit for the entire model, improved with the introduction of each additional condition (scores available in Appendix B), which may indicate that the model offers a finer grained understanding of the phenomenon with sufficient detail to distinguish all the different pathways, and accounts for all the cases in
the data. Moreover, with a research design that that combines 'typical' and 'diverse' case selection strategies, low coverage values for individual solutions might be a direct reflection of the purposeful, intentional 'diversity' in the sample.

Taking into account the trade-offs discussed above, I identified 5 conditions that provided a good fit for the empirical evidence, and included them in my model to construct a truth table (Table 7) that expresses each case as a configuration of these conditions.

**Table 7. Truth table**

<table>
<thead>
<tr>
<th>Case(s)</th>
<th>Outcome: Reference to organizational identity</th>
<th>Reference to firm's past</th>
<th>Moral offense</th>
<th>Health hazard</th>
<th>Excuse</th>
<th>Emotional response</th>
</tr>
</thead>
<tbody>
<tr>
<td>News UK (2011)</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Volkswagen (2015)</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>KFC (2010)</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Comcast (2008), Google (2010), Barclays (2012), JPMorgan (2012)</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>McDonald's (2015), Walmart (2011)</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Chipotle (2015), Toyota (2010)</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Netflix (2011), Apple (2012)</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Yahoo (2012), Microsoft (2012), RBS (2008), Bank of America (2011)</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>American Airlines (2012)</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Facebook (2014)</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Novartis (2013)</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>General Motors (2014)</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Bloomberg (2013)</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Comcast (2015)</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>BP (2010)</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Maple Leaf Foods (2008), Duke Energy (2014)</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>British Airways (2008), Target (2013)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Verizon (2008)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Delta Air Lines (2016)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Home Depot (2014)</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>18</strong></td>
<td><strong>18</strong></td>
<td><strong>12</strong></td>
<td><strong>12</strong></td>
<td><strong>21</strong></td>
<td><strong>10</strong></td>
</tr>
</tbody>
</table>
With the completion of the truth table, I started the preliminary analyses and the logical minimization process, to obtain a set of solutions, or patterns of paths leading to the presence or the absence of the outcome.

5.3 Preliminary analyses

5.3.1 Necessity analyses

Set theoretic methods are essentially aimed at uncovering the necessity and sufficiency relationships within the data (Rihoux & Marx, 2013). From the broader inquiry on the influence of apologies on identity change, I derived a research question that specifically addresses such relationships, "what configurations of accusation, event, and apology characteristics are necessary and/or sufficient for a reference to organizational identity in corporate public apologies?" Necessity indicates a case where the outcome is a subset of a condition, one that would be present in all the cases where the outcome is present (Schneider & Wagemann, 2012: 72). As such, relationships of necessity need to be investigated first in a separate analysis (Schneider & Wagemann, 2010). To this end I conducted a necessity analysis using the fs/QCA software for each condition in the model. In analyzing the consistency of necessity, instead of the condition it is the outcome that may have a potential subset relationship with the condition, therefore the results are interpreted like the results of a coverage analysis for conditions: In my data, the necessity analysis indicated that for the absence of the outcome of "reference to organizational identity" in the apology, the absence of "health hazard" showed a consistency of 0.85, or that in 11 out of 13 cases with a negative outcome, "health hazard" also had a negative value. This condition presents the highest consistency of necessity, but still remains below the ≥ 0.9 benchmark for the consistency of a necessary condition (Greckhamer, 2016). As a result, I concluded that the analyses revealed no necessity relations in the data, and that (the presence or absence of) none of the conditions in the analysis was necessary for (the presence or absence of) the outcome.

5.3.2 Counterfactuals included in the analysis

QCA presents three solutions, allowing the researcher to select from among varying degrees of parsimony concerning the generalizations about the data (Rihoux & Marx,
The complex solution conducts logical minimization by using only the empirical evidence. In contrast, to the list of available data the parsimonious solution adds all the possible configurations, or "counterfactuals," that are not represented by any of the cases in the data, and uses them for the logical minimization of existing cases. Thus, it assumes that any of the missing configurations could have been represented by a case, often producing more compact solutions with fewer conditions. Combining the strictness of complex and the ease of interpretation of parsimonious solutions, the intermediate solution allows the researcher to select which missing configurations would be likely to be represented by the empirical evidence, and includes only these "easy counterfactuals" during the minimization process, discarding "difficult counterfactuals," or unlikely cases that although do not contradict the available evidence, are not supported by existing knowledge (Fiss, 2011; Greckhamer, 2016). To differentiate between the easy and difficult counterfactuals, Ragin (2003) proposes the formulation of "directional expectations" based on existing knowledge, where the presence (or absence), rather than the absence (or presence), of a condition is expected to lead to either the presence or absence of the outcome. In other words, by specifying the relationships between individual conditions and the outcome, the researcher is able to avoid the inclusion of unrealistic hypothetical cases in the minimization process, but can still make reasonable assumptions about possible configurations that are not represented by the empirical evidence. In alignment with this method, I included the directional expectation that:

*The presence, and not the absence, of references to the firm's past in the accusation should be linked to the presence of references to the organizational identity in the apology.*

through the mechanisms of identity affirmation in response to identity threats (Elsbach & Kramer, 1996) discussed above.

Although this technique can be quite useful in more established fields, my current analysis incorporates two previously isolated literatures, organizational identity and apologies, with only a limited amount of theoretical predictions for relationships between the conditions and the outcome. In conjunction with "directional expectations," Ragin
(2003) also discusses "thought experiments" as another, more helpful technique in these situations, based on imagining the likely outcomes of missing cases expressed as variations on existing cases, with a different value for one of the conditions. For these "thought experiments," I relied on my familiarity with cases to classify the following as easy counterfactuals and included them in logical minimizations for the intermediate solution:

The absence of "reference to firm's past" in the Volkswagen (diesel emission rigging) case: Volkswagen's apology does not refer to organizational identity, but one of the newswires reports that regulators had been inquiring about the apparent disparity between test results and the road performance of the firm's automobiles. Absence of the outcome despite a reference to the firm's past would contradict a causally symmetric extrapolation of the "directional expectation" expressed above, however instead of making assumptions on the absence of a condition, I explored this counterfactual with a "thought experiment" based on an existing case. This particular "reference to firm's past" in Volkswagen's case does not involve a similar, commonly known event in the organization's history, which makes it possible to imagine a case where the regulatory inquiries might have escaped media notice, or where regulators might have been successful in their initial attempt and uncovered the misbehavior sooner, without any implications of foreknowledge and an ongoing cover-up. Since the apology in the existing case already did not refer to organizational identity even in response to such implications, a hypothetical case without them would make the apology less likely to contain any such references.

Expressed as:

\[ \text{cf}_1 = (OI = 0; FP = 0; MO = 1; HH = 1; EX = 0; ER = 0) \]

this counterfactual can minimize the Comcast (2015), Volkswagen (2015), and Novartis (2013) cases:

- Comcast (2015) = (OI = 0; FP = 0; MO = 1; HH = 0; EX = 0; ER = 0)
- Volkswagen (2015) = (OI = 0; FP = 1; MO = 1; HH = 1; EX = 0; ER = 0)
- Novartis (2013) = (OI = 0; FP = 0; MO = 1; HH = 1; EX = 1; ER = 0)

The presence of "moral offense" in audience reactions to the event in the Target (stolen customer information) case: Target's apology did not refer to organizational identity,
focusing instead on providing relevant information and discussing event specific initiatives, in the face of the immediate risk of losing customers during the peak season. Due to the technical nature of the event, and to the existence of an external culprit that targeted the firm, audience reaction was limited to discontent over the inconvenience. However, expert opinions at the time stressed that the collection of private information should have been followed by the implementation of appropriate measures in preparation of such attacks. In time, audiences would be expected to become better informed about such technical details, and take moral offense over the lack of responsibility shown by the firm in handling private data. Meanwhile, under similar short-term concerns organizations would be even more likely to prefer a more concise apology that addresses the immediate issue and focuses on the resolution of the ongoing crisis, instead of engaging in a longer discourse that seeks to defend against the allegations of a moral failing by evoking the positive traits of their organizational identity.

Expressed as:

\[ cf_2 = (\text{OI} = 0; \text{FP} = 0; \text{MO} = 1; \text{HH} = 0; \text{EX} = 1; \text{ER} = 1) \]

this counterfactual can minimize the KFC (2010) case:

\[ \text{KFC (2010)} = (\text{OI} = 0; \text{FP} = 1; \text{MO} = 1; \text{HH} = 0; \text{EX} = 1; \text{ER} = 1) \]

Finally, in cases minimized through the "directional expectation" based on the theoretical predictions above, these counterfactuals can also be expressed inductively, using a "thought experiment" based on empirical evidence:

The presence of "emotional response" in audience reactions to the event, instead of its absence in the McDonald's (hazardous objects in food) and Walmart (mislabeling non-organic meat as organic) cases: Corporate apologies for these events refer to organizational identity, but newswires do not report any emotional response such as anger, disgust, or derision in audience reactions. However, despite the frequency of similar events in the past, the potential health hazard can reasonably stir anger, or disgust. Furthermore, this change would make the apology more likely to refer to organizational identity, in an effort to quell this anger by reminding the audiences of the enduring positive qualities of the organization despite the recent, health threatening mistake.
Expressed as:

\[ cf_3 = (O_I = 1; F_P = 1; M_O = 0; H_H = 1; E_X = 1; E_R = 1) \]

this counterfactual can minimize the Netflix (2011) and Apple (2012) cases:

\[ \text{Netflix (2011)} = (O_I = 1; F_P = 1; M_O = 0; H_H = 0; E_X = 1; E_R = 1) \]
\[ \text{Apple (2012)} = (O_I = 1; F_P = 1; M_O = 0; H_H = 0; E_X = 1; E_R = 1) \]

After finalizing the research decisions concerning counterfactuals, I conducted a logical minimization of my data and obtained complex, parsimonious, and intermediate solutions for the presence and absence of a reference to organizational identity in corporate apologies using the software fs/QCA (Ragin & Davey, 2017). Following current convention (Greckhamer, 2016) I will present the intermediate solutions that also contain the results of the parsimonious solutions, including the results of the sufficiency analyses, with consistency and coverage scores for each configuration and the overall model.

6 Findings

6.1 Results of the analysis

Tables 8 and 9 present the solutions of the QCA for the presence and the absence of a reference to organizational identity in the apology. As per the accepted notation in the literature, full circles indicate the presence of a condition, crossed circles its absence, where larger circles represent conditions in solutions appearing in both the intermediate and parsimonious solutions and smaller circles represent conditions that only appear in the intermediate solution, with blank spaces indicating that the condition may be either present or absent for the occurrence of the outcome (Greckhamer, 2016). Solutions are sorted according to their unique coverage, and based on common conditions among them. Neutral permutations, or solutions that are represented by the same configuration in the parsimonious solution, but different configurations in the intermediate solution, bear the same number (e.g. S5a and S5b for the presence, S1a and S1b for the absence of the outcome).
### Table 8. Presence of references to organizational identity in corporate apologies

<table>
<thead>
<tr>
<th>Conditions:</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Accusation - Firm’s past</strong></td>
<td>S1</td>
</tr>
<tr>
<td><strong>Reaction - Moral offense</strong></td>
<td>☀️ S2</td>
</tr>
<tr>
<td><strong>Event - Health hazard</strong></td>
<td>☀️ ☀️ S3</td>
</tr>
<tr>
<td><strong>Apology - Excuse</strong></td>
<td>☀️ ☀️ S4</td>
</tr>
<tr>
<td><strong>Reaction - Emotional response</strong></td>
<td>☀️ ☀️ S5a</td>
</tr>
<tr>
<td></td>
<td>☀️ ☀️ S5b</td>
</tr>
<tr>
<td>Consistency</td>
<td>1</td>
</tr>
<tr>
<td>Raw coverage</td>
<td>0.28</td>
</tr>
<tr>
<td>Unique coverage</td>
<td>0.28</td>
</tr>
<tr>
<td>Overall consistency of the model</td>
<td>1</td>
</tr>
<tr>
<td>Overall coverage of the model</td>
<td>1</td>
</tr>
<tr>
<td>Cases:</td>
<td>Comcast (2008), Google, Barclays, JPMorgan, Bloomberg, McDonald’s, Walmart, Chipotle, Toyota, Maple Leaf, Duke Energy, Home Depot, Netflix, Apple, News UK, Facebook, GM, News UK, Facebook, BP</td>
</tr>
</tbody>
</table>

### Table 9. Absence of references to organizational identity in corporate apologies

<table>
<thead>
<tr>
<th>Conditions:</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Accusation - Firm’s past</strong></td>
<td>☀️ S1a</td>
</tr>
<tr>
<td><strong>Reaction - Moral offense</strong></td>
<td>☀️ S1b</td>
</tr>
<tr>
<td><strong>Event - Health hazard</strong></td>
<td>☀️ S2</td>
</tr>
<tr>
<td><strong>Apology - Excuse</strong></td>
<td>☀️ S3</td>
</tr>
<tr>
<td><strong>Reaction - Emotional response</strong></td>
<td>☀️ S4</td>
</tr>
<tr>
<td></td>
<td>☀️ S5</td>
</tr>
<tr>
<td></td>
<td>☀️ S6</td>
</tr>
<tr>
<td></td>
<td>☀️ S7</td>
</tr>
<tr>
<td>Consistency</td>
<td>1</td>
</tr>
<tr>
<td>Raw coverage</td>
<td>0.08</td>
</tr>
<tr>
<td>Unique coverage</td>
<td>0.08</td>
</tr>
<tr>
<td>Overall consistency of the model</td>
<td>1</td>
</tr>
<tr>
<td>Overall coverage of the model</td>
<td>1</td>
</tr>
<tr>
<td>Cases:</td>
<td>Comcast (2015), VW, Novartis, KFC, Yahoo, MS, RBS, Bank of America, American Airlines, British Airways, Target, Delta Air Lines, Yahoo, MS, RBS, Bank of America, Verizon, British Airways, Target, Verizon</td>
</tr>
</tbody>
</table>
In Boolean expression using the following abbreviations and notation:

OI: Apology - Reference to organizational identity (Outcome)
FP: Accusation - Reference to firm's past
MO: Reaction - Moral offense
HH: Event - Health hazard
EX: Apology - Excuse
ER: Reaction - Emotional response

Notation:
* indicates AND
+ indicates OR
~ indicates NOT
→ indicates sufficiency

results of the analysis can be expressed as:

<table>
<thead>
<tr>
<th>Presence of OI:</th>
<th>Absence of OI:</th>
</tr>
</thead>
<tbody>
<tr>
<td>MO * ~HH * EX * ~ER</td>
<td>~FP * MO * ~EX * ~ER</td>
</tr>
<tr>
<td>+ FP * ~MO * HH * ~ER</td>
<td>+ MO * HH * ~EX * ~ER</td>
</tr>
<tr>
<td>+ ~FP * ~MO * ~EX * ~ER</td>
<td>+ ~FP * MO * HH * ~ER</td>
</tr>
<tr>
<td>+ FP * ~MO * EX * ER</td>
<td>+ MO * ~HH * EX * ER</td>
</tr>
<tr>
<td>+ MO * HH * ER</td>
<td>+ FP * ~MO * ~HH * ~ER</td>
</tr>
<tr>
<td>+ HH * EX * ER</td>
<td>+ ~FP * ~MO * ~HH * ER</td>
</tr>
<tr>
<td>→ OI</td>
<td>+ ~MO * ~HH * EX * ~ER</td>
</tr>
<tr>
<td></td>
<td>+ ~FP * ~MO * ~HH * EX</td>
</tr>
<tr>
<td></td>
<td>→ ~OI</td>
</tr>
</tbody>
</table>

The first table summarizes the results of the analysis for the presence of a reference to organizational identity in the corporate apology, and the second, its absence. It is necessary to conduct separate analyses, in accordance with the assumption of causal asymmetry; as illustrated by these results any links between the presence of the outcome and the presence of a condition, or a configuration of conditions, does not imply a symmetrical link between the absence of the outcome and the absence of condition(s).

Each solution defines a configuration linked to the outcome. The equifinality between solutions, with different paths leading to the same final point, corresponds to an OR relation between solutions. Within solutions, conditions operate through an AND relation to define each path.

Consistency of both individual solutions and the overall model is 1, which indicates that none of the rows on the truth table include cases with different outcomes. As a result of this research decision, a high consistency also lead to a higher number of solutions with
smaller coverage, and a limited number of cases that represent each solution. All else being equal, coverage represents the relative empirical weight of a solution (Greckhamer, 2011): With a higher coverage, the solution would be able to explain a higher proportion of the outcome of interest than other solutions. However, these numerical representations of fit should be interpreted taking into consideration the exploratory design for sample characteristics and model specifications. In a conceptual domain at the intersection of two literatures, the current study aims to understand the mechanisms around a phenomenon through necessity and sufficiency relations of configurations of conditions. With this purpose, this study is not intended to produce generalizations concerning the trends in the population of interest, but to extract a comprehensive collection of generalizable patterns from a smaller sample that can be applicable to a broader population and over a wider set of contexts. From this perspective, the relatively small coverage values and the absence of any single empirically dominant solution e.g. with a coverage above 0.5, may be interpreted as a confirmation of an efficient application of the 'diverse' case selection strategy, capturing a variety of patterns with a small sample size. At the same time, the perfect consistency and coverage for the overall model indicates that each case displaying the presence or absence of the outcome could be explained by at least one of the solutions, and that the information pertaining to each case was represented accurately by the model.

Before discussing the findings, an important distinction concerning the solutions revealed at the end of a QCA should be pointed out: QCA relies on the integration of both qualitative and quantitative insights and it can extract the associations between conditions contained in the data, but the solutions would need to refer back to theory and empirical evidence for an interpretation of the potential causal links indicated in the results (Greckhamer, 2011). To this end, a degree of familiarity with the individual cases becomes crucial to the contribution of the insights revealed by QCA (Schneider & Wagemann, 2010). In line with this requirement, the following presentation and interpretation of solutions frequently refers to these insights, a summary of which was presented and discussed in the previous sections.
6.2 Interpretation of solutions

6.2.1 Informative potential of the accusation

Clustering of cases through logical minimization allowed the emergence of an unobservable dimension in the public reaction: informative potential of the accusation. Despite the absence of any explicit cues in the data, in each case an inspection of developments surrounding the focal event and the apology over a longer time frame allowed me make inferences about the strategic value and potential of the public reaction, with a dialectical approach to organizational identity in mind: The proposed informational content of the accusation corresponds to a potential direction or target for a change in the organizational identity, based on the external audiences' evaluation of the existing organizational identity in light of recent negative events, accounting for changing norms and values in the institutional environment.

I will incorporate this dimension in the interpretations of solutions, and in the following section formulate working hypotheses based on these insights.

6.2.2 Presence of "reference to organizational identity in corporate apology"

The first solution for the presence of a reference to identity indicates a peculiar configuration in comparison with the other solutions. The presence of "moral offense" in the absence of "emotional response" presents an unusual combination that does not receive much attention in the corporate apology literature, which refers instead to concepts such as "moral outrage" (Hearit, 2006: 111), or to a "morally repugnant public" (Pang, Jin, & Cameron, 2010: 531) that combines these two independent dimensions of the public reaction.

In the cases represented by this solution, despite the lack of anger and the absence of a "health hazard," organizations offer an "excuse" while referring to their "identity" for support: Google, facing charges of "snooping" wi-fi networks and "crossing an ethical line," tried to minimize the offense by claiming ignorance about the software responsible for the breach of ethics, yet along with this denial it restated its "commitment to privacy"
and announced the introduction of additional privacy controls for its users (Liedtke, 2010). JP Morgan, criticized over a repetition of the reckless risk taking behavior that led to a global crisis a few years back sought to explain the recent trading losses through "poor monitoring," while still repeating the organization's commitment to learn from its mistakes and improve itself. These examples seem to indicate that the organizations may publicly deny charges against their moral conduct through "excuses," while recognizing the severity of the "moral offense" expressed in the accusations, and introducing behavioral initiatives (e.g. new procedures, corrections, incremental improvements, etc.) intended to address the specific issue. Organizational identity seems to assume a supportive function to strengthen the credibility of the long-term implementation of these initiatives.

Since the accusation spurs immediate and specific changes and adjustments in the operations of the organization as a response, it can be interpreted as conveying accurate and actionable information to the firm. On the other hand, the speed and readiness with which the organization implements these initiatives to address the charges might indicate that the behavior that attracted criticism was truly unintentional, and that its correction would not conflict with the organization's strategic decisions. As such, I would argue that the public reaction does not contain any strategically relevant information concerning long-term plans and direction of the organization, but rather offers an incremental update about an issue that previously escaped notice, and about the external audiences' unequivocal lack of tolerance for such behavior.

The second solution combines "health hazard" in the absence of "moral offense." Cases that belong to this configuration include both less lethal situations with "unexpected objects" in McDonald's food, or Walmart's "mislabeled regular pork as organic," to Chipotle's E.coli outbreak and Toyota's "unintended acceleration" leading to fatal crashes. Despite the severity of the potential or realized harm, the unfortunate frequency of similar incidents in the "firm's past" seems to incite apathy and prevent any moral or emotional public response. References to "organizational identity" seem to merely emphasize and remind the audiences of the ongoing legitimacy held by the company despite the habitual nature of the event. As a result, contents of the accusation lack any significant
informative potential where the organization does not contest the attribution of blame or the condemnation of the act, causality is clear, and the prevention of future incidents requires technical knowledge outside the boundaries of what public reaction can offer.

The third solution contains a collection of outwardly dissimilar events with one fatal food contamination (Maple Leaf Foods, 2008), one industrial leak and subsequent environmental crisis (Duke Energy, 2014), and one security breach in a retailer (Home Depot, 2014). In these cases the absence of "moral offense" and "emotional response" stems from the technical complexity of the events, and unlike the apathy brought by the frequency of similar situations in the examples above, the lack of precedents makes it difficult to form an opinion and attribute blame. References to "organizational identity" mainly provide a relatively easy to understand cue about the positive qualities of the firm that signals its commitment to resolve the issue and compensate for any mistakes. Under these circumstances the public reaction merely demonstrates the difficulty of attributing responsibility for, and evaluating the normative implications of the event, without any informative contribution to the discussion.

The fourth solution displays a somehow symmetrical configuration to the first one: The "emotional response" without "moral offense" in the Netflix (2011) and Apple (2012) cases seems to exemplify an abstraction of reflex reactions to the inconvenience brought by change: In both cases the implementation of a strategic decision with long-term considerations stirred the customers' anger, where mentions of similar incidents that provoked negative public reactions in the "firm's past" are intended to support the angry reaction but might instead be interpreted as a confirmation of its short-term nature and strategic irrelevance, and an affirmation of the firm's continuing success despite these intermittent stumbles, as reminded by references to "organizational identity."

The last two solutions can be interpreted as neutral permutations of the same configuration in the parsimonious solution, where only the presence of "health hazard" and "emotional response" is sufficient for the presence of a "reference to organizational identity" in the apology, opposite of the first solution. Unlike the readiness of the firms in
the first solution to act on the issues raised in the accusation however, cases that represent
this configuration exhibit considerable inertia and lack of responsiveness.

Chronologically the first case, BP (2010), failed to even issue an apology for a long time, while the concurrent oil leak that threatened a vast ecosystem also exacerbated the situation. When the company finally agreed to compensate its victims, this initiative failed to improve the organization's image due to months of negotiations that delayed the resolution of the issue, and the amount of political pressure it took to break the firm's resistance. Next year, News UK (2011) issued an apology for a decade of illegal phone hacking and harassment of several public figures, after the organization was already forced to close its operations. Even the initial reports on the apology categorized it as a 'non-apology,' due to the contrived expressions that seemed to prioritize avoidance of any admission of liability over any genuine recognition of wrongdoing. In GM's (2014) case, a closer inspection of the developments surrounding the apology reveals that the negative public response resonated with an ongoing debate within the organization. As such, contents of the apology and the subsequent initiatives taken by the company seem to reflect a genuine effort for improvement, as advocated by some of the internal coalitions. On the other hand the apology was issued following a long series of recalls without any satisfactory explanations, which only strengthened the doubts about the sincerity of the statements in the apology. Lastly, after some probing Facebook (2014) responded verbally to accusations of human experimentation without informed consent, by reiterating its privacy policy that legally "counts as" consent.

A common theme underlying these apologies would be an unresponsiveness to the event and to the demands for an apology, and a failure to accurately address the issues raised in the public criticism. News UK's repeated declarations of "deep sorrow for the hurt suffered" in the face of "public disgust" with its operations (Weir, 2011) and Facebook's assurances over what "counts as" informed consent for an experiment described by its pool of participants as "creepy" and "evil" (Macrae, 2014), contain inaccurate responses that may imply a lack of attention paid to the essence of the accusation, a failure or unwillingness to understand the criticism, or an intentional disregard for the public voice. BP and GM's reluctance to engage with external audiences over a long period may
merely suggest an issue of timeliness, but it rather seems to correspond to the lack of a two-way dialogue with a potentially detrimental impact over the long run, between an organization with technical skill and knowledge, and a society that lacks expertise on the subject: For example, despite the record fines and resources allocated to cleaning up the oil spill, BP's later investments into clean energy were still branded as 'greenwashing.' It is possible to see this interpretation as the reflection of an insistent grudge or an irrational enmity toward the firm. However, in the absence of any mechanisms for the public to communicate its input for future organizational decisions, a sensible inference about the intentions behind observed behavior, in order to predict future actions, could also lead to similar interpretations. In GM's case, the commitments made in the apology and their eventual implementation constituted an accurate response to the public criticism. On the other hand it would be difficult to predict the organization's reaction to future negative public reactions, irrespective of the sincerity or goodwill of its members, especially in cases when the opinions expressed by external audiences did not coincide with ongoing issues advocated by internal coalitions. As a result, without an interest in entering into a dialogue with external audiences, or establishing any other feedback mechanisms for the public to influence the organization's behavior, consistency of the apparent sincerity and goodwill reflected in the firm's statements, and even in its actions, would remain in doubt.

In light of these proposed mechanisms, in each case the accusation could offer a significant informative potential, mainly in its capacity to shift the organization's dismissive stance toward external feedback and an interactive dialogue with its environment. Considering the content of the criticism however, if these four firms were to engage with their audiences and take their feedback into consideration, then the contents of the accusation would influence them in different ways. For GM, the information contained in the accusation would not have a considerable impact on the eventual actions taken by the firm. However, it might have helped some of the internal coalitions take the initiative and act sooner, thus resolving the crisis faster and more efficiently. A similar prediction would apply to BP where the firm did try, and eventually manage to resolve the issue, but with a lasting negative impact on its image. An ongoing dialogue could have reassured the general public of its intention to fix the problem and
compensate for the damages, avoiding the damage to its image. Although News UK was already conducting illegal activities for a decade before its crimes became public and any accusation was formed, it could be hoped that through a more active engagement with the external audiences throughout this period, the threat of losing its legitimacy in addition to the threat of criminal charges, may have steered the organization away from any illegal activities. For Facebook however, an interactive engagement with its users in 2014 may have allowed the company to avoid its recent crisis of legitimacy (Solon, 2018), and bypass tighter regulations that may threaten its entire business model (Kang, 2018) through proactive measures. Instead of focusing only on defusing the negative reactions, by paying close attention to the moral objections and anger over the commodification of its users, the company may have developed and implemented a strategy that resolves the discrepancy over its business model which attempts (and sometimes fails) to strike a balance between privacy rights of its users, and the continuing supply of its product, the personal information of those users (Wong, 2018).

In summary, for this configuration the informative potential of the accusation primarily lies in its potential to initiate a two-way dialogue with organizations that seem reluctant to it. Once the firm starts to pay attention to the feedback, the strategic value of the contents can smoothen the process and accelerate the resolution of the crisis, or prevent future crises by serving as an early warning system.

6.2.3 Absence of "reference to organizational identity in corporate apology"

The first four solutions for the absence of a reference to organizational identity are only represented by one case each, and the last four share 4 out of 5 (S4 and S6) and 2 out of 3 (S5 and S6) cases. Even though the intermediate solution presents them as separate paths, identification of sufficient conditions for the configurations and a familiarity with the individual cases allowed me to further cluster some of them during their interpretation.

The first two solutions present neutral permutations of the same configuration from the parsimonious solution. The combination of "moral offense" without "anger" mirrors the first solution for the presence of a reference to "organizational identity." Cases that
represent this configuration consist of Comcast (2015) that due to a technical failure published the private information of its customers, and Volkswagen (2015) that installed a software in its automobiles to recognize testing conditions and reduce its emissions. Despite the divergence of the events, the two apologies show similarities where the firm recognizes and reaffirms the gravity of the mistake, expressing shame and a readiness to compensate for the act, a stance which could also be observed in cases from the first solution of the previous analysis. Together, these configurations might suggest that for morally offensive but emotionally neutral events, organization tend not to contest the public allegations, accepting the blame and the penalties, but in the presence of mitigating factors they might offer an excuse and refer to their identity, to highlight the contrast between this outlier event and their usual modus operandi. Similar to the first solution in the previous analysis, the lack of any objectives to the accusation would suggest that its contents do not contradict the firm's long-term strategy, but may offer information about necessary behavioral adjustments.

The second and third solutions (third and fourth column, S2 and S3, after the first two permutations, S1a and S1b) present two more cases involving "moral offense:"
Falsification of data by a Novartis (2013) employee may have led physicians to prescribe an ineffective drug to their patients, with a potential "health hazard" but without any "emotional response," while KFC (2010) paid female college students to wear sweatpants with an advertisement containing a sexual innuendo, without any "health hazard" but an ambivalent "emotional response." While the cases exhibit very few visible commonalities, both firms issued typical non-apologies with Novartis expressing "deep regret for the concern" brought by the issue (Knight, 2013) and KFC apologizing "to anyone who is offended" ("KFC ad uses buns to promote bunless sandwich," 2010).

Their dismissive approach to public criticism and to severe allegations of unethical conduct seems to originate from the shared aspect that both of the events that provoked the moral offense occurred within morally grey areas: Pharmaceutical companies experiment on humans but are not required to share all of their data (Goldacre, 2014), nor are bound by obligations of full transparency (Barnett, 2003; Bhandari et al., 2004), on account of a normatively uncontested protection of their trade secrets that ensures the company's earnings, a priority that overrides most other concerns. KFC on the other hand
merely engages in the widespread practice of the exploitation and objectification of women in advertisements in Western cultures (Frith, Shaw, & Cheng, 2005), where sensational and provocative messages receive praise for their ingenuity.

Within these contexts, under ideally flawed but practically common norms, the moral offense expressed in the accusation may appear open to debate, allowing both companies to disregard the criticism in the accusations without reprimand. Moreover, to the best of my knowledge the firms in these two cases have not suffered any long term disadvantages due to their refusal to take public accusations into account. However, public accusations in such contexts may contain considerably valuable strategic information that, instead of preventing potential crises in the future, may present new opportunities that are overlooked by most of the competitors operating under similar circumstances. As discussed in the fifth solution for the presence of the outcome, external audiences can supply up-to-date information about the normative environment and specific feedback about the company actions that violate these norms. Especially for organizations that operate in morally grey areas, the boundaries between acceptable and unacceptable behavior may change rapidly. A close monitoring of public reaction can help the company safely navigate these turbulent normative environments, where knowledge about the ideal, but impractical moral objections at a given time can provide foresight about the mainstream expectations of the future.

I will cluster the 8 cases in the next four solutions together, based on the empirical justification of a high proportion of shared cases, and on the knowledge that the absence of both "moral offense" and "health hazard" common to all four solutions constitute a central element in their interpretation.

The tone of apologies in this cluster vary over a broad range, from the serious, familiar but respectful apology delivered by Target (2013) over a breach of security and theft of customer data, to the perfunctory, almost jovial apology by British Airways (2008) deeming the temporary inconvenience of delays and service interruptions as a small price to pay for moving to a new, state-of-the-art wing of the airport. Unlike the apologies however, public reactions in all cases exhibit a common lack of urgency and gravity,
which severely diminishes the informative potential of the accusation. At the same time, this relative indifference in the accusations is a reflection of the repeated occurrence of the event, such as in airline apologies over delays or its complexity, or its technical nature that makes it difficult to establish causality and assign blame. In these situations, the information that the firms would have needed would also require expertise, which remains outside the scope of public reactions in any case.

6.2.4 Working propositions

Examining the clusters extracted by the analysis in conjunction with each other, I referred to my familiarity with the cases to identify commonalities across audience reactions in terms of their "informative potential," an intermediary factor that can influence the organization's response and thus in some cases help understand and explain the variation within my outcome of interest, or as a factor that should influence managerial evaluations of public criticism and inform practical recommendations, through the formulation of predictions that specifically consider the strategic value and opportunities offered by the phenomenon.

A high informative potential corresponds to criticisms that raise objections concerning a misalignment between social norms and the core attributes of the organization, its general approach to the event or its management of relations with external stakeholders, or a similar ongoing defect that exacerbates the offensiveness of the negative event (e.g. the BP, KFC, News UK, Novartis, GM, or Facebook cases). A medium informative potential targets a more specific behavior that violates social norms, but one that can be improved through changes in processes and procedures that failed to prevent, permitted, facilitated, or encouraged the offensive action. Public feedback presumes that the organization is aware of the objectionable nature of the behavior, however it serves as a reminder that such conduct will not be tolerated and has to be amended to secure the ongoing legitimacy of the organization (e.g. the Comcast (2008), Google, JPMorgan, Barclays, Bloomberg, Comcast (2015), and Volkswagen cases). Meanwhile a low informative potential often arises as a response to complex events that require field-specific expertise to understand, evaluate, determine causality, and assign blame (e.g. the RBS, Verizon, Bank of America, and MS cases), frequently occurring events that promote apathy in
external audiences (e.g. the Walmart, McDonald's, Chipotle, American Airlines, and Delta cases), or a combination of both (e.g. the Target, Home Depot, Toyota, Maple Leaf, Yahoo, and Duke Energy cases). In some instances where the company still issues an apology, the public reaction may reflect anger or disappointment over a short-term inconvenience due to a strategic implementation unlikely to be adjusted in response to such reactions (e.g. the Netflix and Apple cases), or in rare cases criticism may reflect a combination of both audience apathy and short-term reactions to long-term strategic considerations of the organization (e.g. British Airways).

Based on these definitions and informed by the findings of the two analyses, I formulated working propositions as conjunctural "directional expectations" (Amenta & Poulsen, 1994; Ragin, 2003), that better reflect the assumptions of causal complexity in set theoretic methods (Fiss et al., 2013; Schneider & Wagemann, 2012: 215). Components in these propositions correspond to the conditions in previous analyses, with "reference to organizational identity" and "excuse" as part of the apology, "reference to firm's past" as part of the accusation, "moral offense" and "emotional response" as part of audience reactions to the event, "health hazard" as a property of the event, and finally "high," "medium," and "low" informational content as a property of the accusation. In the interest of parsimony I did not indicate the presence of a condition, but explicitly stated its absence.

\( P1a: \) "Moral offense" is a necessary condition for a "high" informative content

\( P1b: \) "Moral offense" is a necessary condition for a "medium" informative content

\( P1c: \) Absence of "moral offense" is a necessary condition for a "low" informative content

Society, as the author of social norms and the eventual arbiter in case of any violations, would be expected to provide accurate, and strategically valuable information concerning the organization's overall fit with these norms, or to evaluate a specific behavior, in case of a morally offensive event. Whereas in cases of low audience engagement for complex
and technical, or repeated events, the accusation would be expected to reflect this lack of expertise, or indifference.

With only one condition predicting an outcome, this proposition of necessity can also be tested using statistical methods, to measure its relative impact on different outcomes, as an additional independent variable, or in a moderation or mediation analysis in more complex models.

\[ P2a: \text{"Health hazard" and "moral offense" is a sufficient configuration of conditions for a "high" informative content} \]
\[ P2b: \text{Absence of "health hazard" and "moral offense" is a sufficient configuration of conditions for a "medium" informative content} \]

If an event that threatens the health of individuals or the population in general also incites moral offense, with the implication that an intentional act lead to the damage, external audiences would be expected to evaluate the event as a reflection of a serious defect about the organization, and their response would include strategically valuable information about the specific normative shortcomings of the organizational identity. Meanwhile, in the absence of a threat to human health, the morally offensive event would be evaluated as an inappropriate act that can be amended through behavioral adjustments, with a public reaction that informs the organization of the unacceptability of the specific behavior.

These two sets of propositions can explain a substantial part of the difference between "high," "medium," and "low" informative potential or accusations:

<table>
<thead>
<tr>
<th>Condition</th>
<th>Value</th>
<th>Condition</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Moral offense&quot;</td>
<td>Absent</td>
<td>&quot;Moral offense&quot;</td>
<td>Present</td>
</tr>
<tr>
<td>&quot;Health hazard&quot;</td>
<td>Absent</td>
<td>&quot;Health hazard&quot;</td>
<td>Present</td>
</tr>
<tr>
<td>&quot;Informative potential&quot;</td>
<td>Low</td>
<td>&quot;Informative potential&quot;</td>
<td>Medium</td>
</tr>
<tr>
<td>&quot;High&quot; informative potential</td>
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</table>

Still, in an effort to offer a broader range of conjunctural directional expectations for future studies on the subject, I will present additional prepositions based on my analysis.
**P3a:** "Emotional response" and "moral offense" is a sufficient configuration of conditions for a "high" informative content

**P3b:** Absence of "emotional response" and "moral offense" is a sufficient configuration of conditions for a "medium" informative content

An event that triggers both ethical and emotional objections would be expected to be evaluated as a serious violation of social norms that requires a correction of the organization's central and enduring traits which lead to, or failed to provide a safeguard against, this inexcusable behavior. Without an emotional component however, objection to the event does not contain the same urgency, allowing for an iterative, less comprehensive adjustment of behavior over time.

**P4a:** "Emotional response" and "health hazard" is a sufficient configuration of conditions for a "high" informative content

**P4b:** Absence of "emotional response" and "health hazard" is a sufficient configuration of conditions for a "low" informative content

**P4c:** "Emotional response" and absence of "health hazard" is a sufficient configuration of conditions for a "low" informative content

Mechanisms for these propositions are similar to the arguments above: A health hazard that also provokes an emotional response points to a serious flaw, while in the absence of an emotional component the case may be evaluated as an unfortunate but frequent event, and emotional responses in the absence of a health hazard would indicate a reaction to a relatively minor inconvenience.

**P5a:** "Reference to firm's past" and "health hazard" is a sufficient configuration of conditions for a "low" informative content

**P5b:** Absence of "reference to firm's past" and "health hazard" is a sufficient configuration of conditions for a "high" informative content

Introduction of references to the firm's past to events with a health hazard produces the opposite outcomes: A history of behavior that presented a health threat would indicate a repeated event or a persistent problem with no immediate solutions, where the input from
external audiences could not be of much help. In the opposite case, an unprecedented health hazard would encourage an engaged discussion that addresses the core issues that lead to this outcome.

Up to now, propositions for the outcomes "high," "medium," or "low" informative content in the accusation did not refer to "excuse," a component of the apology, which is often constructed later as a response to the accusation. It may however help predict the outcome of interest, the presence or the absence of a "reference to organizational identity," and is included as a condition in some of the following propositions:

\[
P6: \text{A "high" informative content and "health hazard" is a sufficient configuration of conditions for a "reference to organizational identity"}
\]

Facing a serious accusation that targets a flaw in its central and enduring attributes, the organization would be expected to remind audiences of its existing legitimacy and history of positive qualities, to support the credibility of its future looking promises and commitments to fix this problem.

\[
P7a: \text{A "medium" informative content and "excuse" is a sufficient configuration of conditions for a "reference to organizational identity"}
\]

\[
P7b: \text{A "medium" informative content and absence of "excuse" is a sufficient configuration of conditions for the absence of a "reference to organizational identity"}
\]

In case of a "medium" informative content, or an accusation that targets a specific behavior instead of an ongoing, deeper flaw, if the objectionable event can be extenuated by an excuse, the organization would be likely to also refer to its identity in an effort to highlight the contrast between its enduring qualities and this exceptional incompetence, between the commendable behaviors across all members and the offensive act of a single employee, or between the ordinarily positive impact of its operations and the recent minor offense. On the contrary, if the organization cannot provide a credible excuse, the apology would be likely to focus on the recent event instead of discussing its identity.
Facing an accusation with a "low" informative content, mechanisms between excuses and references to identity change direction: With a complex and technical, or repeated offense where audiences cannot assign blame with certainty or remain disinterested in the resolution of a frequently occurring event, if the organization can offer a valid excuse it would be unlikely to engage in a longer discussion that mentions its identity. However, in the absence of such a valid excuse, references to identity would provide a more easily understandable cue, signaling commitment to resolve the situation, and function as a reassurance about the credibility of the company's future looking statements.

6.3 Demand for change, and the recognition thereof

The classification of the informative potential of the accusation corresponds to the public demand for a change: I defined "high" and "medium" informative potential based on the feedback the accusation provides, on the unacceptable core properties or behavior of the company. This feedback, in form of normative criticism, also demands a re-alignment with social norms, either as a comprehensive and immediate change of core properties, or as a more gradual adjustment in behavior. With a "low" informative potential on the other hand, external audiences either cannot evaluate responsibility and assess the need for change, or accept the behavior as typical and resign any demands for change.

Following the formulation of this dimension, another related condition appears more clearly in the data: Within the cases with a "high" or "medium" informative potential, and thus a relatively strong demand for change, a set of companies expressed a recognition of this demand for a change of, or adjustments in their organizational identity and behavior. In line with the presented arguments and theoretical expectations, this set corresponds to companies that referred to their identity, in response to accusations that referred to their past (e.g. Google, Barclays). In some cases companies expressed this recognition by
defending their existing identity in the face of abject failure (e.g. News UK, JPMorgan), while in others indirectly through a muted denial of charges before promising full compliance with norms (e.g. Comcast (2008)).

Three cases with the "recognition of a demand for change" outcome remain outside the coverage of the configuration "reference to organizational identity" and "reference to firm's past" with either "high" or "medium" informative potential: GM represents a case that cannot be explained by this subset, where despite the absence of a reference to firm's past, the apology still recognized the demand for a change. In addition, among cases with a "low" informative potential for accusations, Toyota and Chipotle expressed a recognition for an adjustment in their core attributes, former for integrating customer feedback into its unique manufacturing philosophy, and latter for integrating food safety measures into its "food with integrity." Introduction of the "excuse" condition can explain all these three cases however: Among companies that faced an accusation with a "high" informative potential, General Motors remains as the only company that did not attempt to excuse its behavior. Similarly, among cases that combine the two conditions under a "low" informative potential, only Toyota and Chipotle did not offer any excuses.

Combining the interpretations and insights based on the results of the analyses, in cases with both "moral offense" and "health hazard" accusations contained a "high" informative potential, demanding a change in organizational identity. Those with "moral offense" without "health hazard" had a "medium" potential, and a demand for less immediate adjustments. In the absence of "moral offense," accusations exhibited a "low" informative potential without any demands for change. Meanwhile, organizations' recognition of a demand for a change reveals three pathways: (1) Cases with a "high" informative potential without an "excuse," (2) cases that combine a "reference to organizational identity" and "reference to firm's past," with either a "high" or "medium" informative potential, or (3) a "low" informative potential in the absence of an "excuse," exhibit a recognition of a demand for a change.

Following the interpretation of the results, I will now discuss the implications of these results for the related literatures, methodology, and practice before concluding the study.
Chapter 4 Discussion

7 Discussion

Corporate apologies that accompany sudden changes in organizational identity are not considered to be feasible or advisable by either the organizational identity, or the corporate apology literatures. In this study I combined insights from these two literatures that, in conjunction with each other, may suggest that such a change could be both possible, and beneficial for the organization. Working in tandem, public criticism would weaken member identification that otherwise contributes to the stability of the organizational identity, while the specific content of the criticism could inform the strategic direction that the organization should take to achieve a better fit with its normative environment in the long term. In the meantime, the interpersonal apology literature would suggest that in cases where external audiences demand an apology, they may also be implicitly asking for a change in identity. In such cases, complying with these demands and issuing a genuine apology that commits to a change in organizational identity could constitute a rare case of a satisfactory response to a public demand for an apology. At the same time, informed by the contents of the public criticism, implementation of this decision, albeit taken without much deliberation, may yet be beneficial to the organization by achieving a better fit with its normative environment.

In its abstract form, my research attempts to address the question of when such an apology accompanying a change in identity would be warranted. This question deals with two dimensions: whether the company recognizes a public demand for a change in identity, and whether the informative content of the criticism could be strategically helpful in orienting this change within the short period of time between the public demand and the issuance of an apology. To answer these questions I expressed my research question in set theoretic relations of necessity and sufficiency, then conducted a qualitative comparative analysis (QCA) on a sample of 31 company-apology pairs, to reveal a variety of configurations of conditions that indicate paths where such a change would be possible, through the company's recognition of a demand for a change, and advisable, depending on the informative potential of the public reaction.
7.1 Implications of the findings

7.1.1 Organizational identity

Organizational identity scholars mainly focus on single case studies or statistical analyses with large sample sizes. This epistemological polarization coincides with two conceptualizations of identity in the literature, the social actor and social constructionist perspectives. From the social actor view corporate apologies, as any public statements issued on behalf of the organization, would be a reflection of the organizational identity. Specifically, references to identity in the data would constitute an "identity-referencing discourse" (Whetten, 2006), especially in times of crisis such as in the face of public criticism.

A comparative study over a medium sized sample of apologies can add boundary conditions, or further clarifications to these broader definitions in the literature. In cases where the accusation has a "low" informative potential, an ostensibly "identity-referencing discourse" may have a different purpose. Despite the "low" informative content, or strategic value of these accusations, the context around these apologies still contains a strong negative reaction, a crisis with a global audience where the organization would be expected to refer to its identity to resolve dilemmas and make tough decisions (Albert & Whetten, 1985). On the other hand, in cases from this "low" informative potential subset, companies discuss their positive, enduring traits merely as an image restoration tool, and without any substantial discussion on their identity. To explain this boundary condition, it could be theorized that an identity discourse, in addition to rhetoric, also includes a dimension of reciprocity and a conversational exchange between two parties that requires and an engaged audience, not merely expressing its reaction to a negative event but ready to discuss, argue, and negotiate the placement of the organization's identity within the broader normative landscape.

The Netflix case clearly illustrates the distinction between the intensity and clamor, and the engagement of external audiences. In an emerging industry without any precedents, the company considered its past success as evidence of a sound strategic decision making process, and implemented an abrupt price increase and separated its product line in two
parts, based on the difference in their business models. Although customers reacted loudly to the increased costs and the inconvenience brought by the divided service model, the only substantial criticism in the reaction pointed to a lack of heed for customer input. Ideally, the timing proposed by this criticism would ensure that the customer input would precede, and contribute to the strategic decision. Instead, in the absence of any strategically valuable information available in the public reaction, company apologized for mishandling customer relations and failing to incorporate customer input before the implementation of its plans, while strongly defending its strategic decisions through frequent mentions of its distinctive market leadership and ongoing, enduring success.

From a social constructionist perspective, any managerial discourse including image restoration activities can be used as sensegiving tools, with an indirect, slow and gradual impact on identity through feedback mechanisms between identity and image (Gioia et al., 2000). Despite a broader, more inclusive definition of identity open to influences across organizational boundaries, a strict distinction remains between the internal identity and the external image, which is only internalized through the members' processing and interpretation of the feedback from external audiences. Although identity can be negotiated among internal members in the social constructionist perspective, external audiences can only contribute to the formation, or change of identity indirectly, through their reactions to the projection of identity as image across the organizational boundaries.

Through the identification of discrepancies and compounded dimensions, a comparative analysis can also help make additions to this conceptualization of identity. The condition of "moral offense," as distinct from emotional responses such as anger, disgust, or derision, appears in external audience feedback as a direct component of identity, and as part of an ongoing identity discourse across organizational boundaries. Public reaction provides an alternative interpretation of an aspect of identity, connected to the recent negative event, and thus argues for a change, or a specific adjustment in this aspect of organizational identity. JPMorgan's distinctive risk management skills that contributed to the company's success are reinterpreted as recklessness or gambling, two views that in essence describe similar decisions, actions, and processes, but highlight the differences due to emerging sensibilities and shifts in the normative environment that undermine the
complimentary interpretations of risky behavior. For General Motors, a "cost culture" that minimizes waste to reduce prices for customers becomes an unacceptable safety risk, and Facebook's commitment to offer the best experience for its users through continuous improvements becomes a "creepy" and "evil" manipulation of emotions in experiments on human 'subjects.'

In both additions to the existing views of organizational identity, the comparative case study reveals a need to consider and incorporate the contributions of interactions across the organizational boundary concerning the organization's identity. Instead of a vanishing organizational boundary where identity disappears into a mere reflection of outside images (Gioia et al., 2000), this conceptualization is built on the interaction of two distinct participants, internal members and external audiences, engaged in a negotiation on the organization's identity, but taking into account the shifting lines between acceptable and unacceptable across a fluid normative background. Institutional approaches to organizational identity often discuss similar mechanism of integrating normative elements from the environment (Glynn, 2008), however in these studies the norms in question pertain to the business environment pushing the organization toward conformity (e.g. Glynn & Abzug, 2002), instead of the society that only raises objections in case of a violation of broader social norms, and offer specific feedback in a fluid, dynamic institutional environment, to offer a considerably wider flexibility. Similarly, studying identity through a stakeholder approach (Scott & Lane, 2000) can highlight the interaction between managers and external stakeholders with "expectations to gain from the organization's successful operation" (p.44). However these interactions would work indirectly through the managerial evaluation of stakeholder demands, and projection of images tailored to stakeholder interests, unlike the mechanisms proposed in this study where the broader society, with the primary expectation of compliance with its norms, would actively contribute to identity discussions across the organizational boundaries.

7.1.2 QCA

In this study I used the latest version of the fs/QCA software, but applied the crisp set QCA, the first QCA technique to be developed, that despite its widespread application does not take advantage of the developments in QCA techniques. On the other hand, the
relative simplicity of the analysis and ease of understanding of results do not interfere with the method's ability to identify complex interactions between conditions (De Meur et al., 2008). Especially in fields where any manual or systematic comparative case studies can offer considerable insight, such as the organizational identity and corporate apology literatures, an emphasis on the informative potential of even the most basic analyses, through the application of less intricate methodologies, can help introduce more scholars to this fundamentally different epistemological approach.

Findings of the study also underline a methodological implication applicable to a broader range of QCA studies, where the results could have contradicted a number of "directional expectations" (Ragin, 2003) based on single conditions, such as the presence and absence of an "excuse" in the apology leading to opposite outcomes for a "reference to organizational identity," depending on the informative potential of the accusation. As such, despite the theoretical justification and some empirical support for the theoretically driven "directional expectation" concerning the relation between "reference to firm's past" and "reference to organizational identity" (0.61 consistency and 0.61 coverage), I also evaluated the counterfactuals based on this directional expectation through inductive "thought experiments" based on variations on existing empirical evidence (Ragin, 2003). As such, even in more established fields with a strong theoretical foundation, in the absence of conjunctural "directional expectations," such inductive approaches may provide an appropriate addition to the available sets of relationships from the literature.

### 7.2 Practical implications

Crisis management literature, through its frequent application in business consultancy, provides an established link to the practical applications of the current study. Findings support the initial argument that some crises need to be managed through image restoration tools, while some negative public reactions contain valid and valuable feedback concerning the normative positioning of the organizational identity, and a dynamic evaluation of its fit with the societal expectations. This normative lens would allow the introduction of organizational identity into the crisis management literature, where in addition to a maintenance of long-term qualities of the organization in their capacity to protect against negative criticism (Ulmer, Sellnow, & Seeger, 2010), changes
and adjustments in identity can also be studied as the outcome of crisis management activities. Meanwhile, paying attention to the contents of public criticism, and extracting the constructive, strategic information contained in the communications can provide a new approach to crisis management, one that focuses on the pursuit of subtle, elusive opportunities, instead of the evasion and management of visible threats.

As with organizational identity, crisis management literature also relies heavily on single case studies. As a result, a comparative case study can offer incremental contributions to the literature in form of some unexpected insights: While a timely response, an admission of responsibility, and an expression of remorse are considered as best practice in times of crises (Hearit, 2006), with such an effective way to manage public reactions, the company may also pacify and silence feedback that otherwise could provide valuable information on the direction of a potential strategic change. In its apology, JPMorgan recognized its mistakes and promised to learn from them. However, by reducing the interpretation of the public criticism to an outrage over the outcome of its behavior, rather than the driving principle behind it, the company ignored the main target of the criticism, reckless risk taking, and missed the opportunity to act upon this criticism and use its momentum to implement more fundamental changes in its identity. Toyota on the other hand, failed to issue a timely response and the cultural distance between the audience and the spokesperson, CEO of the company, undermined the emotional impact and an accurate conveyance of sorrow and remorse. Still, despite the public relations oversight the company realigned its processes to integrate customer feedback, a fundamental shift from its distinctive business model built upon manufacturing efficiency.

As can be seen in these examples, comparative case studies can provide new insights, or identify boundary conditions and further specifications on existing knowledge, and strengthen the theoretical foundations of generalizations based on single case studies.

7.3 Limitations

In the current study I explored the conceptual domain at the intersection of organizational identity and corporate apology literatures. These theoretical foundations shaped my methodology and research design, in addition to empirical insights that helped with
intermediary research decisions in an iterative fashion. As with any exploratory study, the absence of any existing theoretical insight or empirical evidence that pertains directly to the current domain would impact the accuracy of these methodological specifications.

In my sample selection I combined 'typical' and 'diverse' case selection strategies, using industry as a source of increased diversity in the sample. While industry features prominently as a significant factor in a variety of management theories, findings indicated pathways that often cross industrial boundaries, with configurations represented by cases with few commonalities in their formal, visible characteristics. This could be a reflection of the indiscriminate availability of rhetoric cues irrespective of industry, size, or any other condition prevalent in management theory, and critical to the operations of the firm. On the other hand, the irrelevance of industry would also weaken the 'diverse' component of the case selection strategy. It should be noted that without the introduction of this variation, interpretation of findings would need to consider industry as a potential explanation of the similarities, or differences between cases due to this theoretical prevalence of industry. In this sense, diversity based on industry serves as an experimental control that eliminates its effects as a possible explanation. Still, a source of diversity that better fits the conceptual domain could provide different coverage values, or empirical weight, among the solutions extracted from the data.

QCA extracts patterns in the data, while the causal relations and underlying mechanisms are interpreted based on the researcher's familiarity with individual cases. It relies heavily on existing theory and "prior knowledge external to the data" during several stages before, during, and after the analysis, as an iterative method that often requires researcher judgment on research decisions (Rihoux, Ragin, Yamasaki, & Bol, 2008; Schneider & Wagemann, 2010). For the current study I collected a variety of secondary data sources over different intervals of time, such as news articles, industry news, statements on company websites, blogs, etc. This reliance on secondary sources fits the socially constructed nature of the phenomenon of interest, and the events, accusations, and responses. However, additional sources of data such as interviews with company insiders, managers, or regulators could still increase the accuracy of the interpretations. Familiarity with individual cases also imposes a restriction on sample size, since it takes considerable
time and resources to understand all the details related to an event, company, and the social and political context around the time when the event takes place. Still, as an analysis tool QCA can easily handle large sample sizes, and with a larger sample without compromising on familiarity with individual cases, findings could present more "convincing" results that reflect data from a larger number of cases (Ragin, 2006).

7.4 Future research

QCA can offer considerable insight, especially in fields that rely mainly on single case studies such as the organizational identity and corporate apology literatures. Although corporate apology literature does not specifically discuss organizational identity, future studies can analyze cases from the apology literature, focusing on references to the central, enduring, and distinctive aspects of the organization within the text. A comparison of the results with the findings of these single case studies, and with the findings of the current study, can reveal valuable insight concerning the applicability and generalizability of these findings with respect to each other. Such a meta-analysis can also guide the research design of future studies.

QCA can also be paired with process or variance analysis as a precursor, or as a follow-up study to summarize the data, identify 'extreme' cases, test existing theory, or develop new conjunctural hypotheses. Based on the findings of the current study, an in-depth focus on a single case from the sample can offer a more accurate insight about the underlying mechanisms of the configuration. Meanwhile, a statistical analysis with a larger sample of cases that represent one of the configurations can help reveal the relative impact of the individual conditions on the outcome.

In this study I attempted to capture as much variance as possible within a minimum number of cases (Berg-Schlosser & De Meur, 2008: 21). Heterogeneity captured in the solutions reflect this research design choice: Unlike variance analysis, the wide variety between solutions and their low raw coverage do not imply insignificance or insubstantiality (Schneider & Wagemann, 2012: 148), and a low empirical weight does not imply lack of theoretical importance. Future studies based on these results can focus only on one of the configurations, and select a sample that introduces a higher and more
targeted degree of homogeneity within the conditions revealed in the solution, while maximizing heterogeneity in conditions that can help differentiate between alternative interpretations of the underlying mechanisms for that configuration. Alternatively, a QCA with a larger sample size can focus only on the conditions identified as relevant in this study to verify or falsify the results, and as the sample size increases, it would also become possible to introduce additional conditions for a finer grained understanding of the phenomenon.
Chapter 5 Conclusion

8 Conclusion: an *interactive* conceptualization of identity

This study aspires to provide the initial steps for a broader research agenda that connects the organizational identity and apology literatures to provide a theoretical basis for a flexible, adaptable conceptualization of identity that can be aligned with the changing norms and values in the society, along with shifting public expectations and demands from businesses. Apologies provide a salient cue about the mismatches at the interface between the internal members and external audiences, and by extension, at the interface between business and society. Instead of ignoring this mismatch, or creating additional layers to mask it, public criticism can serve as a source of motivation to trigger a faster change in the identity, and its contents can provide information for an accurate strategic realignment of the organization with its normative environment.

Despite the rarity of precedents in the past, abrupt shifts in identity may become inevitable in the future. The recent increase in the number of public apologies seems to increase simultaneously with the public dissatisfaction with the issued statements, instead of providing a moderating feedback through an improvement of the rhetoric qualities of apologies. In addition, studies that seek to explain the phenomenon often focus on avoiding potential threats posed by a negative public reaction, rather than looking into the opportunities introduced by this criticism: From a strategic lens, public criticism can be a valuable source of information where the core attributes, or specific actions of the company, are evaluated against a fluid, dynamic normative background by the same actors that construct and maintain these norms.

Such a paradigm shift concerning the interpretation of external feedback would also require a new, *interactive* conceptualization of identity: Public criticism, the source of conflict, would be integrated into discussions on organizational identity as a source of ideas for future identities. As a result of this integration, negotiations on identity would take place across the organizational boundaries, between internal members and external audiences. Finally, through this negotiation a solution would emerge to defuse the
tension, and a new identity would synthesize, resolving the conflict and providing a better fit with the fluid, dynamic normative environment.

Integration of public criticism into discussions of organizational identity may seem to blur the lines between internal members and external audiences. On the other hand, an *interactive* conceptualization would need this separation to maintain a difference of interpretations, and two parties to advocate for a thesis, the existing identity, and the antithesis, its reinterpretation in light of a negative, offensive event. This separation between the 'inside' and 'outside' is shared by all perspectives on identity: Organizational boundaries remain intact even in fluid and negotiated views of identity (Ashforth & Mael, 1996; Gioia et al., 2000), and the source of tension remains confined to internal power and dependency relations in critical analyses (Alvesson & Willmott, 2002; Brown, 2006; Kreiner, Hollensbe, Sheep, Smith, & Kataria, 2015; Rodrigues & Child, 2008).

This clear separation between 'in' and 'out' parallels the "back" and "front" of a stage in Goffman's (1959) dramaturgical analysis of social interactions, where internal members as a "team" would perform in cooperation, and in times of crises audiences would be expected to "act in a protective way in order to help the performers save their own show" (Goffman, 1959: 146). On the other hand, this framework only applies if the "team" can perform as a coherent unit, complying with the requirements of "loyalty," without giving the act away to outsiders, "discipline," performing their part well, and "circumspect," exercising prudence and preparation before the performance (Goffman, 1959: 135-46).

Extending the theatrical metaphor, a context where management terminology is a part of everyday language used frequently in newspapers, audiences are becoming increasingly aware of their vital contribution to the performance, and are eager to get organized to support or to boycott but also to offer feedback, coincide better with epic theater: Audiences do not merely react to offensive performances of individual actors but comment on the *play*, criticizing organizational values and priorities, or processes that allowed or failed to prevent the negative event, on normative grounds. Performers on the other hand would feel less "loyalty" to the team's performance and break the fourth wall more often, in a business environment where companies are not expected to guarantee
any long-term commitment to their employees (Lippmann, 2008). Meanwhile, in true Brechtian fashion companies strive to maintain a presence in social media, leveling the "stage" and performing under the same lighting as the audience.

In the end, while change can be both necessary and risky, with an engaged audience organizations could bypass the stages of information gathering and the evaluation of alternatives, and crowdsource strategic decisions on the timing and direction of changes in organizational identity. Once the decision is made collectively by internal members and external audiences, a managerial focus on its successful implementation through an accurate allocation of resources, that requires both skill and experience, could ensure a more effective, and more efficient distribution of labor across organizational boundaries.
References


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Ragin, C. C. (2003). Recent advances in fuzzy-set methods and their application to policy questions. *Comparative Methods for the Advancement of Systematic cross-case analysis and Small-N studies (COMPASS)*.


Appendices

Appendix A: List of constructs extracted from identity and apology literatures

Constructs - OI

- Whetten, 2006 Functional / Structural perspective

**Distinguishing organizational attributes:**
Attributes used by an organization to positively distinguish itself from others. Attributes spanning what is required and what is ideal for a particular kind of organization.

Represented as categorical imperatives, drawing attention to what must be done to avoid acting out of character, both comparatively and historically.

Does this attribute reflect the organization’s distinctive set of preferences / commitments?
Would it be considered an organization-specific attribute? Is it a positive distinction?
Is it an essential distinction?

Is there an imperative tone to the discourse?
Are positions presented as truth claims, comparable to moral obligations?
Are emotions running high?

**Central and enduring organizational attributes:**
Attributes that are manifested as an organization’s core programs, policies and procedures, and that reflect its highest values. Attributes that have passed the test of time or on some other basis operate as “irreversible” commitments.

Invoked by member-agents “when nothing else will do,” as decision guides justifications, in conjunction with profoundly difficult situations.

The dominating topic of conversation when seemingly “nothing else matters,” in the face of a credible identity threat.

If this attribute were removed, would the character / history of the organization be significantly altered?
Would it be a different kind of organization?
Does this attribute reflect the organization’s highest priorities and deepest commitments?
Is it a “higher level” organizational attribute, or directly linked to one (i.e., an important extension or expression)?
Is it considered a sacrosanct element?
Is it celebrated in organizational lore?

Have “lesser” decision guides been tried and discarded?
Is this the “court of last appeal” for resolving conflicting proposals pertaining to a fork-in-the-road decision?

- Ravasi & Schultz, 2006
  - organizational practices
  - norms
  - symbols
  - traditions

- Elsbach & Kramer, 1996
  - highlighting alternate OI dimensions
  - highlighting alternate comparison groups

- Gioia et al., 1998
  - action
  - strategy (theory of action)
  - identity (theory of being) including:
    - purpose
    - principles
    - "core business"
    - "what we strive to"
    - interpretation

- Gioia & Chittipeddi, 1991; Weick, 1995
  - "sensemaking," act of constructing interpretations of ambiguous environmental stimuli;
  - "sensegiving," deliberate attempt to shape the interpretations of others.

- Dukerich, Golden, & Shortell, 2002 Organizational identification scale (from Mael & Ashforth 1992)
  1. When someone criticizes (name of school), it feels like a personal insult.
  2. I am very interested in what others think about (name of school).
  3. When I talk about this school, I usually say ‘we’ rather than ‘they.’
  4. This school’s successes are my successes.
  5. When someone praises this school, it feels like a personal compliment.
  6. If a story in the media criticized the school, I would feel embarrassed.

- Fox-Wolfgramm, Boal, & Hunt, 1998
  - Institutional context: regulation policies, procedures; industry; competitors, field
  - Organizational/issue context: "profile," ideology, structure, mission/vision, preferences
• Bartel, 2001
  intergroup comparisons with clients (emphasizing differences)
  intragroup comparisons with other organization members (emphasizing similarities)

• Fiol, 2002
  abstract language
  leaders’ use of inclusive referents
  abstract organizational values
  members’ identification
  organization’s core ideology

• Nag, Corley, & Gioia, 2007
  knowledge
  practices

• Rao, Davis, & Ward, 2000
  embeddedness
  in-group vs out-group ties

• Brickson, 2005
  identity orientation: relations with stakeholders
  individualistic
  relational
  collectivistic

• Gioia, Price, Hamilton, & Thomas, 2010
  vision
  meaning
  legitimization

• Tripsas, 2009
  filtering information
  routines
  procedures
  beliefs of insider and outsiders

• Navis & Glynn 2010
  interorganizational affiliations and endorsements
Constructs - Apologies

- Goffman, 1971 Remedial Interchanges

<table>
<thead>
<tr>
<th>Apologies</th>
<th>Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seek to reduce blame:</td>
<td>Seek to remove blame:</td>
</tr>
<tr>
<td>Excuses</td>
<td>Explanations</td>
</tr>
<tr>
<td></td>
<td>Justifications</td>
</tr>
</tbody>
</table>

- Coombs, 2007 SCCT disaster/crisis types

<table>
<thead>
<tr>
<th>Level of likely attributed organizational responsibility</th>
<th>Disaster/crisis cluster type</th>
<th>Disaster/crisis subtypes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low responsibility</td>
<td>Victim cluster</td>
<td>Natural disasters, Rumors, Workplace violence, Malevolence toward the organization</td>
</tr>
<tr>
<td>Moderate responsibility</td>
<td>Accidental cluster</td>
<td>Challenges, Technical-error accidents, Technical-error product harm</td>
</tr>
<tr>
<td>High responsibility</td>
<td>Preventable cluster</td>
<td>Human-error accidents, Human-error product harm, Organizational misdeeds</td>
</tr>
</tbody>
</table>

- Coombs, 2007 SCCT response strategy types

<table>
<thead>
<tr>
<th>Response strategy type</th>
<th>Response strategy subtypes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denial strategy</td>
<td>Attack the accuser</td>
</tr>
<tr>
<td></td>
<td>Deny disaster/crisis situation exists</td>
</tr>
<tr>
<td></td>
<td>Scapegoat</td>
</tr>
<tr>
<td>Diminishment strategy</td>
<td>Provide excuses for the situation</td>
</tr>
<tr>
<td></td>
<td>Provide justifications for the situation</td>
</tr>
<tr>
<td>Rebuilding strategy</td>
<td>Compensate the victims</td>
</tr>
<tr>
<td></td>
<td>Offer apology/accept responsibility</td>
</tr>
<tr>
<td>Bolstering strategy</td>
<td>Remind stakeholders of past good deeds</td>
</tr>
<tr>
<td></td>
<td>Ingratiation</td>
</tr>
<tr>
<td></td>
<td>Claim victim status</td>
</tr>
</tbody>
</table>
• Benoit, 1997 Image Restoration Strategies

| Denial                                | Simple denial: did not perform act  
|                                       | Shifting the blame: "act performed by another" |
| Evasion of responsibility             | Provocation: responded to act of another  
|                                       | Defeasibility: lack of information or ability  
|                                       | Accident: act was a mishap  
|                                       | Good intentions: meant well in act |
| Reducing offensiveness of event       | Bolstering: stress good traits, a.k.a. "self-serving puff" (p.85)  
|                                       | Minimization: act not serious  
|                                       | Differentiation: act less offensive  
|                                       | Transcendence: more important considerations  
|                                       | Attack accuser: reduce credibility of accuser  
|                                       | Compensation: reimburse victim |
| Corrective action                    | Plan to solve or prevent problem |
| Mortification                        | Apology and remorse |

• Lange & Washburn, 2012 Social Irresponsibility Attributions

| Effect characteristics                     | Unexpectedness  
|                                          | Concentration in time and space  
|                                          | Undesirability |
| Observer characteristics                 | Threat avoidance  
|                                          | Moral impulses  
|                                          | Norms for moral behavior  
|                                          | Social identification with the affected party  
|                                          | Social identification with the implicated firm |
| Firm characteristics                     | Perceived disposition for irresponsible behavior  
|                                          | Size and prominence |
Appendix B: Solution consistency and coverage for intermediary analyses

Table 10. Presence of references to organizational identity

<table>
<thead>
<tr>
<th>Conditions included in the model</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
<th>Model 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Conditions:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accusation - Firm's past</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Reaction - Moral offense</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Event - Health hazard</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
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<tr>
<td>Apology - Excuse</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
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<tr>
<td>Reaction - Emotional response</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td><strong>Cut-off points:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequency</td>
<td>13</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Consistency</td>
<td>0.61</td>
<td>0.71</td>
<td>0.8</td>
<td>0.8</td>
<td>1</td>
</tr>
<tr>
<td>Overall consistency of the model</td>
<td>0.61</td>
<td>0.28</td>
<td>0.61</td>
<td>0.78</td>
<td>1</td>
</tr>
<tr>
<td>Overall coverage of the model</td>
<td>0.61</td>
<td>0.71</td>
<td>0.92</td>
<td>0.93</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 11. Absence of references to organizational identity

<table>
<thead>
<tr>
<th>Conditions included in the model</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
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<tr>
<td><strong>Conditions:</strong></td>
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<tr>
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<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Reaction - Moral offense</td>
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<td>Event - Health hazard</td>
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<td>Apology - Excuse</td>
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<td>Reaction - Emotional response</td>
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<td><strong>Cut-off points:</strong></td>
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<tr>
<td>Frequency</td>
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<td>Consistency</td>
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Curriculum Vitae

Name: Dilek Gergin

Post-secondary Education and Degrees:

Boğaziçi University
İstanbul, Turkey
2004-2008 B.Sc.

Boğaziçi University
İstanbul, Turkey
2008-2010 MBA

The University of Western Ontario
London, Ontario, Canada
2013-2018 Ph.D.

Honours and Awards:

Plan for Excellence Doctoral Fellowship, Ivey Business School
2013-2017

Publications: