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TALK IS CHEAP: ORGANIZATIONAL APOLOGIES FROM THE STAKEHOLDER'S PERSPECTIVE

A DISSERTATION APPROVED FOR THE
GAYLORD COLLEGE OF JOURNALISM AND MASS COMMUNICATION

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DEDICATION

For Kassandra:
Who is my constant encouragement,
and very tall.

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The number of people who have contributed to this dissertation directly or indirectly is too many to count. Rather than undertake the impossible task of thanking everyone who deserves it, I will simply acknowledge the five people most directly responsible for bringing me this point. These five people are the members of my dissertation committee.

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ABSTRACT

Apologies are a unique type of communication that organizations can use to rebuild their public image and their relationships with stakeholders after a crisis. Scholars in many disciplines have studied apologies, and apologies have been the most heavily studied crisis communication strategy. Despite the attention scholars have paid to this concept, no single, unifying definition of an apology exists. The purpose of this dissertation was to determine what constitutes an effective organizational apology from the perspective of an organization's stakeholders.

Three separate studies were conducted. Study 1 was an online experiment that used a 2x2x2x2 between-subjects factorial design. The purpose of this study was to test the effects of four apology components (expressions of remorse, acknowledgements of responsibility, promises of forbearance, and offers of reparations), as well as the effects of the organization-stakeholder relationship, on stakeholders' reactions to a crisis. Participants were asked to identify an online retailer with whom they had done business in the past, and then to imagine that the online retailer had been hacked and their customer information had been stolen. Participants were presented with one of 16 different apology messages, and completed a questionnaire to measure their perception of the apology, account acceptance, perceptions of the organization's reputation, relationship quality (OPR), anger, empathy, attributions of responsibility, and behavioral intentions.

Study 2 and Study 3 were designed to find out what stakeholders considered to be the important components of an organizational apology without prompting from the researcher. Participants in both studies were asked to imagine the same data breach

crisis used in Study 1. Study 2 asked participants to write the kind of apology they would accept from the organization in the scenario. Study 3 asked participants to write a list of suggestion the organization could use to make an effective apology.

The results of Study 1 revealed that all four of the apology components contributed to stakeholders' perception that the organization had apologized. These four components also produced higher scores for account acceptance, organizational reputation, and post-crisis relationship quality. The offer of reparations component produced lower levels of anger and higher levels of empathy. Both the promise of forbearance component and the offer of reparations component improved stakeholder's behavioral intentions toward the organization. However, effect sizes were generally small.

None of the apology components significantly affected attributions of responsibility. Also, feelings of empathy had a small negative effect on behavioral intentions. Overall the best predictor of account acceptance, organizational reputation, attribution of responsibility, post-crisis relationship quality, anger, and empathy was not the apology but the quality of the organization-stakeholder relationship before the crisis. The best predictor of behavioral intentions was the quality of the relationship after the crisis.

Nine apology components emerged from the qualitative data. A typology was developed to classify these components based on whether they were intended primarily to (1) fix problems or (2) rebuild relationships, and whether they were primarily based on (a) words or (b) behaviors.

The category of words that fix problems (1a) included acknowledging responsibility, offering explanations, and telling stakeholders what actions they could take to protect themselves in the crisis. The category of behaviors that fix problems (1b) was comprised of three types of corrective action: mitigating harm, offering reparations, and preventing future recurrences. The category of words that rebuild relationships (2a) contained expressions of genuine remorse, identification with stakeholders, and requesting another chance. The category of behaviors that rebuild relationships (2b) included providing compensation and fostering personal communication.

Overall, the three studies conducted for this dissertation demonstrated that stakeholders do recognize expressions of remorse, acknowledgements of responsibility, promises of forbearance, and offers of reparation as possible components of an effective organizational apology. However, stakeholders do not require all four components to be present for an apology to be effective, nor do they limit apology components to these four. In particular, behaviors such as taking corrective action and providing compensation appear to be important parts of effective organizational apologies.

This dissertation concludes that an effective organizational apology, from the stakeholder perspective, is comprised of a combination of words and behaviors that fix problems and repair relationships. In some cases, behaviors can even take the place of words for communicating the apology. However, organization-stakeholder relationships have a much greater effect on stakeholder reactions to a crisis than the way organizational apologies are constructed.

This dissertation contributes to public relations and crisis communication theory by offering a stakeholder perspective on organizational apologies that challenges the

way many scholars have operationalized organizational apologies. Important differences between interpersonal and organizational apologies are identified, as well. Finally, the results highlight the importance of building good relationships with stakeholders before a crisis in order to improve outcomes after a crisis.

For practitioners, this dissertation provides insight into what stakeholders look for in organizational apologies so that organizations can formulate more effective apologies in crisis situations. The findings suggest that organizations may be able to offer effective apologies even when they cannot directly accept responsibility for a crisis. Ultimately, the best way for an organization to repair its image and rebuild its relationships after a crisis is to build a strong image and strong relationships before the crisis.

CHAPTER 1: INTRODUCTION

Crisis communication (An & Cheng, 2010; Avery, Lariscy, Kim, & Hocke, 2010) and relationship management (Ledingham, 2006) are two of the most heavily researched subjects in public relations scholarship. Since the early 1990s, a growing number of studies have explored how organizations respond to crises and how these responses affect organizations' relationships with their stakeholders. Several of these studies have considered the role of organizational apologies in crisis communication (e.g., Benoit & Brinson, 1994; Coombs & Holladay, 2008; Hargie, Stapleton, & Tourish, 2010; Hearit, 1994, 2006; Lee & Chung, 2012; Pace, Kediuk, & Botero, 2010). However, scholars have not been consistent in how they define and operationalize apologies (Coombs, Frandsen, Holladay, & Johansen, 2010; Fediuk, Pace, & Botero, 2010), and research on how stakeholders perceive organizational apologies is limited (Pace et al., 2010). The purpose of this dissertation is to clarify what constitutes an effective organizational apology in the minds of an organization's stakeholders.

Understanding organizational apologies is vital because organizational misdeeds have serious consequences for both organizations and stakeholders. When an organizations does something wrong, it may incur liability (Tyler, 1997), lose customers (Souiden & Pons, 2009), lose market share or stock value (Massey & Larsen, 2006) or suffer damage to its reputation (Coombs & Holladay, 2002). Stakeholders may be affected in various ways depending upon their relationship to the organization. People can be injured or killed by dangerous products or practices, employees can lose their jobs, and investors can lose money (Siomkos, 1989). People may also experience strong negative emotions such as fear, anger, or worry when they feel victimized by an

organization (Choi & Lin, 2009a). When organizations cause this type of harm, they have a moral obligation to admit their wrongdoing (Benoit & Pang, 2008). Furthermore, apologies can produce psychological benefits for victims (Lazare, 2004) and, in many cases, can help organizations rebuild their public image (Benoit, 1995a, 1997b; Hearit, 2006).

Developing a better grasp of how apologies work is also important because apologies have become a staple of public discourse. Some writers have called the modern era an "Age of Apologizing" because of the number of high profile public apologies (Joyce, 1999, p. 159). Not only do businesses use apologies to manage stakeholder relationships (Bolkan & Daly, 2009; Hearit, 1994, 2006), but public figures such as athletes (Brazeal, 2008; Walsh & McAllister-Spooner, 2011), politicians (Eisinger, 2011) and media personalities (Bentley, 2012; Steiner, 2009) also seem to be apologizing more often for offensive words or actions. Even governments now use public apologies to address historic injustices (Blatz, Schumann, & Ross, 2009; Philpot & Hornsey, 2011). Some of these apologies are accepted and others are rejected. Scholars continue working to determine why.

Even if apologies have become rather commonplace, there are several reasons organizations may be reluctant to apologize. In some crisis situations, such as a natural disaster or product tampering, organizations may not be responsible for the suffering of others (Benoit & Pang, 2008; Coombs, 2004). Situational crisis communication theory (Coombs, 2007b; Coombs & Holladay, 2002) argues that apologies are only necessary in certain types of crises where stakeholders are likely to attribute responsibility to the organization. Furthermore, even if the organization is responsible, attorneys will often

counsel against apologizing because of increased liability costs (Heath, 2006; Tyler, 1997). Finally, when it comes to the effectiveness of apologies as crisis responses, research findings are mixed (Coombs & Holladay, 2008; Lee & Chung, 2012; Pace et al., 2010; Schultz, Utz, & Goritz, 2011). Coombs (2012) has suggested that these inconsistent findings may come from a failure to distinguish between the way victims and non-victims react to organizational apologies. Additionally, Fediuk and his colleagues have observed that researchers do not always provide consistent definitions or operationalizations for communication strategies such as apologies (Fediuk, Pace, & Botero, 2010; Pace et al., 2010). This dissertation seeks to address those issues.

What is an Apology?

Research on apologies extends well beyond the discipline of public relations. Apologies have been studied from perspectives such as psychology (Darby & Schlenker, 1982; Exline, Deshea, & Holeman, 2007; McCullough, Worthington, & Rachal, 1997), sociology (Tavuchis, 1991), philosophy (N. Smith, 2005, 2008), psychiatry (Lazare, 2004), political science (Blatz et al., 2009; Eisinger, 2011) and marketing (Fisher, Garrett, Arnold, & Ferris, 1999). As Tavuchis (1991) explained, the term *apology* originally referred to a defense or justification of one's actions. To this day, *apologetics* is a branch of Christian theology devoted to defending the faith. However, modern usage has shifted so that an apology is now a voluntary declaration "that one has *no* excuse, defense, justification, or explanation for an action (or inaction)" (Tavuchis, 1991, p. 17). According to Tavuchis, an apology must, at a minimum, acknowledge one's misdeed and express regret for it.

Apologies have been described as speech acts (Tavuchis, 1991). That is, apologies are a way of using words to get things done (J. L. Austin, 1962). Other examples of speech acts include "making statements, asking questions, issuing commands, giving reports, greeting, and warning" (Searle, 1965, p. 221). The purpose of an apology as a speech act is to repair relationships by demonstrating that an offender recognizes a social rule was violated and does not wish to be seen as the kind of person who normally violates such rules (Goffman, 1971; Tavuchis, 1991). If the people offended by a misdeed accept the apology, the offender is allowed to rejoin society as a member in good standing.

Although Tavuchis (1991) argued for two essential elements of the apology speech act (admitting what one has done and expressing remorse for it), other authors have suggested additional elements that need to be included in a complete apology (e.g., Blum-Kulka & Olshtain, 1984; Lazare, 2004; Scher & Darley, 1997; N. Smith, 2005, 2008). Two more key elements in an apology are a promise of forbearance (i.e., an assurance that the offensive act will not happen again) and an offer of reparations. There is evidence that each of these four components contributes to people's satisfaction with an interpersonal apology (Scher & Darley, 1997). However, more research is needed to determine whether these components are also necessary in organizational apologies.

There are several reasons why it is dangerous to assume that organizational apologies work like individual apologies. Many scholars have noted the differences between interpersonal and organizational communication. Sproule (1988) argued that the twentieth century was marked by a "shift from an individual to a managerial form of

rhetoric" (p. 469). Hallahan (2000) observed, "theorists confound reality when they suggest that communications involving a large *unnatural* organization operates in the same way as communication among *natural* persons" (p. 509). Thus, we cannot simply take for granted that individuals and organizational apologies are the same speech act, or that both are comprised of the same components.

Some scholars believe that interpersonal apologies produce reconciliation by fostering empathy between offenders and victims (McCullough et al., 1997, 1998). Bisel and Messersmith (2012) suggested people might not feel the same empathy for an organization that they would feel for another individual. Furthermore, while organizations do have relationships with their stakeholders, or publics (Broom, Casey, & Ritchey, 1997; Hon & Grunig, 1999; Ledingham, 2006), these relationships are not the same as the relationships individuals have with one another. The concept of the organization-public relationship deserves a brief discussion at this point.

Relationships between Organizations and Stakeholders

The organization-public relationship (OPR) is a central concept in public relations research (Ledingham, 2006). As early as 1984, Ferguson was suggesting that public relations research is fundamentally the study of relationships between organizations and key publics (i.e., relevant stakeholders). J. E. Grunig and Grunig (1992) argued that the most ethical and effective approach to public relations was a two-way symmetrical approach based on mutual understanding rather than manipulation. This symmetrical approach was thought to provide the best foundation for building long-term stable relationships with stakeholders.

Broom et al. (1997) noted that public relations writers were using the term *relationship* without clearly defining it. Broom and his colleagues reviewed literature on relationships from various fields and concluded that relationships generally have both objective and subjective dimensions. On the one hand, people have relationships with one another when their actions affect each other. On the other hand, relationships are social constructs that exist when people perceive or recognize their connections to one another.

Public relations theory has tended to emphasize the objective dimension of the OPR. Broom et al. (1997) wrote, "Relationships represent the exchange or transfer of information, energy or resources" and, "the attributes of linkages among the participants describe the relationships" (p. 94). Ledingham and Bruning (1998) defined the OPR as "the state which exists between an organization and its key publics in which the actions of either entity impact the economic, social, political and/or cultural well-being of the other entity" (p. 62). Neither of these definitions includes the perceptual or subjective dimension of relationships.

Although public relations scholars have tried to define the OPR objectively (Broom et al., 1997; J. E. Grunig & Huang, 2000; Ledingham & Bruning, 1998), they have generally measured the *quality* of the OPR subjectively. Ledingham and Bruning (1998) operationalized OPR quality in terms of five dimensions: trust, openness, involvement, investment, and commitment. Hon and Grunig's (1999) widely used OPR scale has four primary dimensions: trust, control mutuality, commitment, and satisfaction. Trust is the belief that an organization can and will do what it says. Control mutuality is the level of satisfaction with how power is shared in the relationship.

Commitment is the intention to maintain the relationship. Satisfaction is the belief that the relationship is worth what it costs to maintain. The fact that all four of these dimensions are subjective highlights the difference between how scholars have conceptualized the OPR and how they have measured it.

Technically, Hon and Grunig's (1999) OPR scale measures an *outcome* of the OPR—that is, perceived relationship quality. Nevertheless, this scale is so widely used in public relations research that is has become almost a proxy for the OPR, itself. One reason may be the instinctive recognition that the OPR involves subjective or perceptual elements. No matter how much organizations and stakeholders actually affect each other, both parties are likely to act based on their perceptions of the situation. For instance, Ledingham and Bruning (1998) found that customers were more loyal to a company that had invested in the community, but only when the customers knew about this community investment.

For the purposes of this dissertation, then, the OPR is not just the interaction between an organization and its stakeholders, but the perceptions of those interactions that affect the way both parties continue to act toward each other. A higher quality OPR is characterized by more positive feelings of trust, shared control, commitment, and satisfaction on the part of stakeholders.

Research indicates that perceptions of OPR quality affect the way organizations and stakeholders interact. For example, OPR quality has been linked to college students' intention to recommend their school to others (Ki & Hon, 2007b) and to donors' willingness to support non-profit organizations (O'Neil, 2007; Waters, 2008).

In terms of crisis communication, OPR quality affects how much blame stakeholders assign to an organization (K. A. Brown & White, 2011) and how stakeholders respond to crisis communication from an organization (Caldiero, 2006). K. A. Brown and White (2011) found that stakeholders who had good relationships with an organization blamed the organization less for a crisis, regardless of how the organization responded to the crisis. Caldiero (2006) demonstrated that when stakeholders had positive relational histories with an organization, those stakeholders were more willing to accept defensive responses from organizations (e.g., denials, excuses). Different types of crisis response can also influence stakeholders' perception of the OPR (Huang, 2008). When organizations respond to crises in a timely and consistent manner they foster better relationships with stakeholders. Therefore, it is possible that the OPR affects evaluations of organizational apologies or is affected by organizational apologies.

Overview of the Dissertation

The purpose of this dissertation is to advance public relations theory by clarifying what constitutes an effective organizational apology in the minds of organizational stakeholders. Interpersonal apologies are comprised of (1) an expression of remorse, (2) an acknowledgment of responsibility, (3) a promise of forbearance, and (4) an offer of reparations (Bisel & Messersmith, 2012; Scher & Darley, 1997). According to Scher and Darley (1997), expressions of remorse demonstrate that offenders regret what happened. Acknowledgements of responsibility show that offenders understand that they are guilty of violating social norms. Promises of forbearance reassure victims that offenses will not be repeated. Finally, offers of

reparations mean that offenders will take steps to fix the damage their offenses have caused.

Researchers have not tested the relative importance of these four components in organizational apologies. Bisel and Messersmith (2012) did show that organizational apologies with all four components are effective at producing forgiveness, and Pace et al. (2010) demonstrated that expressing remorse and taking responsibility both improve organizational reputation and reduce stakeholder anger. Nevertheless, research is needed to demonstrate whether or not *each* of these four components contributes to the effectiveness of an organizational apology.

This dissertation also considers the role of OPR quality in shaping stakeholder perceptions of organizational apologies. When stakeholders have more positive perceptions of the OPR going into a crisis, they assign less blame to the organization (K. A. Brown & White, 2011). Since apologies involve accepting at least some responsibility for a situation, OPR quality could affect the way stakeholders perceive organizational apologies.

This research makes an important contribution to public relations theory by clarifying what organizations need to say (or do not need to say) when they mean to offer an apology. For example, some scholars have suggested that offers of compensation can take the place of explicitly accepting responsibility in organizational apologies (Hearit, 2006). Organizational communication theory will also be extended by comparing and contrasting organizational apologies to interpersonal apologies. Perhaps stakeholders do not expect the same type of apology from an organization that they expect from another individual. Professional communicators will benefit from

knowing how to construct effective apologies on behalf of organizations. Finally, this research may help to increase the likelihood that crisis victims will receive more satisfying apologies.

Several theoretical traditions inform this dissertation. First, rhetorical theories of apologia (Hearit, 1994, 2006; Ware & Linkugel, 1973) and image repair (Benoit, 1995a, 1997b) suggest that apologies are an important communication strategy for rebuilding an organization's public image after a crisis. Second, situational crisis communication theory (Coombs, 1995, 2006a, 2007b) and attribution theory (Heider, 1944; Kelley & Michela, 1980; Weiner, 1985, 1995, 2006) explain that apologies are necessary when people blame organizations for crises, and apologies can help to shift the way people assign that blame. Third, speech act theory (J. L. Austin, 1962; Searle, 1969) argues that specific elements must be present for communication to perform certain functions—in this case, to apologize. Fourth, relationship management theory (Broom et al., 1997; J. E. Grunig & Huang, 2000; Ledingham, 2006) holds that the way stakeholders perceive their relationship with an organization will influence the way those stakeholders react to the organization during times of crisis. Therefore, stakeholders who have a good relationship with an organization may evaluate organizational apologies differently than stakeholders who have a poor relationship with an organization.

Chapter 2 of this dissertation discusses the theoretical foundation for this project in greater detail, and reviews the relevant literature on apologies and crisis communication. Chapter 2 begins by discussing crisis management generally, and then focuses on crisis communication, specifically. Both rhetorical and social scientific approaches to crisis communication are considered. Next, literature on apologies is

reviewed, followed by literature on organization-public relationships. Finally, Chapter 2 ends with a series of research questions and hypotheses to be tested experimentally.

Chapter 3 describes the methodology for this dissertation. Three studies were used to test the necessary components of an organizational apology. Study 1 was an online experiment that presented participants with a hypothetical crisis situation (in this case, a data breach at an online retailer) and presented participants with one of 16 possible apologies. This study used a 2x2x2x2 between-subjects factorial design to measure how much each of the four components in an ideal interpersonal apology (Scher & Darley, 1997) contributed to the effectiveness of an organizational apology.

Study 2 presented participants with the same hypothetical crisis and asked subjects to write an apology they would consider effective if issued by the organization. Study 3 used the same scenario and asked participants to write a list of suggestions for making an organizational apology effective. The data from these studies were analyzed using a modified version of Glaser's (1965) constant comparative method in order to identify components of an apology that went beyond the four components in Study 1.

Chapter 4 reports the quantitative results of Study 1. Data from the online experiment were analyzed using four-way analyses of variance (ANOVAs) to test the effects of each apology component on a series of dependent variables, including participants' perception that the organization had apologized, as well as participants' intention to do business with the organization in the future. Simple regression analysis was used to test the effect of pre-crisis OPR quality on the dependent variables.

Chapter 5 reports the qualitative findings of Study 2 and Study 3. A number of themes and categories emerged from the data, including several apology components *besides* the four components tested in Study 1.

Chapter 6 discusses the findings in the context of previous literature. Finally, Chapter 7 considers the implications of the findings for public relations theory, practice, and method. Chapter 7 also notes certain limitations of the dissertation and proposes directions for future research.

CHAPTER 2: LITERATURE REVIEW

The study of crisis has been a growing subfield within public relations research since the 1990s (An & Cheng, 2010). While business and management literature has tended to focus on crisis *management* (e.g., Pauchant, Mitroff, & Lagadec, 1991; Pearson & Clair, 1998; Pearson & Mitroff, 1993), public relations scholars have placed more emphasis on crisis *communication* (Coombs, 2010b). In fact, Toth (2010) argued that crisis communication has become its own paradigm within public relations.

From a social constructivist perspective, the distinction between crisis management and crisis communication is rather artificial. Organizations are built on communication (Daft & Weick, 1984; Weick, 1979), so many management functions are actually communication functions. Nevertheless, the business literature sometimes leaves the role of communication in crisis management more implicit than explicit. This dissertation emphasizes the importance of organizations communicating with their stakeholders in crisis situations.

Apologies represent a unique way of using communication to respond to a crisis. This literature review positions apologies as a strategy for preserving and rebuilding an organization's public image and its stakeholder relationships during a crisis. The first section of this chapter defines several key terms that are relevant to this dissertation. The second section offers a brief overview of crisis management. The third section provides a more detailed discussion of crisis communication. The fourth and fifth sections explore two public relations approaches to crisis communication: the rhetorical approach and the social scientific approach. The sixth section reviews relevant literature on apologies to show how apologies function to preserve or rebuild one's image and

relationships. The seventh section explores the concept of organization-stakeholder (or organization-public) relationships and discusses how apologies fit into these relationships. The final section of this chapter poses a series of hypotheses and research questions to be tested empirically.

Defining Key Terms in Crisis Communication

This section defines several key concepts related to crisis communication. These concepts are organization, stakeholder, public, image, reputation, and crisis. The organization is defined first.

Defining the Organization

Organizations are social constructions. As Berger and Luckmann (1966) explained, everyday life includes phenomena that seem to exist independent of us, but also includes "an intersubjective world, a world [we] share with others" (p. 23). While we cannot reasonably doubt the existence of an objective, external reality (Berger & Luckmann, 1966), we think and act based on our perceptions, or *image*, of that reality (Boulding, 1956). Human institutions are created when people perceive each other's habits, form expectations about what other people will do, and adapt their own behavior accordingly. Berger and Luckmann (1966) described this process of institutionalizing human behavior as "reciprocal typification of habitualized actions" (p. 54). These shared perceptions create social realities that are often taken for granted as part of everyday life.

Berger and Luckmann's (1966) description of the instutionalization process points out the importance of communication. People's perceptions of one another are shaped by words as well as behaviors. Organizations are a particular type of human

institution, created consciously and intentionally as a way of coordinating human action and achieving common goals (Keyton, 2011).

Daft and Weick (1984) described organizations as interpretation systems. Human actions or situations often have more than one possible meaning. Therefore, when people organize themselves, they are specifying how they will interpret certain actions or situations. In Weick's (1979) terms, organizations provide a means of "*reducing equivocality*" (p. 6). Kreps (2008) pointed out that this view of the organization makes communication and public relations especially important. If organizations are interpretation systems, then internal communication is the key to helping members of an organization develop shared interpretations of reality, and external communication is how members of an organization share their interpretations with nonmembers.

Although organizations are socially constructed realities, they still exist within the context of an external reality that includes other people who may have different interpretations of the world. Keyton (2011) defined an organization as "a dynamic system of organizational members, influenced by external stakeholders, who communicate within and across organizational structures in a purposeful and ordered way to achieve a superordinate goal" (p. 9). This definition is the one adopted for the present study.

For most organizations, "wealth creation is the key indicator of success" (K. S. Cameron, Dutton, & Quinn, 2003, p. 3). However, the growing field of positive organizational scholarship has sought to expand the definition of organizational effectiveness by exploring how organizations can promote human flourishing through

qualities like excellence, resilience, or virtuousness (K. S. Cameron, 2005). Park and Peterson (2003) argued that virtuous organizations are characterized, in part, by being honest and listening to their customers. A. D. Brown and Starkey (2000) called upon organizations to set aside their ego-defense and be willing to admit and learn from mistakes.

According to K. S. Cameron (2003), the concept of virtue in organizations emphasizes "the betterment of human beings" over "the immediate concerns of self-interest" (p. 63). At the same time, virtuousness can have a positive effect on organizational performance. Although this dissertation assumes that organizations are primarily goal-oriented, it also believes organizations have a moral duty to show concern for the well-being of their stakeholders.

Defining Stakeholders and Publics

Stakeholders are those who have some sort of interest or *stake* in an organization. In 1984, Freeman defined a stakeholder as "any group or individual who can affect or is affected by the achievement of the firm's objectives" (2010, p. 25). This definition has continued to be widely accepted (Bryson, 2004), although some scholars have argued that stakeholders are only those people with the "power to respond to, negotiate with, and change the strategic future of the organization" (Eden & Ackermann, 1998, p. 117). Eden and Ackermann's definition seems to fit with the concept of *publics* in public relations theory.

As J. E. Grunig and Repper (1992) explained, public relations scholars often use the terms *stakeholder* and *public* interchangeably. However, stakeholder is a broader term than public. People become stakeholders when they are "affected by decisions of

an organization or if their decisions affect the organization" (p. 125). However, people may not realize they are connected to an organization in this way. Only when stakeholders become "aware and active" are they considered publics (p. 125). J. E. Grunig's (1978, 1989a) situational theory of publics holds that people form publics and become active when they identify problems or issues that affect their lives. The more an issue affects people, the more active people become in seeking information and trying to influence the organization's position on that issue.

Because the present study focuses on crisis communication, the concept of stakeholders is more pertinent than the concept of publics. Organizations need to communicate with anyone affected by a crisis, not just those who are aware and active. Effective communication, both through words and behaviors, will help to preserve the organization's image and reputation.

Defining Image and Reputation

Boulding's (1956) concept of the image has already been mentioned and is central to this dissertation. One's image of reality is a "subjective knowledge structure" (p. 11) that determines how one behaves. Each person's image of the world is unique because images are based on personal experience. People receive messages about facts or values via their senses and use these messages to construct their image. Over time, incoming messages can change people's image, although images can also be quite stubborn. People may reject or ignore messages that conflict with their image of the world.

In his work on image repair, Benoit (1995a, 1997b) offered essentially the same concept of image. The image of an organization or individual is "a subjective

impression…held by other people" (Benoit & Pang, 2008, p. 244). According to Benoit and Pang (2008), one's perception of an organization is formed by what the organization says or does, as well as by what other people say or do in regard to the organization. Coombs (2007a) used the term *reputation* to refer to this concept. Coombs wrote that a reputation "is an evaluation stakeholders make about an organization" and reputations "are formed as stakeholders evaluate organizations based upon direct and indirect interactions" (2007a, p. 24).

Business researchers have debated whether concepts such as corporate image, reputation, and identity are the same or different (e.g., Barnett, Jermier, & Lafferty, 2006; Bromley, 2000). Certainly, Benoit (1995a, 1997b; Benoit & Pang, 2008) used these terms interchangeably. Benoit (1995a) also included Goffman's (1955) concept of *face* as a synonym of image and reputation. For the purposes of the present study, Boulding (1956) and Benoit's (1995a) definitions are sufficient. Terms such as image and reputation will refer to subjective perceptions held by an organization's stakeholders.

Defining Crisis

Crises can arise from situations outside an organization, or from dysfunctions within an organization (Kersten, 2005). Ulmer, Sellnow and Seeger (2007) defined an organizational crisis as a "specific, *unexpected*, and *nonroutine* event or series of events that create high levels of *uncertainty* and *threaten* or are perceived to threaten an organization's *high-priority goals*" (p. 7). Coombs (2007a) wrote, "A crisis is the perception of an unpredictable event that threatens important expectancies of stakeholders and can seriously impact an organization's performance and generate

negative outcomes" (pp. 2-3). If an organization is a socially constructed reality, a crisis is a situation that threatens that reality in at least three ways.

The first way a crisis threatens an organization is by making it harder for the organization to reduce equivocality. Ulmer, Sellnow, and Seeger (2007) noted that crises create high levels of uncertainty, and Coombs (2007a) observed that crises are unpredictable. If organizations are created to help members share meaning, uncertainty and unpredictability undermine the way organizations function.

The second way a crisis threatens an organization is by keeping it from achieving important goals. If organizations are created to achieve goals (Keyton, 2011), those organizations that cannot achieve their goals are unlikely to last. The more a crisis hinders an organization from achieving its goals, the more severe that crisis is.

The third way a crisis threatens an organization is by calling its social legitimacy into question. Social legitimacy is the public's belief that an organization has a right to exist. According to Hearit (1995), organizations earn social legitimacy when they perform useful functions in society and when their values match society's values. Crises often threaten the social legitimacy of an organization by making society question whether an organization can do its job, or by raising questions about the organization's values.

Not all situations pose the same level of threat to an organization. According to Barton (1994), a crisis is a "scenario that could seriously damage the organization's reputation, financial condition, market share, and brand value" (p. 63). Coombs (2002) described a crisis as a situation that threatens an organization's reputational or operational survival. A situations that makes it hard for an organization to thrive, but

not to survive, should simply be labeled a *problem*. Coombs and Holladay (2002) listed 13 types of crises ranging from rumors or natural disasters (situations over which an organization has little control) to misconduct by management or human error that causes damage or injury. Different types of crises pose different kinds of threats. For example, a natural disaster may not threaten the reputation of an organization, but may pose a grave threat to the organization's operations.

Most definitions of crisis (e.g., Coombs, 2007a; Heath & Millar, 2004; Ulmer, Sellnow, and Seeger (2007) also note that crises are perceptual. Crises exist whenever organizations or stakeholders *think they exist*. This perspective is consistent with Boulding's (1956) view that people act based on their *image* of reality. For this reason, crisis management cannot simply deal with objective reality. Crisis management must also address people's interpretation of reality. The next section explores the concept of crisis management in greater detail.

Crisis Management

Weick (1988) described crises as "low probability/high consequence events that threaten the most fundamental goals of an organization" (p. 305). Despite the fact that any particular crisis is a low probability event, crises in general are inevitable, given the complexity of modern life (Fink, 1986). For this reason, Fink encouraged organizations to plan for crises the way people plan for death and taxes.

Based on a review of business and management literature, Pearson and Clair (1998) defined crisis management as working to sustain or resume operations, minimize losses to the organization or external stakeholders, and learn from the incident in order to improve future responses. According to Coombs (1999), crisis management is the

effort to "prevent or lessen the negative outcomes of a crisis and thereby protect the organization, stakeholders, and/or industry from damage" (p. 4). Fearn-Banks (2001) explained that crisis management is a kind of strategic planning that "removes some of the risk and uncertainty and allows the organization to be in greater control of its destiny" (p. 480).

Pauchant and Mitroff (1992) identified five stages in crisis management. First, in the signal detection stage organizations must recognize the signs of potential crises. Second, in the preparation/prevention stage organizations try to find or anticipate problems and fix them before those problems grow into crises. Third, in the containment stage organizations seek to limit the damage caused by the crises that do occur. Fourth, in the recovery stage organizations work to return the situation to normal. Fifth, in the learning stage organizations reflect on crises and makes changes to improve their crisis response in the future.

While the five stages of crisis management identified by Pauchant and Mitroff (1992) have been used by a number of other scholars (e.g., Fearn-Banks, 2001), these stages are not the only way to segment the crisis management process. Fink (1986) divided crises into the prodromal (warning) stage, acute (erupting) stage, chronic (cleanup) stage, and the crisis resolution (return to normal) stage. Coombs (1999) also identified four steps in the process: prevention (taking steps to avoid crises), preparation (identifying potential threats, developing a crisis management plan, training a crisis management team, etc.), performance (the execution of the crisis management plan by the crisis management team), and learning (evaluating performance to make improvements for the future). More recently, several authors have simply divided crisis

management into the pre-crisis, crisis event, and post-crisis stages (Coombs, 2007a, 2010b; Seeger, Sellnow, & Ulmer, 2003). Each of these three stages will be discussed in more detail.

Pre-Crisis

During the pre-crisis stage, an organization works to manage issues, risk, and the organization's reputation (Coombs, 2007a). Issue management is the process of identifying political, economic, or social issues that could affect the organization and then trying to influence the public debate about those issues (Hainsworth & Meng, 1988). Organizations that do not manage issues may become the victims of changes directed by other interests (Jones & Chase, 1979). However, taking a proactive approach to current issues ensures that organizations are represented in the public discourse.

Risk management involves assessing the organization's personnel, products, and procedures to identify elements that could cause harm (Seeger et al., 2003). Risks could include technological malfunctions, human error, or failures to comply with laws or regulations. Once these risks are identified, precautions can be taken to reduce them.

Finally, reputation management involves careful attention to the interactions stakeholders have with an organization (Coombs, 2007a). Direct interactions (e.g. making purchases) or indirect interactions (e.g. media reports) all influence stakeholders' image of the organization and, therefore, the organization's reputation. Fostering positive relationships with stakeholders before crises occur helps protect the organization's reputation during a crisis.

Managing issues, risk, and reputation requires environmental scanning (Coombs, 2007a; Seeger et al., 2003). Environmental scanning is the process of gathering information about the world outside an organization (Lauzen, 1995). Public relations professionals within an organization may read newspapers, trade journals, or websites to look for issues that could affect the organization (Coombs, 2007a). These professionals may also monitor media coverage of the organization, letters or e-mails from customers or other stakeholders, as well as social media sites and online forums where people are talking about the organization. This type of environmental scanning helps to reveal what kind of reputation the organization has with its stakeholders, along with any threats to the organizations that may exist in the external environment. Internal threats are addressed through risk assessment.

Risk assessment is primarily an internal process, and may include audits, reviews of maintenance and safety records, or even ethical climate surveys to determine how likely the organization is to face a financial, legal, technical, or personnel crises (Coombs, 2007a). In many organizations, public relations professionals act as boundary spanners (Seeger et al., 2003). Boundary spanners are go-betweens who carry information from outside the organization to decision makers inside, or between different parts of the organization. A major cause of organizational crises is the failure to share information between organizational units (Taylor, 2010).

The purpose of collecting issue, risk, and reputation information is to analyze this information and determine which types of crises are most likely to occur. Kash and Darling (1998) referred to this process as strategic forecasting. A crisis management plan should be developed that provides guidance for management and employees during

likely crisis scenarios (Barton, 1994). Crisis management teams should be appointed and trained to respond quickly and professionally in crisis situations (Kash & Darling, 1998; Pearson & Mitroff, 1993). As part of this process, the organization should determine who will make decisions during the crisis and who will speak on behalf of the organization during a crisis event (Albrecht, 1996; Coombs, 2007a).

Crisis Event

When crisis events occur, the first priority is to protect stakeholders (Coombs, 2006) and limit the damage (Pearson & Mitroff, 1993). Evacuating people from dangerous areas or recalling defective products are two examples of containing crisis events. Containment is easier if the organization has successfully anticipated and prepared for the crisis (Fink, 1986). However, Boin and Lagadec (2000) warned that many modern crises are difficult to predict because crisis events are, by definition, "something out of the ordinary" (p. 186). Boin and Lagadec noted that crisis managers often have to "fix key goals, rearrange priorities, rethink relationships with stakeholders, clarify the communication strategy" and do so "in a very fuzzy environment" (p. 188).

Managing a crisis event requires the coordination of many diverse elements. Members of an organization may have to interact with the news media, as well as concerned stakeholders, government officials, and first responders (Albrecht, 1996). Once a crisis has been contained, managers need to restore normal operations as soon as possible (Pearson & Mitroff, 1993). This process requires organizations to understand what their most essential functions are and what, at a minimum, is required to perform

those functions. Once organizations have restored their primary functions they can move on to restoring secondary and tertiary functions.

Throughout the crisis event, organizations want to minimize damage to their image or reputation, but they must put the safety and well-being of their stakeholders first (Coombs, 2006a). Only after the damage from a crisis has been contained should organizations worry about reputation management. Additionally, as the situation returns to normal, organizations should consider what lessons they can learn from the crisis event that will facilitate better crisis management in the future.

Post-Crisis

Reflecting upon and learning from crises is a vital part of crisis management, but one that is often neglected (Boin & Lagadec, 2000; Pearson & Mitroff, 1993). Boin and Lagadec (2000) called this phenomenon "the amnesia syndrome" (p. 188). Once a crisis is over, too many organizations forget about the crisis and never deal with the questions generated by the crisis event. A better approach is to collect records of the event and meet with members of the crisis management team to evaluate the organization's performance (Coombs, 2007a). Although some people may worry that examining a past crisis will "only reopen old wounds," research indicates that when organizations take the time to evaluate their crisis performance, they are better prepared for the next crisis (Pearson & Mitroff, 1993, p. 54). In some cases, post-crisis learning may lead organizations to make changes in their structure or leadership (Seeger et al., 2003). However, the purpose of this process is not to assign blame, but to consider all of the pertinent information, whether positive or negative (Pearson & Mitroff, 1993).

At every step along the way, crisis management involves communication. The next section focuses specifically on crisis communication.

Crisis Communication

Scholars have defined crisis communication is various ways. Gilpin and Murphy (2008) noted that some authors use the term crisis communication to describe different sets of communication tactics employed during crises. Indeed, much of the crisis communication literature focuses on this area (Coombs, 2010a).

Sandman (2006) argued that crisis communication is a specialization of risk communication. Risk communication includes warning people who need to be more concerned about a serious hazard, and reassuring people who are overly worried about a small hazard. According to Sandman, crisis communication is necessary when "people are appropriately concerned about a serious hazard" and need information "to help them bear it and guide them through it" (2006, p. 257). In other words, Sandman considered crisis communication to be an activity that only takes place during the crisis event, itself.

In contrast to these rather narrow definitions, Coombs (2010b) defined crisis communication as "the collection, processing, and dissemination of information required to address a crisis situation" (p. 20). Coombs (2010a) also observed that crisis communication involves managing information as well as managing *meaning*. Managing information refers to sharing facts (e.g., where shelters are located), while managing meaning refers to shaping the way people perceive the crisis (e.g., whose fault it is). Following Coombs' approach, this section considers the role of

communication in information management and meaning management during all three crisis management stages.

Communication Before a Crisis

Communication is an essential part of the pre-crisis stage of crisis management. In fact, Taylor (2010) argued that one reason "so many organizations experience a crisis is because there is a lack of communication…among the organizational units" (p. 700). When communication is used to manage *information*, it encompasses environmental scanning, boundary spanning (Seeger et al., 2003), issue management, risk assessment, and reputation management (Coombs, 2007a). Training people to respond to crises before those crises arise (Ashcroft, 1997) is another essential communication activity that involves information management. However, convincing members of an organization to take potential crises seriously is a *meaning* management function of communication (Coombs, 2010a).

Although scholars like Sandman (2006) consider crisis communication to be a subset of risk communication, others like Seeger et al. (2003) see risk communication as part of the pre-crisis stage of crisis communication. To the extent that risk communication involves warning people about potential dangers and educating people about how to avoid those dangers (Palenchar & Heath, 2007), risk communication during the pre-crisis stage is clearly part of the crisis prevention process and constitutes information management. When risk communication involves persuading people to take precautionary action (Sandman, 2006), it becomes meaning management.

Kempner (1995) has suggested several communication-related tactics to use before a crisis arrives. These tactics include drafting preliminary press releases for

situations that are likely to occur, designating primary and backup spokespeople, preparing a list of reporters who would likely cover a crisis-related story, and keeping printed information about the organization up to date. By preparing communication materials ahead of time, organizations can respond to crises more quickly. The next subsection considers how communication is used during the crisis event.

Communication During a Crisis

Once a crisis occurs, communication becomes vital in responding to that crisis (Heath, 2004). According to Seeger et al., (2003) the purpose of communication at the beginning of a crisis is to reduce uncertainty, coordinate response efforts, and disseminate information to affected stakeholders. Stakeholders need information to protect themselves during a crisis, and as Coombs explained, "The primary concern during a crisis is human lives and safety" (2006a, p. 184). This type of communication is mostly information management (Coombs, 2010a).

Once the safety of all stakeholders has been addressed and the response has been coordinated, crisis communication often becomes more about meaning management than information management (Coombs, 2010a). A major goal of crisis communication is to protect an organization's reputation (Coombs, 2007b; Kempner, 1995). This type of meaning management includes defending the organization, apologizing for mistakes or misdeeds, and offering explanations of what happened from the organization's perspective (Seeger et al., 2003).

Research on crisis communication during the crisis event stage has considered both the form and the content of crisis response (Coombs, 2006a). These two dimensions deserve brief discussions.

Crisis response form. Scholars generally agree that the form of a crisis response should be prompt, consistent, and open (Coombs, 2006a). These three concepts, along with other from-related issues are outlined below.

Promptness. Because media technology allows journalists to file stories about a crisis almost instantly, the first hour after a crisis erupts is critical (Lukaszewski, 1997). Crises are characterized by uncertainty (Ulmer, Sellnow, & Seeger, 2007) and a quick response can help reduce some of that uncertainty (Seeger et al., 2003). If organizations do not respond quickly to reporters' inquiries, initial reports about a crisis may not contain the organizations perspective, or may misrepresent the facts of the situation (Albrecht, 1996).

When an organization breaks the news about its own crises, instead of waiting for journalists uncover the story, this approach is called "stealing thunder" (Arpan & Roskos-Ewoldsen, 2005, p. 426). Stealing thunder enhances the organization's credibility (Arpan & Pompper, 2003) and makes stakeholders perceive the crisis as less severe (Arpan & Roskos-Ewoldsen, 2005). Research also indicates that when public figures steal thunder, there are fewer news stories about the crisis and the crisis is framed more positively (Wigley, 2011). A study by Holtzhausen and Robert (2009) found that when an organization was proactive (i.e., initiated contact with the media) it received more positive coverage than when it was reactive (i.e., answering media inquiries).

Consistency. Most scholars agree that crisis responses should be consistent to all stakeholder groups (Seeger, 2006; Stephens, Malone, & Bailey, 2005) and that organizations should "speak with one voice" (Lukaszewski, 1997, p. 8). Consistent

messages enhance the organization's credibility (Coombs, 1999). However, Sandman (2006) dissented somewhat from this view. Sandman argued that if different experts have different opinions about a crisis situation, transparency requires that stakeholders be allowed to weight these different opinions. Transparency is part of making sure a crisis response is characterized by openness.

Openness. Openness and honesty during a crisis situation may seem more compatible with Coombs' (2010a) concept of information management than with his concept of meaning management. When organizations are trying to protect their reputations, they may be tempted to take a "no comment" approach (Albrecht, 1996, p. 136). However, openness is more than just an ethical duty to stakeholders who are at risk during a crisis (Coombs, 2006a). Being cooperative and accommodating with the news media is usually a better strategic choice than ignoring them (Lukaszewski, 1997; Seeger, 2006). When journalists sense that an organization is difficult to work with or not transparent, journalists may report on the crisis without including the organization's side of the story, or may become antagonistic (Kempner, 1995).

Given the uncertainty inherent in crises, (Ulmer, Sellnow, & Seeger, 2007), journalists will sometimes ask questions an organization cannot answer. In such situations, organizational spokespeople should promise to find the answer for the journalists as soon as possible, and then make sure to keep this promise (Kempner, 1995). In their desire to be helpful, spokespeople must be careful not to provide information they *think* is true but that turns out to be inaccurate later (Albrecht, 1996). Any inaccurate information undermines the organization's credibility.

Other form issues. Other issues related to the form of crisis response include the medium of communication and the use of particular spokespeople. For instance, Perry, Taylor, and Doerfel (2003) found that most organizations use their websites during crises to distribute news releases and fact sheets, and some organizations also take advantage of the Internet's unique capabilities to post audio or video, or to interact with stakeholders online. According to Caldiero, Taylor, and Ungureanu (2009), news releases on organizational websites are often quoted in media reports about a crisis. Sweetser and Metzgar (2007) found that organizational blogs were effective at maintaining relationships with stakeholders during crisis. On the other hand, L. Austin, Liu and Jin (2012) found that people perceive traditional media to be more credible than social media for getting information about a crisis. Schmierbach and Oeldorf-Hirsh (2012) also found that information on Twitter was considered less credible than information on a newspaper's website. Coombs and Holladay (2009) found that people who received a crisis response via print had a more positive evaluation of an organization's reputation than those who received a crisis response via video.

Overall, the research on channel selection offers less of a consensus than the research on promptness, consistency, and openness. While traditional media seem to have the most credibility, some studies have suggested that different media are more important to people in different age categories (Avery, 2010) and certain types of messages are more effective when delivered via a particular medium (Liu, Austin, & Jin, 2011). Thus, effective channel selection depends on factors such as the type of message to be conveyed and the type of stakeholder to be reached.

Organizations may be able to improve their crisis response by selecting the right spokesperson. In some cases, the CEO of an organization may deliver the crisis response. Turk, Jin, Stewart, Kim, and Hipple (2012) found that when the CEO is visible during a crisis, people tend to have more positive evaluations of the organization.

Arpan (2002) found that audiences were more willing to accept messages from an organization when they perceived the organization's spokesperson to be more credible. People who perceived the organization's spokesperson to be ethnically and ideologically similar to themselves tended to perceive the spokesperson as more credible. However, when stakeholders are diverse it may be impossible to have a spokesperson who it similar to all of them.

Coombs (2007a) recommended that spokespeople be able to appear pleasant on camera, answer questions effectively (including difficult questions), and be able to present information clearly. Although most scholars agree that crisis communication should be consistent, Coombs (2007a) explained that consistency does not necessarily mean that an organization can only have one spokesperson. In fact, there will often be situations when different members of an organization have different areas of expertise. In those situations, media inquiries can be directed to the person who is best qualified to answer the question.

Having considered the recommended form of a crisis response, we must now focus on the content of a crisis response.

Crisis response content. The content of a crisis response depends upon the circumstances surrounding the crisis. Rhetorical theories such as corporate apologia

(Hearit, 1994) and image repair theory (Benoit, 1995a, 1997b) have outlined different types of responses that organizations can use to defend their reputations in a crisis. Situational crisis communication theory (SCCT; Coombs, 2007b; Coombs & Holladay, 2002) holds that factors such as the type of crisis, crisis severity, and the past history of the organization all affect the way stakeholders perceive the situation. The content of a crisis response should take these stakeholder perceptions into account. Because the content of a crisis response is the most heavily studied area of crisis communication (Coombs, 2010a), as well as the primary focus of this dissertation, a more detailed discussion of crisis response content will be reserved for the next two sections of this chapter. In the meantime, the role of communication in the post-crisis stage of crisis management must be addressed.

Communication After a Crisis

Once a crisis is under control, communication helps organizations manage information by facilitating organizational learning and performance evaluation (Coombs, 2007a, 2010a). The crisis management team should collect and analyze data related to the crisis in order to understand exactly what happened and why (Coombs, 2007a). The team should evaluate the organization's handling of the crisis to determine what changes need to be made before the next crisis. This process requires a willingness to learn, not a defensiveness attitude (A. D. Brown & Starkey, 2000; Pearson & Mitroff, 1993). In some cases, the process of learning from a crisis may lead to changes in industry standards and practices, not just changes at the organization involved in the crisis (Ulmer, Sellnow, & Seeger, 2007).

During the post-crisis stage, communication also helps manage meaning. In some cases, grieving for and memorializing victims may be a necessary part of the healing process (Seeger et al., 2003). Meaning management also occurs in discourses of renewal (Ulmer, Seeger, & Sellnow, 2007). Renewal comes when the leadership of an organization can inspire stakeholders to look to the future and find opportunities in the aftermath of a crisis. Renewal involves the promise that an organization will rebuild itself to be even stronger than it was before the crisis.

Post-crisis communication may also involve some of the same reputation management that occurs during the crisis response phase (Seeger et al., 2003). Holladay (2009) found that media reports rarely include statements related to reputation management at the beginning of a crisis, but are more likely to report these types of statements in later stories. The next two sections of this chapter offer a more detailed look at the communication strategies organizations use to manage their reputations during and following crises. First, the rhetorical perspective on crisis response will be considered, followed by a more social scientific perspective.

Crisis Response from the Rhetorical Perspective

Rhetoric is "the use of language as a symbolic means of inducing cooperation in beings that by nature respond to symbols" (Burke, 1969, p. 43). Heath (1993) argued that rhetoric is "the essence of public relations" because shared meanings define the "identities and prerogatives" of organizations and publics (p. 142). The rhetorical perspective draws on the work of ancient rhetoricians like Aristotle and Quintilian, as well as modern rhetorical scholars such as Kenneth Burke and Chaïm Perelman (Ihlen,

2010). Rhetorical discourse is seen as a way for different people and organizations to engage in constructive dialogue and debate in the public sphere (Heath, 2000).

Rhetorical situations arise when there is some exigency that can be addressed through the use of rhetoric (Bitzer, 1968). Along with this exigency, each rhetorical situation also includes an audience and certain constraints that limit one's rhetorical options. When the exigency is a crisis, organizations may use rhetoric to defend or repair their public image (Benoit, 1995a, 1997b), or to encourage their members to develop a positive vision for the future after a crisis (Ulmer & Sellnow, 2002; Ulmer, Seeger, & Sellnow, 2007). Audiences may be customers, stockholders, journalists, government regulators, employees, or anyone else affected by the crisis. Constraints could arise because of uncertainty about the situation, liability concerns, or the history of the relationship between an organization and its stakeholders (Coombs, 2006a, Seeger et al., 2003).

According to Ihlen (2010), "the best-developed line of rhetorical public relations research remains the studies of organizational self-defense and image restoration during or after crises" (p. 63). One rhetorical approach, discourse of renewal (Ulmer, Seeger, & Sellnow, 2007) has already been mentioned in connection with post-crisis communication. Three other rhetorical approaches—corporate apologia, corporate impression management, and image repair theory—are discussed next.

Corporate Apologia

The term *apologia* refers to speech in defense of oneself (Hearit, 2006). When individuals or organizations are accused of wrongdoing, they have certain rhetorical options at their disposal. In a seminal article defining the genre of apologia, Ware and

Linkugel (1973) identified four rhetorical strategies for defending oneself against accusations of wrongdoing: denial, bolstering, differentiation, and transcendence.

Denial. Denial is an attempt to say that one is not responsible for an offense—either because one did not commit the offense, or because one did not intend to commit the offense.

Bolstering. Bolstering means making oneself look better by identifying with something the audience values, or pointing out one's good qualities.

Differentiation. Differentiation refers to parsing or carefully distinguishing between what one is accused of doing, and what actually happened. This strategy can be used to show that an offense was not as bad as it first appeared.

Transcendence. Finally, transcendence occurs when one asks the audience to step back and look at the big picture. Perhaps the argument is that an offense was committed for some greater good. Perhaps there are other issues that are more important, so the offense should be overlooked.

Although Ware and Linkugel (1973) developed their theory of apologia to apply to individuals (especially public figures), Dionisopolous and Vibbert (1988) suggested that apologia could be used in a corporate setting, as well. Ice (1991) used this theory to analyze Union Carbide's rhetoric after its plant in Bhopal, India leaked toxic gas, killing more than 2000 people. Ice found that the company used all four apologia strategies at different points in its crisis response. Overall, Union Carbide's rhetoric was aimed at reassuring employees, stockholders, and the U.S. government, but showed much less concern for the victims in India or the government of that country.

Hearit (1994, 1995, 1996, 1997, 1999) has been the leading scholar in applying apologia to corporate communication. As mentioned previously, one way for crises to threaten an organization is by raising questions about the organizations' social legitimacy (Hearit, 1995). Apologia is a kind of public ritual that helps move an organization through a cycle of "charge, guilt, and restoration" in order to reestablish its social legitimacy (Hearit, 1999, p. 300).

Hearit (1994, 1996, 1997) expanded on Ware and Linkugel's (1973) typology of apologia strategies. Hearit (1994) observed that organizations often respond to crises by issuing carefully worded statements of regret. These statements "convey sorrow to diffuse public hostility" (1994, p. 117), but do not take responsibility for the crisis.

Hearit (1994) also used the concept of *dissociation*—taken from Perelman and Olbrechts-Tyteca (1969)—to describe the way organizations try to distance themselves from wrongdoing. Dissociation involves making distinctions between opinion and knowledge, between an individual and the group, or between the act and its essence (Hearit, 1994). For example, when Chrysler was accused of tampering with odometers to sell used cars as if they were new cars, the company argued that critics did not understand all the facts (opinion/knowledge dissociation). When Toshiba was caught illegally selling technology to the Soviet Union, it blamed one of its subsidiaries (individual/group dissociation). After Volvo was found to have faked a commercial by adding structural support to its cars so a monster truck could drive over them, Volvo argued that the commercial was actually a dramatization of a real event that had happened before (act/essence dissociation). Hearit's concept of dissociation is similar in some ways to Ware and Linkugel's (1973) concept of differentiation.

More recently, Hearit and Brown (2004) explained that these three types of dissociation can represent three ways of dealing with guilt. The opinion/knowledge dissociation is related to *denying* guilt. This dissociation allows an organization to claim that its accusers do not have all the facts, and the organization is not really guilty of what it has been accused of doing. The individual/group dissociation is a kind of scapegoating, or *transferring* guilt to another party. The organization blames certain members for a misdeed, but claims the organization, as a whole, should not be held responsible. Finally, the act/essence dissociation is related to *accepting* guilt. In this case, an organization may admit that it committed a bad act, but use a strategy of self-mortification and corrective action to prove its misdeeds do not represent the true nature (i.e., essence) of the organization. More will be said about mortification and corrective action later.

Hearit (1996) found that sometimes organizations can launch counter-attacks against their accusers. A prime example is General Motor's response to an NBC Dateline program that showed a GM pick-up truck exploding in a side-impact collision. GM accused NBC of misleading the American people by putting an incendiary device in the truck to ensure it would explode. GM sued NBC and ultimately received a public apology.

Some of Hearit's work does overlap with Ware and Linkugel (1973). For instance, Hearit (1997) examined the use of transcendence in corporate apologia. When Johnson Controls was sued in 1990 for discrimination against women, the company argued that it had a good reason for not allowing women to work in certain parts of its factory. Specifically, certain areas contained high levels of lead that would be harmful

to fetuses. By arguing that its policy was intended to protect women and children, Johnson Controls tried to change the way the public perceived its policy. Ultimately, Johnson Controls lost in court, and Hearit (1997) suggested that transcendence strategies only work when those strategies do not *also* serve the organization's own financial interest.

As rhetorical genres, apologia and corporate apologia include various strategies for defending oneself or one's organization against charges of wrongdoing. Apologists do not necessarily use just one type of apologia per crisis. For instance, Kramer and Olson (2002) observed that President Bill Clinton employed a constantly evolving apologia strategy as more and more accusations were made about his relationship with Monica Lewinsky. Hearit and Brown (2004) also found that when Merrill Lynch was accused of misleading investors in 2002, the company initially tried to deny the charges, then tried to scapegoat certain employees, and only admitted it has made serious mistakes after its other rhetorical strategies failed.

While Hearit's (1994, 1995, 1996, 1997, 1999) work has primarily focused on helping organizations *regain* social legitimacy, Rowland and Jerome (2004) argued that organizations also use apologia to *maintain* their public image once a crisis has past. Image maintenance involves "showing that the organization is generally caring, decent, and so forth, apart from the specifics of the situation necessitating the apologia" (p. 195). For instance, even when an organization is not to blame for a crisis, the organization may appear to be a better corporate citizen if it takes responsibility for the situation. Image maintenance apologia can be combined with image restoration apologia in most crisis situations.

Rowland and Jerome (2004) suggested four categories for image maintenance apologia. First, organizations can demonstrate concern for victims. Showing concern is important even if the organization is not responsible for the crisis. Second, organizations can bolster the organization's values. Although Ware and Linkugel (1973) identified bolstering as a basic apologia strategy, Rowland and Jerome (2004) argued that bolstering "will not get an organization of out of the wrongdoing" (p. 201) but will help the organization maintain its image once the crisis has been resolved.

A third type of image maintenance apologia is the denial of intent to do harm (Rowland & Jerome, 2004). Whether an organization responds to a crisis by accepting or rejecting responsibility, it can almost always argue that the harm was unintentional. Finally, a fourth type of image maintenance apologia involves reassuring stakeholders that the organization is working to prevent the problem from reoccurring—even if the organization did not cause the problem in the first place.

Along with corporate apologia, there are other rhetorical approaches to crisis response. The next approach to be considered is Allen and Caillouet's (1994) theory of impression management.

Corporate Impression Management

Like Hearit's (1995) theory of corporate apologia, Allen and Caillouet's (1994) theory of corporate impression management emphasizes the importance of an organization's social legitimacy. Crises can raise doubts in the minds of stakeholders about whether "an organization is good or has a right to continue operating" (Allen & Caillouet, 1994, p. 45). Seven types of response can be used to manage stakeholder's impression of the organization. These responses are described below:

Excuse. Excuses include denials of intention, volition, and agency. A denial of intention obviously means that the organization did not mean for a crisis to happen. A denial of volition means that the organization had no control over what happened. A denial of agency means that some other action was the cause of the crisis.

Justification. Justification involves the acceptance of some responsibility for a crisis, combined with an effort to make the organization's behavior seem less offensive. Justification tactics include denying that anyone was seriously injured, suggesting that a victim deserved the injury, arguing that others have done worse things, or maintaining that the crisis is not as bad as others claim it is.

Ingratiation. Ingratiation means trying to increase stakeholders' approval of the organization. Ingratiation is similar to Ware and Linkugel's (1973) concept of bolstering. It includes reminding stakeholders of the organization's good qualities and trying to identify with or flatter stakeholders. For instance, if an organization talks about how much it cares for the environment or how much it values its customers, it is engaging in ingratiation.

Intimidation. Intimidation is the threat or implication than an organization will use its power and resources against its critics. One example of intimidation is threatening to sue an accuser.

Apology. When an organization apologizes for a crisis, it accepts full responsibility and accepts punishment.

Denouncement. Denouncement involves blaming some external entity for the crisis. Often organizations denounce activist groups for the media for inventing the crisis or at least blowing the crisis out of proportion.

Factual distortion. Allen and Caillouet's (1994) final impression management strategy is to argue that the facts of a crisis are being misrepresented or taken out of context.

Allen and Caillouet (1994) conducted a content analysis of 799 statements made by a recycling facility accused of environmentally unfriendly practices. The authors found that ingratiation was the most commonly used strategy, and that different strategies were directed at different stakeholder groups. For instance, the recycling facility used ingratiating the most when communicating with the government or regulators, but used a denouncement more often when addressing competitors, suppliers, or special interest groups.

In a follow up study involving the same recycling facility, Caillouet and Allen (1996) found different impression management strategies were more prevalent in certain types of communication. Although ingratiation was the most common strategy across all communication, denouncements were more likely to appear in press releases, newspaper stories, and internal correspondence. Company brochures used ingratiation almost exclusively. Interestingly, there was a significant difference between the company's official statements and employees' personal statements in interviews with the researchers. While the company relied mostly on ingratiation, the employees tended to offer justifications. Caillouet and Allen (1996) suggested that when an organization is accused of wrongdoing, employees may feel the need to defend the organization as a way of defending themselves.

Corporate impression management has not been used as widely in public relations scholarship as corporate apologia. However, as Coombs (2006a) noted,

impression management theory has "expanded the list of crisis response options and reinforced the notion that different crisis responses can be targeted to different stakeholders" (p. 179). The third major rhetorical approach to crisis communication is Benoit's (1995a, 1997b) image repair theory.

Image Repair Theory

Benoit's (1995a, 1997b) image repair theory (IRT) draws upon the genre of apologia, as well as theories from other scholars such as Kenneth Burke and Erving Goffman. Although Benoit (1995a) originally called his approach image *restoration* theory, he later wrote that he preferred the term image *repair* theory because completely restoring one's image to its pre-crisis state is not always possible (Benoit, 2000). IRT posits that people naturally value their public image, and use communication to defend or rebuild that image when it is threatened. When an individual or organization is accused of an offensive act, there are five basic ways to respond: denial, evasion of responsibility, reducing offensiveness, corrective action, and mortification (Benoit, 1995a, 1997b). Each of these concepts is described below.

Denial. Benoit's (1995a, 1997b) notion of denial is slightly narrower than Ware and Linkugel's (1973). For Benoit, denial is a claim that the individual or organization did not perform an offensive act, or that someone else actually performed the act (i.e. scapegoating). Unlike Ware and Linkugel (1973), Benoit does not include denials of responsibility (e.g., claiming an offense was accidental) in this category.

Evasion of responsibility. When individuals or organizations cannot deny an offensive act, they may try to evade responsibility for the act. Responsibility can be evaded by claiming the act was an accident, was provoked by another actor, or was

based on good intentions. Another type of responsibility evasion is the strategy of defeasibility. Defeasibility arguments are based on the idea that the actor lacked the information or ability necessary to avoid an offensive act.

Reducing offensiveness. If individuals or organizations must take responsibility for an offensive act, they can seek to reduce the offensiveness of the act in several ways. Three of these tactics—bolstering, differentiation, and transcendence—are taken directly from Ware and Linkugel (1973). Other options include minimizing the offense (i.e., arguing that the offense is not as serious as an accuser claims), attacking the accuser, or offering compensation to victims of the offensive act.

Corrective action. Corrective action is often a more costly image repair strategy. Corrective action involves "restoring the state of affairs existing before the offensive action" (Benoit & Pang, 2008, p. 251), or taking steps to prevent the offense from reoccurring in the future. For organizations, corrective action might include replacing defective products, retraining employees, installing new equipment, or developing new oversight procedures.

Mortification. The term mortification comes from the work of Kenneth Burke (1961) and refers to a symbolic death used to purge oneself of guilt (Benoit, 1995a). Mortification requires individuals or organizations to throw themselves upon the mercy of their stakeholders by apologizing and seeking forgiveness.

Benoit (1995a) conducted several case studies to illustrate the way organizations have used various image repair strategies. One example is the rhetoric used by Exxon after the *Valdez* oil spill in 1989. Exxon used a blame shifting strategy (a type of denial) when it tried to scapegoat the captain of the *Valdez*. Exxon also tried to reduce the

offensiveness of the crisis by minimizing the environmental damage and bolstering its own cleanup efforts. Finally, Exxon tried to publicize the corrective action it was taking. Benoit (1995a) criticized the organization's response because many of Exxon's claims did not match its actions. As Benoit observed, "image restoration attempts are unlikely to succeed when the evidence available to the audience contradicts those claims" (1995a, p. 130). Benoit also noted that Exxon might have been able to evade responsibility with a defeasibility argument (e.g., claiming it did not have enough information at the beginning of the crisis). However, the company did not use this strategy.

Benoit and his colleagues have conducted many other studies on image repair. Not all of this research focuses on organizations. Some of these studies examine the image repair strategies of political figures (Benoit, 2006; Benoit & Brinson, 1999; Benoit & Henson, 2009; Benoit & McHale, 1999; Len-Rios & Benoit, 2004), foreign governments (Peijuan, Ting, & Pang, 2009; Zhang & Benoit, 2004), celebrities (Benoit 1997a, Brazeal, 2008), or religious leaders (Legg, 2009). However, a number of IRT studies do analyze the rhetoric of organizations in crisis (Benoit, 1995b; Benoit & Brinson, 1994; Benoit & Czerwinski, 1997; Blaney, Benoit, & Brazeal, 2002; Brinson & Benoit, 1996, 1999).

All of the studies listed in the preceding paragraph found multiple image repair strategies in the rhetoric of individuals and organizations. Interestingly, the one strategy that appeared in every single study was bolstering. This finding may be explained by the fact that certain strategies can be combined effectively and other strategies cannot. For instance, Benoit and Czerwinski (1997) noted that denial and corrective action "do

not work effectively in tandem unless they respond to different accusations" (p. 50). Organizations cannot claim there is no problem and then offer to fix the problem. By contrast, organization can deny or admit a problem, and still try to bolster their image by pointing out good things they have done or identifying with the values of their stakeholders. Coombs (2007a) has argued that bolstering is supplemental to other crisis response strategies.

Aside from bolstering, the image repair strategies used by individuals and organizations appear to vary depending on the situation. Like the apologia literature (Hearit & Brown, 2004; Kramer & Olson, 2002), IRT research suggests that people often start by denying accusations, and then adjust their strategy as the ongoing crisis forces them to do so. For example, when the Food and Drug Administration claimed that breast implants made by Dow Corning were rupturing and causing breast cancer, the company initially responded with a categorical denial (Brinson & Benoit, 1996). However, over time Dow Corning admitted there *might* be side effects with some breast implants, and finally acknowledged that it *had* made errors and agreed to pay out a large legal settlement.

A number of IRT studies have concluded that when individuals or organizations are responsible for a crisis, the best way for them to repair their image is through mortification and corrective action (Benoit, 1997a; Benoit & Brinson, 1994; Brazeal, 2008; Brinson & Benoit, 1996; Len-Rios & Benoit, 2004). Mortification (i.e., apologizing) is certainly easier when there is no liability involved (Benoit, 1997a). However, organizations must realize that their reputations have real value. Apologizing and taking corrective action may be expensive, but it may be even more expensive for

an organization to compromise its social legitimacy. Furthermore, trying to deny responsibility for one's actions is risky because when the truth comes out, the offender will have compounded the offense by lying (Benoit & Brinson, 1994).

Limitations of the Rhetorical Perspective

Together, corporate apologia and image repair represent a major body of literature in public relations (Ihlen, 2010). However, the rhetorical approach taken in these studies has certain drawbacks. Generally, this line of research relies on case studies, which can illustrate theory but cannot test it (Coombs, 2010a). Benoit (1997a) acknowledged this limitation: "It is difficult to assign causality unambiguously to discourse, or to particular strategies in discourse; so many factors influence the audience's attitudes that it is hard to disentagle [sic] particular influences" (p. 263). Coombs and Schmidt (2000) argued that public relations is a social science, and therefore must be able to test causal relationships between variables. Recently, crisis communication research within the field of public relations has moved toward more quantitative methods such as surveys, content analyses, and especially experiments to test theories developed by rhetorical scholars (Coombs, 2010b).

Another critique of the rhetorical approach to crisis communication is that it focuses almost exclusively on the organization's perspective. Kent (2010) argued that crisis communication research ought to pay more attention to how crises affect stakeholders. Coombs (2010c) concurred, and noted that experiments are one of the best ways to understand how stakeholders perceive crisis situations and organizational responses. The next section considers this body of literature.

Crisis Response from the Social Scientific Perspective

Studying crisis communication from a social scientific perspective helps scholars move beyond simply *describing* what organizations have said or done in crises, to *prescribing* strategies that are likely to work in particular situations (Dardis & Haigh, 2009). Coombs (2010c) referred to this type of research as "evidence-based" instead of "speculative" (p. 720). Social scientific crisis communication research has included the experimental testing of image repair strategies, as well as the development of Coombs' (2007b) situational crisis communication theory and the application of contingency theory (Cancel, Cameron, Sallot, & Mitrook, 1997) to crisis situations. Each of these lines of research is discussed below.

Testing Rhetorical Strategies

Although most of Benoit's work on crisis communication has involved rhetorical criticism and case studies, he has also conducted some experimental research. Benoit and Drew (1997) asked students to imagine a friend had offended them in one of five different ways (e.g., failure to pick up a roommate after work, losing a friend's cassette tape, etc.). For each offense, 14 image repair strategies were offered and students rated the appropriateness and effectiveness of each response. Appropriateness was defined as whether a recipient was offended by the image repair message. Effectiveness was defined as whether a message led the recipient to form a more positive image of the offender. Mortification and corrective action were the two strategies rated highest for appropriateness as well as effectiveness. The least appropriate strategies were denial, provocation, minimization, bolstering, and attacking

the accuser. The least effective strategies were differentiation, denial, provocation, minimization, and bolstering.

A study by Coombs and Schmidt (2000) sought to test the findings of a case study conducted by Brinson and Benoit (1999). Brinson and Benoit (1999) analyzed the image repair strategies used by Texaco in 1996 of the company was accused of discriminatory business practices. According to the case study, Texaco used bolstering, shifting blame, corrective action and mortification strategies, and these strategies were effective (Brinson & Benoit, 1999). Coombs and Schmidt (2000) tested this conclusion by presenting college students with the facts of the Texaco case and then giving students one of five responses based on Texaco's actual crisis communication. These responses were based on (a) bolstering, (b) shifting blame, (c) corrective action, (d) mortification, or (e) a combination of bolstering, sifting blame, and corrective action.

Contrary to their expectations, Coombs and Schmidt (2000) did not find significant differences between most of the image repair strategies they tested. Participants in the experiment were less likely to believe the blame shifting strategy than to believe the other strategies. However, the other strategies were equivalent to each other in their effects on organizational reputation, on participants' willingness to accept the organization's account, and on potential supportive behavior (e.g., saying nice things about the organization to other people). Based on these findings, Coombs and Schmidt (2000) argued that scholars should be cautious about claiming that particular image repair strategies produce certain effects based on case studies, alone. In some instances, any of a number of rhetorical strategies may be equally effective.

Dardis and Haigh (2009) tested Benoit's (1995a) five image repair strategies in an experiment involving a hypothetical product recall. The authors found that a strategy of reducing offensiveness (minimizing the crisis and bolstering the company's image) produced the highest evaluations of company reputation, ability, credibility, and positioning, as well as the most positive attitude toward the company. Denial was the least effective strategy, overall.

Sheldon and Sallot (2009) also conducted an experiment involving a hypothetical scenario. This scenario involved a politician trying to repair his image after making racially insensitive remarks. Three image repair strategies were tested: mortification, bolstering and corrective action. The experiment also manipulated whether the politician had a history of supporting or opposing civil rights. Sheldon and Sallot (2009) found that mortification was the most effective strategy for politicians to use after making this kind of mistake. Corrective action by itself was least effective. Surprisingly, the politician's performance history did not make a difference.

Performance history is an important factor in Coombs' (2007b) situational crisis communication theory. This theory is discussed next.

Situational Crisis Communication Theory

Technically, Benoit's (1995a, 1997b) image repair theory is a taxonomy of crisis response strategies, "not a true theory in the sense of making predictions" (Coombs & Schmidt, 2000). Coombs has developed situational crisis communication theory (SCCT) to predict which types of crisis response will be effective at managing an organization's reputation in various crises (Coombs, 1995, 1998, 2007a, 2007b 2010b; Coombs & Holladay, 2002). Although SCCT acknowledges that public safety must be

the first priority in crisis response, reputation management is the main focus of SCCT (Coombs & Holladay, 2002).

SCCT is based in attribution theory (Kelley & Michela, 1980; Weiner, 1985, 1995, 2006) and predicts that different types of crises will cause stakeholders to attribute different levels of responsibility to an organization (Coombs, 2007b). By understanding how stakeholders perceive the organization's role in a crisis, crisis managers can select the most appropriate response strategy to protect or rebuild the organization's reputation (Coombs, 1995, Coombs & Holladay, 2002). This subsection briefly discusses attribution theory as the theoretical foundation of SCCT, then outlines three key concepts of SCCT: crisis type, intensifying factors, and crisis response strategies. Finally, the role of affect in SCCT is addressed.

Attribution theory. Attribution theory (AT) is a broad term for studying the "perception or inference of cause" (Kelley & Michela, 1980, p. 458). Heider (1944) wrote, "When we have a disagreeable experience, or a pleasant one, we may locate its origin in another person, in ourselves, or in fate" (p. 358). Weiner (1985) explained that there are three dimensions to attributions. The first, *locus of causality*, refers to whether a cause is internal or external to a person. This is the dimension reflected in Heider's quotation. For example, people can get into car accidents because they are driving recklessly (internal locus) or because other drivers are being reckless (external locus).

The second dimension of attribution is *stability* (Weiner, 1985). Stable causes are permanent, while unstable causes may come and go. For instance, a sailboat might cross a lake quickly because the lake is small (stable cause) or because the wind is particularly strong (unstable cause).

The third dimension of attribution is *controllability* (Weiner, 1985). When causes are unstable they can change, and people may or may not have control over that change. One illustration is the difference between effort and fatigue. People might perform poorly at a job because of lack of effort or fatigue. However, people have more control over how much effort they expend when working than they have over feelings of fatigue.

Although Weiner (1985) was only certain of three dimensions of attribution, he suggested that *intentionality* might deserve to be regarded as a fourth dimension. Intentionality refers to whether or not an actor meant to do something. Intentionality and control are not the same. A person might not *intend* to hit a pedestrian while driving, but that person might have been speeding—a behavior that is controllable. Coombs incorporated the concept of intentionality into SCCT (Coombs, 1995; Coombs & Holladay, 1996).

When people commit an offense, they often use excuses to keep other people from being upset with them (Weiner, Amirkhan, Folkes, & Verette, 1987). In a series of studies, Weiner, et al. (1987) found that people consider "good" excuses to be those that involve external, uncontrollable, and unintentional factors. "Bad" excuses are those that involve internal, controllable, and intentional factors. For example, a good excuse for being late is that one got stuck in traffic (external, uncontrollable, unintentional), while a bad excuse is that one stopped along the way to do something else (internal, controllable, intentional).

Because people naturally seek to understand why things happen (Heider, 1944), stakeholders in a crisis situation are likely to make judgments about the cause of the

crisis (Coombs, 1995). According to Coombs (1995), stakeholders who perceive the locus of causality as internal to an organization, and perceive that causality as stable, controllable, or intentional will attribute responsibility for the crisis to the organization. On the other hand, if stakeholders believe the cause of a crisis was external, unstable, uncontrollable, or unintentional, these stakeholders will generally attribute less responsibility to the organization. SCCT holds that different types of crises produce different attributions of responsibility (Coombs, 2010b).

Crisis type. Coombs' taxonomy of crisis types has evolved over the years. Initially, Coombs (1995) described crises using a 2x2 matrix involving two levels of locus (internal or external) and two levels of intention (intentional or unintentional). *Accidents* are internally caused crises that are unintentional. *Transgressions* are internal and intentional crises, such as knowingly selling a defective product. *Terrorism* refers to crises intentionally causes by external actors. Finally, a *faux pas* is an unintentional offense that is used by external actors to criticize or attack an individual or an organization. Sheldon and Sallot's (2009) study of a politician who made racially insensitive statements provides an example of the *faux pas* type of crisis.

Coombs and Holladay (1996) tested the attributions people made in accident and transgression situations. Consistent with SCCT, people attributed more responsibility to an organization for a transgression than for an accident, and transgressions produced greater reputational damage than accidents.

More recently, Coombs and Holladay (2002) identified 13 crisis types and used hierarchical cluster analysis to group these crisis types into three clusters. The cluster analysis was based on two variables: organizational reputation and crisis responsibility.

Thus, the crises in each cluster produce similar attributions of responsibility and pose similar threats to an organization's reputation. Coombs and Holladay (2002) labeled these clusters the victim cluster, the accidental cluster, and the preventable cluster.

The first cluster is called the *victim cluster*, and includes natural disasters, false rumors, workplace violence, and product tampering or malevolence (Coombs & Holladay, 2002). In this cluster, the organization is a victim along with its stakeholders. Because organizations have little control over these situations, stakeholders are less likely to attribute responsibility to the organization and, thus, these crises pose only a mild threat to the organization's reputation.

The second cluster is called the *accidental cluster* (Coombs & Holladay, 2002). Technical breakdown, accidents are accidents caused by equipment failure. A "megadamage" crisis is a type of technical breakdown accident "that produces significant environmental damage" (p. 170) such as an oil spill. Technical breakdown product harm crises are product recalls caused by equipment failure. Coombs and Holladay (2002) also included *challenges* in this cluster. Challenges are stakeholder claims that the organization is operating inappropriately. An example would be an activist group complaining that an organization does not use environmentally friendly practices. The common link between these types of crisis is that organizational actions did lead to the crisis, but these actions were unintentional. Attributions of responsibility in the accidental cluster are likely to be somewhat greater than attributions of responsibility in the victim cluster. Therefore, reputational threat is somewhat greater, too.

The third crisis cluster is the *preventable cluster* (Coombs & Holladay, 2002). Crises in this cluster arise because the organization acted inappropriately, violated the law, or knowingly placed people at risk. Examples include human breakdown accidents, human breakdown product harm, and organizational misdeeds. The severity of an organizational misdeed depends on whether or not stakeholders were injured and whether or not laws were broken. Organizations ought to be able to prevent crises in this cluster. Therefore, when these preventable crises arise, stakeholders attribute a high level of responsibility to the organization and the threat to the organization's reputation is severe.

In addition to the crisis type, there are intensifying factors that also affect the attributions stakeholders make in crisis situations (Coombs, 2010b).

Intensifying factors. An organization's performance history affects the attributions of responsibility made during a crisis (Coombs, 2006a). An organization's performance history includes its crisis history and its prior relational reputation (Coombs, 2007b). Both factors are discussed below.

Crisis history. Crisis history refers to whether or not an organization has gone through similar crises in the past (Coombs, 2010b). A history of past crises helps "establish a pattern of 'bad behavior' by an organization" (p. 39) and tends to increase attributions of responsibility. Coombs and Holladay (1996) found that people attributed more responsibility to organizations that had experienced multiple crises than to organizations going through their first crisis. Multiple crises also produced lower evaluations of organizations' reputations.

Coombs (2004) tested attributions of responsibility for two crises from the victim cluster (workplace violence and product tampering) and two crises from the accidental cluster (technical breakdown product harm and technical breakdown accident). Each crisis scenario was combined with one of three crisis history conditions: history of crises, no history of crises, and no information about crisis history. As expected, when an organization had a history of crises, people attributed more responsibility to the organization and had a less favorable perception of the organization's reputation. Surprisingly, people attributed roughly the same level of responsibility to an organization with a crisis-free history and to an organization with an *unknown* crisis history. Coombs suggested that because people expect organizations to operate without crises, people who do not know the crisis history of an organization simply assume the organization has not gone through any crises.

Prior relational reputation. The other intensifying factor in SCCT is prior relational reputation, which is defined as the way an organization has treated stakeholders in the past (Coombs, 2007b). Coombs and Holladay (2001) found that in crisis situation, people attribute more responsibility to organizations that have a negative relationship history with their stakeholders. Similar to Coombs' (2004) finding regarding crisis history, Coombs and Holladay (2001) found no significant difference between organizations with positive relationship histories and no relationship histories.

Coombs and Holladay (2006) conducted two studies to see if a positive organizational reputation could create a halo effect to shied organizations during crises. The results indicated that a positive pre-crisis reputation reduced attributions of

responsibility and improved post-crisis reputation. However, this effect was only present if the pre-crisis reputation was *very* positive.

SCCT holds that different types of crises, combined with the intensifying factors of crisis history and prior relational reputation determine how much responsibility people attribute to an organization in crisis (Coombs, 2007b). SCCT helps crisis managers understand how stakeholders are likely to view a crisis. Based on this understanding, crisis managers can select the appropriate crisis response strategy to protect their organization's image.

Response strategies. Drawing upon the corporate apologia, impression management, and image repair literature, Coombs (1998) developed a continuum of crisis responses ranging from defensive to accommodative. According to Marcus and Goodman (1991), accommodative strategies involve admitting a problem exists, accepting responsibility for it, and taking steps to fix the situation. Defensive strategies include denying a problem exists, trying to reassure people about an organization's performance, and taking action to return to normal as quickly as possible.

Coombs's (1998) continuum began with attacking the accuser as the most defensive strategy, and progressed to denial, excuse, justification, ingratiation, corrective action, and finally, full apology as the most accommodative strategy. Coombs (2006b) added several more responses—scapegoat, concern, compassion, regret—and used hierarchical cluster analysis to identify three response clusters. Coombs (2007a) modified the list of responses again and grouped the responses into the following four clusters, which he called *postures*:

Denial posture. The denial posture seeks "to remove any connection between the crisis and the organization" (Coombs, 2007a, p. 139). This posture includes attacking the accuser, denying that any crisis exists, and blaming people outside the organization for the crisis (i.e., scapegoating).

Diminishment posture. The diminishment posture seeks to reduce attributions of responsibility for the crisis by showing that the organization did not have control over the crisis or at least over the negative effects of the crisis (Coombs, 2007a). Strategies within the diminish posture are excusing (e.g., denying intent to do harm, or claiming no control) and justification (e.g., minimizing the damage or claiming that victims deserved what happened to them).

Rebuilding posture. The rebuild posture uses words and actions "to benefit stakeholders and to offset the negative effects of the crisis" (Coombs, 2007a, p. 140). These strategies are compensation (i.e., providing money or other assistance to victims) and apologizing (i.e., publicly taking responsibility and asking for forgiveness).

Bolstering posture. Strategies in the bolstering posture "seek to build a positive connection between the organization and the stakeholders" (Coombs, 2007a, p. 141). These strategies include reminding stakeholders about the good work an organization has done in the past, praising stakeholders (i.e., ingratiation), and explaining how the organization, itself, is a victim of the crisis. The bolstering posture supplements the other three postures. As Coombs (2007a) noted, bolstering strategies often seem egocentric or self-serving when used alone. However when combined with denial, diminishment, or rebuilding, bolstering can be effective.

According to SCCT, different types of crises call for different types of response (Coombs, 2007b). When attributions of responsibility are low, as in natural disasters, rumors, or product tampering crises, the denial posture is likely to be effective. In accidental crises, excuses or justifications may work to diminish the organization's responsibility. However, in preventable crises like organizational misdeeds or product recalls caused by human error, compensation and apologies may be required to rebuild the organization's reputation (Coombs, 2007b). Because strategies such as compensation and apologizing tend to be the most expensive for an organization (apologizing is often expensive because it involves accepting liability), these strategies are not generally used except when necessary (Coombs, 2007a; Coombs & Holladay, 2008).

Coombs and Holladay (1996) found support for SCCT's key idea—namely, that crisis responses should be matched to crisis type based on attributions of responsibility. In their experiment, Coombs and Holladay (1996) found that matching crisis response to crisis type as prescribed by SCCT produced the most positive evaluations of organizations' reputations. Also consistent with SCCT was Coombs and Schmidt's (2000) finding that accommodative/rebuilding strategies like corrective action and apologizing were effective in an organizational misdeeds crisis (i.e., a crisis involving high attribution of responsibility).

Affect. Attribution theory notes that judgments of responsibility often produce strong emotions like anger (Weiner, 2006). Coombs and Holladay (2007) found that attributions of responsibility produced anger, and this anger made people less likely to do business with an organization and more likely to engage in negative word-of-mouth

toward an organization. Choi and Lin (2009a) analyzed online consumer responses to a Mattel toy recall and found evidence of several emotions including anger, worry, fear, disgust, relief, and sympathy. Fediuk, Coombs, and Botero (2010) have argued that both crisis responsibility and crisis severity are related to feelings of anger and outrage in stakeholders and victims, and future research should test this connection.

SCCT is the most dominant social scientific theory in crisis communication, but another important theory is contingency theory. This theory is considered next.

Contingency Theory

J. E. Grunig's (1992) landmark study of excellence in public relations concluded that two-way symmetrical communication is generally the most effective and ethical approach to public relations. Historically, public relations has focused on persuading stakeholders to do what an organization wants them to do (J.E. Grunig, 1989b; J. E. Grunig & Hunt, 1984). By contrast, the two-way symmetrical approach seeks *mutual understanding* between organizations and their stakeholders (J. E. Grunig & Hunt, 1984). In the two-way symmetrical model of public relations, organizations do not simply try to change their stakeholders, but are open to *being changed by* those stakeholders.

Critiquing J. E. Grunig's (1992) theory, Cancel et al. (1997) argued that no single approach to public relations could be the most effective all the time. Rather, the best way to practice public relations depends on many factors. "It depends upon the ethical implications in the situation. It depends on what is at stake. It depends upon how credible the public is. It depends upon a whole lot of things" (p. 33).

According to Cancel et al. (1997), public relations practices exist along a continuum from advocacy (i.e., trying to persuade stakeholders to do what the organization wants) to accommodation (i.e., giving stakeholders what they want). Through an extensive review of existing research, as well as interviews with public relations professionals (Cancel, Mitrook, & Cameron, 1999), contingency theorists have identified 87 internal and external variables that could determine what public relations approach is taken in different situations (G. T. Cameron, Pang, & Jin, 2008). Examples of internal variables include characteristics of the organization (culture, economic stability, etc.), characteristics of the public relations department (staff size, funding, etc.), as well as characteristics of top management (management style, understanding of public relations, etc.). Examples of external variables include different types of threats to an organization (litigation, bad publicity, etc.), the industry environment (amount of competition, available resources, etc.), the general political and social environment (degree of support for business), and the nature of external stakeholders or publics (size, credibility, etc.). For a complete list, see Cancel et al. (1999).

As Coombs (2010b) observed, contingency theory was proposed as a grand theory of public relations that "could be applied to any aspect of public relations" (p. 24). Indeed several studies have used contingency theory to study crisis communication.

An experiment by Lyon and Cameron (2004) found that in hypothetical crisis situations people had more positive attitudes toward organizations with good reputations that those with bad reputations. People were also more willing to do business with, to invest in, and to recommend organizations with good reputations than organizations with bad reputations. Additionally, the study found that apologies

produced more positive attitudes and behavioral intentions than denials. However, there was no interaction between reputation and crisis response.

In another experiment, Turk et al. (2012) extended Lyon and Cameron's (2004) research by testing the variable of CEO visibility (visible/invisible) along with organizational reputation (good/bad) and crisis response (denial/apology). Turk et al. (2012) found that CEO visibility, a good pre-crisis reputation, and an apologetic crisis response each improved attitudes toward an organization. CEO visibility and a good reputation also made people more likely to do business with an organization, although apologies did not make a difference.

Perhaps the most important finding from Turk et al.'s (2012) study was that CEO visibility, reputation, and response type interacted in an unexpected way. Overall, the most positive attitudes and strongest intentions to do business with an organization were associated with a visible CEO, a good pre-crisis reputation, and a *defensive* rather than *apologetic* crisis response. This finding may indicate that when organizations have positive reputations and strong leadership, they can deny accusations more effectively and thus escape responsibility for crises.

Jin, Pang, and Cameron (2006) used a content analysis of news reports to see how the government of Singapore responded the SARS crisis in 2003. Jin et al. (2006) adapted Coombs' (1998) continuum of crisis responses (from defensive to accommodative) to fit contingency theory's advocacy-accommodation continuum (more defensive strategies were regarded as advocacy strategies). Jin et al. (2006) found that the government used advocacy more at the beginning of the crisis and gradually moved toward accommodation as the crisis progressed.

Jin and Cameron (2007) conducted an online survey with public relations professionals and found that these professionals perceived external threats (e.g., news stories criticizing a company's product) as more difficult and costly to deal with than internal threats (e.g., managing employee layoffs). Furthermore, long-term threats were considered more difficult and costly to deal with than short-term threats. Interestingly, the professionals in the study were more likely to recommend accommodative strategies like apologizing or changing the organization's position when dealing with external and long-term threats, as opposed to internal and short-term threats.

An experiment by Hwang and Cameron (2008) revealed that stakeholders' perceptions of an organization's leader influence the kind of crisis response stakeholders expect. For instance, when stakeholders perceive the leader of an organization to be autocratic, they expect more advocacy in the organization's crisis response. By contrast, when stakeholders perceive a leader to be more democratic, they expect a more accommodative response. In a follow up study, Hwang and Cameron (2009) reported that what stakeholders expect based on an organization's leadership style is moderated by the severity of the crisis. More severe threats lead to greater expectations of accommodative crisis response than less severe threats, regardless of a leader's style.

Coombs (2010b) suggested that contingency theory and SCCT could be integrated to better understand crisis communication. Because contingency theory is so broad it can identify numerous variables that might affect crisis communication. However, SCCT and contingency theory provide a valuable framework for integrating these variables and modeling the crisis communication process.

The preceding discussion of rhetorical and social scientific approaches to crisis communication has demonstrated that apologies are only one of several ways organizations can respond to crises. Nevertheless, apologies are considered the most appropriate and effective responses in many situations (Benoit & Drew, 1997; Len-Rio & Benoit, 2004). Apologies are also "the most complex and perhaps controversial of the crisis response strategies" (Coombs, 2007a, p. 141), and have sparked particular interest among crisis communication researchers (Coombs et al., 2010). For these reasons, a more detailed discussion of apologies is warranted. The next section considers apologies from various theoretical perspectives and reviews specific research on the role of apologies in crisis communication.

Understanding Apologies

Although public relations scholars have certainly studied apologies (e.g., Benoit & Brinson, 1994; Coombs & Holladay, 2008; Hearit, 1994, 2006; Kauffman, 2008; Lee & Chung, 2012), the concept of an apology has received as much or more attention from other academic disciplines. Psychologists (Darby & Schlenker, 1982; Exline et al., 2007; McCullough et al., 1997, 1998), sociologists (Tavuchis, 1991), philosophers (N. N. Smith, 2008), linguists (Blum-Kulka & Olshtain, 1984) political scientists (Blatz et al., 2009; Eisinger, 2011) and psychiatrists (Lazare, 2004) have all studied what apologies are and how apologies function. This section begins by reviewing the work on apology within public relations literature and noting certain problems and inconsistencies with this line of research. Next, various understandings of apologies from outside the field of public relations are considered. Finally, these outside

perspectives are compared and contrasted with public relations and crisis communication research.

Apologies in Public Relations Research

Public relations research on the effectiveness of apologies in crisis communication has found conflicting results. One reason may be that scholars have defined and operationalized apologies differently. Both definitions and findings are discussed below, along with possible explanations for the conflicting results.

Defining apologies in public relations. Among researchers, the term *apology* has more than one meaning (Coombs et al., 2010). For Benoit (1995a), an apology—or mortification—requires the accused to "admit responsibility for the wrongful act and ask for forgiveness" (p. 79). Benoit argued that apologies will often be accompanied by corrective action (e.g., fixing the problem or preventing it from recurring), but corrective action is a distinct image repair strategy, not part of an apology.

Hearit (2006) generally agreed with Benoit's (1995a) definition of an apology, explaining, "the apologist admits guilt, often couples it with a statement of regret, and asks for forgiveness" (p. 31). Hearit went on to describe both the content and manner of an ideal ethical apology. Ideally, the content of an apology ought to include: (1) an explicit acknowledgement of wrongdoing, (2) a full acceptance of responsibility, (3) an expression of regret, (4) an effort to identify with injured stakeholders, (5) a request for forgiveness, (6) an attempt at reconciliation with stakeholders, (7) full disclosure of information related to the offense, (8) an explanation of what happened, (9) an offer to take corrective action, and (10) an offer of compensation. The manner of an apology

should be (1) truthful, (2) sincere, (3) timely, (4) voluntary, (5) addressed to all stakeholders, and (6) performed in an appropriate context (pp. 64–73).

By Hearit's (2006) standard, there may never have been an *ideal* apology. Nevertheless, these detailed lists help to reinforce Coombs' (2007a) point that apologies are the most complicated type of crisis response. Coombs, himself, argued that apologies should "acknowledge the crisis, accept responsibility, include a promise not to repeat the crisis, and express concern and regret" (2007a, p. 141).

In an early study of corporate apologia, Hearit (1994) found that many organizations issued carefully worded statements of concern or regret in crisis situations. Such statements allow organizations to show sympathy for victims without taking responsibility for any wrongdoing. Coombs (2007a) called this type of statement a *partial apology*.

Some case studies based on IRT have not operationalized apologies or mortification the way Benoit (1995a) did. For example, a study by Vlad, Sallot and Reber (2006) analyzed the image repair strategies of Merck after the company recalled its drug Vioxx. Vlad et al. (2006) described Merck's strategy as "rectification without assuming responsibility" (p. 369). In this case, Merck recalled its unsafe drug and compensated people who bought the drug, but never admitted any mistakes or misdeeds. Curiously, the authors categorized Merck's strategy as mortification, although this strategy seems more consistent with Benoit's (1995a) concepts of corrective action and compensation.

There are other examples of this type of confusion. After silicone breast implants made by Dow Corning were linked to breast cancer, the company admitted it

made errors, but never said it was sorry (Brinson & Benoit, 1996). When Firestone recalled 6.5 million defective tires in 2000, the company said it was apologizing to the American people, but also denied that its tires were defective (Blaney et al., 2002). In 2005, football player Terrell Owens said he was sorry for a conflict between himself and the Philadelphia Eagles, but never accepted any responsibility for the conflict (Brazeal, 2008). In all of these case studies, the researchers described the image repair strategies in question as mortification. While these crisis responses may have been *attempts* at mortification, they do not fit Benoit's (1995a) definition very well.

There are other examples of scholars apparently separating the concept of apologizing from the concept of accepting responsibility. In a study of Cardinal Bernard Law's 2002 apology, Kauffman's (2008) wrote, "Not only did [Cardinal Law] apologize but he also admitted errors" (p. 260). This statement implies that apologies do not necessarily contain admissions of error. Blaney et al. (2002) and Brazeal (2008) also treated the mere words "sorry" or "I apologize" as examples of mortification, despite the fact that the offenders in these studies never actually accepted responsibility for their misdeeds.

At times, experimental research on apologies in crisis communication has also operationalized apologies in surprising ways. Benoit and Drew (1997) asked college students to imagine a friend had committed one of four offenses and to evaluate 14 different responses their friend might give. One offense involved a friend spilling something on the student's coat. The mortification response for this offense was, "I'm sorry, it's my fault," while the compensation response was, "It's my fault. I know, I'll take you to a basketball game—will that make up for it?" (p. 161). In this study, the

operationalization of mortification was consistent with IRT, but the operationalization of compensation contained elements of mortification, too.

An experimental study by Coombs and Holladay (2008) operationalized an organizational apology thus: "We at Marcus Oil and Chemical Company accept responsibility for last night's explosion. We hope those who were affected by the incident can forgive us" (p. 256). This operationalization fits perfectly with Benoit's (1995a) definition of an apology. However, this operationalization does not match Coombs' (2007a) definition because it lacks a promise to prevent the crisis from recurring, as well as an expression of concern.

Perhaps a better approach has been followed by two studies that empirically tested the relative importance of accepting responsibility and expressing remorse or sympathy (Lee & Chung, 2012; Pace et al., 2010). Both of these studies found that effective apologies need explicit acknowledgement of responsibility. Pace et al. (2010 found that expressions of remorse also made apologies more effective. However, Lee and Chung (2012) did not find that expressions of sympathy made apologies more effective.

The preceding examples illustrate that public relations and crisis literature has not always been consistent when defining or operationalizing the concept of an apology. This inconsistency creates a certain degree of confusion and makes it hard for scholars and practitioners to know how to apply this line of research. Another difficulty arises because findings on the effectiveness of apologies sometimes conflict with one another.

Findings related to apologies in public relations. A number of studies in the public relations and communication literature have tested the effectiveness of apologies

and found differing results. Case study research has generally argued that apologies are effective and desirable when organizations or public figures need to repair their image (e.g., Benoit, 1997a; Benoit & Brinson, 1994, Len-Rios & Benoit, 2004). Experimental research has offered mixed results. For instance, Benoit and Drew (1997) found that people considered mortification the most appropriate and effective strategy, but the experiment used interpersonal offenses, not organizational crises. Sheldon and Sallot (2009) found apologizing to be more effective than bolstering or corrective action in repairing a politician's reputation after a *faux pas*. On the other hand, when Coombs and Schmidt (2000) tested Texaco's image repair strategies empirically on college students, they found no significant differences between mortification, corrective action, bolstering, shifting blame, or a combination of these strategies.

Lyon and Cameron (2004) reported that apologies were more effective than denials at producing positive attitudes toward an organization. However, this experiment relied on hypothetical news reports that were substantially different from each other. The news report that contained the apology manipulation also contained several instances of bolstering that were not present in the denial version of the news story. This difference might pose a threat to the study's validity.

As mentioned previously, Turk et al. (2012) found apologies to be more effective than denial at producing positive attitudes about an organization. However, when organizations had good reputations before a crisis, and highly visible leadership during a crisis, denial became a more effective strategy than apologizing.

Coombs and Holladay (2008) argued that comparing apologies to denials is misleading because few situations in real life allow organizations to choose between

these two strategies. Based on SCCT, a denial strategy only works in certain situations, and an apology is only necessary in certain situations. Organizations can realistically deny some accusations, but not others. Therefore, Coombs and Holladay tested apologies against two more similar strategies: expressions of sympathy and offers of compensation.

Coombs and Holladay's (2008) experiment used a student sample and a real-life crisis involving an oil company. The researchers gave each student a description of the crisis and one of the response manipulations. No significant differences were found between the sympathy, compensation, and apology conditions in evaluations of the organization's reputation, anger, negative word-of-mouth intentions, or willingness to accept the organization's account of what happened. All three responses were equally effective.

Pace et al. (2010) created a hypothetical scenario in which an apartment management company was caught refusing to return security deposits to college students. In the company's response to the situation, accepting responsibly and expressing remorse were manipulated separately. Both variables contributed to the effectiveness of the company's apology by improving the company's reputation and reducing students' anger.

A similar study by Lee and Chung (2012) manipulated the level of responsibility taking in the apology (active/passive) and the expression of sympathy in the apology (high/low). Like Pace et al. (2010), Lee and Chung found that college students felt less anger toward an organization that actively took responsibly for a crisis than an

organization that only passively accepted responsibility. However, the two levels of sympathy did not produce significantly different levels of anger among the students.

The widely divergent findings in these apology studies pose a challenge for crisis communication researchers. Several possible explanations for these finding are offered next.

Explaining the confusion in apology research. As discussed above, one source of confusion in apology research may be the different definitions and operationalizations used in different studies. Other issues may include different types of crises or offenses used in experimental studies, as well as different participants used in these studies. For instance, several studies that support the effectiveness of apologies are based on individual rather than organizational offenses (e.g., Benoit, 1997a; Benoit & Drew, 1997; Len-Rios & Benoit, 2004; Sheldon & Sallot, 2009). Hearit (2006) suggested that one major difference between individual apologies and organizational apologies is that individual apologies come directly from the wrongdoer while organizational apologies often come from a spokesperson or representative of the organization. Perhaps apologies are more effective when they come from individuals who are speaking on their own behalf.

As SCCT points out, there are many types of crises that are likely to produce different attributions of responsibility (Coombs, 2007b). Comparing a study based on an industrial accident with a study based on an organizational misdeed would be a mistake since SCCT predicts that apologies will fit some situations better than others. Furthermore, some studies have used real crises (Coombs & Holladay, 2008; Coombs & Schmidt, 2000; Turk et al., 2012) while others have used hypothetical scenarios (Lyon

& Cameron, 2004; Sheldon & Sallot, 2009). Different crisis scenarios may help explain different findings.

Coombs (2012) suggested that one important variable in apology research is the distinction between victims and non-victims. While organizations in crisis must worry about the perceptions of victims *and* non-victims, people who have actually suffered because of an organization's actions may react differently to apologies than people who are just watching the crisis play out in the media. Most experimental apology studies use non-victims (Coombs & Schmidt, 2000; Coombs & Holladay, 2008; Lee & Chung, 2012; Sheldon & Sallot, 2009). Researchers cannot ethically *make* people victims for the sake of an experiment (Coombs, 2012), nor is there a way to control experimental conditions when studying real-life crisis victims. Nevertheless, Benoit and Drew (1997) did try to have their experimental participants *imagine* themselves as victims of hypothetical offenses. This approach could be one reason Benoit and Drew (1997) found stronger support for the use of apologies in image repair.

An interesting study by Choi and Lin (2009b) found that law professors were able to distinguish between organizational apologies that took responsibility for a crisis and expressions of sympathy that did not take responsibility. However, college students could not distinguish between apologies and sympathy. This finding may help explain why Coombs and Holladay (2008) found no difference between sympathy, compensation, and apologies. For people who are not attuned to issues of liability, any accommodative response may work like an apology.

Hearit (2006) suggested that because of liability concerns organizations will rarely acknowledge responsibility for a crisis. Instead, "compensation has become the

new apology" (p. 209). The amount of money an organization is willing to pay to resolve a crisis is a reflection of how much responsibility the organization takes for the crisis. If Hearit's theory is correct it could help explain why some studies do not find apologies to be more effective than other accommodative crisis responses.

In order to achieve a better understanding of what apologies are and how they work, the next subsection considers research on apologies from other disciplines.

Apologies in Other Disciplines

This section discusses various perspectives on apologies from beyond the field of public relations or crisis communication. These perspectives help to illuminate what apologies are and how apologies function. After considering various definitions of apologies, this subsection will draw on symbolic, linguistic, sociological, psychological, and psychiatric perspectives to help explain the ways in which apologies work. Finally, these theories will be compared to theories from within the disciplines of public relations and crisis communication.

Definitions of an apology. Multiple scholars have noted an evolution in the way people use the term *apology* (N. Smith, 2008; Tavuchis, 1991). N. Smith (2008) observed that the concept of apologizing has changed "from the ancient notion of a legal defense to the modern notion of contrition for wrongdoing" (p. 9). In Plato's *Apology*, for instance, Socrates is not sorry for what he has taught, but is trying to persuade the Athenians to agree with him. However, today "we associate apologizing with repentance, confession, remorse, blame, and moral *defenselessness*" (N. Smith, 2008, p. 8).

According to Quinion, (1998), this shift began soon after the term *apology* first appeared in English (Quinion, 1998). People started using the word when they wanted to excuse themselves for an unintended offense, and eventually came to use the term to signify their *regret* for an offense. Quinion noted that one of the first examples of the term *apology* being used to express regret was in Shakespeare's *Richard III.* By the eighteenth century, the meaning of *apology* had changed so thoroughly that people began using the Latin term *apologia* to refer to communication in defense of oneself.

The sociologist Goffman (1971) described an apology as "a gesture through which an individual splits himself into two parts, the part that is guilty of an offense and the part that dissociates itself from the delict [i.e., the violation of one's duty] and affirms a belief in the offended rule" (p. 113). In other words, apologies demonstrate that an offense is not really representative of the offender as a person (Schlenker & Darby, 1981). This understanding of apologies is consistent with Hearit's (1994) notion of the act/essence distinction.

Apologies are a way of repairing damaged relationships. Tavuchis, another sociologist, explained that an apology "is a relational concept and practice…whose meaning resides not within the individual (although its effects may), but in a social bond between the Offender and Offended" (1991, p. 47.). According to the psychiatrist Lazare (2004), apologies are encounters "between two parties in which one party, the offender, acknowledges responsibility for an offense or grievance and expresses regret or remorse to a second party, the aggrieved" (p. 23). In other words, apologies can only be offered when the offender and the victim have some connection to one another. This

point will be considered in more detail later within the context of apologies to non-victims.

The purpose of apologizing is to obtain forgiveness "as a prelude to reunion and reconciliation" (Tavuchis, 1991, p. 22). Forgiveness helps to heal the relationship between an offender and victim and "enables them to resume harmonious comunication [sic]" (North, 1987, p. 503). The psychologist McCullough and his colleagues (1998) explained that offenses naturally make victims want to avoid their offenders or seek revenge against them. Therefore, forgiveness is defined as a reduction in these avoidance or revenge seeking motivations.

Elements of an apology. Different scholars have different views on what constitutes a complete or ideal apology. Tavuchis (1991) required that apologies contain an acknowledgement of one's offense and an expression of sorrow or regret. Tavuchis also suggested that apologies normally include a pledge to "abide by the rules" in the future (p. 8). These elements can be found in most other conceptualizations of apologies. Davis (2002), a philosopher, argued that a "Consummate Apology" has "doxastic, affective, and dispositional elements" (p. 170). The doxastic (i.e., *belief*) element is the acknowledgment of the offense, the affective element is the *feeling* of self-reproach, and the dispositional element is the *intention* not to repeat the offense. Lazare (2004) agreed that apologies require acknowledgment of the offense and an expression of remorse, but he identified two additional elements: offering an explanation and making reparations.

Some theories of ideal apologies are even more detailed. The philosopher N. Smith (2008) proposed that a "categorical apology" (pp. 28-107) should include a

remarkable 11 elements: (1) corroborating facts, (2) accepting blame, (3) identifying each harm, (4), identifying the moral principle *behind* each harm, (5) expressing support for each of those moral principles, (6), recognizing the victim as a moral interlocutor, (7) expressing regret, (8) performing the actual apology—not just thinking or feeling it, (9) promising not to repeat the offense and offering reparations, (10), apologizing with the proper intentions, and (11) displaying proper emotions.

Speech act theory (J. L. Austin, 1962; Searle, 1969) holds that certain types of communication are acts, in and of themselves, and that each speech act requires particular elements and conditions to be performed. Illocutionary force indicating devices are words or phrases that explicitly state what a people are trying to accomplish through their communication (Searle, 1969). For example, to say "I promise" designates a statement as a promise. To say "I apologize" demonstrates that the speaker means to offer an apology.

Following speech act theory, Blum-Kulka and Olshtain (1984) proposed five necessary elements in apologies: (1) an illocutionary force indicating device such as "I'm sorry," "I apologize," or "Pardon me," (2) an explanation of why the offense occurred, (3) an acknowledgement of responsibility, (4) an offer of repair, and (5) a promise of forbearance (i.e., an assurance that the offense will not happen again). In this approach, the illocutionary force indicating device is an expression of regret or remorse.

Psychologists Scher and Darley (1997) challenged Blum-Kulka and Olshtain's (1984) model and argued that explanations are a kind of excuse making, not part of an apology. Explanations seek to change the way a victim sees the situation or the offense, itself. Apologies are meant to change the way a victims sees the offender. Thus, Scher

and Darley proposed four components in the apology speech act: (1) the illocutionary force indicating device, or expression of remorse, (2) the acknowledgement of responsibility, (3) the promise of forbearance, and (4) the offer of repair. Scher and Darley tested these four components experimentally and found that each component made a unique contribution to the perceived appropriateness of an interpersonal apology.

Having considered how various disciplines define apologies and what components make up an apology, we move to discuss several views on how apologies function.

Functions of an apology. In the diverse literature on apologies, there are at least four different ways in which apologies are thought to function. First, apologies promote healing by meeting psychological needs within victims. Second, apologies influence the attributions other people make about the offender's motives and identity. Third, apologies invite victims to empathize with the offender and thus move toward forgiveness. Fourth, apologies act rhetorically and ritualistically to symbolize the rejection of misdeeds and the commitment to be a different person.

Meeting psychological needs. As a trained psychiatrist, Lazare (2004) emphasized the clinical and psychological benefits of apologizing. He identified seven needs victims have that can be addressed through apologies. These needs are:

> Restoration of self-respect and dignity, assurance that both parties have shared values, assurance that the offenses were not their fault, assurance of safety in their relationships, seeing the offender suffer, reparation for the harm caused by the offense, [and] having meaningful dialogues with the offenders. (p. 44)

Genuine apologies can be therapeutic for victims. In fact, victims of medical malpractice who receive apologies tend to feel less anger, more trust, better

relationships with their healthcare provider, and less need to file lawsuits (Robbennolt, 2009). Robbennolt reported that patients often sue health care provides just to get an explanation of what happened. From this perspective then, explanations are a necessary part of a complete apology.

Changing attribution. Attribution theory (Kelley & Michela, 1980; Weiner, 1985, 2006) has already been discussed in the context of SCCT. However, SCCT is not the only theoretical approach that has used AT to explain how apologies work. Early psychological studies on apologies found that both adults and children associated responsibility for an offense with the need to apologize (Darby & Schlenker, 1982; Schlenker & Darby, 1981). In a series of experimental studies, Weiner, Graham, Peter, and Zmuidinas (1991) found that apologies changed the way people perceived the moral character of an offender. Offenders who admitted their guilt were generally evaluated more positively than those who tried to deny it.

Weiner (2006) noted that apologies seem incompatible with attribution theory, at first. After all, if people attribute responsibility based on locus of causality, controllability, and intentionality, then an apology that *accepts* responsibility for an offense should make attributions of responsibility worse. However, Weiner explained that apologies "break the link between the act and the attribution to enduring characteristics of the person" (p. 120). According to this theory, apologies work by changing perceptions of the *stability* dimension of responsibility. The offender is no longer a bad person, but a person who did a bad thing at a particular moment in time.

When attributions change, emotional reactions often change, as well. People tend to feel anger towards those who are responsible for wrongdoing, but pity for those

who are victims of circumstances beyond their control (Weiner, 2006). Anger's role as a mediating variable between attributions and behavioral intentions has already been mentioned in connection with Coombs and Holladay's (2007) research. However, there is another mediating variable that may explain how apologies lead to forgiveness. This variable is empathy.

Empathy. Instead of focusing on changing attributions, McCullough and his colleagues have focused on the role of empathy in producing forgiveness (McCullough et al., 1997, 1998, McCullough, Root, Tabak, & Witvliet, 2009). Empathy involves both the cognitive process of taking another person's perspective and the feeling of sympathy or concern for that person (Coke, Batson, & McDavis, 1978). McCullough et al. argued, "empathy for the offending partner is the central facilitative condition that leads to forgiving" (1997, p. 322). Victims who can take the perspective of their offenders are more likely to forgive their offenders, less likely to seek revenge, and less likely to avoid their offenders. An apology can help a victim understand the regret an offender feels for committing an offense. McCullough et al. (1997, 1998) used structural equation modeling to demonstrate that feelings of empathy mediate the relationship between apologies and forgiveness in interpersonal relationships (McCullough et al., 1997, 1998).

Symbolic ritual. Tavuchis (1991) argued that all groups share certain values or behavioral expectations. Offensive acts symbolize that an offender does not share the group's values (whatever group it may be) and should be excluded from the group. However, apologies symbolize that an offender wishes to reaffirm the group's values and be readmitted to membership in good standing. As mentioned already, Goffman

(1971) saw apologies as a way of symbolically dividing oneself into "a blameworthy part and a part that stands back and sympathizes with the blame giving" (p. 113). People who perform this ritual properly prove that they deserve to be "brought back into the fold" (p. 113). Burke's (1961) theory of mortification requires a symbolic sacrifice to purge an offender of guilt. Because apologies are "difficult and potentially humiliating" (Tavuchis, p. 9) they can serve this sacrificial function.

By comparing and contrasting the many perspectives on apologies found outside public relations research we can move toward a clearer and more consistent understanding of the role apologies fill in crisis communication.

Comparing and Contrasting

There are two areas where the public relations literature on apologies differs significantly from the outside literature on apologies. The components that comprise a complete apology are different, and the way apologies function is somewhat different. Both of these issues are addressed below, along with a discussion of why organizational apologies may differ from individual apologies.

Apology components. Among scholars outside public relations, there is fairly widespread agreement that apologies ought to include an acknowledgement of responsibility, an expression of remorse, and a promise not to repeat the offensive act (Blum-Kulka & Olshtain, 1984; Gill, 2000; Lazare, 2004; Scher & Darley, 1997; N. Smith, 2008; Tavuchis, 1991). Most writers also consider an offer of reparations to be part of an apology (Blum-Kulka & Olshtain, 1984; Hearit, 2006; Lazare, 2004; Scher & Darley, 1997; N. Smith, 2008;), although some authors do not consider this component to be essential (Gill, 2000; Tavuchis, 1991). Among public relations and crisis

communication scholars, both IRT (Benoit, 1995a) and SCCT (Coombs, 2007b) hold that apologies involve admissions of responsibility and expressions of remorse, but not necessarily promises of forbearance or offers of reparations. Promises of forbearance and offers of reparations are categorized as corrective action or compensation, not mortification or apologizing.

Which approach is right? It seems likely that organizational apologies involve more than just acknowledging responsibility and expressing remorse. As mentioned previously, Hearit (2006) suggested that for organizations with liability concerns, "the acknowledgement of the wrongdoing comes not in the apology but instead in the compensation" (p. 210). Hearit believed the general public *assumes* that an organization willing to compensate victims is accepting at least some responsibility for the crisis.

Interestingly, a series of experiments with Japanese college students found that victims consider an apology more sincere when the apology *costs* the offender something (Ohtsubo & Watanabe, 2009). Costly signaling theory, which was developed by evolutionary biologists (Johnstone, 1997; E. A. Smith & Bliege Bird, 2005), holds that when animals send signals to one another, costlier signals (e.g., signals that require more effort or sacrifice) are interpreted as more reliable. Thus, in the context of interpersonal apologies, the theory suggests that costly apologies help to prove an offender is truly sorry. Perhaps a similar dynamic is at work in organizational apologies. If so, this dynamic might help to explain Coombs and Holladay's (2008) finding that offering compensation is just as effective as apologizing. Subjects may have perceived the compensation to be tantamount to an apology.

Scher and Darley (1997) used an experiment to show that interpersonal apologies are made up of an expression of remorse, an expression of responsibility for an offense, a promise of forbearance, and an offer of reparations. Each of these elements uniquely contributes to the perceived appropriateness of an apology. Organizational communication research has shown demonstrated that these four-component apologies are equally effective at producing forgiveness whether issued by organizations or individuals (Bisel & Messersmith, 2012). However, Bisel and Messersmith did not test the effectiveness of less comprehensive organizational apologies (i.e., one, two, or three-component apologies).

Other communication scholars have tested expressions of remorse and expressions of responsibility, finding both components to be important (Pace et al., 2010). Still, there do not seem to be any studies that have tested the unique effect of promised of forbearance or offers of reparations in organizational apologies. This gap in the literature is problematic if Hearit's (2006) theory is correct and offers of reparation can substitute for expressions of responsibility in some cases.

Apology functions. While literature outside public relations has identified at least four ways apologies function—meeting victims' psychological needs, changing attributions, producing empathy, or completing a symbolic ritual—public relations and crisis communication literature has focused mostly on the symbolic function (e.g., Hearit, 2006) or the attribution function (Coombs, 2007b; Coombs & Holladay, 2008) of apologies. Public relations scholars have paid little attention to meeting the psychological needs of victims or producing empathy through apologies. Empathy has not been included as a dependent or mediating variable in experiments conducted by

public relations scholars. Although emotions like anger have been examined (e.g., Coombs & Holladay, 2007), there has been no real attempt to see if organizational apologies promote healing in crisis victims (Kent, 2010).

Perhaps public relations scholars do not use the concept of forgiveness as a dependent variable because they consider forgiveness to be a uniquely interpersonal act. However, if forgiveness is defined as a reduced motivation to avoid or to seek revenge against an offender (McCullough et al., 1998), the concept of forgiveness might be adapted to an organizational context. Public relations scholars *have* used negative word of mouth intention and future purchasing intentions as dependent variables in crisis studies (Coombs & Holladay, 2007, 2008; Lyon & Sallot, 2004; Turk et al., 2012). If stakeholders decide not to do business with an organization because of an offense or a crisis, this behavior seems to constitute avoidance. If stakeholders engage in negative word of mouth regarding an organization, this behavior could be considered a type of revenge.

Based on this analysis, forgiving an organization could be conceptualized as a willingness to (a) keep doing business with an organization and (b) not to say bad things about the organization. Evidence suggests that reducing stakeholders' anger toward an organization can lead to this kind of forgiveness (Coombs & Holladay, 2007). However, more research is needed to see if stakeholders can be made to feel empathy for an organization and whether or not that empathy leads to forgiveness.

Individual vs. organizational apologies. Scholars cannot afford to assume that interpersonal and organizational apologies are made up of the same components or function the same way. Communicating with another individual is much more natural

than communicating with a large organization (Hallahan, 2000). Individuals feel empathy for one another, but may struggle to feel empathy for a collective, as in the case of an organization (Bisel & Messersmith, 2012). Furthermore, individuals share different types of relationships with each other than they share with organizations (Bisel & Messersmith, 2012). If the purpose of an apology is to restore a relationship (Goffman, 1971; Tavuchis, 1991), different types of relationships may call for different types of apology. Therefore, the next section of this chapter considers the types of relationships that can exist between organizations and their stakeholders.

Relationships Between Organizations and Stakeholders

Public relations scholars emphasize the importance of building and maintaining relationships between organizations and stakeholders (Ledingham, 2006). Ferguson (1984) suggested that the study of these relationships is what distinguishes public relations from other academic disciplines. L. A. Grunig, Grunig, and Ehling (1992) argued that public relations' primary value lies in helping organizations develop "quality, long-term relationships with strategic constituencies" (p. 86). Cutlip, Center, and Broom (1994) defined public relations as "the management function that establishes and maintains mutually beneficial relationships between an organization and the publics on whom its success or failure depends" (p. 6). Although these statements reflect a certain managerial bias, other perspectives such as dialogic theory (Kent & Taylor, 2002) also suggest that open and honest relationships are central to the practice of public relations.

This section discusses the way relationships between organizations and stakeholders have been defined, as well as how these relationships affect crisis communication.

Defining Relationships

Although this dissertation has been using the term *stakeholders* rather than *publics*, most public relations scholars refer to the organization-*public* relationship (OPR) when discussing this concept. Broom et al. (1997) developed a definition of the OPR by reviewing literature from the fields of interpersonal communication, psychotherapy, interorganizational relationship theory, and systems theory. Broom and his colleagues found that literature from interpersonal communication and psychotherapy tended to treat relationships as subjective realities (i.e., defined by the perceptions of the parties), while interorganizational relationship theory and systems theory literature emphasized the objective reality of relationships (i.e., observable interactions between parties). Broom et al. acknowledge both subjective and objective dimensions to the relationship construct, but criticized the subjective approach because so many "measures of relationships rely on participants' perceptions, as if those reports were valid indicators of the relationships under study" (1997, p. 85). Instead, Broom et al. held that researchers "can study relationships as phenomena distinct from the perceptions held by parties in the relationship" (p. 95).

Indeed, Broom et al.'s (1997) desire for objectivity can be seen in their proposed OPR model. According to this model, relationships are defined by exchanges, transactions, communications, and "other interconnected activities" (p. 94). Subjective perceptions are not considered part of the relationship, itself, but are treated as

antecedents to the relationship. Perceptions, expectations, motivations, social norms, and needs for resources all lead people into (or out of) a relationship, but according to Broom and his colleagues, these factors do not constitute the relationship.

Ledingham and Bruning (1998) defined the OPR as "the state which exists between an organization and its key publics in which the actions of either entity impact the economic, social, political and/or cultural well-bing of the other entity (p. 62). Once again, this definition seems to base the OPR on objective and observable effects each party has on the other, not on the perceptions of organizational members or stakeholders.

Interestingly, Ledingham and Bruning (1998) operationalized the OPR more subjectively. They developed five variables that reflect the strength of the OPR: trust, openness, involvement, investment, and commitment. These variables were measured in terms of stakeholder perceptions, not objective measurements. Ledingham and Bruning (1998) found that these variable predicted customer loyalty to a company. One key finding was that a company's investment in the community produced greater customer loyalty, but only when customers *knew* about that investment. Thus, for Ledingham and Bruning, the OPR does appear to have an important subjective dimension.

J. E. Grunig and Huang (2000) proposed a three-part model of the OPR, with antecedents to the relationship, strategies for maintaining the relationship, and outcomes of the relationship. Unlike Broom et al. (1997), J. E. Grunig and Huang (2000) defined OPR antecedents as ways in which organizations or publics affect each another. For instance, organizations can affect publics, publics can affect organizations, or organization and publics together can affect third parties. Maintenance strategies

include both symmetrical communication strategies such as openness, sharing tasks, or integrative negotiation, as well as asymmetrical strategies like contending, compromising, or accommodating. Relational outcomes are defined in terms of control mutuality, commitment, satisfaction, trust, and goal attainment.

Hon and Grunig (1999) developed a survey scale to measure the quality of the OPR in terms of its outcomes. This scale relies on stakeholder reports (i.e., subjective perceptions) and has been widely used in public relations research. The four primary dimension of this scare are control mutuality, trust, satisfaction, and commitment.

Control mutuality. Control mutuality refers to the power each party has to influence a relationship. Hon and Grunig (1999) argued, "For the most stable, positive relationship, organizations and publics must have some degree of control over the other" (p. 19). Control does not have to be equal, but if one party tries to dominate the other, communication will tend to break down and satisfaction will decrease. On the other hand, when each party has at least some control over the situation, it will be easier for organizations and stakeholders to work together.

Trust. Trust refers to confidence in another party, as well as one's willingness to be open with that party (Hon & Grunig, 1999). Hon and Grunig identified three subdimensions of trust. *Integrity* refers to an organization's ethics – whether or not publics perceive it as "fair and just" (p. 19). *Dependability* is based on confidence that an organization will keep its promises. *Competence* is determined by the perception that an organization is able to do what it says it will do.

Satisfaction. Satisfaction may be considered the favorable feelings of one party toward another, based on positive expectations being met and reinforced (Hon &

Grunig, 1999). Satisfaction results when the benefits of a relationship are greater than its costs. Hon and Grunig also suggested that satisfaction should increase if one party believes another party is working hard to maintain a good relationship.

Commitment. For Hon and Grunig (1999), commitment is "the extent to which one party believes and feels the relationship is worth spending energy to maintain and promote" (p. 20). *Continuance* commitment is the intention to perform certain actions in the future that will maintain or strengthen a relationship. *Affective* commitment is a positive emotional orientation toward a relationship.

In addition to these four dimensions of the OPR, Hon and Grunig (1999) divided relationships into two basic types: exchange relationships and communal relationships.

Exchange relationships. Exchange relationships are based on reciprocity. Parties provide benefits to one another because they have received (or expect to receive) benefits for themselves (Hon & Grunig, 1999). This type of relationship is associated with marketing relationships between businesses and their customers. Exchange relationships are perfectly valid, but tend to be weaker than communal relationships.

Communal relationships. Unlike exchange relationships, communal relationships are based on mutual concern, not reciprocity (Hon & Grunig, 1999). From an organization's perspective, communal relationships are part of social responsibility. An organization ought to behave in a way that benefits the community, even if it does not receive immediate or direct benefits. In the long run, communal relationships should provide many benefits because these relationships improve cooperation between the organization and its stakeholders. Furthermore, communal relationships generally produce more trust, satisfaction, and commitment than exchange relationships.

Hon and Grunig's (1999) OPR scale has been used to study a wide range of relationships, including relationships between universities and students (Hon & Brunner, 2002; Ki & Hon, 2007b), between manufacturers and retailers (Jo, 2006) between non-profit organizations and donors (O'Neil, 2007; Waters, 2008) and between consumers and brands (Kim & Chan-Olmsted, 2005). The reliability and validity of the scale has been tested with exploratory and confirmatory factor analysis (Ki & Hon, 2007a). Although, technically, this scale measures *outcomes* of the OPR, it is often used as a proxy for the OPR, itself. This scale is also one way the OPR has been studied in crisis communication research.

Relationships and Crisis Communication

Coombs (2000) theorized that positive relationships between organizations and stakeholders should help organizations survive crisis situations. If stakeholders have a positive history with an organization, those stakeholders should attribute less responsibility for a crisis to the organization. After all, these stakeholders know that the crisis is not typical of the organization. On the other hand, negative relationships are likely to result in greater blame being placed on an organization in crisis situations. Coombs and Holladay (2001) found support for the hypotheses that negative relationship histories predict greater attributions of responsibility for a crisis.

One interesting possibility is that a crisis might cause *more* reputational damage to an organization with good stakeholder relationships. (Coombs, 2000). This situation could arise if the OPR leads to particularly high expectations among stakeholders. For example, when Apple's iPhone 4 had antenna problems that caused the device to drop calls, the company initially tried to minimize the problem. This strategy might have

worked for a less-respected company. However, Apple customers expected Apple products to be virtually flawless and eventually forced the company to take corrective action (Gross, 2012).

Empirical evidence supports the importance of the OPR in crisis situations. Huang (2001) found that relationship quality between an organization and its stakeholders affected the way those stakeholders approached conflict with the organization. Stakeholders who felt a stronger relationship with the organization were more cooperative in resolving conflict.

The OPR can also influence *which* crisis response are most effective. In his unpublished doctoral dissertation, Caldiero (2006) surveyed students about their past relationships with two organizations. Students were then given reports of a fraud crisis involving these organizations, followed by various crisis responses ranging from defensive to accommodating. Students who had positive relational histories with an organization were more accepting of defensive responses than stakeholders with negative relational histories.

A study by K. A. Brown and White (2011) suggests that the OPR can be more important than the image repair strategies organization's use. This study measured students' OPR with their university, and then presented students with a fictional crisis and four possible responses. Students who had more positive relationship with the university attributed less responsibility to the university regardless of crisis response. Even more surprising was that the researchers found no significant differences in attribution of responsibility between the four crisis responses (scapegoating, justifying, apologizing, bolstering). K. A. Brown and White concluded "maintaining positive

relationships with stakeholders is more important than any individual crisis response strategy" (2011, p. 88).

The OPR can also be treated as an outcome of crisis communication. Huang (2008) surveyed crisis managers at Taiwanese companies and found that, at least from the perspective of these managers, different ways of responding to crises led to different levels of trust and relational commitment. Interestingly, this study found that the form of the crisis response (e.g., timeliness, consistency) mattered more than the content (e.g., specific responses).

Research on interpersonal apologies suggests that relationship quality matters. According to McCullough and Witvliet (2002), "people are more willing to forgive in relationships in which they feel satisfied, close, and committed" (p. 450). Based on the work of Coombs (2000) and K. A. Brown and White (2011), it seems logical to assume that OPR will influence stakeholders' reactions to organizational apologies, too. However, there are also significant differences between the way people interact with other individuals and the way people interact with organizations (Bisel & Messersmith 2012; Hallahan, 2000). These connections need empirical testing.

The final section of this chapter draws upon the preceding literature review to develop several hypotheses and research questions that will guide the rest of this dissertation.

Hypotheses and Research Questions

This dissertation seeks to advance public relations theory by determining what components constitute an effective organizational apology. Although any change produced by an apology could be called an *effect*, the term *effectiveness* is used here to

mean that the apology helps the organization achieve its goals. These goals are to repair the organization's public image and its relationship with stakeholders. In this context, the stakeholder perspective is considered to be the most important perspective. No matter what scholars or crisis managers think *ought* to constitute an apology, stakeholders are the ones who must decide how to react to an organization's crisis communication. In particular, this dissertation seeks to understand how *victims* of a crisis perceive an organizational apology. Coombs (2012) noted that most apology research studies non-victims, which may explain why apologies are sometimes found to be no more effective than other responses.

The existing literature suggests two factors that will likely influence a stakeholder's perception of an organizational apology. These factors are the components that make up the apology (i.e., the wording) and the quality of the stakeholder's relationship with the organization prior to the crisis. Both of these factors are considered in turn.

Apology Components

Interpersonal apologies have four unique components (Scher & Darley, 1997). These components are an expression of remorse, an acknowledgement of responsibility for the offense, a promise of forbearance, and an offer of reparations. Pace et al. (2010) demonstrated that expressions of remorse and acknowledgements of responsibility are both important in organizational apologies. Furthermore Bisel and Messersmith (2012) found that when all four components are included, organizational apologies are as effective as interpersonal apologies. However, no study has yet verified the unique importance of the promise of forbearance or the offer of reparations in an organizational

apology, nor whether offers of reparations can take the place of acknowledgements of responsibility as Hearit (2006) suggested.

Researchers have used a number of variables to measure the effectiveness of different crisis responses. These variables include whether or not the organization is perceived to have apologized (Choi & Lin, 2009b), whether or not stakeholders are willing to accept the organization's account of the situation (Coombs & Schmidt, 2000), perceptions of the organization's reputation (Coombs & Holladay, 2002), negative word of mouth intentions (Coombs & Holladay, 2008), emotional reactions (Lee & Chung, 2012; Pace et al., 2010), purchase intentions (Lyon & Cameron, 2004), and the amount of responsibility attributed to the organization (Coombs & Holladay, 2002). Organizational apologies are likely to influence all of these variables, either directly or indirectly. Organizational apologies are also expected be related to OPR quality. This dissertation tests the following hypotheses:

H1: (a) Expressions of remorse, (b) acknowledgements of responsibility, (c) promises of forbearance, and (d) offers of reparations will each be positively associated with victims' perception that an organization has apologized for a crisis.

H2: (a) Expressions of remorse, (b) acknowledgements of responsibility, (c) promises of forbearance, and (d) offers of reparations will each be positively associated with victims' willingness to accept the organization's account of the crisis.

H3: (a) Expressions of remorse, (b) acknowledgements of responsibility, (c) promises of forbearance, and (d) offers of reparations will each be positively associated with victims' perceptions of the organization's reputation.

H4: (a) Expressions of remorse, (b) acknowledgements of responsibility, (c) promises of forbearance, and (d) offers of reparations will each be positively associated with victims' perceptions of OPR quality after a crisis.

H5: (a) Expressions of remorse, (b) acknowledgements of responsibility, (c) promises of forbearance, and (d) offers of reparations will each be negatively associated with victims' anger toward the organization in a crisis.

H6: (a) Expressions of remorse, (b) acknowledgements of responsibility, (c) promises of forbearance, and (d) offers of reparations will each be positively associated with victims' empathy toward the organization in a crisis.

H7: (a) Expressions of remorse, (b) acknowledgements of responsibility, (c) promises of forbearance, and (d) offers of reparations will each be negatively associated with victims' negative word of mouth intentions after a crisis.

H8: (a) Expressions of remorse, (b) acknowledgements of responsibility, (c) promises of forbearance, and (d) offers of reparations will each be positively associated with victims' intention to make purchases from the organization in the future.

As discussed previously, attribution theory seems to imply that because apologies involve *accepting* responsibility they should *increase* attributions of responsibility. However, empirical findings suggest that interpersonal apologies can

have the opposite effect (Weiner, 2006). Therefore, the following research question is posed:

RQ1: How are (a) expressions of remorse, (b) acknowledgements of responsibility, (c) promises of forbearance, and (d) offers of reparations related to the amount of responsibility victims attribute to the organization in a crisis?

Organization-Stakeholder Relationships

Research indicates that people are more forgiving toward other individuals (McCullough & Witvliet, 2002) and more willing to work with organizations (Huang, 2001) when they have good relationships beforehand. K. A. Brown and White (2011) found that the OPR was a better predictor of how stakeholders responded to an organization in crisis than the content of the organization's communication. Therefore, the following hypotheses are presented:

H9: Victims' perceptions of the pre-crisis OPR (i.e., trust, satisfaction, commitment, control mutuality) will be positively associated with victims' perceptions that the organization has apologized.

H10: Victims' perceptions of the pre-crisis OPR (i.e., trust, satisfaction, commitment, control mutuality) will be positively associated with victims' willingness to accept the organization's account of a crisis.

H11: Victims' perceptions of the pre-crisis OPR (i.e., trust, satisfaction, commitment, control mutuality) will be positively associated with victims' perceptions of the organization's reputation.

H12: Victims' perceptions of the pre-crisis OPR (i.e., trust, satisfaction, commitment, control mutuality) will be positively associated with victims' perceptions of the OPR after a crisis.

H13: Victims' perceptions of the pre-crisis OPR (i.e., trust, satisfaction, commitment, control mutuality) will be negatively associated with victims' anger after a crisis.

H14: Victims' perceptions of the pre-crisis OPR (i.e., trust, satisfaction, commitment, control mutuality) will be positively associated with victims' empathy for the organization after a crisis.

H15: Victims' perceptions of the pre-crisis OPR (i.e., trust, satisfaction, commitment, control mutuality) will be negatively associated with attributions of responsibility.

According to Hon and Grunig (1999), the OPR can either be an exchange relationship or a communal relationship. However, there does not appear to be any research testing how these types of relationships might affect a stakeholder's reaction to an organizational apology. For this reason, the following research question is presented:

RQ2: Does the type of OPR victims have with an organization (exchange vs. communal) affect the way victims react to organizational apologies?

Perhaps the ultimate measure of how stakeholders—especially victims—perceive their relationship with an organization after a crisis is how stakeholders intend to *act* toward the organization. Understanding the link between the OPR and crisis communication requires an understanding of which factors lead stakeholders to act favorably toward the organization. Thus, another research question is posed:

RQ3: What factors are the strongest predictors of victims' (a) negative word of mouth intentions and (b) future purchase intentions after a crisis?

In all likelihood, some of the variables discussed above are better thought of as mediating variables, as opposed to dependent variables. For instance, Coombs and Holladay (2007) found that anger was a mediating variable between attributions of responsibility and negative word of mouth. McCullough et al. (1998) reported that empathy mediated the relationship between apologies and forgiveness in interpersonal relationships. Therefore, two more research questions will be addressed:

RQ4: To what extent does anger mediate the relationship between (a) perceptions that the organization has apologized, (b) victims' willingness to accept the organization's account of the crisis, (c) perceptions of the organization's reputation, (d) perceptions of OPR quality after a crisis, or (e) attributions of responsibility and victims' negative word of mouth or future purchase intentions?

RQ5: To what extent does empathy mediate the relationship between (a) perceptions that the organization has apologized, (b) victims' willingness to accept the organization's account of the crisis, (c) perceptions of the organization's reputation, (d) perceptions of OPR quality after a crisis, or (e) attributions of responsibility and victims' negative word of mouth or future purchase intentions?

Other Factors in Effective Apologies

The preceding hypotheses and research questions focus on testing or exploring relationships between variables suggested by the literature. However, because only a

few studies have taken the stakeholder's perspective on organizational apologies, there may be other factors that determine what constitutes an effective organizational apology. For instance, although the literature suggests four main components to an apology, stakeholders may not consider all of these components to be essential to organizational apologies. Furthermore, stakeholders may look for additional components of organizational apologies that go beyond the four components discussed already. The next two research questions consider these possibilities:

RQ6: To what extent do stakeholders—without prompting—include the four apology components (expressions of remorse, acknowledgement of responsibility, promise of forbearance, and offer of reparation) when they conceive of effective organizational apologies?

RQ7: Are there additional components that stakeholders expect to find in organizational apologies?

These hypotheses and research questions guide the remainder of this dissertation. The next chapter describes the methodology used in addressing these hypotheses and research questions.

CHAPTER 3: METHOD

The previous chapter reviewed key literature on crisis communication, apologies, and relationships between organizations and stakeholders. In order to understand how organizational apologies can preserve or repair organization-stakeholder relationships in crisis situations, it is vital to understand how stakeholders perceive organizational apologies. Specifically, we need to know what words or components constitute an effective organizational apology from the perspective of people who are suffering due to an organizational crisis.

Existing literature reveals four components that make up an interpersonal apology: expressions of remorse, acknowledgements of responsibility, promises of forbearance, and offers of reparations (Scher & Darley, 1997). Because these components have only been partially studied in the context of organizational apologies (Bisel & Messersmith, 2012; Pace et al., 2010), this dissertation conducted empirical tests to determine how organizational stakeholders perceived each of these components in the context of an organizational crisis.

At the same time, the differences between organizations and individuals made it foolish to assume that the four components of an *interpersonal* apology are the only components of an *organizational* apology. Perhaps stakeholders expect organizational apologies to contain elements that interpersonal apologies do not. Exploring this possibility required a more inductive approach. Therefore, a total of three studies were conducted to address the hypotheses and research questions put forward in the previous chapter. By combining quantitative and qualitative approaches, these studies allowed

for triangulation of the data (Frey et al., 2000) and a more complete picture of the way stakeholders perceive organizational apologies.

This chapter outlines the methodology of all three studies, including the sampling and recruitment of participants, the procedures followed, the design of the manipulations, and the measures employed. Data screening procedures and respondent profiles are reported in this chapter, as well.

Study 1: Apology Component Experiment

Hypotheses 1-8 predicted that the four apology components identified by Scher and Darley (1997) would each be significantly related to (H1) victims' perceptions that an organization had apologized, as well as (H2) victims' willingness to accept the organization's account of the crisis, (H3) perceptions of the organization's reputation, (H4) perceptions of OPR quality, (H5) anger, (H6) empathy, (H7) negative word of mouth intentions, and (H8) future purchase intentions. RQ1 asked what relationship existed between the four apology components and attributions of responsibility to the organization.

Hypotheses 9-15 predicted victims' perceptions of the pre-crisis OPR (i.e., trust, satisfaction, commitment, and control mutuality) would be significantly associated with (H9) perceptions that the organization had apologized, (H10) willingness to accept the organization's account, (H11) perceptions of the organization's reputation, (H12) perceptions of the OPR *after* the crisis, (H13) anger toward the organization, (H14) empathy for the organization, and (H15) attributions of responsibility.

RQ2 asked whether the type of relationship victims had with the organization (communal vs. exchange) would affect the way victims reacted to an organizational

apology, and RQ3 asked what factors would be the strongest predictors of victims' behavioral intentions toward and organization (negative word of mouth and future purchasing) following a crisis. RQ4 and RQ5 asked what extent anger and empathy (respectively) mediated the relationships between dependent variables. Study 1 sought to test all of these hypotheses and research questions.

Study 1 measured the effects of Scher and Darley's (1997) four apology components on stakeholders' perception that an organization had apologized for a crisis, as well as stakeholders' attitudes and behavioral intentions toward the organization. Theory predicted each apology component would contribute to the perception that an organization had apologized and would have a unique influence on stakeholders' other reactions to the organization. Deductively testing causal relationships this way required an experimental design (Frey, Botan, & Kreps, 2000). Experiments use random assignment of participants to control for confounding variables and rule out alternative causes (Frey et al., 2000; Tabachnick & Fidell, 2001). For this reason, experimental research has become increasingly popular in the study of crisis communication (Coombs, 2010c).

This experiment was conducted online using a 2x2x2x2 fully crossed between-subjects factorial design. Each factor represented one of the four apology components with two levels (present or absent), resulting in 16 possible combinations. This section discusses how data were collected and analyzed for Study 1.

Recruitment

Although many studies in crisis communication have relied on student samples due to their convenience and cost-effectiveness (Coombs & Holladay, 2002, 2008;

Coombs & Schmidt, 2000; Lee & Chung, 2012; Lyon & Cameron, 2004; Pace et al., 2010), student samples are not always generalizable to the rest of the population (Bello, Leung, Radebaugh, Tung, & van Witteloostuijn, 2009). Therefore, in an effort to increase external validity, this experiment used a sample comprised primarily of working adults.

Because experiments use random assignment to control for individual differences, random sampling is not a requirement (Frey et al., 2000). To achieve a diverse non-student sample for this study, Amazon's Mechanical Turk (MTurk) website (https://www.mturk.com/mturk/welcome) was used to recruit participants. MTurk is a crowdsourcing website where volunteers complete small tasks in exchange for micropayments (Mason & Suri, 2012). MTurk has proven to be a reliable platform for conducting social scientific research (Buhrmester, Kwang, & Gosling, 2011). Compared to traditional online samples, MTurk offers easier access, greater diversity, and lower cost (Mason & Suri, 2012).

MTurk also offers greater participant diversity than student samples. Buhrmester et al. (2011) reported that MTurk participants are older (M = 32.8 years, SD = 11.5) and more ethnically diverse (36% non-White) than college student samples. MTurk participants come from all 50 states and are more evenly split between female and male (55% female) than most student samples, too. One limitation of this sample is that MTurk participants are probably more technologically savvy than average, given that MTurk participants use the Internet to earn money.

MTurk allows "requesters" to post "Human Intelligence Tasks (HITs)," which "turkers" or "providers" may choose to complete (Mason & Suri, 2012, p. 4). HITs can

be completed on the MTurk website, but requesters can also post links to external sites, such as online survey sites. Requesters submit payment to Amazon, which collects a 10% surcharge and distributes payments to providers. If requesters are not satisfied with the work, they can withhold payment. Many HITs pay only a few cents, and past studies have found that providers are often willing to work for an effective hourly rate between $1.38 and $4.80 an hour (Mason & Suri, 2012). Despite this low cost, researchers have shown that the quality of data provided by MTurk meets or exceeds "the psychometric standards associated with published research" (Buhrmester et al., 2011, p. 5). Based on these factors, Study 1 recruited participants from MTurk.

The sample size for this study was set at 800, with approximately 50 participants in each of the 16 groups. Based on Friendly's (n.d.) online power calculator, this sample size allowed an effect size of $d = 0.2$ to be detected with a power of .806 and an alpha of .05.

Procedure

The online experiment was conducted using MTurk and SurveyMonkey (http://www.surveymonkey.com). All procedures were approved by the University of Oklahoma Institutional Review Board (IRB) prior to the beginning of the study. Participants were recruited via a HIT posted on MTurk, and a reward of $1.51 was offered. Given that the experiment took 10-15 minutes to complete, $1.51 was consistent with typical rates on MTurk (Mason & Suri, 2012). Also, because providers on MTurk could search for HITs based on the value of the reward, the $1.51 reward appeared ahead of any HITs that paid $1.50 or less.

Providers who chose to participate in the study clicked on a link and were taken to a page hosted by SurveyMonkey. Here, participants read an informed consent sheet, filled out a pre-questionnaire, read the experimental stimuli, and completed a post-questionnaire. Participants were given a code to enter on the MTurk HIT page as a means of verifying their participation. Participants who completed the survey and entered the code receive their $1.51 reward.

Study 1 used a hypothetical scenario in which participants' personal information was stolen from an online retailer's database. Such data breaches are occurring with alarming frequency (Levin, 2011) and have affected different types of organizations, including banks (Dash, 2011), governments (R. Brown, 2012), and university databases (Lewin, 2010). In one high profile case, Sony had to apologize to users of its PlayStation Network after the network was breached and customer information was stolen (Bilton, 2011). Therefore, the scenario used in this study offered strong external validity. Because the MTurk participants were assumed to be technologically savvy, the hypothetical scenario was expected to be relevant to their personal experiences.

An interesting aspect of the scenario used in this study was that responsibility for the crisis was somewhat ambiguous. When an organization's files are hacked, the organization is certainly a victim of the hacker. However, organizations that collect and store their stakeholders' personal information have a duty to protect that information. Therefore, using Coombs and Holladay's (2002) typology of crisis clusters, this hypothetical crisis could be categorized with the *victim* cluster or with the *preventable* cluster. Using this type of ambiguous scenario allowed Study 1 to test whether different

organizational apologies would influence the way stakeholders attributed responsibility for the crisis.

Participants began by completing a pre-questionnaire. Because the OPR was one of the variables to be measured in this study, the online experiment asked participants to enter the name of a company they had done business with online. SurveyMonkey automatically used this answer to populate future questions about the organization. This technique is similar to one used in marketing research (e.g., Yoon, Choi, & Sohn, 2008) to measure customer relations. By requiring participants to think about an organization with which they had an actual relationship, the OPR questions became somewhat less hypothetical. Furthermore, because different participants could choose different organizations, there was room for plenty of variance in the OPR data.

Asking participants to choose an organization with which they had some pre-existing relationship also made it easier for participants to imagine themselves as the *victims* of a crisis, instead of just onlookers. Coombs (2012) argued that more research on apologies should consider the perspective of crisis victims. The author assumed that if participants had done business with an organization online, those participants would find it more plausible that their personal information could be stolen from that organization's database.

Once participants had selected an online retailer, they completed a pre-questionnaire measuring OPR, past shopping behavior, and demographics (see Appendix A for all questionnaire items). For the next step, participants were informed that the company they selected had sent them an e-mail. The text of this e-mail was displayed on the screen and described a data breach involving the participant's personal

information. Along with informing participants about the situation, the message contained an apology stimulus and an invitation to contact the company for more information.

There were 16 different apology conditions, based on the four separate elements of an ideal apology. The complete text of all 16 conditions is provided in Appendix B. These elements, or factors, were (a) expression of remorse, (b) acknowledgement of responsibility, (c) promise of forbearance, and (d) offer of reparations. Each factor had two levels (present, absent). Thus, the experiment followed a 2x2x2x2 factorial design. Although Scher and Darley's (1997) study used a within-subjects design to test the four components of an interpersonal apology, the present study used a between-subjects design to minimize learning or order effects. Each participant read one of the sixteen apologies featuring between zero and four apology elements. The wording of these elements was adapted from Scher (1989) and from actual organizational apologies (Brodkin, 2007). Because SurveyMonkey randomly assigned participants to one of the apology conditions, the cells sizes were not perfectly even. The groups ranged in size from 43 to 57 participants.

After reading the apology e-mail, participants completed a post-questionnaire containing manipulation checks, as well as measures of perceived apology, account acceptance, organizational reputation, OPR, anger, empathy, attribution of responsibility, negative word of mouth intention, and future purchase intention. These measures are discussed next.

Measures

The experiment included a 43-item pre-questionnaire and a 71-item post-questionnaire (See Appendix A). Unless otherwise noted, all items were measured on a 7-point Likert-type scale (1 = Strongly disagree; 7 = Strongly agree). For the pre-questionnaire, participants were asked to enter the name of an online retailer from whom they had made at least one purchase. Participants were also asked how often they shopped with and bought products from that retailer. Next, participants were asked to enter demographic information (sex, race, age, education, income, and employment status).

Participants' perceptions of their relationship with the online retailer were measured using 34 items adapted from Hon and Grunig's (1999) OPR scale. This scale is designed to measure the dimensions of trust, control mutuality, commitment, and satisfaction. It also measures whether a relationship is a communal relationships or an exchange relationship.

After participants viewed the apology stimuli, they were given the post-questionnaire. Four items served as manipulation checks. Examples include "*The organization promised this situation would not happen again*" and "*The organization offered to repair the damage caused by this situation.*" For each statement, the name of the organization chosen by the participant replaced the generic term "*The organization*."

Perceived apology (PA) was measured with four items adapted from Choi and Lin (2009b). Participants responded to statements such as "*The organization apologized for the situation*" and "*The organization sought forgiveness*."

To measure account acceptance (AA), four items were adapted from Blumstein et al. (1974). These items included "*The organization's response was sincere*" and "*The organization's response was appropriate*." This scale has been used previously in crisis communication research (e.g., Coombs & Holladay, 2008) and found to be reliable.

Five items were adapted from Coombs and Holladay (2002) to measure organizational reputation (OR). Examples are "*The organization is concerned with the well-being of its customers*" and "*The organization is basically DISHONEST*." Coombs and Holladay's original items used the word *publics* instead of *customers*. However, in a pre-test, the word *publics* was found to be confusing. The word *customer* was determined to be a good substitute because it is a more familiar term and because the stakeholders of interest in this study are, in fact, customers.

Attributions of responsibility (AR) were measured with five items adapted from Coombs and Holladay (2002, 2007). Items included "*The blame for this situation lies with the organization*" and "*The cause of this situation was something that was manageable by the organization.*" Although Coombs and Holladay used the word *crisis* in these items, the word *situation* was substituted here to avoid loaded language.

Anger was measured with a five-item scale adapted from Lee and Chung (2012). Participants were asked, "*To what extent do you feel _____ toward the organization?*" The five emotions tested were angry, mad, irritated, annoyed, and outraged. These items were measured on a 7-point Likert scale (1 = not at all; 7 = very much).

To test participants' feelings of empathy, four items from Coke et al. (1978) and McCullough et al. (1998) were employed. These items were measured the same way the

anger items were measured. They included "*To what extent do you feel concern for the organization?*" and "*To what extent do you feel empathetic toward the organization?*"

Three items adapted from Coombs and Holladay (2008) were used to assess participants' negative word of mouth intentions. These items were "I would encourage friends or relatives NOT to do business with this organization," "I would say negative things about this organization to other people," and "I would recommend this organization to someone who asked my advice" (reverse coded).

Finally, future purchase intentions were measured with three items adapted from Coombs and Holladay (2007) and from Jorgensen (1996). Examples include "*I would do business with this organization in the future*" and "*I would not shop with this organization anymore*" (reverse coded). Participants also completed Hon and Grunig's (1999) OPR scale again in the post-questionnaire

Sample Demographics

The invitation to participate in Study 1 was posted on MTurk. Less than 24 hours later, 820 participants had completed the study. Although the HIT only called for 800 participants, some participants completed the study without entering the confirmation code or their MTurk usernames, thus allowing extra participants to take part in the study. Three participants were found to have completed the study twice, based on their usernames and IP addresses. These duplicate cases were excluded, leaving 817 valid cases.

The sex of the participants was evenly split between female (49.3%, $n = 403$) and male (49.9%, $n = 408$), with six participants choosing not to answer (0.7%). Participants' ages ranged from 18 to 75 years old with a mean of 32.82 ($SD = 11.95$)

and a median of 29. The most prevalent race was White/Caucasian (76.3%, *n* = 623), followed by Asian/Pacific Islander (9.8%, *n* = 80), Black/African American (6.0%, *n* = 49), Hispanic (4.3%, *n* = 34) and Native American (1.2%, *n* = 10). The other 21 participants (2.6%) chose not to answer"

A majority of the sample (54.4%, *n* = 526) had at least some college, while 33.8% (*n* = 276) had a high school education. Six participants (0.7%) reported that they did not have a high school diploma, and nine participants (1.1%) chose not to respond.

Thirty-four percent of the sample (*n* = 278) reported an annual household income between $30,000 and $60,000. Another 34.1% (*n* = 279) earned less than $30,000 per year, and 28.3% (*n* = 231) earned more than $60,000 annually. There were also 29 participants (3.5%) who chose not to answer.

Most participants were employed either full-time (36.1%, *n* = 295) or part-time (27.7%, *n* = 226). Another 14.6% (n = 119) were students and 11% (*n* = 90) were looking for work. The remaining 9% (*n* = 73) were retired, disabled, or not looking for employment. Fourteen participants (1.7%) elected not to respond.

A majority of participant entered Amazon as the online retailer with whom they had done business in the past (*n* = 474). The second most popular choice was Walmart (*n* = 50), and the third most common response was eBay (*n* = 28). Because participants were recruited via Amazon's MTurk website, and because the instructions for Study 1 used Walmart as an example, participants were likely primed to think about these retailers.

Participants reported visiting the retailer's website 12.13 times per month (*SD* = 25.92), although this number was positively skewed by a handful of participants who

claimed to visit their chosen retailer's site more than 100 times per month. The median number of monthly visits was six, and the mode was 10. Participants also reported making an average of 15.43 (*SD* = 25.43) purchases per year from the retailer. This number was also positively skewed. The median number of purchases was eight and the mode was 10.

Data Screening

Data analysis was performed using SPSS 21. As recommended by Tabachnick and Fidell (2001), the data were screened for missing variables, outliers, normality, linearity, and homogeneity of variance. Less than 0.5% of data were missing. Group mean substitution was used to impute the missing data. Group mean substitution is not as conservative as substituting the overall mean of a variable, but it preserves more of the variance in that variable (Tabachnick & Fidell, 2001). In this instance, the 16 experimental conditions were used to group the data. Missing values were imputed according to the mean of the appropriate variable for each experimental group.

Outliers were found for only three variables. One outlier was found for age, eight outliers were found for the number of monthly visits to an organization's website, and 21 outliers were found for the number of annual purchases made on an organization's website. Because these variables were not central to the analysis, no further action was taken to deal with these outliers.

Normality was assessed by examining histograms for each variable, as well as skewness and kurtosis statistics. Histograms revealed that all but two variables had unimodal distributions. The only exceptions were manipulation checks. The items "*The organization promised this situation would not happen again*," and, "*The organization*

offered to repair the damage caused by this situation," were bimodal. Because only some participants were exposed to manipulations that included promises of forbearance or offers of reparations, these bimodal distributions were to be expected.

According to A. Cameron (2004), skewness and kurtosis may range from +2 to -2 in normal distributions. Only two variables failed to meet this criterion. One item from the satisfaction scale and one item from the organizational reputation scale had kurtosis values above 3.0. These two variables were ultimately dropped from their respective scales.

Scatterplots did not reveal any curvilinear relationships between variables, so the assumption of linearity was considered satisfied. F_{max} was used to assess homogeneity of variance. According to Tabachnick and Fidell (2001), as long as sample sizes are within a ratio of 4 to1 or less, "an F_{max} as great as 10 is acceptable" (p. 80). Because the ratio between the largest and smallest cells was 1.33 to 1, and the highest F_{max} was only 4.09, assumption of homogeneity of variance was satisfied. The next step was to validate the measurement scales used in the study.

Scale Validation

Confirmatory factor analysis (CFA) was conducted with AMOS 21 (Arbuckle, 2012) to validate the scales used in Study 1. According to Levine (2005), "CFA is used when the researcher has an expectation of how the items will factor, and CFA is used to test this expectation against the data" (Levine, 2005, p. 336). Because the questionnaire items used in Study 1 were all adapted from existing scales, CFA was deemed more appropriate than exploratory factor analysis (EFA). Measurement models were created

for all multi-item scales and maximum likelihood (ML) estimation was used to estimate all models.

Model fit was assessed based on three fit indices: the Tucker-Lewis Index (TLI), the comparative fit index (CFI), and the root mean square error of approximation (RMSEA). Garver and Mentzer (1999) have recommended using these indices in structural equation modeling. All three indices range from 0 to 1. Values of .90 or higher for the TLI and CFI indicate an acceptable fit to the data. For the RMSEA, a value of .08 or *lower* is desirable.

The first measure tested was Hon and Grunig's (1999) OPR scale. According to Hon and Grunig, there are four OPR *outcomes* (trust, control mutuality, commitment, and satisfaction) and two OPR *types* (communal relationship and exchange relationship). Therefore, a measurement model was tested using six latent variables (see Figure 1). However, the covariance matrix was not positive definite, suggesting a multicollinearity problem (Byrne, 2001). Indeed, an inspection of the model revealed correlations ranging from .86 to .97 between the latent variables of trust, control mutuality, commitment, and satisfaction. These high correlations suggest that OPR outcome may be a single construct, rather than four distinct constructs. This model also fit the data poorly ($\chi^2/df = 6.96$, $p < .001$; TLI = .86; CFI = .82; RMSEA = .09).

Because of the high correlations between trust, control mutuality, commitment, and satisfaction, a revised model was tested where all four constructs were combined into one latent OPR variable (see Figure 2). The covariance matrix for this model was positive definite, although model fit was still poor ($\chi^2/df = 7.849$, $p < .001$; TLI = .83; CFI = .85; RMSEA = .09). Three questionnaire items were removed from the model

due to factor loadings below .50. The standardized residual covariance matrix was also examined, because standardized residuals greater than ±2.0 can indicate specific parts of a model that fit poorly (T. A. Brown, 2006). Using this standard, six more questionnaire items were removed from the model (see Figure 3). This final OPR model was an acceptable fit to the data ($\chi^2/df = 5.72$, $p < .001$; TLI = .92; CFI = .93; RMSEA = .08). Based on the Akaike information criterion (AIC), this model (AIC = 1041.34) was also more parsimonious than the previous model (AIC = 3057.45).

The next group of measures tested were the six variables related to apology *reactions*: perceived apology (PA), account acceptance (AA), attribution of responsibility (AR), organizational reputation (OR), anger, and empathy (see Figure 4). A measurement model containing these six latent variables was found to be an unsatisfactory fit to the data ($\chi^2/df = 7.24$, $p < .001$; TLI = .86; CFI = .87; RMSEA = .09). However, after examining the factor loadings and the standardized residual covariance matrix, one item each was removed from the OR, anger, and empathy scales (see Figure 5). This revised model was a good fit to the data ($\chi^2/df = 4.96$, $p < .001$; TLI = 92; CFI = .93; RMSEA = .07) and its AIC (1300.90) was much lower than the initial model's AIC (2376.05), indicating a marked improvement in parsimony.

The final measurement model tested the scales for negative word of mouth intention (NWOM) and future purchase intention (FPI). In the initial measurement model, these constructs were tested as separate latent variables (see Figure 6). This model was not a good fit to the data ($\chi^2/df = 19.58$, $p < .001$; TLI = .94; CFI = .97; RMSEA = .15). More importantly, the two latent variables had an almost perfect negative correlation ($r = -.98$), suggesting that these two constructs did not provide

discriminant validity. Rather, both variables seemed to be measuring a single underlying construct of *behavioral intention*. The model was respecified with one latent variable (see Figure 7). Furthermore, based on an examination of the standardized residual covariance matrix, one NWOM item was removed. The final model fit the data quite well ($\chi^2/df = 6.53$, $p < .001$; TLI = .99; CFI = .99; RMSEA = .08). The final model (AIC = 52.66) was also more parsimonious than the initial model (AIC = 182.66).

Scales were modified based on the results of the CFA, and Cronbach's alpha was calculated to verify the reliability of each scale. Reliabilities ranged from .76 to .97. The items retained in each scale were averaged to create new variables (see Table 1). Two NWOM items were reverse coded and combined with the three FPI items to create a new behavioral intention variable, in which higher scores reflected more positive intentions toward the organization. Correlations between the key study variables are reported in Table 2.

Data from Study 1 were used to test all 15 hypotheses, as well as RQs 1-5. RQs 6 and 7 were addressed through two additional studies. The next two sections describe Study 2 and Study 3.

Study 2: Apology Writing Assignment

Study 2 used qualitative content analysis to explore what stakeholders consider to be the key elements of an organizational apology. This study asked participants to write the kind of organizational apology they *would like to receive* in a crisis situation. With this technique, Study 2 sought to capture any components of an apology that may be unique to organizational apologies. This technique is similar to the technique Scher (1989) used in his unpublished doctoral dissertation. However, Scher's method was not

explained thoroughly and produced 30 content categories that were often overlapping. This section describes the participants, procedures, and analysis used in Study 2. The study was reviewed and approved by the IRB before being conducted.

Participants

As with Study 1, participants were recruited through MTurk. One hundred participants were recruited to ensure reliability of the findings. Participants were given $1.51 as a reward for participating.

More males (55%, *n* = 55) than females (45%, *n* = 45) took part in Study 2. Most participants were White/Caucasian (75%, *n* = 75). Eight (8%) were Asian/Pacific Islander, seven (7%) were Black/African American, seven (7%) were Hispanic, and two (2%) were Native American. One participant chose not to answer.

Participants were relatively young. The largest group of participants (45%, *n* = 45) was between 18 and 29 years old. Thirty-one participants (31%) were 30-39, 11 (11%) were 40-49 and 11 (11%) were 50-59. Just two participants reported their age as 60 or older.

The sample was generally well educated. More than half of the participants (53%, *n* = 53) had at least a 4-year college degree. Another 11 (11%) participants had some college, and 35 (35%) had a high school diploma. Only one participant had not finished high school.

Thirty-eight (38%) participants reported an annual household income between $30,000 and $60,000. Another 38 (38%) earned more than $60,000 per year, and 29 (29%) earned less than $30,000 per year. Two (2%) participants preferred not to report their income.

Nearly half of the participants (44%, $n = 44$) were employed full-time, and 25% ($n = 25$) were employed part-time. Just 9% ($n = 9$) were students, and 11% ($n = 11$) said they were currently seeking employment. There were also seven (7%) participants who were unemployed but *not* looking for work. One participant (1%) was retired and three (3%) chose not to answer.

Procedure

Similar to the first study, participants in Study 2 linked to a SurveyMonkey page where they read an informed consent form. Those who agreed to participate were given the following instructions:

> Please think of a company with whom you have done business online. This company may be an online-only retailer (e.g., Newegg.com) or a company that does business online AND through brick and mortar stores (e.g., Wal-Mart). The only requirement is that you have made an online purchase from this company at some point in the past.
>
> Once you have thought of the company, please imagine that you received the following e-mail from this company:
>
> > *Dear friend,*
> > *Our computer administrators recently discovered that hackers have illegally accessed a database containing the personal account information of our customers. Your account is one that may be affected.*
>
> Your task is to write the rest of this e-mail. Please write an effective apology from the company—the kind of apology that you would be willing to accept if this situation really happened to you. Please make the apology long enough to be realistic. Simply typing one or two words will not be accepted. Just make sure you write an apology that would satisfy you as a customer, considering that your personal information had apparently been stolen.

Below these instructions was text box for participants to write the organization's apology. Following the writing assignment, participants were asked to provide demographic information and were given a code to verify their participation. Participants who entered this code on the MTurk HIT page receive their $1.51 payment.

Analysis

One hundred written apologies were collected and these apologies served as the units of analysis. Although these apologies could have been broken down into smaller units of analysis (sentences, phrases, etc.), the goal was to see how many *different* apology components each stakeholder would include in an organizational apology. Apology length ranged from 27 to 336 words (M = 108). All apologies were analyzed using a modified version of Glaser's (1965) constant comparative method. According to Glaser, "the constant comparative method is concerned with generating and plausibly suggesting (not provisionally testing) many properties and hypotheses about a *general* phenomenon" (p. 438). The constant comparative method begins with placing qualitative data into categories. As Spiggle (1994) explained, "The essence of categorization is identifying a chunk or unit of data…as belonging to, representing, or being an example of some more general phenomenon" (p. 493).

Once data were categorized, the properties of each category were examined for their theoretical significance. In this study, existing research on apologies and image repair was allowed to inform the analysis. However, new categories were also allowed to emerge from the data. This information was used to address RQ6 and RQ7. The results of this analysis are presented in Chapter 4.

Study 3: Apology Suggestions

Producing professional communication is not easy. Due to concerns that the participants in Study 2 might be unable or unwilling to generate enough qualitative data, another study was conducted. Study 3 addressed the same research questions as Study 2, but with a slightly different approach. In this study, participants were asked to write

five suggestions or tips for a good organizational apology. This section describes the participants, procedures, and analysis used in Study 3. All procedures and study materials went through the IRB approval process before data were collected.

Participants

Like the first two studies, Study 3 recruited participants from MTurk. One hundred participants were recruited and participants were given $1.51 as a reward for taking part in the study.

More males (53%, *n* = 53) than females (47%, *n* = 47) participated in Study 3. Seventy-three participants (73%) were White/Caucasian, 10 (10%) were Black/African American, six (6%) were Hispanic, four (4%) were Asian/Pacific Islander, and three (3%) were Native American. Four participants chose not to respond.

Most participants were under 40 years old, with 37 (37%) between the ages of 18 and 29 and 31 (31%) between 30 and 39. Thirteen (13%) participants were 40-49, 12 (12%) were 50-59, and seven (7%) were 60 or older.

A majority of participants had at least a bachelor's degree (61%, *n* = 61). Another 15 (15%) had some college, and 23 (23%) had a high school diploma. One participant declined to answer.

Just over one third of the sample reported an annual household income between $30,000 and $60,000 (37%, *n* = 37). Almost the same number of participants earned more than $60,000 (38%, *n* = 38). Only 19 (19%) participants reported an annual income below $30,000, and six (6%) participants did not answer.

Participants were mostly employed, either full-time (41%, *n* = 41) or part-time (29%, *n* = 29). Eleven (11%) participants identified themselves as students, eight (8%)

were unemployed but looking for work, and five (5%) were retired. Only two (2%) participants reported that they were unemployed but not seeking work, and four (4%) did not respond.

Procedure

After participants read the recruitment message on MTurk, they followed a link to SurveyMonkey where they completed Study 3. Once participants had read an informed consent form, they were given instructions for a short writing assignment:

> Please think of a company with whom you have done business online. This company may be an online-only retailer (e.g., Newegg.com) or a company that does business online AND through brick and mortar stores (e.g., Wal-Mart). The only requirement is that you have made an online purchase from this company at some point in the past.
>
> Once you have thought of the company, please imagine that you received the following e-mail from this company:
>
> > *Dear friend,*
> > *Our computer administrators recently discovered that hackers have illegally accessed a database containing the personal account information of our customers. Your account is one that may be affected.*
>
> Now imagine that the rest of the email contains an apology from the company for what happened. Your task is to create a list of tips or suggestions for how the company can make its apology effective. An effective apology is one that you, as a customer, would be willing to accept. Please write at least five tips below. You are free to write more than five if you wish.

Participants were given a text box in which to write their suggestions. Once they were finished, participants entered their demographic information and received a code to confirm their participation. Participants who entered the code on MTurk received $1.51.

Analysis

The suggestion lists ranged from 17 words to 450 words (M = 105). The unit of analysis for this study was each participant's suggestion list, not the individual suggestions. This approach was taken because the primary goal of Study 3 was the same as Study 2—to see how many *different* components stakeholders believed organizational apologies should include. Both studies treated the *entirety* of what each stakeholder wrote as the unit of analysis, allowing for an easier comparison of stakeholder opinions between studies.

The suggestion lists were coded using the same modified constant comparative method described for Study 2. Once again, existing theory informed the analysis, but new categories were permitted to emerge, as well. The data from Study 3 was analyzed along with the data from Study 2 to find as many themes as possible across the stakeholders in both studies. Once major themes were identified, each stakeholder's apology (Study 2) or suggestion list (Study 3) was coded. The frequency of these codes was compared to identify any differences between the findings of Study 2 and Study 3. These findings of both studies were combined to address RQ6 and RQ7.

Summary of Methodology

In summary, this dissertation used both quantitative and qualitative methods to determine what elements or components make up an organizational apology. Using multiple methods allows researcher to triangulate the findings and achieve a deeper understanding of the phenomena in question (Frey et al., 2000). Study 1 used a 2x2x2x2 factorial experiment to test the effects of four apology components identified in the literature review on nine dependent variables: perceive apology, account acceptance,

organizational reputation, organization-public relationship quality, anger, empathy, negative word of mouth intention, future purchase intention, and attribution of responsibility. Study 1 also tested the effect of pre-crisis OPR quality on the dependent variables.

Study 2 used a modified version of Glaser's (1965) constant comparative method to analyze organizational apologies written by stakeholders. Study 3 used the same approach to analyzed stakeholder-generated suggestions for effective organizational apologies. These qualitative studies helped illuminate the quantitative findings from Study 1. These studies also looked for any additional elements that stakeholders expect from organizational apologies. Chapter 4 reports the results of Study 1. Chapter 5 reports the results of Study 2 and Study 3.

CHAPTER 4: QUANTITATIVE RESULTS

As discussed in previous chapters, the purpose of this dissertation is to understand what constitutes an effective organizational apology from the stakeholder's perspective. In particular, this dissertation sought to study the perceptions of victims of organizational crises. One quantitative study and two qualitative studies were conducted to address a series of 15 hypotheses and seven research questions. This chapter reports the quantitative results of Study 1.

Study 1 was a 2x2x2x2 between subjects experiment that tested the relationship between Scher and Darley's (1997) four apology components and nine dependent variables. Study 1 also tested the effect of the OPR on stakeholder reactions to an organizational apology. The preceding chapter has already described the respondent profile for Study 1, as well as the data screening and scale validation procedures followed. This chapter reports the results of the statistical analyses used to test all 15 hypotheses and five of this dissertation's seven research questions. Manipulation checks were performed first.

Manipulation Checks

The four apology factors in Study 1 were (a) expressions of remorse, (b) acknowledgements of responsibility, (c) promises of forbearance, and (d) offers of reparations. Participants were asked to respond to four statements that served as manipulation checks. Univariate analysis of variance (ANOVA) tests were performed to test these manipulations. According to Perdue and Summers (1986), in factorial designs the researcher cannot simply test for a significant main effect of the manipulation factor on the manipulation check. Just because the manipulation factor has an effect on the

manipulation check does not mean it is the *only* factor that has an effect on the manipulation check. Therefore, the researcher must also check to see if other factors have significant (i.e., confounding) effects on the manipulation check. Ideally, the manipulation factor should be the only factor with a significant effect on the manipulation check. However, as long as the effect sizes of any confounding factors are small, Perdue and Summers argued that "their statistical significance probably should not be of great concern" (p. 323). The results for each factor are discussed below.

Remorse Manipulation Check

The first manipulation check stated, "*The organization expressed regret for what happened.*" This manipulation check was designed to validate the expression of remorse condition. The four-way ANOVA found a significant main effect for the remorse condition on the manipulation check, $F(1, 801) = 210.18$, $p < .001$, $\eta^2 = .21$. As seen in Table 3, the other factors had statistically significant effects on the manipulation check, as well, although their effect sizes were smaller. The acceptance of responsibility condition, $F(1, 801) = 61.47$, $p < .001$, $\eta^2 = .07$, the promise of forbearance condition, $F(1, 801) = 18.64$, $p < .001$, $\eta^2 = .02$, and the offer of reparations condition, $F(1, 801) = 21.57$, $p < .001$, $\eta^2 = .03$ all had very small effects on the manipulation check. Interaction effects were found between remorse and responsibility, $F(1, 801) = 53.48$, $p < .001$, $\eta^2 = .06$, between responsibility and forbearance, $F(1, 801) = 4.78$, $p = .03$, $\eta^2 = .01$, and between forbearance and reparations, $F(1, 801) = 6.78$, $p = .01$, $\eta^2 = .01$. However, these effects were deemed too small to cause problems with the analysis.

Responsibility Manipulation Check

The second manipulation check stated, "*The organization took responsibility for what happened*." This check was intended to verify the effect of the acceptance of responsibility condition, but was unsuccessful. The ANOVA did find a significant main effect for the responsibility condition on the manipulation check, $F(1, 801) = 55.50$, $p < .001$, $\eta^2 = .07$ (see Table 4). However, the effect was small and main effects were also found for the other experimental conditions. Remorse, $F(1, 801) = 28.50$, $p < .001$, $\eta^2 = .03$, forbearance, $F(1, 801) = 66.96$, $p < .001$, $\eta^2 = .03$, and reparations, $F(1, 801) = 63.17$, $p < .001$, $\eta^2 = .07$ all had significant effects on the manipulation check. The interaction effects between remorse and responsibility, $F(1, 801) = 7.70$, $p = .01$, $\eta^2 = .01$, as well as responsibility and forbearance, $F(1, 801) = 9.23$, $p = .002$, $\eta^2 = .01$ were statistically significant, too.

Perdue and Summers (1986) explained that manipulation checks fail for two reasons. The primary reason is that an experimental condition does not adequately manipulate the variable in question. However, another possibility is that "the manipulation check measure itself is confounded and/or unreliable" (p. 323). In this case, both explanations could have merit. The manipulation was operationalized as, "*We know our customers trust us with their private information and we have let you down*." Perhaps a better manipulation would have expressed the responsibility-taking more explicitly. For instance, a statement like, "*We take responsibility for our mistake,*" would have been more direct. At the same time, the manipulation check only stated that the organization *took* responsibility, which could be done through word or actions. The manipulation check might have been stronger if it had stated that the organization "*said*

it took responsibility." In any event, results related to the responsibility condition should be interpreted cautiously.

Forbearance Manipulation Check

The third manipulation check stated, "*The organization promised this situation would not happen again*." This statement was used to test the validity of the promise of forbearance condition. The ANOVA revealed a strong main effect for the forbearance condition on the manipulation check, $F(1, 801) = 561.36$, $p < .001$, $\eta^2 = .41$ (see Table 5). Although the other factors also had significant main effects, these effects were extremely small. Remorse, $F(1, 801) = 8.26$, $p = .004$, $\eta^2 = .01$, responsibility, $F(1, 801) = 4.80$, $p = .03$, $\eta^2 = .01$, and reparations, $F(1, 801) = 6.69$, $p = .01$, $\eta^2 = .01$, barely affected the manipulation check. Similarly, interaction effects between remorse and responsibility, $F(1, 801) = 10.99$, $p = .001$, $\eta^2 = .01$, and between forbearance and repair, $F(1, 801) = 13.18$, $p < .001$, $\eta^2 = .02$ were significant but very small. Thus, the promise of forbearance manipulation was successful.

Reparations Manipulation Check

The fourth and final manipulation check stated, "*The organization offered to repair the damage caused by this situation*." This manipulation check was used to validate the offer of reparations condition. The ANOVA revealed a sizeable main effect for reparations on the manipulation check, $F(1, 801) = 767.00$, $p < .001$, $\eta^2 = .49$ (see Table 6). No significant effects were found for remorse or responsibility, although a small effect was found for forbearance, $F(1, 801) = 6.78$, $p = .01$, $\eta^2 = .01$. There were also statistically significant interaction effects between remorse and responsibility, $F(1, 801) = 4.57$, $p = .03$, $\eta^2 = .01$, as well as between remorse and forbearance, $F(1, 801) =$

4.88, $p = .03$, $\eta^2 = .01$. Nevertheless, the effect sizes were too small to pose any threats to validity. The reparations manipulation was deemed successful.

Overall, the manipulations for forbearance and reparations were highly effective, and the manipulation for remorse was acceptable. The only manipulation that was ineffective was the manipulation for responsibility. This limitation should be kept in mind going forward. The next section reports the tests of H1-8 and RQ1.

Effects of Apology Components

Based on research from Scher and Darley (1997), and Bisel and Messersmith (2012), H1-8 predicted that the four apology components (remorse, responsibility, forbearance, and reparations) would each be significantly related to perceptions that an organization has apologized (PA), account acceptance (AA), perceptions of the organization's reputation (OR), post-crisis organization-public relationship quality (OPR), anger, empathy, negative word of mouth intention, and future purchase intention. RQ1 asked how the four apology components would affect attribution of responsibility (AR). These eight hypotheses and one research question were tested using four-way ANOVAs.

H1 Results

H1a-d predicted that (a) expressions of remorse, (b) acknowledgements of responsibility, (c) promises of forbearance, and (d) offers of reparations would each be positively associated with victims' perception that an organization had apologized for a crisis (PA). Significant main effects on PA were found for remorse, $F(1, 801) = 106.48$, $p < .001$, $\eta^2 = .12$, responsibility, $F(1, 801) = 108.11$, $p < .001$, $\eta^2 = .12$, forbearance, $F(1, 801) = 24.99$, $p < .001$, $\eta^2 = .03$, and reparations, $F(1, 801) = 48.82$, $p < .001$, $\eta^2 =$

.06 (see Table 7). Thus, H1a-d were all supported. Although none of the effect sizes were very large, the effect sizes for remorse and responsibility were approximately four times larger than the effect size for forbearance and twice as large as the effect size for reparations. Expressions of remorse and acknowledgments of responsibility had a greater influence on whether victims believed the organization had apologized than promises of forbearance or offers of reparations.

As seen in Table 8, the experimental condition that produced the lowest PA score was the control condition with no apology components (M = 2.42, SD = 1.41), followed by the condition with only a promise of forbearance (M = 3.51, SD = 1.73). The conditions with the highest PA scores were the condition with remorse, responsibility and reparations (M = 5.83, SD = 1.30), as well as the condition with all four apology components (M = 5.76, SD = 1.03).

Small interaction effects were found between remorse and responsibility, $F(1, 801) = 28.52$, $p < .001$, $\eta^2 = .03$, and between responsibility and forbearance, $F(1, 801) = 7.33$, $p = .01$, $\eta^2 = .01$. When an acknowledgement of responsibility was absent, adding an expression of remorse to the apology caused the PA score to increase from 3.51 (slightly disagree) to 5.06 (agree), a difference of 1.55. However, when responsibility was present, the difference between an expression of remorse (5.56) and no expression of remorse (5.07) was only 0.49 (see Figure 8).

Similarly, when the promise of forbearance was absent, the acknowledgment of responsibility became more important. Without forbearance, the no responsibility condition (M = 3.91) produced a much lower PA score than the responsibility condition (M = 5.20). However, when the apology contained a promise of forbearance, the no

responsibility condition produced a PA score of 4.67 and the responsibility condition produced a PA score of 5.43. Thus, adding responsibility to an apology was less important if the apology contained a promise of forbearance.

Scher and Darley (1997) found a linear relationship between how many components an apology contained and how apologetic an offender was perceived to be. An examination of the means for each cell (see Table 8) suggested that a similar trend might be present in the present data. To test the effect of the number of apology components on PA, a trend analysis was conducted. PA showed significant linear, $F(1, 812) = 196.64$, $p < .001$, and quadratic, $F(1, 812) = 29.68$, $p < .001$, trends, with more apology components producing higher PA scores.

As seen in Figure 9, the PA score was only 2.42 when no apology components were present, indicating that participant did *not* perceive that the organization had apologized. Scheffe post-hoc comparisons revealed that adding one apology component caused the mean PA score to rise significantly ($M = 4.02$, $p < .001$). Adding a second ($M = 5.04$, $p < .001$) and third ($M = 5.57$, $p = .002$) apology component also produced significant increases in the mean PA score. However, adding a fourth apology component did not produce a statistically significant increase in the mean PA score ($M = 5.76$, $p = .95$). Although the general trend was that more apology components produced greater perceptions that an organization had apologized, the trend began to level off after three apology components were present.

Overall, each of the four apology components contributed to victims' perceptions that an organization had apologized. However, the apology components with the greatest effect were the expression of remorse and the acknowledgement of

responsibility. More apology components tended to increase perceptions that an organization had apologized.

H2 Results

H2a-d predicted that (a) expressions of remorse, (b) acknowledgements of responsibility, (c) promises of forbearance, and (d) offers of reparations would each be positively associated with victims' willingness to accept the organization's account of the crisis (AA). Main effects were found for remorse, $F(1, 801) = 29.36$, $p < .001$, $\eta^2 = .04$, responsibility, $F(1, 801) = 14.71$, $p < .001$, $\eta^2 = .02$, forbearance, $F(1, 801) = 14.15$, $p < .001$, $\eta^2 = .03$, and reparations, $F(1, 801) = 107.73$, $p < .001$, $\eta^2 = .12$, supporting H2 (see Table 9). As seen in Table 10, the experimental groups with the lowest AA scores were the control group with no apology components ($M = 3.56$, $SD = 1.50$) and the group that received only an acknowledgment of responsibility ($M = 4.15$, $SD = 1.64$). The groups with the highest AA scores were the group exposed to the remorse, forbearance, and reparations components ($M = 5.82$, $SD = 1.04$), and the group exposed to all four apology components ($M = 5.95$, $SD = 1.25$).

One interaction effect was found between remorse and responsibility, $F(1, 801) = 6.85$, $p = .01$, $\eta^2 = .01$. When the apology did not contain an acknowledgement of responsibility, adding an expression of remorse caused the AA score to increase from 4.53 to 5.27. However, when responsibility was present, adding remorse only increased the AA score from 5.13 to 5.39 (see Figure 10).

Overall, each apology component had a statistically significant—albeit small—positive effect on victims' willingness to accept the organization's account of the crisis. The offer of reparations had the largest effect.

H3 Results

H3a-d predicted that (a) expressions of remorse, (b) acknowledgements of responsibility, (c) promises of forbearance, and (d) offers of reparations would each be positively associated with victims' perceptions of the organization's reputation (OR). In support of H3, main effects were found for remorse, $F(1, 801) = 7.18$, $p = .01$, $\eta^2 = .01$, responsibility, $F(1, 801) = 14.11$, $p < .001$, $\eta^2 = .02$, forbearance, $F(1, 801) = 10.68$, $p = .001$, $\eta^2 = .01$, and reparations, $F(1, 801) = 29.92$, $p < .001$, $\eta^2 = .04$ (see Table 11). The control condition with no apology components produced the lowest OR score ($M = 4.40$, $SD = 1.22$), and the condition with all four apology components produced the highest OR score ($M = 5.77$, $SD = 0.99$; see Table 12).

Two interaction effects were found. The interaction between remorse and forbearance was significant, $F(1, 801) = 4.05$, $p = .05$, $\eta^2 = .01$. When the apology did not contain a promise of forbearance, adding an expression of remorse was associated with an increase in the OR from 5.04 to 5.42. However, when a promise of forbearance was present, adding an expression of remorse made almost no difference at all (see Figure 11).

The interaction between responsibility and reparations was also significant, $F(1, 801) = 5.32$, $p = .02$, $\eta^2 = .01$. When offers of reparations were absent, including an acknowledgment of responsibility in an apology produced a rise from 4.90 to 5.38 in OR. When reparations were present, adding responsibility only increased the OR from 5.52 to 5.63.

Consistent with H3a-d, each of the four apology components had a statically significant positive effect on victims' perceptions of the organization's reputation. Offers of reparations had the greatest influence, but all effect sizes were small.

H4 Results

H4a-d predicted that (a) expressions of remorse, (b) acknowledgements of responsibility, (c) promises of forbearance, and (d) offers of reparations would each be positively associated with victims' perceptions of OPR quality after a crisis. Significant main effects were found for remorse, $F(1, 801) = 5.46$, $p = .02$, $\eta^2 = .01$, responsibility, $F(1, 801) = 6.08$, $p = .01$, $\eta^2 = .01$, forbearance, $F(1, 801) = 11.08$, $p = .001$, $\eta^2 = .01$, and reparations, $F(1, 801) = 20.93$, $p < .001$, $\eta^2 = .03$ (see Table 13). As seen in Table 14, the lowest post-crisis OPR score was found for the control condition with no apology components ($M = 4.10$, $SD = 1.52$). The highest OPR score was found for the condition with all four apology components ($M = 5.50$, $SD = 0.95$). No significant interactions were found. Thus, support was found for H4a-d, although the effect sizes for all four apology components were quite small.

H5 Results

H5a-d predicted (a) expressions of remorse, (b) acknowledgements of responsibility, (c) promises of forbearance, and (d) offers of reparations would each be negatively associated with victims' anger toward the organization in a crisis. Main effects were not significant for remorse, $F(1, 801) = 0.07$, $p = .80$, responsibility, $F(1, 801) = 0.12$, $p = .73$, or forbearance, $F(1, 801) = 3.00$, $p = .08$ (see Table 15). Thus, H5a-c were not supported. However, a significant main effect was found for reparations, $F(1, 801) = 28.47$, $p < .001$, $\eta^2 = .03$. Offers of reparations led to a

reduction in anger, supporting H5d. As seen in Table 16, the condition with the strongest feelings of anger was the control condition with no apology components (M = 3.98, SD = 1.99). The condition with all four apology components did not produce the lowest levels of anger (M = 2.99, SD = 1.72). Rather, the condition that included responsibility, forbearance, and reparations produced the least anger (M = 2.66, SD = 1.39).

One significant interaction effect was found. The interaction between remorse and forbearance had a small but significant effect on anger, $F(1, 801) = 6.38$, $p = .01$, $\eta^2 = .01$. Expressions of remorse and promises of forbearance, by themselves, each reduced anger more than the combination of remorse *and* forbearance (see Figure 12). This finding was surprising because theory suggests that more complete apologies should produce lower levels of anger. Perhaps the combination of remorse and forbearance increased the perceived severity of the crisis. If so, these perceptions of greater severity could have made this combination of components less effective at reducing anger. Once again, however, this effect was extremely small.

Overall, the only apology component that had any meaningful influence on victims' feelings of anger was the offer of reparations.

H6 Results

H6a-d predicted (a) expressions of remorse, (b) acknowledgements of responsibility, (c) promises of forbearance, and (d) offers of reparations would each be positively associated with victims' empathy toward the organization in a crisis. Just as with anger, empathy was not affected by remorse, $F(1, 801) = 2.63$, $p = .11$, responsibility, $F(1, 801) = 1.50$, $p = .22$, or forbearance, $F(1, 801) = 0.49$, $p = .48$ (see

Table 17). However, reparations did significantly increase victims' feelings of empathy toward the organization, $F(1, 801) = 16.19$, $p < .001$, $\eta^2 = .02$. Thus, H6a-c were not supported, but H6d was supported.

Interestingly, none of the experimental groups felt much empathy toward the organization (see Table 18). The experimental condition that produced the least empathy was the control condition with no apology components ($M = 2.03$, $SD = 1.02$), while the condition that produced the most empathy was the condition that included remorse, responsibility, and reparations ($M = 3.05$, $SD = 1.63$). When all four apology components were present, empathy levels only reached 2.66 ($SD = 1.13$) on a 7-point scale.

A small but significant interaction was found between remorse and responsibility, $F(1, 801) = 5.49$, $p = .02$, $\eta^2 = .01$. When an apology contained an acknowledgment of responsibility, an expression of remorse was associated with a slight decrease in empathy (see Figure 13). However, when responsibility was absent, the presence of remorse led to a small increase in empathy from 2.38 to 2.64.

Overall, participants felt very little empathy toward the organization, regardless of how the apology was worded. Only the offer of reparations produced a significant increase in empathy.

H7 and H8 Results

H7a-d predicted that (a) expressions of remorse, (b) acknowledgements of responsibility, (c) promises of forbearance, and (d) offers of reparations would each be negatively associated with victims' negative word of mouth intentions after a crisis. H8a-d predicted that each of the four apology components would be positively

associated with victims' intention to make purchases from the organization in the future. As discussed in Chapter 3, factor analysis indicated that negative word of mouth intention and future purchase intention were actually the same construct. Therefore, these scales were combined and averaged to create the dependent variable of *behavioral intention*. This variable was used to test H7 and H8.

The four-way ANOVA revealed significant main effects for forbearance, $F(1, 801) = 11.13$, $p = .001$, $\eta^2 = .01$, and reparations, $F(1, 801) = 22.52$, $p < .001$, $\eta^2 = .03$ (see Table 19). However, neither remorse, $F(1, 801) = 2.19$, $p = .14$, nor responsibility, $F(1, 801) = 3.71$, p .054 had a significant effect on behavioral intention. Thus, H7/8a and H7/8b were not supported. H7/8c and H7/8d were supported, although the effect size for both IVs was small.

As seen in Table 20, victims' behavioral intention toward the organization was weakest in the control condition ($M = 4.52$, $SD = 1.82$). Every other group reported a behavioral intention score of 5.00 or higher, with the highest scores coming from the remorse + forbearance + reparations condition ($M = 6.06$, $SD = 1.05$) and the four-component apology condition ($M = 6.02$, $SD = 0.93$).

No interaction effects were found for behavioral intention. Promises of forbearance and offers of reparations both made victims somewhat more likely to do business with an organization in the future, and less likely to say negative things about the organization to other people. Expressions of remorse and acknowledgements of responsibility did not have significant effects on behavioral intention.

RQ1 Results

RQ1 asked how (a) expressions of remorse, (b) acknowledgements of responsibility, (c) promises of forbearance, and (d) offers of reparations were related to the amount of responsibility victims attributed to the organization for the crisis. The four-way ANOVA produced a model that was non-significant overall, $F(15, 801) = 1.16$, $p = .30$, indicating that the apology components were not related to attribution of responsibility. As seen in Table 21, the control condition with no apology components produced the highest attributions of responsibility ($M = 4.66$, $SD = 1.14$), while the offer of reparations *alone* produced the lowest attributions of responsibility ($M = 3.98$, $SD = 1.20$). The next section examines the effects of pre-crisis OPR and victims' reactions to organizational apologies.

Effects of Pre-Crisis OPR Quality

H9-13 predicted that the quality of the relationship stakeholders had with an organization before a crisis would affect the way these stakeholders reacted to the organization's apology. Because Hon and Grunig's (1999) OPR scale distinguishes between communal relationships exchange relationships, RQ2 asked how each of these relationship types would affect stakeholders' reactions after the stakeholders became victims of an organizational crisis. RQ3 asked which factors, overall, were the strongest predictors of victims' behavioral intentions after a crisis. Simple regression analysis was performed to test H9-13 and to address RQ2 and RQ3. The findings are discussed below.

H9 Results

H9 predicted that victims' perceptions of the pre-crisis OPR (i.e., trust, satisfaction, commitment, control mutuality) would be positively associated with victims' perceptions that the organization had apologized (PA). As discussed in Chapter 3, factor analysis indicated that the OPR was a one-dimensional construct rather than four distinct constructs. Therefore, PA was regressed on pre-crisis OPR, communal relationship, and exchange relationship. The overall model was statistically significant, but only explained 7% of the variance in PA, $F(3, 813) = 19.73$, $p < .001$, $R^2 = .07$ (see Table 22). Pre-crisis OPR was a positive predictor of PA ($\beta = .26$, $p < .001$), supporting H9. Neither communal relationship nor exchange relationship was statistically significant.

H10 Results

H10 predicted that victims' perceptions of the pre-crisis OPR would be positively associated with victims' willingness to accept the organization's account of the crisis (AA). AA was regressed on pre-crisis OPR, communal relationship, and exchange relationship. The overall model was statistically significant, $F(3, 813) = 33.93$, $p < .001$, $R^2 = .11$ (see Table 23). However, the model explained just 11% of the variance in AA. As predicted by H10, pre-crisis OPR was a positive predictor of AA ($\beta = .30$, $p < .001$). Neither of the relationship types were significant predictors of AA.

H11 Results

H11 predicted that victims' perceptions of the pre-crisis OPR would be positively associated with victims' perceptions of the organization's reputation (OR). OR was regressed on pre-crisis OPR, communal relationship, and exchange

relationship. The model was statistically significant and explained 34% of the variance in OR, $F(3, 813) = 142.39$, $p < .001$, $R^2 = .34$ (see Table 24). Pre-crisis OPR was a positive predictor of OR ($\beta = .39$, $p < .001$), supporting H11. The Communal relationship type was also a positive predictor of OR ($\beta = .24$, $p < .001$), but the exchange relationship type was not a significant predictor.

H12 Results

H12 predicted that victims' perceptions of the pre-crisis OPR would be positively associated with victims' perceptions of the OPR after a crisis. Post-crisis OPR was regressed on pre-crisis OPR, as well as communal relationship and exchange relationship. The model was statistically significant, explaining 44% of the variance in post-crisis OPR, $F(3, 813) = 212.70$, $p < .001$, $R^2 = .44$ (see Table 25). Pre-crisis OPR was a significant positive predictor of post-crisis OPR ($\beta = .65$, $p < .001$). Thus, H12 was supported. Neither communal relationship nor exchange relationship was significantly related to post-crisis OPR.

H13 Results

H13 predicted that victims' perceptions of the pre-crisis OPR would be negatively associated with victims' anger after a crisis. Anger was regressed on pre-crisis OPR, communal relationship, and exchange relationship. Although the model was statistically significant, it only explained 3% of the variance in anger, $F(3, 813) = 9.48$, $p < .001$, $R^2 = .03$ (see Table 26). Higher pre-crisis OPR predicted slightly lower levels of anger ($\beta = -.10$, $p = .020$), lending some support to H13. Both communal relationship and exchange relationship were non-significant predictors of anger.

H14 Results

H14 predicted that victims' perceptions of the pre-crisis OPR would be positively associated with victims' empathy for the organization after a crisis. Empathy was regressed on pre-crisis OPR, communal relationship, and exchange relationship. The overall model was statistically significant and accounted for 8% of the variance in empathy, $F(3, 813) = 24.89$, $p < .001$, $R^2 = .08$ (see Table 27). Victims who had more positive perceptions of their relationship with the organization before a crisis felt significantly more empathy for the organization after a crisis ($\beta = .32$, $p < .001$). H14 was supported. The two relationship types were not significant predictors of empathy.

H15 Results

H15 predicted that victims' perceptions of the pre-crisis OPR would be negatively associated with attributions of responsibility (AR). AR was regressed on pre-crisis OPR, communal relationship, and exchange relationship. The overall model was statistically significant, but only explained 4% of the variance in AR, $F(3, 813) = 11.03$, $p < .001$, $R^2 = .04$ (see Table 28). As predicted in H15, victims' with more positive perceptions of the OPR attributed slightly less responsibility to the organization ($\beta = -.12$, $p = .004$). Also, when victims perceived more of an exchange relationship with the organization, they attributed more responsibility to the organization ($\beta = .09$, $p = .002$). The communal relationship variable was not a significant predictor of AR.

RQ2 Results

RQ2 asked whether the type of relationship victims had with the organization would affect the way victims responded to organizational apologies. As seen in the preceding tests of H9-15, relationship type had little effect on the way victims reacted to

the organizational apologies. The communal relationship type was a significant positive predictor of organizational reputation (β = .24). Also, the exchange relationship type was a significant but weak negative predictor of attributions of responsibility (β = .09). Besides these two statistically significant findings, neither communal relationships nor exchange relationships affected the dependent variables related to apology reaction.

RQ3 Results

RQ3 asked which factors were the strongest predictors of victims' behavioral intentions after a crisis. To answer this question, behavioral intention was regressed on PA, AA, OR, AR, anger, and empathy, and post-crisis OPR. The regression model was statistically significant and explained 76.1% of the variance in behavioral intention, $F(7, 809) = 367.37$, $p < .001$, $R^2 = .76$ (see Table 29). The only significant predictors of behavioral intention were OR, anger, empathy, and post-crisis OPR. Victims who had a more positive perception of the organization's reputation had slightly more positive behavioral intentions (β = .07, $p = .02$). Both anger (β = -.18, $p < .001$) and empathy (β = -.09, $p < .001$) were negative predictors of behavioral intention. By far, the strongest predictor of behavioral intention was post-crisis OPR (β = .75, $p < .001$). The next section tests the possibility that anger and empathy mediate the relationships between the other variables in Study 1.

Mediation Effects

RQ4 and RQ5 addressed the possibility that anger or empathy might act as mediating variables between perceptions that the organization had apologized (PA), victims' willingness to accept the organization's account of the crisis (AA), perceptions of the organization's reputation (OR), perceptions of OPR quality after a crisis (OPR),

or attributions of responsibility (AR) and victims' behavioral intentions. Path analysis was used to test these relationships.

As a first step, PA, AA, OR, OPR, and AR were entered into the model, with direct paths to behavioral intention (see Figure 14). All path coefficients were statistically significant ($p < .05$). PA ($\beta = -.07$, $p = .01$) and AR ($\beta = -.05$, $p = .01$) were both weak negative predictors of behavioral intention. AA ($\beta = .07$, $p = .03$) and OR ($\beta = .07$, $p = .02$) were weak positive predictors of behavioral intention. The only strong predictor of behavioral intention was OPR ($\beta = .77$, $p < .001$).

RQ4 Results

For the second step, anger was added to the model to address RQ4. Paths were drawn from PA, AA, OR, OPR, and AR to anger, and another path was added from anger to behavioral intention. The path from anger to behavioral intention was significant ($\beta = -.18$, $p < .001$). The analysis revealed that the paths from PA and OR to anger were non-significant. Also, the paths from AA and AR to behavioral intention became non-significant when anger was added as a mediator. All non-significant paths were removed from the model (see Figure 15).

Based on the revised path model, anger did not mediate the relationship between PA and behavioral intention, or between OR and behavioral intention. However, AR had an indirect negative effect on behavioral intention through anger ($\beta = -.05$). The more responsibility victims attributed to the organization, the more anger they felt, and higher levels of anger were negatively related to behavioral intentions. Because the direct path from AR to behavioral intention became non-significant when anger was

added to the model, anger can be said to fully mediate the relationship between AR and behavioral intention.

There were also indirect effects for AA (β = .04) and OPR (β = .04) on behavioral intention. The more willing victims were to accept the organization's account, and the better OPR quality victims perceived, the less anger victims felt. Anger fully mediated the relationship between AA and behavioral intention. However, because the direct path from OPR to behavioral intention was still significant (β = .73, $p < .001$), anger was only a partial mediator of that relationship. The mediating role of empathy was tested next.

RQ5 Results

To address RQ5, empathy was substituted for anger in the path model. The path from OR to empathy was non-significant and was removed. All other path coefficients were statistically significant ($p < .05$). As seen in Figure 16, the relationship between empathy and behavioral intention was negative and quite weak (β = -.08, $p < .001$). Feeling greater empathy for the organization actually made victims slightly *less* likely to make purchases in the future, and slightly *more* likely to say negative things about the organization to others. Possible explanations for this finding are discussed in Chapter 6.

PA (β = -.01), AA (β = -.01), OPR (β = -.02), and AR (β = -.01) all had weak indirect effects on behavioral intention that were mediated by empathy. Thus, empathy was a partial mediator of these relationships. However, the extremely small regression coefficients suggest that empathy is not a particularly important variable in the relationship between crisis victims and organizations.

Summary of Quantitative Results

The data from Study 1 were used to test 15 hypotheses and five research questions. All four apology components (remorse, responsibility, forbearance, and reparations) were significantly related to victims' perception that an organization had apologized (PA), as well as victims' account acceptance (AA), perception of the organization's reputation (OR), and perceptions of the post-crisis OPR. Thus, H1-4 were supported.

H5-8 were only partially supported. Offers of reparations were associated with lower levels of anger and higher levels of empathy, lending support to H5d and H6d. Both promises of forbearance and offers of reparations were associated with more positive behavioral intentions, as predicted by H7/8c and H7/8d. In answer to RQ1, the apology components did not significantly affect attributions of responsibility.

Overall, the four apology components each contributed to effective organizational apologies. However, many of the effect sizes were quite small. Also, because the manipulation check for the acknowledgement of responsibility treatment was unsuccessful, any results related to that variable should be interpreted with caution.

Pre-crisis OPR quality was a positive predictor of PA, AA, OR, post-crisis OPR, and empathy. Pre-crisis OPR was also a negative predictor of anger and AR. Thus, H9-15 were supported. RQ2 asked whether relationship *type* (communal vs. exchange) would affect victims' reactions to an organizational apology. Stronger communal relationships were positively associated with OR, and stronger exchange relationships were associated with greater AR. Aside from these findings, relationship type was a non-factor in the analysis.

RQ3 asked which factors were the strongest predictors of victims' behavioral intentions. OPR quality was the most important factor, by far, although OR, anger, and empathy were also significant predictors of behavioral intention.

RQ4 and RQ5 explored the potential mediating effects of anger and empathy, respectively. Anger mediated the relationships between AR and behavioral intention, as well as the relationship between AA and behavioral intention. Anger was also a partial mediator of the relationship between OPR and behavioral intention. Empathy was a partial mediator of the relationships between PA, AA, OPR, and AA, and behavioral intentions. However, these relationships were very weak. Overall, empathy had little effect on behavioral intention.

In summary, expressions of remorse and acknowledgements of responsibility are the most important apology components for making victims feel like an organization has actually apologized. However, the offer of reparations is the single most important apology component for increasing victims' account acceptance, enhancing the organization's reputation, improving the organization's relationship with its stakeholders, reducing anger, increasing empathy, and producing more positive behavioral intentions toward the organization. Furthermore, the quality of the pre-crisis relationship was more powerful than the apology components at predicting all dependent variables except the perception of an apology. After a crisis the quality of the relationship is the best predictor of how victims intend to behave toward the organization.

This chapter has reported the quantitative results of Study 1. Chapter 5 will cover the qualitative results of Study 2 and Study 3.

CHAPTER 5: QUALITATIVE RESULTS

The preceding chapter reported the quantitative results of Study 1, an online experiment that tested stakeholders' reactions to four components of an organizational apology. This chapter reports the qualitative findings of Study 2 and Study 3. These studies asked stakeholders to imagine that their personal information had been stolen from an online retailer's database, and to write either the kind of apology they would like to receive from the organization (Study 2), or a list of suggestions to make the organization's apology effective (Study 3).

The purpose of these qualitative studies was to provide methodological triangulation for Study 1. Although the literature suggested four components to an effective apology, RQ6 asked whether stakeholders—without prompting—would include those components in an apology that met their expectations. Perhaps there are certain components of an organizational apology that stakeholders do not consider necessary or important. Furthermore, RQ7 raised the possibility that stakeholders want organizational apologies to include *additional* components beyond the four components tested in Study 1.

Answering these questions required a more inductive approach than Study 1 offered. Because experiments rely on controlling variables, they require researchers to prejudge and predict what variables will be important. Qualitative methods, on the other hand, allow researchers to remain open to unexpected findings that may emerge from the data (Lindlof & Taylor, 2011).

Both Study 2 and Study 3 were designed to explore the range of different components stakeholders would include in effective organizational apologies. These

studies used slightly different techniques to generate data, based on the possibility that stakeholders might include different components when *writing* an actual apology as opposed to *suggesting* various ways to apologize. The unit of analysis for Study 2 was the apology and the unit of analysis for Study 3 was the list of suggestions each participant wrote. Thus, apology components found anywhere within the data generated by a participant were coded once for that participant, regardless of how frequently the participant referred to the component.

Chapter 3 has already described the modified constant comparative method (Glaser, 1965) used to analyze the data. Data from each study were analyzed separately at first, by identifying the main themes and comparing those themes to existing theory. Themes identified in one data set were tested on the other data set to see how well they fit. This procedure revealed common themes across both data sets. Although the findings for both studies were not identical, they were quite similar. Therefore, this chapter will begin by describing these common themes, and will then discuss each study's unique findings. Finally, the findings will be used to answer RQ6 and RQ7.

Apology Themes

Two major themes emerged from the data analysis. First, stakeholders expect organizational apologies to communicate that *the problem is being fixed*. Second, stakeholders expect that organizations will use apologies to *rebuild relationships* with stakeholders. These two major themes are related to the concepts of information management and meaning management discussed by Coombs (2010a). Fixing the problem involves communicating information about what caused a crisis, what the organization is doing, and what stakeholders can or should do to protect themselves.

Rebuilding the relationship involves communicating that the organization genuinely regrets the crisis, identifies with its stakeholders, and cares about the relationship. This process seeks to influence the meanings stakeholders attach to a crisis.

Under these two major themes are several apology components that can be classified as primarily *words* or *behaviors*. Figure 17 represents these relationships along two axes. Thus, the apology components identified in the qualitative data may be placed into one of four quadrants or categories: (1a) Words that fix the problem, (1b) behaviors that fix the problem, (2a) words that rebuild the relationship, and (2b) behaviors that rebuild the relationship.

These categories are not exhaustive or mutually exclusive. For example, the steps an organization takes to fix a problem are likely to help rebuild stakeholder relationships, too. The distinction between words and behaviors is not always clear because apologies often use words to communicate behaviors. These categories are based on the *primary* function (fixing the problem or rebuilding the relationship) and mechanism (words or behavior) of each apology component. These categories are meant to serve as a heuristic for understanding how the stakeholders in Study 2 and Study 3 described effective organizational apologies. Each of these categories is discussed in turn.

Words that Fix Problems

When an organization apologizes for a crisis, stakeholders expect that the organization will try to fix the problem. Fixing the problem involves words and behaviors. Data from the organizational apologies and suggestion lists written by stakeholders revealed three ways organizations can use words to fix problems. First,

organizations can acknowledge responsibility for the crisis. Second, organizations can provide an explanation for the crisis. Third, organizations can tell stakeholders what actions to take to protect themselves.

Acknowledging responsibility. Acknowledging responsibility is a fairly obvious first step for organizations to take in crises. This apology component has already been widely recognized by other scholars (Coombs, 2007a; Hearit, 2006; Lazare, 2004; Scher & Darley; 1997, Tavuchis, 1991). Participants in Study 2 and Study 3 often contrasted the acknowledgment of responsibility with excuse making. For instance, one of the apologies written for Study 2 contained this statement: "In this day and time, incidents like this are sure to happen from time to time, however, that does not excuse our involvement." Another apology read, "Although this can happen to any business, and even government, we are not taking that attitude." One of the Study 3 participants suggested, "Take responsibility and don't pass the blame." Another wrote, "Right or wrong, I would need to hear first and foremost a no excuses sincere 'we made a mistake' apology."

Acknowledgements of responsibility represent a first step toward fixing the problem. If an organization denies responsibility, stakeholders may doubt the organization's commitment to fixing the problem. One Study 2 participant wrote in her organizational apology, "We are taking full responsibility for our failure to adequately protect your data and we are committed to making up for this error." Another participant imagined the organization saying, "We realize this comes as a dent to our credibility but rest assured, we will find a solution where everyone comes out happy."

Organizations that take responsibility are apparently more credible when they promise to fix a problem.

Overall, 18% of the organizational apologies contained explicit acknowledgments of responsibility, and 30% of the suggestions lists contained at least one suggestion related to acknowledging responsibility (see Table 30). The next way organizational apologies can fix problems with words is by offering an explanation.

Offering an explanation. As discussed in Chapter 2, certain scholars have suggested that explanations ought to be included in apologies (Blum-Kulka & Olshtain, 1984; Hearit, 2006; Lazare, 2004). However, Scher & Darley (1997) argued that explanations are a kind of excuse making and, therefore, not an appropriate part of the apology process. Chapter 6 will consider the question of whether explanations are compatible with apologies. For now, it is enough to note that many of the participants in Study 2 and Study 3 expressed a desire to hear organizations explain how a crisis occurred. Explanations serve at least three functions.

The first function of an explanation is to reinforce an organization's acknowledgment of responsibility. One of the participants in Study 3 suggested, "Explain how hackers got into the system in plain English. Make it clear whether the system was particularly weak or the hackers were very stealthy." Another suggestion read, "Describe what happened so it doesn't sound like you're hiding anything." Evidently, some stakeholders see incomplete explanations of the situation as a way for organizations to avoid responsibility or to hide information from stakeholders.

The second function of an explanation is to help stakeholders understand how they may be affected by a crisis. One of the apologies in Study 2 stated:

> We will be going through the database extensively to find out exactly what information of yours has been accessed. When we have confirmation on this we will contact you within the next 24 hours to let you know what information of yours was accessed.

A suggestion from Study 3 reinforces this point: "The company should explain what data they think is compromised (i.e., SSN, birthdate, financial information). They should be as specific as possible."

The third function of an explanation is to make a promise of forbearance more credible. One of the suggestions offered in Study 3 was, "Explain briefly how the breach happened and what steps you are taking to ensure this doesn't happen in the future." Only if an organization understands how a problem occurred can it reasonably hope to prevent a recurrence of the problem. Explanations to stakeholders allow organizations to demonstrate their *understanding* of the problem before promising to fix it.

Explanations were included in 12% of the organizational apologies written for Study 2, and 42% of the suggestion lists generated for Study 3 (see Table 30). The third way in which organizational apologies can fix problems with words is by telling stakeholders how to protect themselves.

Telling stakeholders what actions to take. Like acknowledgements of responsibility and explanations, the concept of telling stakeholders what actions to take in a crisis is not new. For example, Coombs (2006a) emphasized that the first priority in a crisis should be the safety of all stakeholders. Crisis communication should begin by informing stakeholders of any actions they can take to protect themselves. According to the findings from Study 2 and Study 3, approximately half of the participants would consider an organizational apology incomplete if it did not offer this information.

In the case of a data breach, stakeholders need information about how to reduce their risk of identity theft. One apology urged customers, "For your own protection we advise you to contact the issuers of any credit cards you have used in transactions with us and inform them of this event." Another stated, "We strongly encourage you to change your current username and password as well as security questions." A Study 3 participant suggested that a company should, "Provide information as to what steps its customers can do now to prevent the abuse of the compromised information."

By telling stakeholders what action to take in a crisis, organizations show care and concern for the well-being of their stakeholders. They also empower stakeholders to help fix the problem. Fifty-eight (58%) of the apologies in Study 2 and 46 (46%) of the suggestion lists in Study 3 made at least one reference to telling stakeholders what actions to take (see Table 30).

Although words are powerful, they were often insufficient to fix a problem. Therefore, the next section discusses how organizational apologies can fix problems with behaviors.

Behaviors that Fix Problems

An apology is a type of symbolic action—a speech *act* according to Searle (1969) and Tavuchis (1991)—but symbolic actions often need to be accompanied by material actions or behaviors. As Hearit (2006) and others have observed, effective apologies are typically accompanied by some type of *corrective action*. Part of the job of an organizational apology is to communicate what behaviors the organization is engaged in to fix the problem.

Benoit (1995a) defined corrective action as either "restoring the situation to the state of affairs before the objectionable action" or making changes "to prevent the recurrence of the undesirable act" (p. 79). These two types of corrective action are directly related to the *offer of reparations* and *promise of forbearance* components in an apology (Scher & Darley, 1997). Interestingly, the data from Study 2 and Study 3 suggest a third type of corrective action not discussed by Benoit: mitigating harm. All three of these types of corrective action will be described, briefly.

Mitigating harm. Reducing the negative effects of a crisis is already recognized as part of effective crisis management (e.g., Coombs, 2006; Pauchant & Mitroff, 1992). However, literature in the field of public relations has not generally treated the mitigation of harm as a type of corrective action (Benoit, 1995; Coombs, 1995; 1998; Sellnow, Ulmer, & Snider, 1998). The findings from Studies 2 and 3 suggest that mitigating harm is distinct from other types of corrective action and ought to be considered a form of corrective action in its own right.

In the data analysis process, a number of statements from Study 2 and Study 3 participants were hard to categorize as offers of reparations or promises of forbearance. These statements emphasized the organization's efforts to mitigate the harm caused by the data breach. For example one apology said, "We have removed all customer information from our database so that it can no longer be accessed." Another said, "Our company is doing everything possible to ensure that your information is not used by hackers to harm you or your family in every [sic] way." Several suggestions mentioned working with law enforcement to catch the hackers. One suggestion read, "Ensure that

you are doing everything you can to find the hackers, and make sure that they do not use the personal account information from the database."

These actions do not match the definition of *reparations*, nor do they ensure that the problem will not *recur*. Rather, these actions seek to reduce the harm suffered by stakeholders. Depending on the type of crisis an organization faces, communicating how the organization is mitigating the effects of the crisis is one way to make an apology more effective. This type of corrective action was mentioned in 26% apologies and 27% suggestion lists (see Table 30).

Offering reparations. For many scholars, offers of reparations are a vital part of complete apologies (Blum-Kulka & Olshtain, 1984; Hearit, 2006; Scher & Darley, 1997). The results of Study 2 and Study 3 support this view. Offers of reparations can be specific or general. One apology stated, "We will make sure to compensate you for any time and money you have spent fixing this problem." Another apology invited stakeholders to "Let us know if there is anything we may do to alleviate the issue and regain your trust." Suggestions from Study 3 included, "Offer monetary reimbursement if the customer's credit card is falsely charged as a result of the incident," as well as, "Offer to pay for a year of a credit monitoring service."

Some of the expectations reflected in these comments may be unrealistic. This issue will be discussed in the next chapter. However, the data clearly suggest that reparations are an important type of corrective action and a behavior that can fix problems. Many of the apologies (43%) and suggestion lists (55%) included offers of reparations (see Table 30). The final type of corrective action is preventing recurrences of a problem.

Preventing recurrences. Preventing the recurrence of a problem begins with a promise of forbearance (Scher & Darley, 1997), but requires an organization to follow through on that promise. Most of the stakeholder-written apologies contained promises of forbearance. One typical example stated, "We have taken immediate action to increase our security levels to prevent a repeat breach by unauthorized persons." A suggestion from Study 3 went farther, urging the organization to "Follow through and follow up."

Another suggestion from Study 3 illustrates the importance of preventing recurrences of a problem. The participant wrote, "Explain to me how you're going to prevent the issue in the future. Just saying sorry isn't enough. I want to know what is being done to ensure it doesn't happen again." The majority of apologies (65%) included promises of forbearance and almost all of the suggestion lists (86%) referred to preventing a recurrence of the problem (see Table 30).

Stakeholders expect organizational apologies to fix problems through words and behaviors. However, stakeholders also expect apologies to rebuild the relationship between an organization and its stakeholders. This concept is discussed next.

Words that Rebuild Relationships

Just because an organization fixes a problem does not mean the organization automatically regains the trust and loyalty of its stakeholders. Stakeholders in Study 2 and Study 3 identified three ways organizational apologies can use words to rebuild stakeholder relationships. Apologies can express genuine remorse, can identify with stakeholders, and can request another chance from victims. These three findings are discussed in turn.

Expressing genuine remorse. Almost all of the apologies written for Study 2 contained either the word "apologize" or the word "sorry." According to speech act theory (Scher & Darley, 1997; Searle, 1969), these words serve as illocutionary force indicating devices that tell the audience when a statement is intended to function as an apology. Therefore, the fact that most study participants used these words is not surprising. What is more interesting is the number of participants who used adverbs such as "sincerely," "deeply," or "truly" to modify "apologize" or "sorry." Many stakeholders seem to want evidence that an apology reflects genuine emotion. Sincerity was a also common theme in the Study 3 suggestion lists.

Several examples will illustrate the importance of expressing genuine remorse. One apology stated, "We are truly sorry that this has happened." Another said, "We would like to offer our heartfelt apology." Still another said, "We sincerely apologize for this issue." The suggestions from Study 3 included, "Express how saddened you are to learn that your safeguards failed to protect the customer," and "There must be a sincere 'We're sorry,' somewhere in the statement."

Genuine remorse communicates to stakeholders that an organization values them. One Study 3 participant wrote, "The tone of the apology should be sincere. It should make the customers believe that the company actually cares about them." By conveying the company's care and concern for stakeholders, expressions of genuine remorse help to rebuild the relationship. Most of the apologies (69%) and a fair number of the suggestions lists (28%) included an expression of genuine remorse (see Table 31).

Identifying with stakeholders. The next way apologies can rebuild relationships with words is by allowing organizations to identify with their stakeholders. Identification occurs when two parties share common goals, values, or interests (Burke, 1969). Organizational apologies can foster identification with stakeholders in three ways: acknowledging stakeholders' worth, affirming stakeholders' values, and empathizing with stakeholders' suffering. All three of these themes were found in the data from Study 2 and Study 3.

Acknowledging stakeholders' worth. Many of the apologies written for Study 2 expressed how much the organization valued its customers. One apology said, "Know that your patronage is important to us and we will do anything we need to do to continue to prove to you that we mean this." Another apology included the statement, "We are here to serve you, our valued customer." A Study 3 participant suggested, "Mention for how many years you have had me as a customer and would like to keep me (makes me feel important in the big picture)." Overall, 24% apologies and 25% suggestions lists mentioned the stakeholders' worth (see Table 31).

Affirm stakeholders' values. Organizations affirm stakeholders' values by communicating that what is important to the stakeholders is also important to the organization. Affirming stakeholders' values is the type of identification most closely related to Burke's (1969) concept of identification. For example, one Study 2 participant wrote in his apology, "Your privacy and the privacy of our other customers is a top priority for us." Another wrote, "You should be aware that we take the security of our customer data seriously." Although 29% apologies contained an affirmation of stakeholders' values, only two participants in Study 3 mentioned this concept in their

suggestion lists (see Table 31). Along with affirming stakeholders' values, organizations can identify with stakeholders by empathizing with stakeholders' suffering.

Empathizing with stakeholders' suffering. Because empathy involves taking another person's perspective and feeling sympathy or concern for that person (Coke et al., 1978), empathy can strengthen identification between two parties. In the context of an organizational apology, expressions of empathy communicate that the organization understands the stakeholders' perspective. One apology in Study 2 stated, "We take the security of our customers' information seriously and understand the frustrations that come with finding out your personal information may have been compromised." Another wrote, "We know how stressful and worrying this can be."

A number of the suggestion lists in Study 3 also highlighted the need for empathy. One participant suggested:

> First express how you understand the feelings of the customer (being violated in terms of privacy, etc.) and express how saddened you are to learn that your safeguards failed to protect the customer. Next, state (the obvious) fears that the customer must be having (credit scores being impacted, charges incurred, etc.) and state a solid plan for what you intend to do about it.

This suggestion illustrates that empathy can be linked to expressions of remorse and corrective action. When stakeholders believe that an organization empathizes with their suffering, those stakeholders may find it easier to believe that the organization's remorse is genuine and that the organization is motivated to fix the problem. A total of 13% apologies and 10% suggestion lists referred to empathizing with stakeholders (see Table 31).

Requesting another chance. The final means of rebuilding relationships with words is requesting another chance. This concept is quite similar to asking for forgiveness. In fact, requesting another chance seems to function as the organizational equivalent to an individual asking for forgiveness. Requesting another chance involves either asking stakeholders to accept an apology or asking stakeholders to maintain their relationship with the organization.

As an example of requesting another chance, one apology in Study 2 read, "We hope you will forgive us and continue to do business with our company." Another apology stated, "We deeply apologize and hope that you will give us a second chance in the near future." A participant in Study 3 suggested that the organization should, "Ask for the client's continued patronage."

Sometimes the request for another chance is implied, not stated directly. For instance, in one apology the participant wrote, "Thank you for past business and we hope you will remain a loyal customer in the future." Overall, 36% apologies contained either direct or implied requests for another chance, although only four suggestion lists mentioned these requests (see Table 31).

In addition to rebuilding relationships with words, organizational apologies can also rebuild relationship with behaviors. This concept is considered next.

Behaviors that Rebuild Relationships

Organizational apologies can be used to communicate certain behaviors that may help rebuild the relationships between organizations and stakeholders. These behaviors can also reinforce the words that organizations use to rebuild relationships. The data from Study 2 and Study 3 indicate that, as part of an apology, organizations

should consider providing compensation, as well as fostering personal communication with stakeholders.

Providing compensation. Compensating the victims of a crisis is not the same as corrective action (e.g., offering reparations). Benoit (1995a) explained that the difference between corrective action and compensation is that corrective action "addresses the actual source of injury" while compensation is "a gift designed to counterbalance, rather than to correct, the injury" (p. 79). Indeed, the participants in Study 2 and Study 3 clearly distinguished between the two concepts. Many of the apologies and suggestions lists included both corrective action and compensation.

Most participants suggested that compensation should take the form of a gift certificate, coupon, or other special offer from the organization. Because the scenario used in Study 2 and Study 3 involved an online retailer, this type of compensation was logical. Examples from Study 2's apologies include, "Everyone affected by this cyber attack is eligible for a free $50 gift card to use at our store," and, "To thank you for your understanding, we are offering you 20% off your next order." An example from Study 3 is the participant who suggested, "Give me some compensation for having my information stolen (some percent off my next purchase)."

Benoit (1995a) argued that compensation "functions as a bribe" (p. 78). However, the data here indicate that compensation symbolizes how much the organization values its stakeholders and how apologetic it is. The following example from a Study 2 apology illustrates this point:

> We also want to make you feel good about using our store again. To that degree, we have attached to this email a coupon code personally tied to your user account that will grant you a 25% off discount on any one item. It's our way of

> saying how sorry we are for losing your data, and hopefully helping to make things up to you.

Compensation can act as an apology. One Study 2 participant wrote, "Please accept this $100 Gift Card as our apology." Another wrote, "As our apology to you, we will be sending out a $25 gift card as our way for saying sorry, and hope that you will accept it as a showing of our goodwill"

Compensation may help stakeholders feel more appreciated. One apology said, "Please accept this coupon code for $25 in free merchandise. We understand that one cannot put a dollar value on peace of mind, but we want you to understand how much we value you as a customer." Compensation may even reinforce a promise of forbearance, as in this example: "We will be sending you a check as compensation and as a promise that this will never happen again."

Ohtsubo and Watanabe (2009) found that apologies seem more sincere when they cost the offender something. One of the participants in Study 3 made a similar argument when she wrote, "Include a relatively large coupon or gift certificate. I need to feel like you're really sorry and nothing says that like coming out of your pocket."

Compensation was a common theme in both studies. Approximately one-third (35%) of the apologies included some form of compensation, and 66% of the suggestion lists mentioned compensation (see Table 31). However, providing compensation is not the only behavior that can help rebuild relationships. Fostering personal communicating is discussed next.

Fostering personal communication. Public relations theories of symmetry and dialogue have long recognized the importance of two-way communication between organizations and stakeholders (J. E. Grunig, 1992; Kent & Taylor, 1998, 2002). Data

from Study 2 and Study 3 suggest that many stakeholders want organizations to show personal concern for stakeholders by offering apologies *in a certain way*. Organizations can foster more personal and less institutional communication with stakeholders by making sure an apology comes from a specific person, addresses stakeholders appropriately, and facilitates dialogue by inviting stakeholders to contact the organization.

Communicate from a specific person. As discussed in Chapter 2, there are important differences between communicating with organizations and communicating with individuals (Hallahan, 2000). For instance, Bisel and Messersmith (2012) wondered if individuals could feel the same empathy for an organization that they feel for one another. Thus, one action an organization can take when apologizing is to have a specific person offer the apology.

Several apologies in Study 2 made a point of identifying a specific person in the signature. One apology began, "As president of the company, I offer my deepest apologies." Along with humanizing the organization, this approach can also hold members of the organization accountable for statements made in the apology. A participant in Study 3 suggested:

> Make someone accountable for the issue going forward. Don't sign the communication by the company or a department. Sign it by an actual person, by name, who can be contacted and followed up with if necessary. And make sure they actually are available to send out any follow up information, and handle any questions from customers or press.

Seven apologies and 10 suggestion lists made references to sending the apology from an individual instead of the whole organizations (see Table 31). Another way to foster personal communication is to address stakeholders appropriately.

Address stakeholders appropriately. In the instructions for Study 2 and Study 3, participants were asked to imagine they had received an email about their personal information being stolen. This email was addressed, "Dear Friend." This salutation was used because it was generic, but two participants in Study 3 suggested that this salutation was not appropriate for the situation. One wrote, "I wouldn't use the term 'friend.' It is a business relationship and up until this point I probably haven't had personal contact with the company (phone or in person). Use my last name." The other participant wrote, "Please do not refer to me as friend. I am a customer, not an old college buddy." Three more participants suggested that the apology should be personalized, not just a form letter.

None of the apologies in Study 2 made any reference to how the apology was addressed. One likely explanation is that Study 2 participants were only asked to write the *second half* of an apology email. The salutation was already included in the first half of the email. Overall, the way apologies are addressed or signed appears to be less important than how apologies create opportunities for future communication.

Invitation to contact the organization. Crises create uncertainty (Ulmer, Sellnow, & Seeger, 2007), and stakeholders may have questions or concerns after receiving an organizational apology. Apologies, by themselves, are examples of one-way communication. However, apologies can start a conversation when organizations use them to introduce two-way communication opportunities. When organizations create ways for stakeholders to communicate with them during a crisis, these organization are engaging in a behavior that can rebuild the relationship.

Many of the apologies written for Study 2 included invitations to contact the organization. Most invitations were generic (e.g., "Feel free to contact our customer service department if you have further questions and concerns."), but one apology invited stakeholders to "drop me an email personally." Several participants in Study 3 suggested that the organization should set up a phone number where victims could call with questions. One participant specifically suggested that the phone number have "a person on the other side."

Overall, 13% apologies contained an invitation to contact the organization and 10% suggestion lists recommended this action (see Table 31). By offering reasonable compensation and communicating with stakeholders in more personal ways, organizations can rebuild relationship through their **b**ehaviors.

This section has described the major findings and common themes in Study 2 and Study 3. The next section will address certain differences between the two studies.

Comparing the Results of Study 2 and Study 3

The findings from Study 2 and Study 3 were more similar than they were different. Ninety-nine (99%) apologies and 100 (100%) suggestion lists contained at least one apology component related to fixing the problem (see Table 30). Ninety-nine (99%) apologies and 99 (99%) suggestion lists also contained at least one statement or suggestion designed to rebuild the relationship (see Table 31). However, within these broad categories there were certain differences between specific apology components. This section compares the results of both studies and suggests that methodological differences between the studies may account for these differences.

Differences in Fixing Problems

Participants in Study 3 were more likely to mention acknowledgements of responsibility (30%) than participants in Study 2 (18%). There are at least two possible explanations for this difference. First, as discussed in Chapter 3, the hypothetical scenario in these studies involved somewhat ambiguous responsibility. While the organization had a responsibility to protect its customers' data, the hackers were the ones primarily responsible for the security breach. Perhaps Study 3 participants found it easier to suggest that the organization take responsibility in the abstract, while Study 2 participants found it harder to craft a meaningful statement of responsibility in the face of this ambiguity.

Another possible explanation lies in the connotation of the word "apologize." Chapter 2 addressed the fact that, even among scholars, this word is not defined or operationalized consistently. The analysis of Study 2's data followed Scher and Darley's (1997) understanding of apologies as illocutionary force indicating devices, not acknowledgements of responsibility. Statements such as "We apologize for this lapse in our security," were coded as acknowledgements of responsibility, but statements such as, "We apologize for this incident," were not. Perhaps in some cases, participants intended the word "apologize" to function as an acknowledgement of responsibility. Understanding the purpose of a statement is easier in the context of a suggestion (Study 3) than in the context of a hypothetical message (Study 2).

There was also a difference between Study 2 and Study 3 in how frequently explanations were included. Nearly half (42%) of the suggestion lists in Study 3 called for explanations, but only 12% of the apologies in Study 2 included anything that could

be categorized as an explanation. Once again, the different methodologies of the two studies may account for this difference. Study 3 participants could easily suggest that the organization ought to explain the situation, but Study 2 participants had to imagine the details of such an explanation before they could write it into an organizational apology.

Both of these differences between Study 2 and Study 3 involve fixing problems with words. There was remarkable consistency between the two data sets when it came to behaviors that fix problems. Perhaps stakeholders had instinctive or cultural understandings of the need to fix problems with words (which the Study 3 participants were able to express), but find it difficult to produce messages that include this type of communication (as Study 2 participants were asked to do). The next subsection discusses differences between Study 2 and Study 3 related to rebuilding relationships.

Differences in Rebuilding Relationships

Participants in Study 2 and Study 3 differed in how often they referred to expressions of genuine remorse and in how often they referred to compensation. Expressions of genuine remorse appeared in 69% of the apologies, compared to 28% of the suggestion lists. By contrast, 66% of the suggestion lists mentioned compensation, but only 35% of the apologies included compensation.

Perhaps Study 2 participants included remorse more often because doing so was a natural part of writing an apology. Many participants wrote, “We are truly sorry,” or “We sincerely apologize.” These phrases may be such an integral part of most apologies that it was second nature for Study 2 participants to use them. On the other hand, many

Study 3 participants may have taken for granted these phrases and left remorse off their suggestion lists.

The fact that Study 3 participants were almost twice as likely as Study 2 participants to mention compensation may be explained by the fact that Study 2 participants had to be more specific about what kind of compensation the organization was offering. Many Study 3 participants wrote suggestions such as, "Offer a gift card of some sort," or, "Take money off of next purchase." Study 2 participants tended to go into greater detail. One wrote, "In appreciation for your time and inconvenience, we will send you an e-gift card within five working days." Perhaps the extra effort needed to include compensation in an actual apology made Study 2 participants less likely to mention compensation.

Despite a few differences, the findings of Study 2 and Study 3 were quite consistent, overall. The next section uses the findings to address RQ6 and RQ7.

Answering the Research Questions

The purpose of Study 2 and Study 3 was to understand what constitutes an effective organizational apology in the minds of stakeholders, *apart from* any prompting by the experimental manipulations of Study 1. The qualitative data from these studies were used to answer RQ6 and RQ7. This section addresses each question in turn.

RQ6 Results

Scher and Darley (1997) reported that four apology components (expressions of remorse, acknowledgements of responsibility, promises of forbearance, and offers of reparations) each had a unique effect on how individuals reacted to interpersonal apologies. RQ6 asked to what extent an organization's stakeholders—without

prompting—would include these four apology components when they conceived of an organizational apology. All four apology components were found in Study 2 and Study 3. However, the components were not mentioned with equal frequency, and were not usually *all* present in the same apology or suggestion list.

Most of the apologies written for Study 2 included expressions of remorse (69%), but only 28% of the suggestion lists mentioned this components. Acknowledgement of responsibility appeared in 18% apologies and 30% suggestion lists. Promises of forbearance were found in 65% apologies and 86% suggestion lists. Approximately half (43%) of the apologies and half (55%) of the suggestion lists included offers of reparations.

Only six of the apologies in Study 2 contained all four apology components. Just one suggestion list in Study 3 mentioned all four components. Thus, in answer to RQ6, many stakeholders do consider at least some of Scher and Darley's (1997) four apology components to be part of an effective organizational apology, but few of the participants in these studies felt that effective apologies needed all four components. Overall, stakeholders mentioned acknowledgements of responsibility the least of the four components and mentioned promises of forbearance or preventing recurrences of a problem the most. Stakeholders also mentioned other apology components beside the four identified by Scher and Darley. These components provide an answer to RQ7.

RQ7 Results

In addition to Scher and Darley's (1997) four apology components, participants in Study 2 and Study 3 mentioned offering explanations, telling stakeholders what actions to take, mitigating harms, identifying with stakeholders, providing

compensation, and demonstrating personal concern through communication as components of effective organizational apologies. Of these six components, only two appeared in more than 50% of the responses.

Telling stakeholders what actions to take in the crisis was a common theme, appearing in 58% apologies and 46% suggestion lists. Telling stakeholders how to protect themselves is likely more important in some crises than others. In some situations there is nothing stakeholders can do to protect themselves. Also, if an apology comes after the damage from a crisis has been done, organizations may have nothing useful to tell stakeholders in this regard. However, if a crisis is ongoing and there are ways stakeholders can protect themselves, many stakeholders expect apologetic organizations to provide this information.

More than one-third (35%) of the apologies and two-thirds (66%) of the suggestion lists included compensation. Although public relations scholars distinguish between compensation and apologies (Benoit, 1995; Coombs & Holladay, 2008), the findings here suggest that an organization's stakeholders do not necessarily make this distinction. Many of the study participants indicated that compensation *acts as an apology.* Ohtsubo and Watanabe (2009) may be right to argue that the perceived sincerity of an apology is related to the perceived costliness of an apology. Compensation seems to go beyond corrective action (which fixes problems by preventing or repairing damage) by helping to rebuild the relationship. The implications of this finding are discussed in Chapter 6.

Summary of Qualitative Findings

Stakeholder-generated apologies and suggestion lists were analyzed with a modified form of Glaser's (1965) constant comparative method. Two major themes emerged from the qualitative data. First, stakeholders expect organizational apologies to fix problems created by a crisis. Second, stakeholders expect organizational apologies to rebuild relationships with stakeholders after a crisis. Strategies for fixing problems and rebuilding relationships can be primarily based in the words an organization says or in the behaviors an organization performs.

The data suggest that most stakeholders do recognize the value of one or more of Scher and Darley's (1997) four apology components. However, most stakeholders apparently do not consider *all four* components to be necessary for an effective organizational apology. Based on how often each component was mentioned, acknowledgement of responsibility seems to be the least critical element. Many stakeholders also believe effective apologies should include *additional* components like telling victims how to protect themselves (at least in data breach crises) and providing compensation.

In summary, the findings from Study 2 and Study 3 indicate that organizational apologies, though similar to interpersonal apologies, do not always contain the same components. Scher and Darley's (1997) four components do not exhaust the categories of organizational apology components. Perhaps because relationships between organizations and stakeholders are more distant than interpersonal relationships, stakeholders (at least in the hypothetical data breach crisis) appeared to place somewhat less emphasis on overt acknowledgements of responsibility and more emphasis on

behaviors that *showed* an organization taking responsibility. Such behaviors could be an important barometer by which stakeholders measure the sincerity of an organization's apology. The next chapter discusses the theoretical and practical implications of the present findings.

CHAPTER 6: DISCUSSION

The previous two chapters reported results from an online experiment and two qualitative studies, all of which examined the way stakeholders perceive organizational apologies. Study 1 used an online experiment to deductively test the importance of four apology components identified in the existing literature. Studies 2 and 3 used qualitative data generated by stakeholders to inductively identify apology components that stakeholders believe should be part of organizational apologies.

The original goal of this dissertation was to understand what constitutes an effective organizational apology from the perspective of an organization's stakeholders. Apologies are widely studied in the crisis communication literature, but are often defined and operationalized inconsistently (Coombs et al., 2010; Fediuk, Pace, & Botero, 2010; Pace et al., 2010). Most of the empirical research on what constitutes an apology has focused on interpersonal apologies (Blum-Kulka & Olshtain, 1984; Scher & Darley, 1997), not organizational apologies. However, as discussed in Chapter 2, there are fundamental differences between communication coming from an individual and communication coming from an organization (Bisel & Messersmith, 2012; Hallahan, 2000). For this reason, scholars cannot afford to simply assume that organizational apologies and interpersonal apologies contain the same components. The three studies conducted for this dissertation sought to test which components from interpersonal apologies are important in organizational apologies, and what additional components stakeholders consider important.

Beyond simply identifying what organizational stakeholders consider to be an organizational apology, this dissertation examined what makes an organizational

apology *effective*. Organizations and their stakeholders have relationships with one another that influence the way stakeholders perceive crises and crisis communication (K. A. Brown & White, 2011; Caldiero, 2006; Coombs, 2000). Therefore, this dissertation examined the role of organization-stakeholder relationships in shaping stakeholders' reactions to organizational apologies.

The results of this research are helpful in three areas. First, these results help to clarify what constitutes an effective organizational apology in the minds of stakeholders. Second, these results shed light on how apologies influence stakeholders' overall reactions to an organizational crisis. Third, these results highlight the importance of organization-stakeholder relationships before and after a crisis. Each of these areas will be discussed in turn.

What Constitutes an Effective Organizational Apology?

This section draws upon the results of Studies 1, 2, and 3 to determine what constitutes an effective organizational apology from the perspective of an organization's stakeholders. As noted in Chapters 2 and 3, *effectiveness* was operationalized in terms of persuading stakeholders to *accept* the organization's apology and continue their business relationship with the organization. Study 1 found that all four of Scher and Darley's (1997) apology components influenced stakeholder perceptions that an organization had apologized. However, the four components were not equally influential, nor did all four components contribute equally to the effectiveness of the organizational apology. Studies 2 and 3 identified several apology components *not* included in Scher and Darley's theory. A typology was developed that classifies apology components according to whether the component primarily (1) fixes the

problem or (2) rebuilds the relationship and whether the component is primarily based in (a) words or (b) behaviors (see Figure 17). Thus, the four categories of apology components are (1a) words that fix problems, (1b) behaviors that fix problems, (2a) words that rebuild relationship, and (2b) behaviors that rebuild relationships.

This section begins by discussing the findings related to Scher and Darley's (1997) four apology components. Next, the additional components found in the qualitative data are discussed. Then, these various components are used to suggest a new way of understanding organizational apologies. Finally, comments are offered about stakeholders' sometimes unrealistic perspective on organizational apologies. The first of Scher and Darley's apology components to be considered is the expression of remorse.

Expressions of Remorse

Expressions of remorse are considered a vital part of any apology (Benoit, 1995a; Blum-Kulka & Olshtain, 1984; Coombs, 2007a; Hearit, 2006; Lazare, 2004; N. Smith, 2008; Tavuchis, 1991). In Study 1, stakeholders reported higher perceived apology (PA) scores when the organization's apology included an expression of remorse. The size of the effect was $\eta^2 = .12$. Although this effect was not large, it was larger than the effect a promise of forbearance or an offer of reparations had on PA.

Most of the apologies written by stakeholders for Study 2 contained expressions of remorse (69%). The qualitative data suggest that stakeholders want indications that an organization is *genuinely* remorseful in crisis situations. The apologies in Study 2 often used phrases like "truly sorry," "sincerely apologize," or "deeply regret" to convey genuine remorse. In interpersonal communication, nonverbal elements such as

facial expression, body language, and tone of voice can be used to demonstrate sincerity (Afifi, 2007). Perhaps because organizations do not have faces or bodies like individuals have, organizations need to use especially forceful language to convince stakeholders of their sincerity.

According to many theorists, expressions of remorse show that offenders regret what happened (Blum-Kulka & Olshtain, 1984; Scher & Darley, 1997; Tavuchis, 1991). Data from Study 3 suggest that a related function of genuine remorse is showing care for victims. As one Study 3 participant wrote, "The tone of the apology should be sincere. It should make the customers believe that the company actually cares about them." The implication of this suggestion is that the writer wants to be valued as a person, not just as a source of revenue for the organization.

An organization that does not regret what happened apparently does not care about its stakeholders *as people*. The notorious case of the Ford Pinto has often been used to illustrate the problem of organizations that would rather save money than protect stakeholders (Schwartz, 1990-1991). By contrast, an organization that feels a sense of concern for the wellbeing of its stakeholders will be genuinely sorry when any harm comes to those stakeholders. Expressions of remorse may not actually fix the problems caused by a crisis, they can help to rebuild relationships between an organizations and stakeholders by reassuring stakeholders that the organization cares about them. Thus, based on the categories developed for Studies 2 and 3 (see Figure 17), expressions of remorse can be categorized as words that rebuild relationships. The next apology component provides an example of words that fix problems. That component is the acknowledgement of responsibility.

Acknowledgements of Responsibility

Like expressions of remorse, acknowledgements of responsibility are widely recognized in the literature as a necessary component of apologies (Benoit, 1995a; Blum-Kulka & Olshtain, 1984; Coombs, 2007a; Hearit, 2006; Lazare, 2004; N. Smith, 2008; Tavuchis, 1991). Study 1 found that acknowledgements of responsibility made stakeholders significantly more likely to perceive that the organization had apologized. The effect size for responsibility was the same as the effect size for remorse ($\eta^2 = .12$).

Determining what counts as an acknowledgment of responsibility can be difficult. Most scholars seem to assume that responsibility can only be acknowledged through words (e.g., Benoit, 1995a; Coombs, 2007a; Tavuchis, 1991). However, at least in an organizational context, responsibility can be acknowledged through behaviors as well as through words. When Merrill Lynch was accused of defrauding investors in 2001, the company never admitted fault, but did agree to pay a $100 million fine (Hearit, 2006). The attorney general of New York was quoted in *The New York Times* as saying, "You don't pay a $100 million fine if you didn't do anything wrong" (McGeehan, 2002, p. A1). When organizations take corrective action or provide compensation, the public often perceives that the organization is taking responsibility.

Hearit (2006) explained, "due to liability concerns, in the current form of contemporary apologetic speech, the acknowledgment of the wrongdoing comes not in the apology but instead in the compensation" (p. 210). The results of Studies 1, 2 and 3 support the idea that stakeholders may interpret a number of apology components, including behaviors, as acknowledgements of responsibility. In fact, this finding helps to explain the unsuccessful manipulation check in Study 1.

As reported in Chapter 4, one of the manipulation checks used in Study 1 stated, "*The organization took responsibility for what happened*." All four of the apology conditions were positively related to participants' perception that the organization had taken responsibility. The acknowledgment of responsibility condition accounted for 7% of the variance in this manipulation check, as did the offer of reparations condition. The expression of remorse condition and the promise of forbearance condition each accounted for 3% of the variance in the manipulation check. From the stakeholder perspective, an organization that is willing to pay for damages has acknowledged responsibility just as much as an organization that uses words to claim responsibility, and remorse or forbearance also indicate, to a lesser extent, that the organization has taken responsibility.

As mentioned already, there is an important legal distinction between an organization claiming responsibility with words and an organization offering reparations or compensation to victims. When organizations directly admit guilt they usually incur liability (Hearit, 2006; Tyler, 1997). However, organizations can give aid to crisis victims without actually accepting responsibility under the law. Choi and Lin (2009b) found that people with legal training could distinguish between apologies that took responsibility and those that did not, but college students made no such distinction. Stakeholders may interpret certain organizational behaviors as acknowledgements of responsibility even though the organization not *legally* accepted responsibility.

The fact that many stakeholders do not make clear distinctions between acknowledgments of responsibility and other apology components may help to explain why only 18% of the apologies written for Study 2 and only 30% of the suggestion lists

created for Study 3 included acknowledgements of responsibility. Participants in both studies were more likely to write about corrective action or compensation than to write about taking responsibility. When participants did write about taking responsibility, they tended to contrast it with "making excuses," "blaming others," or, "dancing around." Thus, stakeholders seem to equate taking responsibility with facing up to and fixing problems. An acceptance of responsibility uses words to begin the process of fixing problems, but corrective action goes farther by engaging in behaviors that fix problems. Thus, corrective action may take the place of an acknowledgment of responsibility.

Another reason so few participants in Studies 2 and 3 wrote about taking responsibility could be the type of crisis scenario used for both studies. Because these studies used a data breach scenario, many study participants may have blamed the hacker more than they blamed the organization. If participants did not think the organization was responsible they would not have had any reason to include acknowledgments of responsibility in their apologies or suggestion lists. More will be said about this issue in the limitations section of Chapter 7.

With acknowledgments of responsibility, organizational apologies are using words to begin fixing problems. However, stakeholders also expect organizations to *behave* in ways that fix problems. A particularly important behavior is preventing the recurrence of a problem. This behavior manifests itself in organizational apologies as a promise of forbearance.

Promises of Forbearance

Most, but not all, scholars consider a promise of forbearance to be a necessary part of an apology. Benoit (1995a) and Lazare (2004) did not include this component, but Davis (2002), Hearit (2006), Scher and Darley, (1997), and N. Smith (2008) all identified forbearance as a key component of an apology. Tavuchis (1991) also suggested that a promise of forbearance, either stated or implied, is often part of an apology.

Study 1 and Studies 2 and 3 offer somewhat conflicting results about how important promises of forbearance are to stakeholders. On the one hand, the promise of forbearance condition in the online experiment had a very small effect on participants' perception that the organization had apologized ($\eta^2 = .03$). On the other hand, the most common apology component across Studies 2 and 3 was the promise of forbearance, or the prevention of recurrences. Most of the apologies (65%) and suggestion lists (86%) written by the participants included at least one reference to this concept.

Individuals may be able to offer credible promises of forbearance using words alone (Scher & Darley, 1997; Tavuchis, 1991). However, the evidence from Studies 2 and 3 indicates that most stakeholders want organizational apologies to describe specific actions an organization has taken or will take to prevent the recurrence of a problem. Thus, when organizations promise forbearance or prevent the recurrence of a crisis, these organizations are necessarily engaging in *behaviors* that fix problems.

Based on the results of Study 1, these behaviors, in and of themselves, may not constitute apologies in the minds of stakeholders. However, the participants in Studies 2 and 3 clearly believed that an organization ought to include forbearance or prevention

along with an apology. Participants in Studies 2 and 3 were specifically instructed to think about the kind of apologies they would be willing to accept. Although stakeholders might perceive that an organization has apologized without forbearance or prevention, stakeholders might be reluctant to *accept* the organization's apology if that apology was not accompanied by forbearance or prevention. Stakeholders appear to differentiate between organizational apologies and *effective* organizational apologies. Another component that appears to be very important in organizational apologies is the offer of reparations.

Offers of Reparations

Image repair theory (Benoit, 1995a) holds that corrective action, such as making reparations, is not part of an apology. However, many scholars do consider reparations to be part of a complete apology (Blum-Kulka & Olshtain, 1984; Hearit, 2006; Lazare, 2004; Scher & Darley, 1997, N. Smith, 2008). According to the results of Study 1, an offer of reparations ($\eta^2 = .06$) did not affect perceptions of an apology as much as remorse or responsibility, but reparations did have a larger effect than forbearance. More importantly, offers of reparations had greater influence than remorse, responsibility, or forbearance on *all* of the other dependent variables in Study 1. These other dependent variables will be discussed later in this chapter.

Much like promises of forbearance, offers of reparations seem to have less effect on whether stakeholders perceive that an organization has apologized, and more effect on whether stakeholders think an apology is worth accepting. The qualitative data provided fairly strong support for the importance of reparations, with 43% of the apologies and 55% of the suggestion lists including this component. One apology in

Study 2 stated, “Rest assured that all customers affected will be compensated and their data restored. We will make this right for our customers.” Another said, “We will do whatever we can to limit the danger to you and will compensate you for whatever negative effects occur.” Other apologies included more specific reparations such as identity theft insurance and free credit monitoring.

The manipulation checks in Study 1 revealed that offers of reparations were almost as important as direct acknowledgments of responsibility for making stakeholders believe that the organization *took responsibility* for the crisis. As the Merrill Lynch case suggests, taking responsibility is not necessarily the same as *claiming* responsibility (Hearit, 2006). Claiming responsibility involves accepting blame, but taking responsibility could be an action designed to repair the damage caused by a crisis. In a data breach crisis, for example, an organization that offers free credit monitoring to its customers is taking responsibility to protect its stakeholders, even if the organization never claims to be at fault.

In addition to creating the perception that an organization has taken responsibility for a situation, the offer of reparations is certainly a behavior that helps to fix problems (Benoit, 1995a). On its own, fixing a problem does not necessarily rebuild a relationship. However, fixing a problem may help to lay a foundation for relationship repair. Relationships between organizations and stakeholders, or organizations and publics (OPRs), are evaluated in terms of trust, control mutuality, commitment, and satisfaction (J. E. Grunig & Huang, 2000; Hon & Grunig, 1999). Organizations that provide reparations demonstrate that they can be trusted to treat stakeholders fairly, and that they are committed to maintaining the OPR.

As an illustration of this point, one of the apologies written for Study 2 stated, "A good company is one that stands behind its customers and that is our pledge to you, that we will absorb any losses caused." Promising to absorb customers' losses is obviously an offer of reparations. In this case, the author of the apology apparently considered reparations to be a way for the company to show its trustworthiness and its commitment to its stakeholders.

The results of Studies 1, 2, and 3 indicate that stakeholders do consider Scher and Darley's (1997) four apology components to be part of, or at least closely related to, effective organizational apologies. However, all three studies suggest that stakeholders do not require *all four* components to be present in an apology. Trend analysis of the Study 1 data found that apologies only needed to contain any two components to create the perception that the organization had apologized (see Figure 9). Although adding a third component increased this perception significantly, adding a fourth component did not. Furthermore, only 6% of the apologies written for Study 2 and 1% of the suggestion lists written for Study 3 contained all four of these apology components. At least in the hypothetical crisis scenario used here, stakeholders believed an organizational apology could be effective even if the apology was missing one or more of these components. Overall, the most important component was the offer of reparations and the least important component was the acknowledgment of responsibility.

Along with Scher and Darley's (1997) four components, other components of effective organizational apologies were identified in the qualitative data from Studies 2 and 3. The first of these components was an explanation of the crisis.

Explanations

The concept of explanations is a source of disagreement between some scholars. Lazare (2004) believed that explanations help victims of an offense work through issues and achieve healing. Blum-Kulka and Olshtain (1984) identified explanations as part of the apology speech act, but Scher and Darley (1997) rejected this position. According to Scher and Darley, explanations affect the way victims perceive the situation, while apologies affect the way victims perceive the offender. Thus, Scher and Darley did not test the effects of explanations along with their other four apology components.

Scher and Darley's (1997) argument has a certain conceptual appeal, but the qualitative data from Studies 2 and 3 suggest that explanations do more than affect victims' perceptions of the situation. As discussed in Chapter 5, explanations can reinforce acknowledgements of responsibility by describing where an organization failed. Explanations can also clarify the extent of the problem by specifying how stakeholders are affected by a crisis. Finally, explanations give credibility to promises of forbearance. Stakeholders appear more likely to believe an organization can or will prevent recurrences of a problem when the organization can explain how the problem happened in the first place.

Nearly half (42%) of the suggestion lists written for Study 3 recommended that organizations include explanations in apologies. Only 12% of the apologies in Study 2 contained explanations, but this difference may be related to the method of each study. Both studies were based on hypothetical scenarios, so participants had to imagine certain details about what had happened. It was probably much easier for Study 3 participants to write generic suggestions like, "Tell me how (in words I can understand)

the hackers accessed my information," than for Study 2 participants to invent and describe such details in their written apologies.

These findings do not *prove* that explanations are a necessary part of apologies. However, they suggest that Scher and Darley (1997) may have been hasty to exclude explanations from their research. Explanations could be especially important in organizational apologies, because the bureaucracy and the many people involved in an organizational crisis often make it difficult to determine exactly what happened. An organization that does not provide an explanation may be seen the same way as an individual who tries to apologize without saying what she or he is sorry *for*.

Explanations are words that can primarily help to fix problems. Being able to articulate a problem is the first step to repairing that problem and preventing its recurrence. However, explanations are also consistent with OPR theory. One of J. E. Grunig and Huang's (2000) relationship maintenance strategies is *disclosure* (i.e., openness). Given that trust is an important outcome of OPRs, honest explanations of a crisis may help to rebuild relationships as well as fix problems. Another way organizational apologies can use words to fix problems is by telling stakeholders how to protect themselves.

Telling Stakeholders What Actions to Take

None of the literature on apologies treats *instructions* for victims as part of an apology. However, public relations scholars have recognized that telling stakeholders what actions to take in a crisis is a vital part of crisis communication (Coombs, 2006a, 2007a). Coombs (2006a) emphasized that protecting stakeholders from harm should be the first priority of any organization in a crisis situation. What is interesting about the

findings from Study 2 and Study 3 is that stakeholders do not always distinguish between organizational apologies and other types of crisis communication.

Many of the apologies in Study 2 (58%) and the suggestion lists in Study 3 (46%) included instructions to help stakeholders protect themselves. Although telling stakeholders what actions to take might be construed as shifting the *burden* of managing the crisis off of the organization and onto the stakeholders, the participants in Studies 2 and 3 seemed to view it as showing *concern* for the well-being of stakeholders. When an organization cannot fix a crisis on its own, the organization should partner with its external stakeholders to resolve the situation, or at least minimize the damage. Because an organization generally has more information about a crisis than stakeholders have, the organization can share this information with its stakeholders to start fixing the problem. Stakeholders may perceive the organization's apology as incomplete if the organization does not help stakeholders protect themselves from further risk or harm.

Telling stakeholders how to protect themselves is not always possible. This dissertation used a hypothetical data breach scenario for all three studies. Such a scenario lends itself to this kind of response from the organization. However, in other types of crises (e.g., fraud), the damage might already be done by the time stakeholders learned about the situation. In these situations, an organization could not tell stakeholders what actions to take to protect themselves, but it could still take corrective action, itself.

Corrective Action

Two types of corrective action have already been discussed. Stakeholders expect organizations to make reparations and to ensure that problems do not recur. These two

types of corrective action were identified in Benoit's (1995a) image repair theory. However, the qualitative data from Studies 2 and 3 point to a third type of corrective action that may be appropriate in some crisis situations. This type of correction action can be labeled *mitigating harm*.

The qualitative data produced a number of suggestions and apology components that could not be categorized as prevention or forbearance because they did nothing to ensure that the problem would not happen again. These components could not be categorized as reparations, either, because they did not restore anything victims had lost. Instead, these components were meant to limit the negative effects of the crisis on the stakeholders. For example, one apology in Study 2 stated, "For the time being, we have removed all customer information from our database so that it can no longer be accessed." Mitigating harm was present in 26% of the apologies and 27% of the suggestion lists.

As noted in Chapter 2, many case studies have concluded that apologizing and taking corrective action are the best ways to repair one's public image (Benoit, 1997a; Benoit & Brinson, 1994; Brazeal, 2008; Brinson & Benoit, 1996; Len-Rios & Benoit, 2004). Image repair theory holds that these strategies work well together, but are distinct from one another. The findings from this dissertation suggest that stakeholders do not necessarily make this distinction. Although Study 1 found that remorse and responsibility had greater effects on perceptions of an apology, the corrective action of reparations was more important in influencing outcomes such as account acceptance, organizational reputation, anger, empathy, and behavioral intentions. Furthermore,

participants in Studies 2 and 3 mentioned corrective action more consistently than they mentioned remorse or responsibility.

Corrective actions, including efforts to mitigate harm, are examples of fixing problems primarily through behaviors rather than words. However, taking corrective action also helps to strengthen the OPR, as defined by J. E. Grunig and Huang (2000) and Hon and Grunig (1999). Study 1 found that both promises of forbearance and offers of reparations improved the post-crisis OPR (see Table, 13). Corrective action may demonstrate that an organization is trustworthy and committed to its stakeholders. It may also increase stakeholder satisfaction with the OPR. Thus, although corrective action is primarily a behavior that fixes problems, it may also act as a behavior rebuilds relationships.

Providing compensation is another type of behavior that organizations can perform as part of an apology. Providing compensation is a behavior that focuses primarily on rebuilding relationships.

Providing Compensation

The concept of compensation is discussed here because it reinforces the point that stakeholders do not always distinguish between apologies (as defined by scholars) and the behaviors that accompany those apologies. Benoit (1995a) described compensation as a kind of bribe paid to victims to "help offset the negative feeling arising from the wrongful act" (p. 78). Benoit made clear that compensation is not corrective action because it does not *correct* harm. Compensation is not the same as apologizing either, because it does not involve accepting responsibility. Benoit's

theoretical categories make sense, but stakeholders do not necessarily make the same distinctions.

For example, Chapter 5 reported that many participants in Study 2 and Study 3 treated compensation (gift cards, coupons, etc.) as if it was an apology, itself. One apology stated, "As an apology, we would like to extend a coupon code for you to use on your next purchase." Another apology read, "As an apology for this situation, we would like to offer you a token of appreciation in the form of a gift card." Compensation was mentioned by 35% of the Study 2 participants and 66% of Study 3 participants.

Often, compensation was presented as a sign of the organization's sincerity. This finding is consistent with Ohtsubo and Watanabe's (2009) finding that victims perceive costly apologies to be more sincere than no-cost apologies. As discussed in Chapter 2, Ohtsubo and Watanabe's research was based on costly signaling theory, which predicts signals will be more believable when they involve some expense for the sender (Johnstone, 1997; E. A. Smith & Bliege Bird, 2005). Although Ohtsubo and Watanabe studied apologies between individuals, it is not surprising that a similar finding would emerge for organizational apologies. As mentioned previously, organizations do not have bodies or faces, so they cannot use the same nonverbal cues individual might use to convey sincerity. Just as stronger language may help organizations convey feelings of genuine remorse, so too compensation may act as a signal that organizations truly desire to rebuild relationships with stakeholders. This notion is consistent with OPR theory.

Broom et al. (1997) argued that the need for resources is one reason organizations and stakeholders form OPRs, and that exchanging resources is part of the OPR. This model helps how providing compensation can rebuild relationships. The more an organization is willing to share its resources with its stakeholders, the more commitment the organization has to that relationship.

Although many stakeholders seem to conflate compensation with apologies, they do not generally conflate compensation and corrective action. For instance, many of the apologies and suggestion lists written for Studies 2 and 3 contained *both* corrective action and compensation. As Benoit (1995a) explained, compensation primarily influences victims' affective reaction to an offender, while corrective action seeks to repair or prevent harms. Corrective action may help to move an organization-stakeholder relationship from negative to neutral, but compensation appears to move the relationship from neutral to positive.

Compensation is a behavior organizations can use to rebuild stakeholder relationships. Organizations can also rebuild stakeholder relationships by behaving in ways that foster personal communication.

Fostering Personal Communication

Studies 2 and 3 found that many stakeholders want organizational apologies to include invitations for stakeholders to contact the organization. Some stakeholders also care how the apology addresses them and who signs the apology. Facilitating two-way communication with stakeholders (e.g., through hotlines or special email addresses), addressing stakeholders respectfully, and having apologies signed by a real person instead of the whole organization are all ways of making communication more personal.

When organizations foster personal communication with stakeholders they demonstrate a level of concern that goes beyond the general concern of an organization for its stakeholders. Personal communication shows that individual members of the organization care about stakeholders as individuals.

These findings are consistent with OPR theory. J. E. Grunig and Huang (2000) identified symmetrical, two-way communication as a key OPR maintenance strategy. Symmetrical communication requires organizations and stakeholders to be open with one another, to participant in mutual networks, to share tasks, to look for win-win solutions in any negotiation, to collaborate with one another when possible. Kent and Taylor's (2002) dialogic public relations theory encourages organizations to build relationships with stakeholders through mutuality, propinquity, empathy, risk, and commitment. All of these strategies and principles involve fostering personal communication with stakeholders.

These findings are also consistent with the existing crisis communication literature. For example, a number of writers urge organizations to be open in crisis communication (Albrecht, 1996; Lukaszewski, 1997; Seeger, 2006). This openness is usually applied to media relations, but could be applied to stakeholder relationships, as well. By encouraging two-way instead of just one-way communication with stakeholders, organizations show that they have nothing to hide and that they value the OPR.

Turk et al. (2012) reported that crisis communication was more effective when it came from the CEO. Several stakeholders in Study 2 and Study 3 indicated that apologies should come from organizational leaders, or at least from specific individuals

who would be responsible for following up with stakeholders. Making crisis communication more personal may help to humanize the organization and reassure stakeholders that real people within the organization are taking the crisis seriously.

Using an apology to foster personal communication requires an organization to behave in certain ways. These behaviors are intended to rebuild relationships with stakeholders. At the same time, there are several ways organizations can rebuild relationships with words. This chapter has already considered expressions of remorse, one of the primary ways apologies rebuild relationships through words. The concept of identifying with stakeholders is addressed next.

Identifying with Stakeholders

The observation that apologies use words to rebuild relationships is neither controversial nor original. Tavuchis (1991) noted that one of the remarkable things about apologies is how much they can do to rebuild relationships using *only* words. Many other scholars have also written about the power of words in the context of apologies (Burke, 1961; Goffman, 1971; Hearit, 2006; N. Smith, 2008). The preceding paragraphs have argued that stakeholders do not consider organizational apologies to be complete without certain behaviors that demonstrate the organization's sincerity and commitment to its stakeholders. However, this line of argumentation should not be taken to mean that words do not matter. One way organizational apologies can rebuild relationships using words is by identifying with stakeholders.

Identification exists between two parties when "their interests are joined" (Burke, 1969, p. 20). Organizations can identify with stakeholders by talking about how important their stakeholders are, by pointing out the values they share with their

stakeholders, and by empathizing with stakeholders' suffering. All three of these themes were found in the qualitative data from Studies 2 and 3.

Hearit (2006) suggested that apologies should involve efforts to identify with injured stakeholders. Based the findings from Studies 2 and 3, identification seems to reinforce the sincerity of an apology and to reassure victims that corrective action will be taken. Identification helps stakeholders trust an organization because identification tells stakeholders that the organization *is on their side*. The next way for organizations to rebuild relationships with words is by requesting another chance.

Requesting Another Chance

Asking for forgiveness is humiliating and painful. Perhaps for this reason, Burke (1961) used the term *mortification* to describe the process of symbolically dying for one's transgressions through apologizing. According to Benoit (1995a) and Hearit (2006), apologies ought to include asking for forgiveness. At the interpersonal level, forgiveness means choosing not to avoid an offender or seek revenge (McCullough et al., 1998). The organizational equivalent to forgiveness seems to be continuing to do business with the organization (i.e., *not* avoiding) and refraining from attempts to harm the organization (i.e., *not* seeking revenge).

Many of the apologies written for Study 2 (37%) included appeals to stakeholders to accept the apology or to continue doing business with the organization. Statements like, "We deeply apologize and hope that you will give us a second chance in the near future," or "We hope you will forgive us and continue to do business with our company," are examples of asking for another chance.

Some of the statements written by participants in Study 2 do not sound particularly *realistic*. For example, how many real organizations would be willing to write, "We are truly sorry that this has happened, and hope that it will not persuade you to do business elsewhere"? Planting the idea that stakeholders could do business elsewhere does not seem particularly strategic. However, the point of this research was to understand what would constitute an effective organizational apology *from the perspective of the stakeholders*. Evidently, some stakeholders want organizations to show humility by acknowledging that stakeholders do not have to do business with the organization and asking stakeholders for their support.

The various apology components discussed above were all identified in the literature or in the qualitative data. These components can be categorized into words that fix problems, behaviors that fix problems words that rebuild relationships, and behaviors that rebuild relationships (see Figure 17). With these categories in mind, it becomes possible to summarize what constitutes an effective organizational apology from the perspective of stakeholders.

Summarizing what Constitutes an Organizational Apology

According to Tavuchis (1991), apologies are speech acts meant to restore relationships by demonstrating an offender's regret over violating some social rule or norm. The results of Studies 1, 2, and 3 indicate that effective organizational apologies need to go beyond the speech act of an apology to a set of actions that involves words *and* behaviors. From the perspective of stakeholders, an effective organizational apology is *a combination of words and behaviors designed to fix the problem and rebuild the relationship*.

The results of Study 1 suggest that words alone may be enough to constitute an apology, but words alone do not constitute an *effective* apology. If an organization expresses remorse and acknowledges responsibility for a crisis, stakeholders may recognize that the organization is attempting to apologize. However, if these words are not accompanied by behaviors designed to fix the problem and rebuild the relationship, stakeholders may not *accept* the organization's apology.

Scher and Darley's (1997) four apology components, which were originally identified in interpersonal apologies, are certainly applicable to organizational apologies. However, these four components do not represent everything stakeholders consider to be important—or even what stakeholders consider *most* important in organizational apologies. For example, Scher and Darley did not address compensation, which appears to be a key component of an organizational apology, at least in a data breach crisis.

The present findings suggest that scholars should be careful not to conceptualize apologies in ways that are overly reductionist or overly complicated. Scholars like Benoit (1995a) and Coombs (2007a; Coombs & Holladay, 2008) have narrowly defined apologies, making distinctions stakeholders do not necessarily make between apologies and compensation or corrective action. On the other hand, scholars like Hearit (2006) and N. Smith (2008) have provided lengthy and detailed typologies of apology components that go beyond what stakeholders expect or demand.

Although it is normal and often helpful for scholars to have more precise and complex understandings of concepts than lay people have, scholars ought to remember that many concepts, including apologies, are social constructs. As such, apologies may

be socially constructed in ways that do not always match academic theories. For scholarly research to be most relevant, it should take into account the way lay people use terms and concepts like apologies, while critiquing these uses when necessary. The next subsection offers this type of critique.

Are Stakeholders' Expectations Realistic?

The qualitative data from Studies 2 and 3 suggest that some stakeholders have unrealistic expectations regarding organizational apologies. Some of these unrealistic expectations are no doubt related to the methodology of the two studies. However, some of these expectations indicate that stakeholders struggle to see crises from the organization's perspective.

Unrealistic stakeholder expectations were evident when participants in Study 2 and Study 3 wrote about the kind of reparations and compensation organizations should offer in a data breach crisis. One of the hypothetical apologies read, "We would also like to offer you a 2 day stay in a 3 star hotel for you and your family." Another stated, "We will also offer you as compensation a $1000.00 gift card." In the case of Amazon, a company with 182 million active customers (Thomas, 2013), such compensation would cost the organization $182 billion. Even if Amazon only provided $50 gift cards to its approximately 10 million Amazon Prime members, it would spend half a billion dollars. Such numbers are unrealistic for a crisis that is, at best, only *partially* the organization's fault.

Perhaps such unrealistic apologies and suggestions stem from the way Studies 2 and 3 were designed. Participants were asked to write apologies (or suggestions for apologies) that they would accept from the organization. Participants were not asked to

write the *minimum* acceptable apology, so some participants may have treated their writing tasks as opportunities to fantasize about an ideal organizational apology. In a real data breach crisis, stakeholders might be just as willing to accept the organization's apology when offered a $5 gift certificate as they would be when offered a $50 gift certificate. Future research is needed to explore the effects of different amounts of compensation or different types of reparations on apology acceptance.

Even if some of the unrealistic expectations expressed by participants in Studies 2 and 3 were produced by the methodology, the data still suggest that crafting realistic and appropriate organizational apologies is difficult for many people. Many participants wrote that the organization ought to reimburse customers for fraudulent charges on their credit cards, despite that fact that most credit card companies do not hold customers liable for such charges. As discussed above, a number of participants also imagined organizations paying exorbitant amounts of compensation, suggesting that these participants did not have any idea how costly their suggestions would be, or what the organizations could actually afford.

Studies 2 and 3 were not intended to show organizations precisely how to word an apology, or how much money to offer customers after a data breach crisis. Rather, the purpose of these studies was to identify components stakeholders expect to find in organizational apologies. Thus, components such as compensation and reparations appear to be important, but in keeping with situational crisis communication theory (Coombs, 2007b), the way those components are incorporated into the apology would probably depend upon the situation.

Of course, apologies are not an end, in and of themselves. Whether apologies come from individuals or organizations, they are intended to restore relationships (Goffman, 1971; Tavuchis, 1991). In the context of crisis communication, organizations use apologies to influence the way stakeholders perceive and act toward the organization. The next section discussed how apologies affect stakeholders' reactions to an organizational crisis.

How Apologies Influence Stakeholders' Reactions to Crises

An organizational crisis may produce a variety of stakeholder reactions, especially if those stakeholders are victims of the crisis. Crises often damage an organization's reputation (Coombs, 2007b; Pace et al., 2010) or make stakeholders angry at the organization (Coombs & Holladay, 2007; Lee & Chung, 2012). These reactions may affect stakeholders' behavioral intentions toward the organization (Coombs & Holladay, 2007, 2009).

As reported in Chapter 4, Study 1 measured seven types of reactions victims might have to a hypothetical data breach crisis, and tested the effects of Scher and Darley's (1997) four apology components on each of these variables. The most interesting results were related to the unique effects of reparations, the unexpected effects of empathy, and the lack of effects for attributions of responsibility. Each of these results will be explored in turn.

The Unique Effects of Reparations

Of the four apology components tested in Study 1, the offer of reparations was the strongest predictor of the dependent variables. All four apology components were significant predictors of victims' willingness to accept the organization's account of the

crisis, victims' perceptions of the organization's reputation, and victims' perceptions of their relationship with the organization. However, in every instance, the offer of reparations had the largest effect size.

The offer of reparations was the only one of the four apology components that was significantly related to victims' feelings of anger or empathy. Offers of reparations produced slightly lower levels of anger and slightly higher levels of empathy among victims.

Both the promise of forbearance and the offer of reparations were significant predictors of victims' behavioral intentions (i.e., making purchases from the organization in the future and *not* engaging in negative word of mouth regarding the organization). Once again, however, the offer of reparations had a larger effect size.

According to these findings, the apology components that create the strongest perception of an apology (remorse and responsibility) are not the apology components that have the most influence on account acceptance, organizational reputation, OPR, anger, empathy, or behavioral intentions. If an organization wants to influence these variables it should focus more on making reparations than on how it phrases its public apology.

These findings are consistent with Coombs and Holladay's (2008) study that found compensation and apologies were equally effective at repairing an organization's reputation after a crisis. Also, Benoit and Brinson (1994) argued that apologies are more effective when combined with corrective action. The key difference between these earlier studies and the present research is that the earlier studies did not treat compensation or corrective action as *part* of the apology. This dissertation has found

evidence that many stakeholders do regard such actions as part of organizational apologies.

Another interesting finding from this research was that empathy does not appear to function in organization-stakeholder relationships the way it functions in interpersonal relationships.

The Unexpected Effects of Empathy

Based on the existing literature, Study 1 tested the possibility that anger and empathy would act as mediating variables between the other dependent variables in the study and behavioral intention. Path analysis revealed that anger mediated the relationship account acceptance and behavioral intentions, as well as the relationship between attributions of responsibility and behavioral intentions (see Figure 15). Anger was also a significant negative predictor of behavioral intentions ($\beta = -.18$, $p < .001$). This finding was consistent with past research (Coombs & Holladay, 2007). However, the findings for empathy were quite unexpected.

Although empathy had not been tested before in the context of organizational apologies, McCullough et al. (1998) had demonstrated that empathy mediated the relationship between apologies and forgiveness in interpersonal relationships. When an offender apologizes, victims are better able to take the offender's perspective and share the offender's feelings, thus making it easier for the victim to forgive. However, the findings from Study 1 indicated that empathy may have the *opposite* effect in the context of organizational apologies.

As seen in Figure 16, empathy did act as a partial mediator between perceptions of the apology and behavioral intentions. Perceptions that the organization had

apologized made victims feel greater empathy (β = .14, p = .002), but greater feelings of empathy were *negatively* associated with behavioral intentions (β = -.08, p < .001). In other words, the more victims perceived that the organization had apologized the more empathetic they felt toward the organization. However, the empathy they felt, the less likely they were to business with the organization in the future and the more likely they were to say negative things about the organization to other people.

Empathy also partially mediated the relationships between account acceptance and behavioral intentions, OPR and behavioral intentions, and attributions of responsibility and behavioral intentions. Because empathy acted as a negative predictor of behavioral intention, it *reduced* the total effect sizes of account acceptance, OPR, and attributions of responsibility on behavioral intentions. As seen in Figure 14, higher account acceptance and OPR scores were related to more positive behavioral intentions, while attributing more responsibility to the organization was related to less positive behavioral intentions. However, account acceptance and OPR quality also produced higher empathy scores (see Figure 16), which were associated with more negative behavioral intentions. The increase in empathy partially counteracted the positive effects of account acceptance and OPR. At the same time, stronger attributions of responsibility, which had a negative effect on behavioral intentions, also had the positive effect of reducing empathy.

What accounts for this unexpected finding? Perhaps empathy operates differently in an organizational context than it does in an interpersonal context. The empathy scale used in Study 1 was adopted from Coke et al. (1978) and McCullough et al. (1998). This scale measured how *softhearted*, *moved*, and *empathetic* stakeholders

felt toward the organization. Maybe in an organizational context these emotions are associated with a loss of confidence in the organization, or *pity* for an organization that is perceived to be struggling, rather than an understanding of the organization's perspective. Pitying another person may produce leniency, but pitying an organization may produce avoidance. Stakeholders probably do not want to do business with an organization that does not inspire confidence, or with a business that may not survive for long.

Although the findings related to empathy are interesting, making too much of these findings would be a mistake. Overall, the effect sizes related to empathy were quite small. The clearest conclusion seems to be that stakeholders do not experience much empathy for organizations—at least not online retailers. Another surprising finding from this research was related to the lack of any significant relationship between apologies and attributions of responsibility.

The Lack of Effects on Attributions of Responsibility

Coombs' situational crisis communication theory (Coombs, 1995; 2007b) is based on attribution theory. Different types of crises are expected to produce different attributions of responsibility, thus requiring organizations to use different crisis responses. These different crisis responses, in turn, are indented to reduce the amount of responsibility attributed to the organization. A curious feature of apologies is that although they typically involve acknowledging responsibility, they actually *reduce* attributions of responsibility in interpersonal contexts (Weiner, 2006). This dissertation sought to measure the affects of apologies on attributions of responsibility in an organizational context.

Naturally, organizations do not want their crisis responses to increase attributions of responsibility. In some crises, such as major scandals, responsibility is unambiguous and there is little an organization can do to change attributions of responsibility. However, if the question of responsibility is open to interpretation, organizations might be hesitant to apologize.

Study 1 tested the effects of Scher and Darley's (1997) four apology components on attributions of responsibility in a particularly ambiguous crisis situation. The hypothetical data breach crisis represented a situation in which the organization was a victim, but where the organization also had a responsibility to protect its stakeholders' personal information. Theoretically, if there was ever a scenario in which an apology could affect attributions of responsibility, this scenario should have been the one. However, the four-way ANOVA was non-significant, indicating that the apology components did not influence attributions of responsibility.

One might wonder if this finding was the result of a hypothetical scenario that simply produced very low attributions of responsibility across *all* conditions. However, the mean attribution scores for each cell in Study 1 were near the mid-point of the 7-point scale, ranging from 3.98 to 4.66. Attribution of responsibility was also normally distributed, overall. Thus, attribution of responsibility did vary, but this variance was not caused by the apology conditions. If there had been a relationship between apologies and attribution, that relationship should have been identifiable.

Given the small effects of the apology components on other variables, it is easy to see how the effects on attribution of responsibility did not reach the level of statistical significance. This finding is at least partially good news for organizations thinking

about apologizing. Apparently apologies do not increase attributions of responsibility—not even in situations where responsibility is ambiguous. On the other hand, organizational apologies may not always *reduce* attributions of responsibility the way they do in interpersonal apologies (Weiner, 2006; Weiner et al., 1991).

Based on the results of Study 1, a more important variable to consider is the relationship between the organization and its stakeholders. The next section discusses how the OPR affects stakeholders' reactions to organizational crises.

The Importance of Organization-Stakeholder Relationships

Relationships between organizations and stakeholders (usually called *organization–public relationships* in the public relations literature) are known to affect the way stakeholders respond to organizational crises. K. A. Brown and White (2011) found that students' relationship with their university was more important in how students responded to a hypothetical crisis than the type of crisis response the university used. Caldiero (2006) reported that when stakeholders had positive relationship histories with an organization they were more willing to accept defensive crisis responses like denial or excuses.

Study 1 tested the effects of pre-crisis OPR quality on eight dependent variables: perceived apology, account acceptance, organizational reputation, post-crisis OPR quality, anger, empathy, attributions of responsibility, and behavioral intentions. Higher pre-crisis OPR scores were associated with higher scores for perceived apology, account acceptance, organizational reputation, post-crisis OPR quality, empathy, and behavioral intention. A more positive pre-crisis OPR was also associated with lower levels of anger and lower attributions or responsibility after a crisis. When behavioral

intention was regressed on perceived apology, account acceptance, organizational reputation, attribution of responsibility, anger, empathy, and post-crisis OPR, the post-crisis OPR was the strongest predictor, by far ($\beta = .75$, $p < .001$). The association between the OPR and behavioral intention was four times stronger than the association between anger and behavioral intention, eight times stronger than the relationship between empathy and behavioral intentions, and 10 times stronger than the association between reputation and behavioral intentions. None of the other variables were even statistically significant predictors of behavioral intention. Thus, assuming the goal of crisis communication is to make stakeholders more likely to continue doing business with an organization (and less likely to say negative things about the organization), the most important variable in Study 1 was the OPR after the crisis, and the most important predictor of OPR after the crisis was the OPR *before* the crisis.

Other scholars have previously noted the importance of pre-crisis relationships in crisis communication (Coombs, 2000; Coombs & Holladay, 2001). Caldiero (2006) found that strong relationships with stakeholders before a crisis allowed organizations to use denial or excuse strategies when responding to crises. Coombs and Holladay (2006) reported that when organizations have very positive reputations before a crisis, their reputations after a crisis do not suffer as much. K. A. Brown and White (2011) wrote that "maintaining positive relationships with stakeholders is more important than any individual crisis response strategy" (p. 88).

This study reinforces K. A. Brown and White's (2011) point. The OPR had larger effects than any of the apology components on all of the dependent variables except perceived apology (PA). Post-crisis OPR scores explained most of the variance

in behavioral intentions (see Table 29). Evidently, at least in the context of a data breach crisis, the way an organization has dealt with its stakeholders before the crisis matters more than what an organization says after the crisis.

This chapter has discussed the key research findings of this dissertation. Overall, the findings suggest that stakeholder's consider an effective organizational apology to be a combination of words and behaviors designed to fix the problem and rebuild the relationship. However, the quality of the OPR before and after a crisis is a much stronger predictor of how stakeholders will behave toward the organization than how the organization apologizes. The next chapter will consider the implications of these findings for public relations theory, practice, and method, as well as the limitations of this research and directions for future study.

CHAPTER 7: CONCLUSION

Two of the most prominent areas of public relations research are crisis communication (An & Cheng, 2010; Coombs, 2010b) and relationship management (J. E. Grunig & Huang, 2000; Ledingham, 2006). This dissertation has examined the concept of the organizational apology within the context of these two areas. Specifically, this dissertation has tried to determine what constitutes an effective organizational apology from the perspective of organizational stakeholders. Furthermore, this dissertation has considered how the relationships between an organization and its stakeholders or publics (OPR) can affect stakeholders' reactions to organizational crises and apologies. This final chapter considers the implications of this dissertation for the field of public relations. First, the key findings from the dissertation will be reviewed briefly. Next, the implications of those findings for public relations theory, practice, and method will be discussed. Finally, the limitations of the dissertation will be noted and directions for future research will be offered.

Review of Key Findings

Three separate studies were conducted for this dissertation. Study 1 was an online experiment that used a 2x2x2x2 between-subject factorial design. The purpose of this study was to test the effects of four apology components (expressions of remorse, acknowledgements of responsibility, promises of forbearance, and offers of reparations), as well as OPR quality, on stakeholders' reactions to a crisis. Participants were asked to identify an online retailer with whom they had done business in the past, and then to imagine that the online retailer had been hacked and their customer information had been stolen. Participants were presented with one of 16 different

apology messages, and they completed a questionnaire to measure their perception of the apology, account acceptance, organizational reputation, relationship quality (OPR), anger, empathy, attribution of responsibility, and behavioral intentions.

Studies 2 and 3 took a more inductive, qualitative approach. These studies were designed to find out what stakeholders considered to be the important components of an organizational apology *without prompting* from the researcher. Participants in both studies were asked to imagine the same data breach crisis used in Study 1. Study 2 asked participants to write the kind of apology they would accept from the organization in the scenario. Study 3 asked participants to write a list of suggestion the organization could use to make an effective (i.e., acceptable) apology.

The results of Study 1 revealed that all four of the apology components contributed to stakeholders' perception that the organization had apologized. These four components also produced higher scores for account acceptance, organizational reputation, and post-crisis OPR. The offer of reparations component produced lower levels of anger and higher levels of empathy. Both the promise of forbearance component and the offer of reparations component improved stakeholder's behavioral intentions toward the organization. However, almost all of the effect sizes were quite small.

Two findings were particularly surprising. Study 1 found that none of the apology components significantly affected attributions of responsibility. This finding ran contrary to previous research on interpersonal apologies, which suggest apologies can reduce attributions of responsibility (Weiner, 2006; Weiner et al., 1991).

Study 1 also found that feelings of empathy had a small negative effect on behavioral intentions. The more stakeholders empathized with an organization, the more negative their behavioral intentions were. This finding was unexpected because McCullough et al. (1998) demonstrated that one of the ways interpersonal apologies produce forgiveness in by increasing victims' empathy for their offenders.

Study 1 revealed that the best predictor of account acceptance, organizational reputation, attribution of responsibility, post-crisis OPR, anger, or empathy, was the quality of the OPR before the crisis. The best predictor of behavioral intentions was the quality of the OPR after the crisis. The qualitative data from Studies 2 and 3 were used to triangulate Study 1's findings.

Nine apology components emerged from the qualitative data. A typology was developed to classify these components based on whether they were intended primarily to (1) fix problems or (2) rebuild relationship, and whether they were primarily based on (a) words or (b) behaviors. Figure 17 illustrates this typology.

The category of words that fix problems (1a) included acknowledging responsibility, offering explanations, and telling stakeholders what actions they could take to protect themselves in the crisis. The category of behaviors that fix problems (1b) was comprised of three types of corrective action: mitigating harm, offering reparations, and preventing future recurrences. The category of words that rebuild relationships (2a) contained expressions of genuine remorse, identification with stakeholders, and requesting another chance. The category of behaviors that rebuild relationships (2b) included providing compensation and fostering personal communication.

In keeping with Scher and Darley's (1997) research on interpersonal apologies, the three studies conducted for this dissertation demonstrated that stakeholders do recognize expressions of remorse, acknowledgements of responsibility, promises of forbearance, and offers of reparation as possible components of effective organizational apologies. However, stakeholders do not require all four components to be present for an apology to be effective, nor do they limit apology components to these four. In particular, behaviors such as taking corrective action and providing compensation appear to be important parts of effective organizational apologies.

This dissertation concluded that an effective organizational apology, from the stakeholder perspective, is comprised of a combination of words and behaviors that fix problems and repair relationships. There are a number of apology components that can be combined to create effective apologies, and in many cases, behaviors like providing compensation can take the place of direct acknowledgments of responsibility. Although words are a necessary part of organizational apologies, words without actions do not seem to produce *effective* organizational apologies.

Perhaps the most important finding from this dissertation relates to the importance of the OPR. No matter how organizations word their apologies, the relationship and reputation they have established with their stakeholders before the crisis has the largest effect on stakeholder reactions to the crisis. The implications of these findings are discussed next.

Implications

Understanding what constitutes an effective organizational apology in the minds of stakeholders has important implications for the field of public relations. Scholars

have defined and operationalized apologies in many ways, creating a degree of confusion in the literature (Coombs, et al., 2010; Fediuk, Pace, & Botero, 2010). Scholars have also tended to define apologies deductively based on existing theory, rather than letting stakeholders' perceptions of apologies guide their definitions. By taking a stakeholder perspective on organizational apologies, this dissertation advances public relations theory.

This dissertation also extends the application of OPR theory to crisis communication. A number of public relations researchers have written about the importance of the OPR in crisis communication (K. A. Brown & White, 2011; Coombs, 2000; Coombs & Holladay, 2001; Caldiero, 2006; Huang, 2008). However, these scholars did not specifically address the OPR in the context of organizational apologies. This dissertation helps to demonstrate the relative importance of the OPR, as compared to organizational apologies.

In addition to theoretical implications, this dissertation has practical implications for organizations in crisis situation. For example, organizations may be afraid to apologize due to liability concerns (Hearit, 2006; Tyler, 1997), or because they fear that apologizing will make them look more responsible than they really are. However, the present findings suggest these concerns need not prevent organizations from using apologies in their crisis response. These findings also suggest that organizations should focus their resources on establishing and maintaining good OPRs if they want their crisis communication to be most effective.

From a methodological standpoint, this research points out the difficulties that arise when researchers and participants in a study define key concepts differently. The

present findings suggest a new way to operationalize organizational apologies in future studies. Also, this dissertation begins to test Coombs' (2012) suggestion that victims may have different reactions to organizational apologies than non-victims.

Each of these areas—theoretical, practical, and methodological implications—will be addressed in turn.

Theoretical Implications

This dissertation advances public relations theory by helping to clarify the way scholars define and operationalize organizational apologies, by highlighting differences between organizational apologies and interpersonal apologies, by suggesting an expanded understanding of corrective action, and by reaffirming the importance of the OPR. The issue of definition and operationalization is considered first.

Good theories depend on clearly defining and operationalizing key concepts. The concept of the apology has been defined and operationalized differently within image repair theory (Benoit, 1995a), situational crisis communication theory (Coombs, 1995, 2007a, 2007b; Coombs & Holladay, 2008), and speech act theory (Blum-Kulka & Olshtain, 1984; Scher & Darley, 1997). Other scholars have offered their own unique definitions and operationalizations (Hearit, 2006; Lazare, 2004; N. Smith, 2008; Tavuchis, 1991). All of these scholars have regarded apologies as either an image repair strategy (Benoit, 1997b; Coombs, 2007a; Hearit, 1994) or a relationship repair strategy (McCullough et al., 1997; Scher & Darley, 1997; Tavuchis, 1991), but they have differed on what components an apology ought to contain.

Naturally, the definitions and operationalizations researchers use affect the results they find. For example, Coombs and Holladay (2008) reported that apologies

were no more effective than sympathy or compensation at influencing stakeholders' reactions to an organizational crisis. However, the apology in their study was operationalized with only an acknowledgement of responsibility and a request for forgiveness. Participants in the study may have considered the sympathy condition (which included an expression of remorse and an attempt to identify with stakeholders) or the compensation condition (which contained both compensation and an offer of reparations) to be just as *apologetic* as the apology condition.

A number of scholars have described apologies as speech acts (Blum-Kulka & Olshtain, 1984; Scher & Darley, 1997; Searle, 1969; Tavuchis, 1991). This dissertation found that while stakeholders may recognize words alone as an organizational apology, they are not likely to find such an apology effective. From the stakeholder perspective, effective organizational apologies use a combination of words and behaviors to fix problems and repair relationships. Certain behaviors, such as taking corrective action or providing compensation, may represent apologies in the minds of stakeholders. Crisis communication scholars ought to be cautious not to assume stakeholders define concepts the way they do.

Crisis scholars should not be surprised to learn that stakeholders expect behaviors to be part of organizational apologies. Benoit and Pang (2008) observed that an organization's public image is shaped by its "words and deeds" (p. 245). Coombs (2000) wrote, "Crisis mangers must respond—say or do something—in a crisis" (p. 83). Clearly, scholars already understand that both words and behaviors are part of effective crisis responses. The difference between scholars and stakeholders is that scholars parse

crisis responses in such a way that apologies do not include behaviors, while stakeholders do not parse crisis responses this way.

Hearit (2006) argued that liability issues have changed the essence of organizational apologies. He wrote that "compensation has become the new apology" (p. 209). To illustrate this point, Hearit noted that even when companies face overwhelming evidence of their own wrongdoing, they prefer to deny culpability, offer a statement of sympathy, and "pay large sums of money to settle an issue" (p. 209). Thus, "the essence of the apology comes not in the actual words…but instead in the amount of money that is paid to victims" (p. 209).

The findings of this dissertation support and extend Hearit's (2006) analysis. Not only do many organizations use compensation or corrective action in lieu of a verbal (or written) apology, but many stakeholders also seem to treat compensation or corrective action as the most important part of an organizational apology. Because apologies are social constructs, the way apologies are symbolized is open to change. If such a change is occurring or has occurred, scholars can either reject the change and argue that the "new" apologies are inauthentic, or they can update their own definitions and operationalizations of the concept.

Another possible way to address the apparent discrepancies between scholarly definitions and stakeholder definitions of apologies may be to distinguish between *technical* apologies and *practical* apologies, at least in organizational contexts. Coombs (2007a) distinguished between apologies and partial apologies, with the difference being that partial apologies do not contain acknowledgements of responsibility. However, calling an apology *partial* creates the impression that the apology is

unsatisfactory to victims. The present research suggests that even when organizational apologies do not contain overt acknowledgments of responsibility, stakeholders may still be willing to accept those apologies.

A technical apology could be the kind of statement that accepts full responsibility for wrongdoing—the kind of apology that creates liability problems for an organization (Tyler, 1997). For example, an organization in a data breach crisis could say, "We were responsible for the security of our customers' information and we apologize for our failure to protect your data." Such a statement would meet the technical definition of an apology, as given by scholars (Benoit, 1995a; Coombs, 2007a), but it might or might not satisfy stakeholders.

By contrast, a practical apology would be the kind of apology that does not directly accept blame for a crisis, but does satisfy stakeholders. Returning to the data breach example, an organization might say, "We are very concerned about what has happened and we are going to offer all of our affected customers free identity theft protection, along with a coupon for 20% off their next purchase." This message does not meet the technical definition of an apology, and would be classified as a partial apology by Coombs (2007a). However, many stakeholders might find this message more satisfying, and might even regard it as an apology. If so, the organization could be said to have *practically* apologized.

Technical apologies can be (and have been) defined by scholars *a priori*. Practical apologies, as envisioned here, would be defined *a posteriori* in terms of stakeholder reactions. Thus, scholars would have to analyze a crisis situation to see if stakeholders accepted or rejected an apology before they could label a crisis response as

a practical apology. Instead of imposing their own categories onto the situation, this approach would encourage scholars to acknowledge that apologies are social constructions that may take on different forms in different contexts.

Another theoretical implication of this dissertation is that organizational apologies do not function exactly like interpersonal apologies. McCullough et al. (1998) demonstrated that interpersonal apologies work, at least in part, by enabling victims to empathize with offenders. Interpersonal apologies lead to empathy, which leads to forgiveness. However, the present research did find support for this dynamic in the context of organizational apologies. One explanation may be that people do not feel the same empathy for an organization that they feel for one another (Bisel & Messersmith, 2012).

As reported in Chapter 4, apologies had very small effects on empathy, and empathy had very small effects on behavioral intentions (the organizational equivalent of forgiveness). Perhaps stakeholders do struggle to empathize with organizations. According to relationship management theory, OPRs can be measured in terms of trust, control mutuality, commitment, and satisfaction (J. E. Grunig & Huang, 2000; Hon & Grunig, 1999). Empathy is not considered an outcome of OPRs.

Dialogic public relations theory does consider empathy an important principle (Kent & Taylor, 2002), but defines empathy as "walking in the shoes" of one's stakeholders (p. 27). This definition captures only part of Coke et al.'s (1978) definition of interpersonal empathy. Coke and his colleagues argued that empathy involves taking another person's perspective and sharing another person's emotions. Dialogic public

relations theory does not include the idea of stakeholders or publics feeling what the organization feels.

If empathy is merely a matter of perspective taking, the hypothetical data breach scenario used in this dissertation should have allowed stakeholders to take the organization's perspective. Data breaches are becoming more and more common. The question, "How could this happen?" should have been easy enough for stakeholders to answer. On the other hand, if empathy also requires the sharing of emotions, it may have been difficult for stakeholders to imagine and share what members of the organization were feeling. Perhaps future research ought to explore if and how empathy between organizations and stakeholders can be defined and operationalized.

Surprisingly, what little empathy stakeholders did feel toward the organization made them *less* likely to do business with the organization and more likely to spread negative word-of-mouth about the organization. Perhaps stakeholders interpret the concept of empathy for an organization differently from the concept of empathy for another person. Instead of perspective-taking and sharing emotions, empathy for an organization may be more akin to pity, which may relate to a loss of confidence in the organization. Just because stakeholders feel bad for an organization in crisis does not mean those stakeholders want to continue doing business with the organization. Further research is needed to better understand this dynamic.

Instead of empathy, anger seems to be the more important emotion when trying to understand victims' reactions to an organizational crisis. Anger fully mediated the relationship between account acceptance and behavioral intention, as well the relationship between attributions of responsibility and behavioral intention. As seen in

Figure 15, greater attributions of responsibility led to more anger, and more anger led to more negative behavioral intentions. Account acceptance, on the other hand, reduced anger. These findings are consistent with other crisis communication research (Coombs & Holladay, 2007; Pace et al., 2010), and suggest that organizations need to be more concerned with minimizing stakeholder anger than with maximizing stakeholder empathy.

One issue organizations apparently do *not* need to be concerned about is having stakeholders attribute more responsibility to them as the result of an apology. The apology components tested in Study 1 did not have a statistically significant effect on how much responsibility stakeholders attributed to the organization. This finding is important because the data breach scenario used in this dissertation contained elements of a *victim* crisis (i.e., the organization is a victim) and a *preventable* crisis (i.e., the organization should have prevented the crisis from occurring (Coombs & Holladay, 2002). This scenario involved more ambiguous responsibility than, say, a product recall crisis or an industrial accident crisis because there were hackers who had illegally accessed the organization's database. If there was any danger of an apology *increasing* attributions of responsibility, this scenario should have produced that effect.

From the perspective of positive organizational scholarship (K. S. Cameron et al., 2003) this finding should come as good news. Organizations seeking to exhibit the virtues of honesty and integrity need not fear that they will be unfairly blamed for crisis situations when they apologize.

Studies of interpersonal apologies have found that apologies may actually *decrease* attributions of responsibility (Weiner, 2006). This dissertation did not find the

same effect for organizational apologies. Situational crisis communication theory posits that attributions of responsibility are primarily affected by the type of crisis (Coombs, 2007a, 2007b), and research supports this link (Coombs & Holladay, 2007). Further research involving different crisis situations would be required to validate the present findings that apologies and attributions of responsibility are unrelated. For now, however, it appears other factors beside the apology determine whom stakeholders blame for crises.

Why do organizational apologies differ from interpersonal apologies? Further research into this question is needed, but a few possible explanations can be offered. First, because organizations are not individuals, they do not communicate the way individuals do (Hallahan, 2000). Unlike individuals, organizations do not engage in nonverbal communication, and their communication tends to lack emotion. These differences may make it hard for stakeholders to judge the sincerity of an organization's words.

A second possible explanation is that because organizations are comprised of many people, the person offering the apology may not actually be responsible for the crisis. Stakeholders may sense that an apology comes from the public relations department, not from the people who caused the harm. If so, stakeholders may be reluctant to accept mere words as an adequate token of the organization's regret and commitment to its stakeholders.

A third reason for the differences between organizational and individual apologies may be the differences between organization–stakeholder relationships and interpersonal relationships. The OPR tends to be more instrumental than an

interpersonal relationship. People usually form a relationship with an organization as a means to an end. However, an interpersonal relationship may be an end in and of itself. Thus, people may be more motivated to seek reconciliation with another individual than with an organization—especially if there are multiple organizations that could help people achieve the same goal. For example, it is relatively easy for customers who are unhappy with Walmart to take their business to Target, but it is not so easy for two friends who are fighting to forget each other and make new friends.

In addition to the important differences between organizational and individual apologies, this dissertation highlights an interesting finding about corrective action. This finding emerged from the qualitative data collected for Studies 2 and 3. Although Benoit (1995a, 1997b) defined corrective action as either preventing the recurrence of an offense or repairing the damage caused by an offense, the qualitative data analysis suggested that *mitigating harm* is another type of corrective action that matters to stakeholders. Mitigating harm involves trying to minimize the damage victims are suffering while the crisis is ongoing. This concept has already been recognized by crisis scholars (Coombs, 2006; Pauchant & Mitroff, 1992), but has not been treated as an image repair strategy.

The current research suggests that some stakeholders consider mitigating harm to be part of an effective apology. In the case of the data breach scenario, stakeholders imagined that organizations would take actions such as helping authorities catch the hacker, or asking customers to change their passwords. Mitigating harm may not be possible in all crises, but in situations where the crisis is ongoing, stakeholders look for this type of corrective action along with prevention and reparations.

A final theoretical implication of this dissertation is that researchers are right to emphasize the role of organization–stakeholder relationships in crisis communication. A number of scholars have already made this observation (K. A. Brown & White, 2011; Caldiero, 2006; Coombs, 2000; Coombs & Holladay, 2001), and the present findings strongly support it. Explaining why stakeholders forgive or do not forgive an organization has more to do with the relationship and reputation the organization has established with its stakeholders before the crisis occurs. Furthermore, if the OPR is important even in the context of retailer–customer relationship tested here (a relatively distant relationship), then the OPR is likely to be even more important in other contexts, such as relationships between organizations and *members* or organizations and *donors*.

Along with these theoretical implications, this dissertation has important implications for public relations professionals.

Practical Implications

This dissertation has several implications for the practice of public relations. Although no magic combination words can make stakeholders forgive an organization in a crisis, there are a variety of crisis responses that stakeholders seem willing to accept as organizational apologies. In terms of repairing an organization's image and rebuilding relationships with stakeholders, it is more important for an organization to offer a response that stakeholders will *accept* as an apology than to offer a response that scholars would *define* as an apology.

In a crisis situation, an organization often gets conflicting advice from its public relations department and its legal department (Coombs, 2007a). Public relations professionals tend to argue for openness and taking steps to repair the organization's

reputation, while attorneys generally advocate for limiting disclosure and trying to minimize liability. The present findings suggest that public relations professionals do not need to insist upon a full acknowledgement of responsibility in every case. Other strategies, such as expressing remorse, taking corrective action, and offering compensation can have the same positive effect on the organization's relationship with its stakeholders, without opening the organization to lawsuits.

Two caveats are in order here, however. First, organizations that have caused harm to stakeholders have an ethical duty to admit their mistakes, even if doing so will be costly. Second, this dissertation studied only one type of crisis, and the results may not be generalizable to other situations. As Coombs and Holladay (2008) noted, full apologies may become more important when crises are more severe and when more responsibility is attributed to the organization.

Perhaps the most important practical implication of this dissertation is that effective crisis responses begin long before a crisis occurs. Previous research has reported that positive organizational reputations (Coombs & Holladay, 2006) and positive OPRs (K. A. Brown & White, 2011; Huang, 2008) lead to more positive stakeholder reactions following a crisis. The findings reported in this dissertation indicate that pre-crisis OPR quality is a better predictor of account acceptance, organizational reputation, attributions of responsibility, anger, empathy, and post-crisis OPR quality than the content of an organization's apology. Furthermore, the post-crisis OPR quality is the best predictor of stakeholders' behavioral intentions after a crisis.

Organizations cannot simply rely on their public relations staff to save them from crises with cleverly-worded statements. Organizations need to build and maintain

quality relationships by acting with honestly, competence, justice, and a genuine commitment to their stakeholders. Practically speaking, this approach gives organizations a better chance of surviving a crisis than trying to formulate the perfect response after a crisis has occurred.

In addition to theoretical and practical implications, this dissertation has implications for the methods scholars use to study organizational apologies.

Methodological Implications

The methodological implications of this dissertation involve the measurement of the OPR, the manipulation of one of the experimental conditions, the use of victims instead of non-victims in crisis communication research, and the way scholars operationalize organizational apologies.

As described in Chapter 3, this dissertation used Hon and Grunig's (1999) OPR scale to measure relationships between organizations and stakeholders. This scale has been used widely in public relations research, and its reliability and validity have been tested (Ki & Hon, 2007a). The OPR scale is intended to have six dimensions—four dimensions of relationship quality (trust, control mutuality, commitment, and satisfaction) and two dimensions of relationship type (communal or exchange). However, confirmatory factor analysis conducted for Study 1 found only three dimensions. Relationship quality was found to be a one-dimensional construct rather than a four-dimensional construct. The other two factors (communal relationship and exchange relationship) were confirmed.

Perhaps the difference between the present study and previous studies is related to the types of organizations and stakeholders in each study. For example, Ki and Hon's

(2007a) validation of the OPR scale was conducted with a farm bureau and its members. By contrast, the present study involved retailers and customers. Customers may not have enough involvement with retailers to distinguish between the concepts of trust, control mutuality, commitment, and satisfaction.

The important point here is that even when a scale has been previously tested and widely used, researchers still need to check the reliability and validity of that scale when they use it. Different populations and different situations may yield different results. In this case, the fact that the OPR quality scale was one-dimensional did not cause serious problems for the analysis. However, if the study's hypotheses had involved specific dimensions of OPR quality, confirming the validity of each dimension would have been especially important.

Another methodological implication of this dissertation is the need to check manipulations carefully. In factorial ANOVAs, the researcher cannot simply look for a main effect of a factor on a manipulation check. The effects of other factors must be examined, as well, in order to rule out confounds (Perdue & Summers, 1986). In the case of Study 1, the manipulation check for the acknowledgement of responsibility was unsuccessful because both the responsibility and the reparation condition affected it.

In some cases, a failed manipulation check is theoretically interesting. This dissertation involved three separate studies, all of which indicated that behaviors can substitute for words in an organizational apology. Therefore, the fact that participants in Study 1 perceived an offer of reparations as *taking responsibility* sheds light on the importance of combining words and behaviors in organizational apologies.

One unique aspect of this dissertation's methodology was the attempt to study crisis *victims*. Coombs (2012) and Kent (2010) argued that too much crisis communication research involves only non-victims. Coombs (2012) also suggested that crisis victims might be more concerned than non-victims with the kind of apologies organizations offer.

Study 1 tried to help participants *imagine* themselves as crisis victims. Participants were asked to identify an organization with which they had an existing business relationship, and then the experimental manipulation was customized to include the name of that organization. However, the effect sizes for all apology components were quite small. Perhaps participants in Study 1 were not able to truly see themselves as victims of the hypothetical crisis, or perhaps the crisis was not severe enough to evoke strong reactions from the participants. Another possibility is that victims' reactions to apologies do not vary much from non-victims' reactions. Further testing is needed to understand this issue.

One final methodological implication deserves discussion. This dissertation has argued that effective organizational apologies, from the stakeholder perspective, use a combination of words and behaviors to fix problems and rebuild relationships. Future research on organizational apologies should consider operationalizing apologies to include these elements. Organizational apologies do not necessarily require elements from all four of the categories in Figure 17 (words that fix problems, behaviors that fix problems, words that rebuild relationships, and behaviors that rebuild relationships). However, organizational apologies should be operationalized to include words *and* behaviors, as well as elements aimed at fixing problems *and* elements aimed at

rebuilding relationships. When studies report that apologies are no more effective than other crises responses (e.g., Coombs & Holladay, 2008), such findings may be caused by the fact that participants perceived those other responses *to be apologies*.

The next section discusses limitations of this dissertation and directions for future research.

Limitations and Directions for Future Research

This dissertation used three studies to examine what constitutes an effective organizational apology from the perspective of an organization's stakeholders. Study 1 used an experiment to test the importance of four apology components on victims' reactions to a crisis. Studies 2 and 3 asked participants to imagine themselves as victims of a crisis and to write an effective apology on behalf of the organization (Study 2) or a list of suggestions to make the organization's apology effective (Study 3). Each of these studies involved certain limitations. This section discusses these limitations and offers several opportunities for additional research in this area.

Limitations

There are several limitations associated with Study 1. As mentioned already, the manipulation check for the acknowledgment of responsibility conditions was unsuccessful to the extent that another factor in the analysis had a significant influence on this manipulation check. Participants did not completely distinguish between the acknowledgment of responsibility and the offer of reparations conditions. Therefore the findings related to the responsibility condition must be interpreted cautiously.

The small effect sizes for the apology conditions in Study 1 also argue for a cautious interpretation of the findings. Just because certain factors are statistically

significant does not mean they are *important*. The small effect sizes may indicate that the hypothetical crisis was not severe enough, or the experimental design was not realistic enough to produce larger effects.

Because Study 1 only studied one type of crisis and one type of stakeholder, the findings may not be generalizable to other groups or situations. Apologies might be more important in more severe crisis situations (Coombs & Holladay, 2008). Furthermore, non-victims might react differently than victims (Coombs, 2012).

Because Studies 2 and 3 were exploratory studies that used convenience samples, the themes and categories identified in those studies may not generalize to other populations or other types of crises. The findings for both studies were based on analyzing and interpreting texts created by the participants, not by communicating with the participants directly. Thus, the researcher may not have understood all of the data in these studies the way the participants intended.

Future Research

Future research should examine apology components in different crisis situations. The data breach crisis employed in this dissertation was not as severe as many crises (e.g., industrial accidents, product negligence cases, etc.). More severe crises might produce different results.

Different crisis situations could also affect the way stakeholders make attributions of responsibility. The present scenario produced moderate attributions of responsibility, but a crisis that involved misdeeds by members of the organization might yield significantly different results in the way responsibility was attributed and how apologies influenced that attribution.

Studying different crisis situations includes studying crises in different cultural contexts. Scholars have already noted differences between apologies in Western and Eastern cultures (Gries & Peng, 2002). The techniques used in this dissertation could be applied in intercultural communication research to determine what constitutes an effective organizational apology in the minds of international stakeholders.

Future studies may want to modify the experimental manipulations used in this dissertation. The acknowledgement of responsibility manipulation in Study 1 was unsuccessful, suggesting that either the manipulation or the *manipulation check* ought to be revised. Also, Studies 2 and 3 found a number of apology components that could be included in future experiments. For instance, the effects of compensation on stakeholders' perception that an organization had apologized would be worth testing. Explanations might also contribute to the perception that an organization has apologized.

A key finding from all three studies was that organizational behaviors seem to affect stakeholder perceptions more than words do. In particular, some stakeholders perceive behaviors like providing compensation or taking corrective action as evidence that an organizational apology is sincere. A future experiment could test whether costlier forms of compensation are perceived as more sincere or more apologetic.

Ultimately, the best way to test this dissertation's main argument would be to operationalize apology components in terms of (1) fixing problems or (2) rebuilding relationships, and (a) word or (b) behaviors. The present findings suggest that when apologies contain all of these elements they will be perceived as more effective than apologies without all of these elements. Confirming this theory empirically would be

tremendously valuable to organizations trying to maintain or repair relationships with their stakeholders after a crisis.

Conclusion

As Fink (1986) observed, organizational crises are inevitable. We live in an imperfect world filled with imperfect people. Regardless of how well-managed or well-prepared organizations are, they will face crises eventually. When such crises arise, organizations need to be ready to respond appropriately. When organizations are responsible for contributing to these crises, organizational apologies are ethically and strategically appropriate.

The findings of this dissertation suggest that an organization's stakeholders may not perceive an organizational apology the way they perceive interpersonal apologies. Furthermore, stakeholders may have different perceptions of an organizational apology than crisis communication scholars have. If the organization's goal is to repair its public image and rebuild relationships with its stakeholders, the organization needs to make sure any apology it offers is acceptable to its stakeholders. When organizational apologies use a combination of words and behaviors to fix problems and rebuild relationships, these apologies will be more effective for organizations and more satisfying for stakeholders.

Table 1. Means and Reliabilities for Study 1 Scales

Scale	*M*	*SD*	α
Pre-Test OPR (OPR1)	5.52	1.01	.96
Pre-Test Communal Relationship (CR1)	5.52	1.21	.80
Pre-Test Exchange Relationship (ER1)	3.60	1.65	.81
Perceived Apology (PA)	4.80	1.67	.86
Account Acceptance (AA)	5.10	1.46	.89
Organizational Reputation (OR)	5.37	1.18	.84
Anger (An)	3.14	1.74	.94
Empathy (Em)	2.63	1.30	.76
Attribution of Responsibility (AR)	4.24	1.26	.85
Post-Test OPR (OPR2)	5.10	1.31	.97
Post-Test Communal Relationship (CR2)	5.26	1.37	.83
Post-Test Exchange Relationship (ER2)	3.74	1.67	.81
Behavioral Intention (BI)	5.55	1.45	.94

Note: N = 817; * $p < .05$; ** $p < .01$

Table 2. Correlations between Study 1 Variables

Scale	OPR1	CR1	ER1	PA	AA	OR	An	Em	AR	OPR2	CR2	ER2
Pre-Test OPR (OPR1)												
Pre-Test Communal Relationship (CR1)	.56**											
Pre-Test Exchange Relationship (ER1)	-.28**	-.51**										
Perceived Apology (PA)	.26**	.14**	-.07									
Account Acceptance (AA)	.33**	.23**	-.14**	.73**								
Organizational Reputation (OR)	.54**	.49**	-.29**	.57**	.73**							
Anger (An)	-.15**	-.16**	.13**	-.30**	-.44**	-.42**						
Empathy (Em)	.28**	.12**	-.08*	.37**	.40**	.36**	-.27**					
Attribution of Responsibility (AR)	-.16**	-.14**	.16**	-.16**	-.28**	-.34**	.43**	-.22**				
Post-Test OPR (OPR2)	.66**	.39**	-.22**	.53**	.65**	.75**	-.47**	.42**	-.35**			
Post-Test Communal Relationship (CR2)	.47**	.65**	-.40**	.36**	.47**	.67**	-.41**	.25**	-.29**	.69**		
Post-Test Exchange Relationship (ER2)	-.29**	-.46**	.75**	-.17**	-.24**	-.40**	.27**	-.18**	.26**	-.39**	-.56**	
Behavioral Intention (BI)	.48**	.37**	-.25**	.44**	.59**	.68**	-.54**	.30**	-.36**	.85**	.69**	-.39**

Note: N = 817; * p < .05; ** p < .01

Table 3. Remorse Manipulation Check ANOVA

Source	*SS*	*df*	*MS*	*F*	η^2
Between treatments	969.39	15	64.63	26.17***	.33
Remorse	519.07	1	519.07	210.18***	.21
Responsibility	151.80	1	151.80	61.47***	.07
Forbearance	46.04	1	46.04	18.64***	.02
Reparations	53.28	1	53.28	21.57***	.03
Remorse × Responsibility	132.07	1	132.07	53.48***	.06
Remorse × Forbearance	5.15	1	5.15	2.08	.00
Remorse × Reparations	4.88	1	4.88	1.97	.00
Responsibility × Forbearance	11.81	1	11.81	4.78*	.01
Responsibility × Reparations	6.09	1	6.09	2.47	.00
Forbearance × Reparations	16.75	1	16.75	6.78**	.01
Remorse × Responsibility × Forbearance	3.18	1	3.18	1.29	.00
Remorse × Responsibility × Reparations	5.03	1	5.03	2.04	.00
Remorse × Forbearance × Reparations	6.03	1	6.03	2.44	.00
Responsibility × Forbearance × Reparations	3.07	1	3.07	1.24	.00
Remorse × Responsibility × Forbearance × Reparations	0.73	1	0.73	0.30	.00
Within treatments	1978.14	801	2.47		
Total	24549.0	817			

*$p < .05$. **$p < .01$. ***$p < .001$

Table 4. Responsibility Manipulation Check ANOVA

Source	*SS*	*df*	*MS*	*F*	η^2
Between treatments	573.80	15	38.25	13.37***	.20
Remorse	81.56	1	81.56	28.50***	.03
Responsibility	1578.83	1	1578.83	55.50***	.07
Forbearance	66.96	1	66.96	23.40***	.03
Reparations	180.79	1	180.79	63.17***	.07
Remorse × Responsibility	22.05	1	22.05	7.70**	.01
Remorse × Forbearance	7.34	1	7.34	2.57	.00
Remorse × Reparations	0.54	1	0.54	0.19	.00
Responsibility × Forbearance	26.40	1	26.40	9.23**	.01
Responsibility × Reparations	6.52	1	6.52	2.28	.00
Forbearance × Reparations	5.55	1	5.55	1.94	.00
Remorse × Responsibility × Forbearance	0.00	1	0.00	0.00	.00
Remorse × Responsibility × Reparations	0.37	1	0.37	0.13	.00
Remorse × Forbearance × Reparations	2.12	1	2.12	0.74	.00
Responsibility × Forbearance × Reparations	1.00	1	1.00	0.35	.00
Remorse × Responsibility × Forbearance × Reparations	0.87	1	0.87	0.30	.00
Within treatments	2292.43	801	2.86		
Total	23542.00	817			

*$p < .05$. **$p < .01$. ***$p < .001$

Table 5. Forbearance Manipulation Check ANOVA

Source	*SS*	*df*	*MS*	*F*	η^2
Between treatments	1861.86	15	124.12	40.91***	.43
Remorse	25.05	1	25.05	8.26**	.01
Responsibility	14.56	1	14.56	4.80*	.01
Forbearance	1703.24	1	1703.24	561.36***	.41
Reparations	20.29	1	20.29	6.69*	.01
Remorse × Responsibility	33.35	1	33.35	10.99**	.01
Remorse × Forbearance	2.319E-005	1	2.319E-005	0.00	.00
Remorse × Reparations	0.40	1	0.40	0.13	.00
Responsibility × Forbearance	1.49	1	1.49	0.49	.00
Responsibility × Reparations	0.05	1	0.05	0.02	.00
Forbearance × Reparations	40.00	1	40.00	13.18	.02
Remorse × Responsibility × Forbearance	6.91	1	6.91	2.28	.00
Remorse × Responsibility × Reparations	0.73	1	0.73	0.24	.00
Remorse × Forbearance × Reparations	0.64	1	0.64	0.21	.00
Responsibility × Forbearance × Reparations	3.03	1	3.03	1.00	.00
Remorse × Responsibility × Forbearance × Reparations	0.02	1	0.02	0.01	.00
Within treatments	2430.35	801	3.03		
Total	16146.00	817			

*$p < .05$. **$p < .01$. ***$p < .001$

Table 6. Reparations Manipulation Check ANOVA

Source	*SS*	*df*	*MS*	*F*	η^2
Between treatments	2146.74	15	143.12	52.98***	.50
Remorse	0.28	1	0.28	0.11	.00
Responsibility	0.01	1	0.01	0.00	.00
Forbearance	18.32	1	18.32	6.78**	.01
Reparations	2071.88	1	2071.88	767.00***	.49
Remorse × Responsibility	12.35	1	12.35	4.57*	.01
Remorse × Forbearance	13.18	1	13.18	4.88*	.01
Remorse × Reparations	2.86	1	2.86	1.06	.00
Responsibility × Forbearance	4.49	1	4.49	1.66	.00
Responsibility × Reparations	6.23	1	6.23	2.31	.00
Forbearance × Reparations	2.48	1	2.48	0.92	.00
Remorse × Responsibility × Forbearance	2.42	1	2.42	0.90	.00
Remorse × Responsibility × Reparations	0.01	1	0.01	0.00	.00
Remorse × Forbearance × Reparations	3.29	1	3.29	1.22	.00
Responsibility × Forbearance × Reparations	7.82	1	7.82	2.90	.00
Remorse × Responsibility × Forbearance × Reparations	0.00	1	0.00	0.00	.00
Within treatments	2163.73	801	2.70		
Total	18610.00	817			

*$p < .05$. **$p < .01$. ***$p < .001$

Table 7. Perceived Apology ANOVA

Source	*SS*	*df*	*MS*	*F*	η^2
Between treatments	670.82	15	44.72	22.55***	.30
Remorse	211.18	1	211.18	106.48***	.12
Responsibility	214.40	1	214.40	108.11***	.12
Forbearance	49.57	1	49.57	24.99***	.03
Reparations	96.81	1	96.81	48.82***	.06
Remorse × Responsibility	56.57	1	56.57	28.52***	.03
Remorse × Forbearance	6.68	1	6.68	3.37	.00
Remorse × Reparations	3.78	1	3.78	1.91	.00
Responsibility × Forbearance	14.54	1	14.54	7.33**	.01
Responsibility × Reparations	6.30	1	6.30	3.18	.00
Forbearance × Reparations	4.94	1	4.94	2.49	.00
Remorse × Responsibility × Forbearance	0.01	1	0.01	0.01	.00
Remorse × Responsibility × Reparations	1.57	1	1.57	0.79	.00
Remorse × Forbearance × Reparations	2.09	1	2.09	1.05	.00
Responsibility × Forbearance × Reparations	1.29	1	1.29	0.65	.00
Remorse × Responsibility × Forbearance × Reparations	0.14	1	0.14	0.07	.00
Within treatments	1588.56	801	1.98		
Total	21113.31	817			

*$p < .05$. **$p < .01$. ***$p < .001$

Table 8. Perceived Apology Mean Scores

		Acknowledgment of Responsibility Absent		Acknowledgement of Responsibility Present	
		Offer of Reparations Absent	Offer of Reparations Present	Offer of Reparations Absent	Offer of Reparations Present
Expression of Remorse Absent	Promise of Forbearance Absent	2.42 (1.41) *n* = 52	3.67 (1.77) *n* = 54	4.40 (1.54) *n* = 47	5.33 (1.42) *n* = 53
	Promise of Forbearance Present	3.51 (1.73) *n* = 43	4.45 (1.81) *n* = 57	5.18 (1.54) *n* = 55	5.38 (1.19) *n* = 57
Expression of Remorse Present	Promise of Forbearance Absent	4.45 (1.40) *n* = 56	5.09 (1.45) *n* = 50	5.26 (0.90) *n* = 44	5.83 (1.30) *n* = 53
	Promise of Forbearance Present	5.04 (1.11) *n* = 50	5.68 (1.24) *n* = 51	5.40 (1.21) *n* = 46	5.76 (1.03) *n* = 49

Note: Standard deviations for means are in parentheses.

Table 9. Account Acceptance ANOVA

Source	*SS*	*df*	*MS*	*F*	η^2
Between treatments	335.96	15	22.40	12.74***	.19
Remorse	51.64	1	51.64	29.36***	.04
Responsibility	25.87	1	25.87	14.71***	.02
Forbearance	42.48	1	42.48	24.15***	.03
Reparations	185.94	1	185.94	105.73***	.12
Remorse × Responsibility	12.04	1	12.04	6.85**	.01
Remorse × Forbearance	4.43	1	4.43	2.52	.00
Remorse × Reparations	3.98	1	3.98	2.27	.00
Responsibility × Forbearance	0.42	1	0.42	0.24	.00
Responsibility × Reparations	0.23	1	0.23	0.13	.00
Forbearance × Reparations	3.44	1	3.44	1.96	.00
Remorse × Responsibility × Forbearance	0.70	1	0.70	0.40	.00
Remorse × Responsibility × Reparations	1.88	1	1.88	1.07	.00
Remorse × Forbearance × Reparations	2.36	1	2.36	1.34	.00
Responsibility × Forbearance × Reparations	0.20	1	0.20	0.11	.00
Remorse × Responsibility × Forbearance × Reparations	1.62	1	1.62	0.92	.00
Within treatments	1408.75	801	1.76		
Total	22958.27	817			

*$p < .05$. **$p < .01$. ***$p < .001$

Table 10. Account Acceptance Mean Scores

		Acknowledgment of Responsibility Absent		Acknowledgement of Responsibility Present	
		Offer of Reparations Absent	Offer of Reparations Present	Offer of Reparations Absent	Offer of Reparations Present
Expression of Remorse Absent	Promise of Forbearance Absent	3.56 (1.50) *n* = 52	4.90 (1.66) *n* = 54	4.15 (1.64) *n* = 47	5.48 (1.26) *n* = 53
	Promise of Forbearance Present	4.27 (1.65) *n* = 43	5.38 (1.32) *n* = 57	5.13 (1.49) *n* = 55	5.74 (0.85) *n* = 57
Expression of Remorse Present	Promise of Forbearance Absent	4.65 (1.39) *n* = 56	5.15 (1.24) *n* = 50	4.86 (1.13) *n* = 44	5.71 (1.33) *n* = 53
	Promise of Forbearance Present	5.49 (1.17) *n* = 50	5.82 (1.04) *n* = 51	5.03 (1.37) *n* = 46	5.95 (1.25) *n* = 49

Note: Standard deviations for means are in parentheses.

Table 11. Organizational Reputation ANOVA

Source	*SS*	*df*	*MS*	*F*	η^2
Between treatments	101.16	15	6.74	5.24***	.09
Remorse	9.25	1	9.25	7.18**	.01
Responsibility	18.18	1	18.18	14.11***	.02
Forbearance	13.76	1	13.76	10.68**	.01
Reparations	38.55	1	38.55	29.92***	.04
Remorse × Responsibility	3.29	1	3.29	2.55	.00
Remorse × Forbearance	5.22	1	5.22	4.05*	.01
Remorse × Reparations	0.45	1	0.45	0.35	.00
Responsibility × Forbearance	0.02	1	0.02	0.02	.00
Responsibility × Reparations	6.86	1	6.86	5.32*	.01
Forbearance × Reparations	0.81	1	0.81	0.63	.00
Remorse × Responsibility × Forbearance	0.15	1	0.15	0.12	.00
Remorse × Responsibility × Reparations	2.14	1	2.14	1.66	.00
Remorse × Forbearance × Reparations	0.85	1	0.85	0.66	.00
Responsibility × Forbearance × Reparations	0.08	1	0.08	0.06	.00
Remorse × Responsibility × Forbearance × Reparations	0.42	1	0.42	0.32	.00
Within treatments	1031.94	801	1.29		
Total	24660.93	817			

*$p < .05$. **$p < .01$. ***$p < .001$

Table 12. Organizational Reputation Mean Scores

		Acknowledgment of Responsibility Absent		Acknowledgement of Responsibility Present	
		Offer of Reparations Absent	Offer of Reparations Present	Offer of Reparations Absent	Offer of Reparations Present
Expression of Remorse Absent	Promise of Forbearance Absent	4.40 (1.22) *n* = 52	5.27 (1.16) *n* = 54	5.07 (1.44) *n* = 47	5.42 (1.13) *n* = 53
	Promise of Forbearance Present	4.91 (1.36) *n* = 43	5.57 (1.02) *n* = 57	5.66 (1.06) *n* = 55	5.71 (1.-3) *n* = 57
Expression of Remorse Present	Promise of Forbearance Absent	5.04 (1.10) *n* = 56	5.58 (1.13) *n* = 50	5.40 (1.10) *n* = 44	5.64 (1.11) *n* = 53
	Promise of Forbearance Present	5.25 (1.15) *n* = 50	5.65 (0.98) *n* = 51	5.40 (1.19) *n* = 46	5.77 (0.99) *n* = 49

Note: Standard deviations for means are in parentheses.

Table 13. Post-Crisis OPR ANOVA

Source	*SS*	*df*	*MS*	*F*	η^2
Between treatments	91.78	15	6.12	3.75***	.07
Remorse	8.92	1	8.92	5.46*	.01
Responsibility	9.94	1	9.94	6.08*	.01
Forbearance	18.11	1	18.11	11.08**	.01
Reparations	34.20	1	34.20	20.93***	.03
Remorse × Responsibility	1.54	1	1.54	0.94	.00
Remorse × Forbearance	4.89	1	4.89	3.00	.00
Remorse × Reparations	0.00	1	0.00	0.00	.00
Responsibility × Forbearance	2.88	1	2.88	1.76	.00
Responsibility × Reparations	1.36	1	1.36	0.83	.00
Forbearance × Reparations	0.81	1	0.81	0.49	.00
Remorse × Responsibility × Forbearance	0.55	1	0.55	0.34	.00
Remorse × Responsibility × Reparations	3.24	1	3.24	1.98	.00
Remorse × Forbearance × Reparations	2.09	1	2.09	1.28	.00
Responsibility × Forbearance × Reparations	0.05	1	0.05	0.03	.00
Remorse × Responsibility × Forbearance × Reparations	1.22	1	1.22	0.75	.00
Within treatments	1308.481	801	1.63		
Total	22628.338	817			

*$p < .05$. **$p < .01$. ***$p < .001$

Table 14. Post-Crisis OPR Mean Scores

		Acknowledgment of Responsibility Absent		Acknowledgement of Responsibility Present	
		Offer of Reparations Absent	Offer of Reparations Present	Offer of Reparations Absent	Offer of Reparations Present
Expression of Remorse Absent	Promise of Forbearance Absent	4.10 (1.52) *n* = 52	4.94 (1.27) *n* = 54	4.85 (1.68) *n* = 47	5.15 (1.22) *n* = 53
	Promise of Forbearance Present	4.95 (1.68) *n* = 43	5.34 (1.14) *n* = 57	5.23 (1.23) *n* = 55	5.33 (1.02) *n* = 57
Expression of Remorse Present	Promise of Forbearance Absent	4.91 (1.35) *n* = 56	5.14 (1.23) *n* = 50	4.97 (1.24) *n* = 44	5.48 (1.25) *n* = 53
	Promise of Forbearance Present	4.99 (1.32) *n* = 50	5.48 (1.00) *n* = 51	5.10 (1.23) *n* = 46	5.50 (0.95) *n* = 49

Note: Standard deviations for means are in parentheses.

Table 15. Anger ANOVA

Source	*SS*	*df*	*MS*	*F*	η^2
Between treatments	124.37	15	8.29	2.85***	.05
Remorse	0.19	1	0.19	0.07	.00
Responsibility	0.36	1	0.36	0.12	.00
Forbearance	8.73	1	8.73	3.00	.00
Reparations	82.91	1	82.91	28.47***	.03
Remorse × Responsibility	2.11	1	2.11	0.73	.00
Remorse × Forbearance	18.58	1	18.58	6.38*	.01
Remorse × Reparations	0.26	1	0.26	0.09	.00
Responsibility × Forbearance	0.18	1	0.18	0.06	.00
Responsibility × Reparations	0.44	1	0.44	0.15	.00
Forbearance × Reparations	1.14	1	1.14	0.39	.00
Remorse × Responsibility × Forbearance	0.04	1	0.04	0.01	.00
Remorse × Responsibility × Reparations	3.36	1	3.36	1.15	.00
Remorse × Forbearance × Reparations	0.29	1	0.29	0.10	.00
Responsibility × Forbearance × Reparations	0.00	1	0.00	0.00	.00
Remorse × Responsibility × Forbearance × Reparations	4.38	1	4.38	1.50	.00
Within treatments	2332.51	801	2.91		
Total	10503.50	817			

*$p < .05$. **$p < .01$. ***$p < .001$

Table 16. Anger Mean Scores

		Acknowledgment of Responsibility Absent		Acknowledgement of Responsibility Present	
		Offer of Reparations Absent	Offer of Reparations Present	Offer of Reparations Absent	Offer of Reparations Present
Expression of Remorse Absent	Promise of Forbearance Absent	3.98 (1.99) *n* = 52	2.94 (1.83) *n* = 54	3.59 (1.79) *n* = 47	3.19 (1.92) *n* = 53
	Promise of Forbearance Present	3.20 (1.99) *n* = 43	2.67 (1.45) *n* = 57	3.12 (1.70) *n* = 55	2.66 (1.39) *n* = 57
Expression of Remorse Present	Promise of Forbearance Absent	3.28 (1.67) *n* = 56	2.80 (1.62) *n* = 50	3.61 (1.90) *n* = 44	2.67 (1.57) *n* = 53
	Promise of Forbearance Present	3.45 (1.55) *n* = 50	2.74 (0.47) *n* = 51	3.57 (1.72) *n* = 46	2.99 (1.72) *n* = 49

Note: Standard deviations for means are in parentheses.

Table 17. Empathy ANOVA

Source	*SS*	*df*	*MS*	*F*	η^2
Between treatments	57.51	15	3.83	2.31**	.04
Remorse	4.37	1	4.37	2.63	.00
Responsibility	2.50	1	2.50	1.50	.00
Forbearance	0.82	1	0.82	0.49	.00
Reparations	26.90	1	26.90	16.19***	.02
Remorse × Responsibility	9.11	1	9.11	5.49*	.01
Remorse × Forbearance	5.07	1	5.07	3.05	.00
Remorse × Reparations	0.17	1	0.17	0.10	.00
Responsibility × Forbearance	0.13	1	0.13	0.80	.00
Responsibility × Reparations	0.93	1	0.93	0.56	.00
Forbearance × Reparations	3.41	1	3.41	2.05	.00
Remorse × Responsibility × Forbearance	0.10	1	0.10	0.06	.00
Remorse × Responsibility × Reparations	0.26	1	0.26	0.16	.00
Remorse × Forbearance × Reparations	0.32	1	0.32	0.19	.00
Responsibility × Forbearance × Reparations	0.23	1	0.23	0.14	.00
Remorse × Responsibility × Forbearance × Reparations	0.99	1	0.99	0.59	.00
Within treatments	1330.60	801	1.66		
Total	7023.22	817			

*$p < .05$. **$p < .01$. ***$p < .001$

Table 18. Empathy Mean Scores

		Acknowledgment of Responsibility Absent		Acknowledgement of Responsibility Present	
		Offer of Reparations Absent	Offer of Reparations Present	Offer of Reparations Absent	Offer of Reparations Present
Expression of Remorse Absent	Promise of Forbearance Absent	2.03 (1.02) *n* = 52	2.46 (1.25) *n* = 54	2.34 (1.07) *n* = 47	2.91 (1.39) *n* = 53
	Promise of Forbearance Present	2.51 (1.24) *n* = 43	2.53 (1.19) *n* = 57	2.63 (1.55) *n* = 55	2.94 (1.30) *n* = 57
Expression of Remorse Present	Promise of Forbearance Absent	2.57 (1.15) *n* = 56	2.91 (1.33) *n* = 50	2.43 (1.24) *n* = 44	3.05 (1.63) *n* = 53
	Promise of Forbearance Present	2.56 (1.34) *n* = 50	2.93 (1.47) *n* = 51	2.43 (1.09) *n* = 46	2.66 (1.13) *n* = 49

Note: Standard deviations for means are in parentheses.

Table 19. Behavioral Intention ANOVA

Source	*SS*	*df*	*MS*	*F*	η^2
Between treatments	104.72	15	6.98	3.46***	.06
Remorse	4.42	1	4.42	2.19	.00
Responsibility	7.48	1	7.48	3.71	.01
Forbearance	22.44	1	22.44	11.13**	.01
Reparations	45.41	1	45.41	22.52***	.03
Remorse × Responsibility	3.83	1	3.83	1.90	.00
Remorse × Forbearance	0.70	1	0.70	0.35	.00
Remorse × Reparations	0.00	1	0.00	0.00	.00
Responsibility × Forbearance	5.85	1	5.85	2.90	.00
Responsibility × Reparations	1.84	1	1.84	0.91	.00
Forbearance × Reparations	0.04	1	0.04	0.02	.00
Remorse × Responsibility × Forbearance	0.24	1	0.24	0.12	.00
Remorse × Responsibility × Reparations	6.75	1	6.75	3.35	.00
Remorse × Forbearance × Reparations	2.34	1	2.34	1.16	.00
Responsibility × Forbearance × Reparations	0.15	1	0.15	0.08	.00
Remorse × Responsibility × Forbearance × Reparations	1.18	1	1.18	0.58	.00
Within treatments	1615.16	801	2.02		
Total	26912.72	817			

*$p < .05$. **$p < .01$. ***$p < .001$

Table 20. Behavioral Intention Mean Scores

		Acknowledgment of Responsibility Absent		Acknowledgement of Responsibility Present	
		Offer of Reparations Absent	Offer of Reparations Present	Offer of Reparations Absent	Offer of Reparations Present
Expression of Remorse Absent	Promise of Forbearance Absent	4.52 (1.82) *n* = 52	5.50 (1.49) *n* = 54	5.44 (1.73) *n* = 47	5.65 (1.37) *n* = 53
	Promise of Forbearance Present	5.34 (1.80) *n* = 43	5.87 (1.18) *n* = 57	5.64 (1.23) *n* = 55	5.82 (1.11) *n* = 57
Expression of Remorse Present	Promise of Forbearance Absent	5.26 (1.64) *n* = 56	5.51 (1.41) *n* = 50	5.32 (1.51) *n* = 44	5.84 (1.38) *n* = 53
	Promise of Forbearance Present	5.53 (1.34) *n* = 50	6.06 (1.05) *n* = 51	5.41 (1.49) *n* = 46	6.02 (0.93) *n* = 49

Note: Standard deviations for means are in parentheses.

Table 21. Attribution of Responsibility Mean Scores

		Acknowledgment of Responsibility Absent		Acknowledgement of Responsibility Present	
		Offer of Reparations Absent	Offer of Reparations Present	Offer of Reparations Absent	Offer of Reparations Present
Expression of Remorse Absent	Promise of Forbearance Absent	4.66 (1.14) *n* = 52	3.98 (1.20) *n* = 54	4.38 (1.34) *n* = 47	4.43 (1.19) *n* = 53
	Promise of Forbearance Present	4.11 (1.51) *n* = 43	4.00 (1.23) *n* = 57	4.14 (1.44) *n* = 55	4.29 (1.11) *n* = 57
Expression of Remorse Present	Promise of Forbearance Absent	4.24 (1.22) *n* = 56	4.02 (1.22) *n* = 50	4.16 (1.20) *n* = 44	4.21 (1.22) *n* = 53
	Promise of Forbearance Present	4.41 (1.27) *n* = 50	4.20 (1.23) *n* = 51	4.46 (1.18) *n* = 46	4.17 (1.42) *n* = 49

Note: Standard deviations for means are in parentheses.

Table 22. Regression Analysis for Pre-Crisis OPR Predicting PA

Variable	*B*	*SE B*	β
OPR	.43	.07	.26***
Communal Relationship	.00	.06	.00
Exchange Relationship	.01	.04	.01
R^2		.07	
F		19.73***	

***$p < .001$.

Table 23. Regression Analysis for Pre-Crisis OPR Predicting AA

Variable	*B*	*SE B*	β
OPR	.43	.06	.30***
Communal Relationship	.05	.05	.04
Exchange Relationship	-.03	.03	-.03
R^2		.11	
F		33.93***	

***$p < .001$.

Table 24. Regression Analysis for Pre-Crisis OPR Predicting OR

Variable	*B*	*SE B*	β
OPR	.45	.04	.39***
Communal Relationship	.24	.04	.24***
Exchange Relationship	-.04	.02	-.06
R^2		.34	
F		142.39***	

***$p < .001$.

Table 25. Regression Analysis for Pre-Crisis OPR Predicting Post-Crisis OPR

Variable	*B*	*SE B*	β
OPR	.84	.04	.65***
Communal Relationship	.02	.04	.01
Exchange Relationship	-.03	.02	-.03
R^2		.44	
F		212.70***	

***$p < .001$.

Table 26. Regression Analysis for Pre-Crisis OPR Predicting Anger

Variable	*B*	*SE B*	β
OPR	-.17	.07	-.10*
Communal Relationship	-.10	.07	-.07
Exchange Relationship	.07	.04	.06
R^2		.03	
F		9.48***	

*$p < .05$. ***$p < .001$.

Table 27. Regression Analysis for Pre-Crisis OPR Predicting Empathy

Variable	*B*	*SE B*	β
OPR	.41	.05	.32***
Communal Relationship	-.08	.05	-.08
Exchange Relationship	-.02	.03	-.03
R^2		.08	
F		24.89***	

***$p < .001$.

Table 28. Regression Analysis for Pre-Crisis OPR Predicting AR

Variable	*B*	*SE B*	β
OPR	-.15	.05	-.10**
Communal Relationship	-.01	.05	-.01
Exchange Relationship	.09	.03	.12**
R^2		.04	
F		11.03***	

**$p < .01$. ***$p < .001$.

Table 29. Regression Analysis for Predictors of Behavioral Intention

Variable	*B*	*SE B*	β
Perceived Apology	-.04	.02	-.05
Account Acceptance	.04	.03	.04
Organizational Reputation	.08	.04	.07*
Attribution of Responsibility	-.01	.02	-.01
OPR (post-crisis)	.83	.03	.75***
Anger	-.15	.02	-.18***
Empathy	-.10	.02	-.09***
R^2		.76	
F		367.37***	

*$p < .05$. ***$p < .001$.

Table 30. Examples and Frequencies of Problem Fixing Categories

Theme	Example	Study 2 %	Study 3 %
Acknowledge responsibility	• *"We are taking full responsibility for our failure to adequately protect your data."* • *"Take responsibility for what happened. Don't blame the hackers or customers."*	18	30
Offer an explanation	• *"At this time we do not know exactly or if any people have been affected. We will do our best to keep you updated and we will send out any new information on the matter."* • *"The company needs to be honest about what happened and how it happened, including exactly what information the hackers acquired."*	12	42
Tell stakeholders what action to take	• *"We would advise you to contact your credit card company, if you have a credit card on file with us, so that your credit card cannot be used."* • *"The company should give recommendations (or links) to resources on identify theft or what to watch for."*	58	46
Corrective action			
Mitigate harms	• *"For the time being, we have removed all customer information from our database so that it can no longer be accessed."* • *"Take steps to prevent the error, such as requiring password switches."*	26	27
Offer reparations	• *"Any monetary damages that you incur as a result of this breach of security will be reimbursed by our company."* • *"Offer to pay for credit monitoring for the next 1-2 years."*	43	55
Prevent recurrences	• *"We will be making an internal investigation and amending our security to make sure this never happens again."* • *"Explain to me how you're going to prevent the issue in the future."*	65	86
Total		99	100

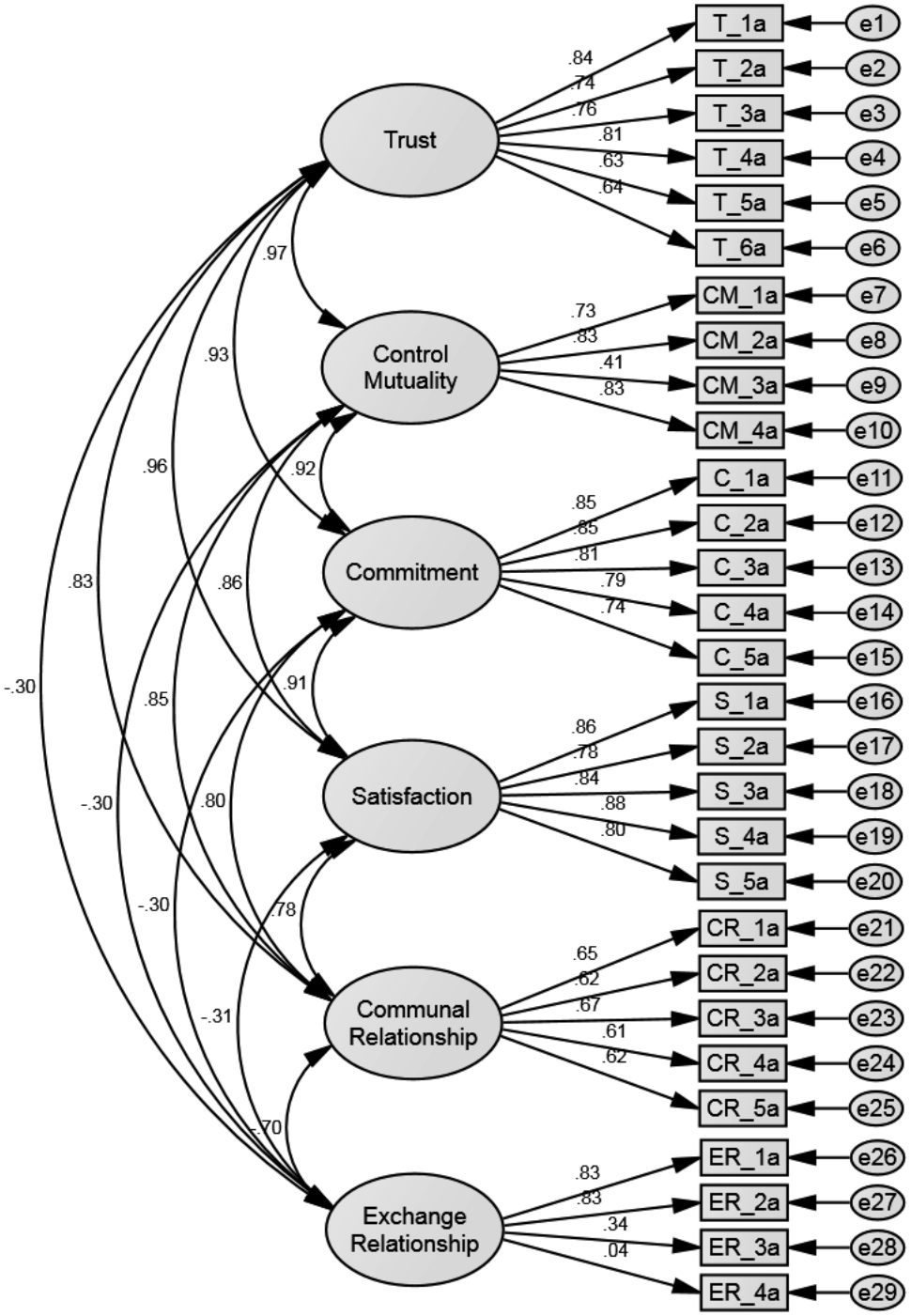
Table 31. Examples and Frequencies of Relationship Rebuilding Categories

Theme	Example	Study 2 %	Study 3 %
Express genuine remorse	• *"We would like to offer our heartfelt apology."* • *"The tone of the apology should be sincere. It should make the customers believe that the company actually cares about them."*	69	28
Identify with stakeholders			
Acknowledge stakeholders' worth	• *"We appreciate you being a valued customer of Target and Target.com."* • *"Write about how much your customers mean to you."*	24	25
Affirm stakeholders' values	• *"Keeping your personal information secure is important to us."* • *"[Communicate] that the company realizes that identity theft is a growing problem and concern for consumers."*	29	2
Empathize with stakeholders' suffering	• *"We know how stressful and worrying this can be."* • *"Use the word 'understand' often. 'We understand how you may feel...'"*	13	10
Request another chance	• *"We hope you will forgive us and continue to do business with our company."* • *"Ask for the client's continued patronage."*	37	7

Table 31. Examples and Frequencies of Relationship Rebuilding

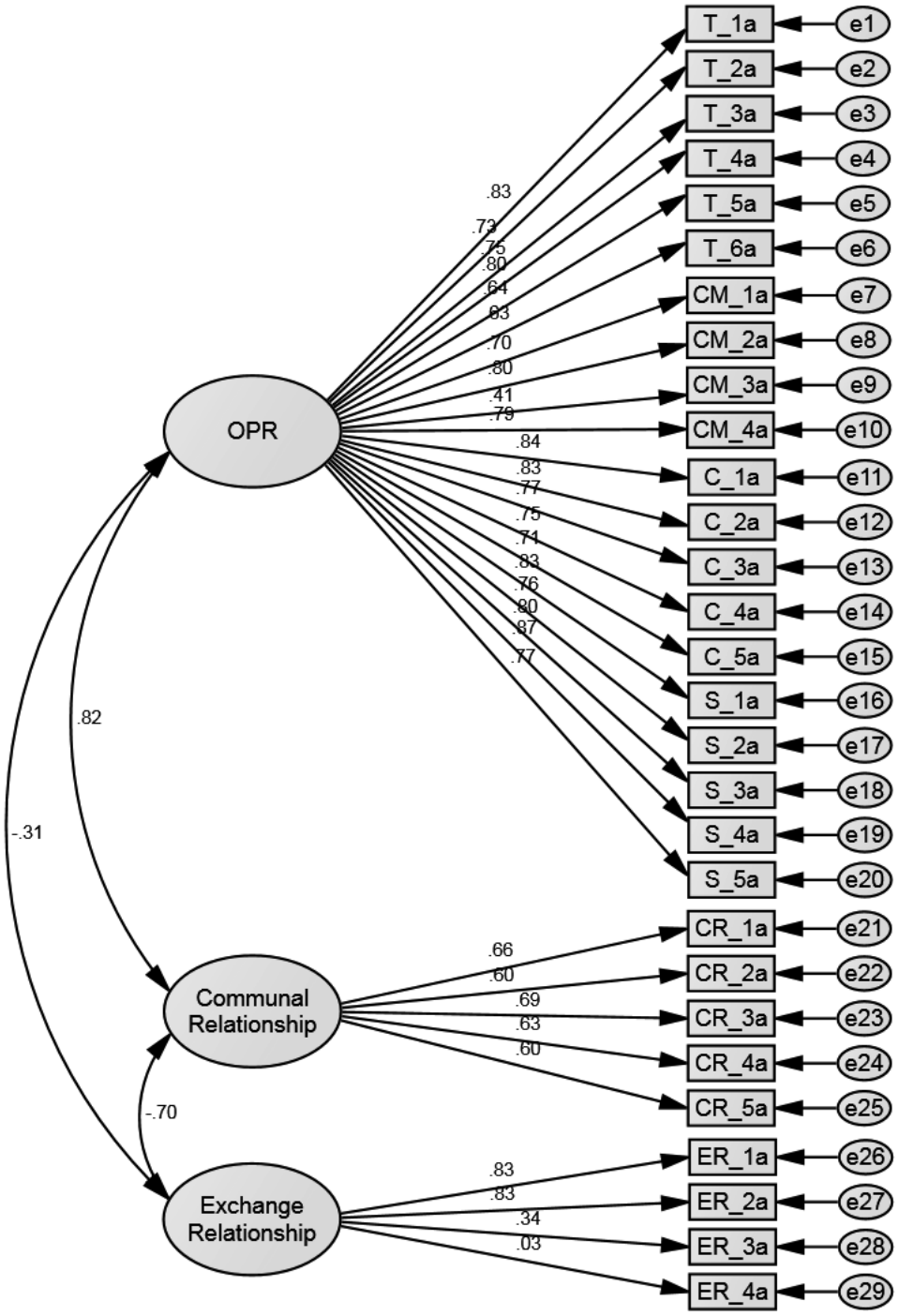
Theme	Example	Study 2 %	Study 3 %
Provide compensation	• *"As a token of our apology we will give you a gift certificate to use at our website."* • *"The company could offer some type of gift card or some incentive to continue to use the company."*	35	66
Foster personal communication			
Communicate from a specific person	• *"As president of the company, I offer my deepest apologies."* • *Something that is obviously a form letter will not suffice. It should be signed by the CEO or COO, not some PR rep."*	7	10
Address stakeholders appropriately	• *"Please do not refer to me as 'friend.' I am a customer, not an old college buddy."*	0	5
Invite stakeholders to contact the organization	• *"Please do not hesitate to contact us with any questions or problems regarding this matter."* • *"Include contact information for a person at the company that will be fielding customer questions and concerns."*	13	10
Total		99	99

Figure 1. Theorized Measurement Model of OPR Scale



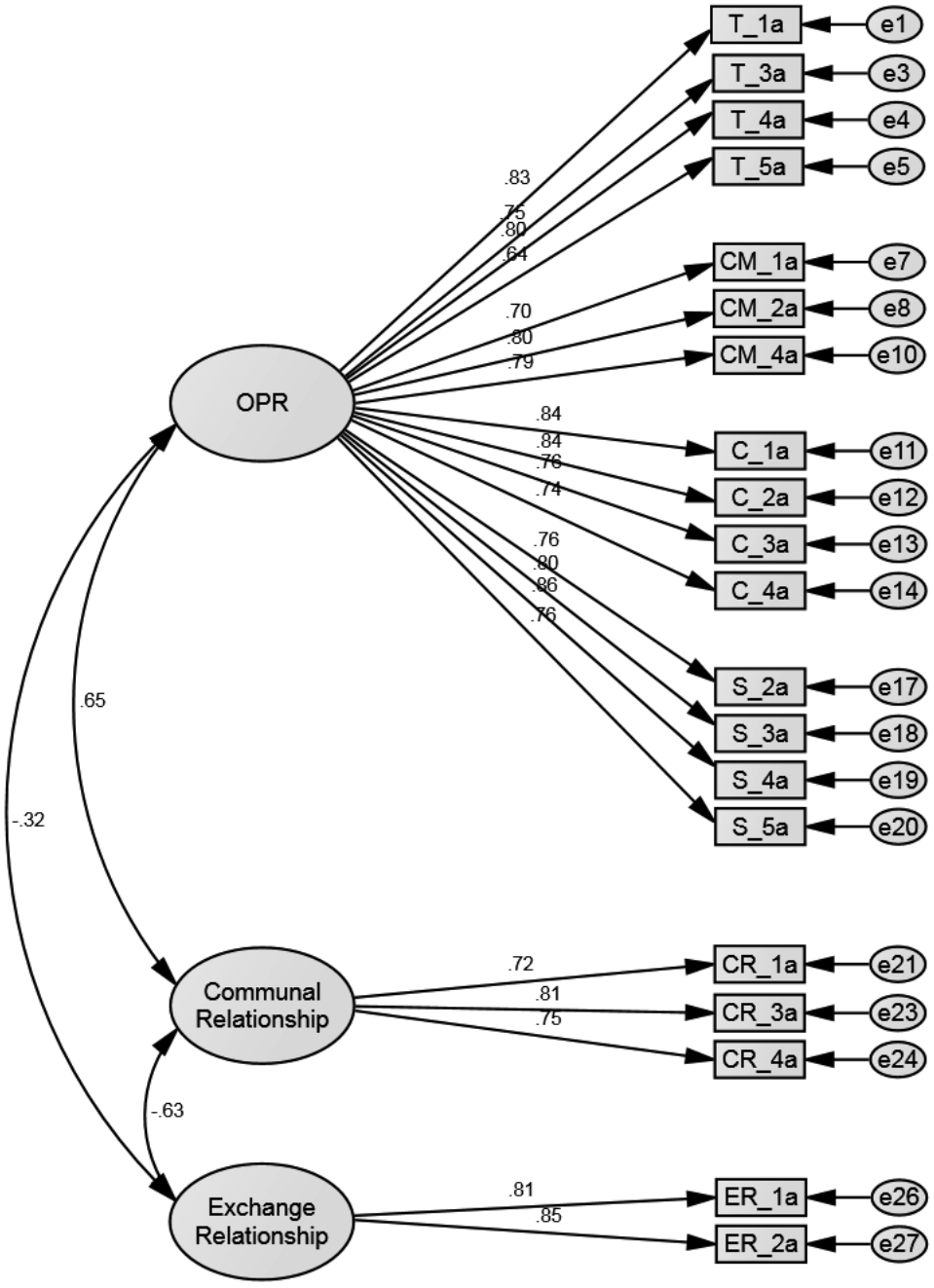
Fit statistics: $\chi^2/df = 6.96$, $p < .001$; GFI = .790; CFI = .817; TLI = .855; RMR = .202; RMSEA = .085 (Lo = .082; Hi = .089, PCLOSE < .001)
Note: The covariance matrix was not positive-definite.

Figure 2. Revised Measurement Model of OPR Scale



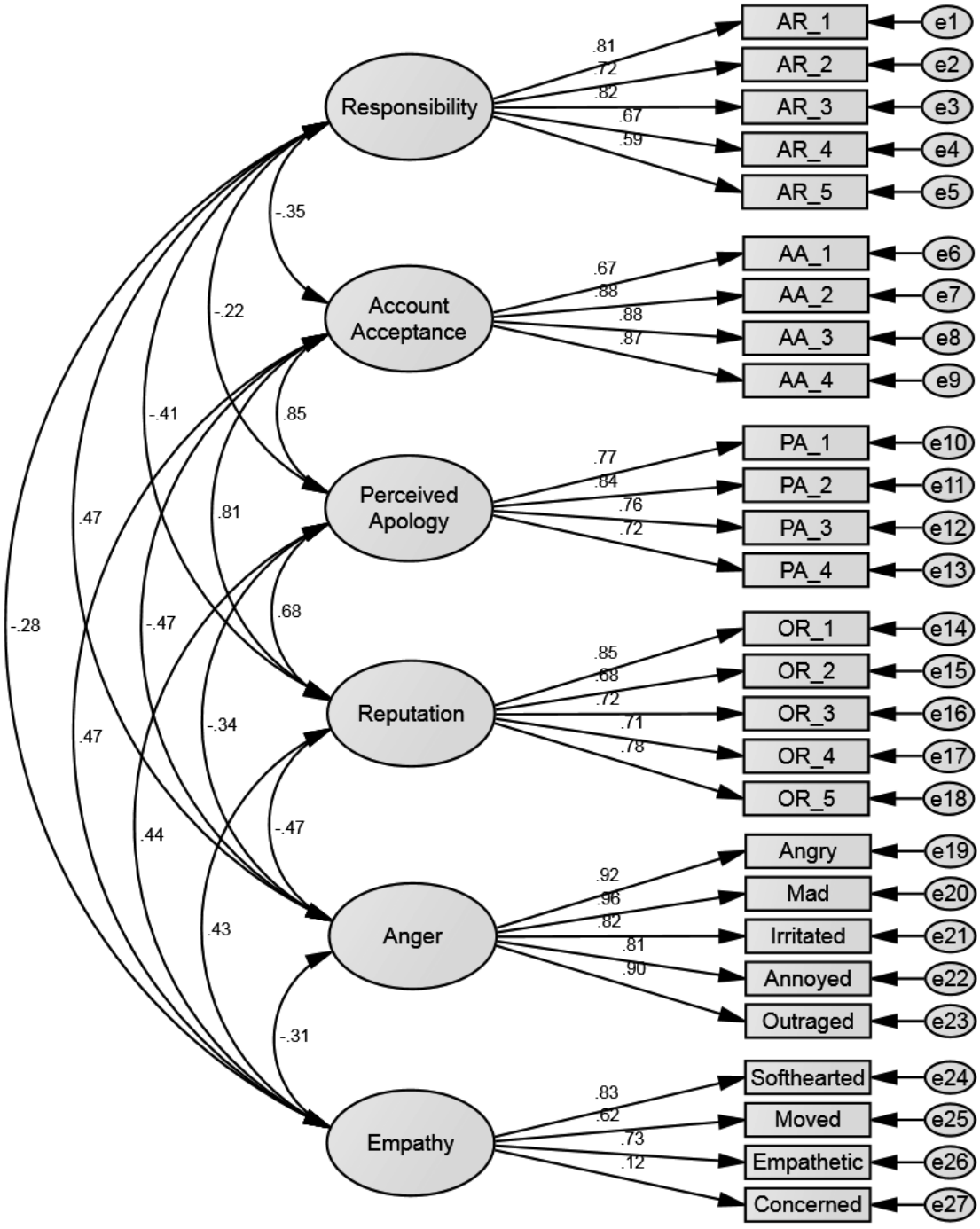
Fit statistics: $\chi^2/df = 7.849$, $p < .001$; GFI = .752; CFI = .846; TLI = .833; RMR = .207; RMSEA = .092 (Lo = .089; Hi = .095, PCLOSE < .001); AIC = 3057.447

Figure 3. Final Measurement Model of OPR Scale



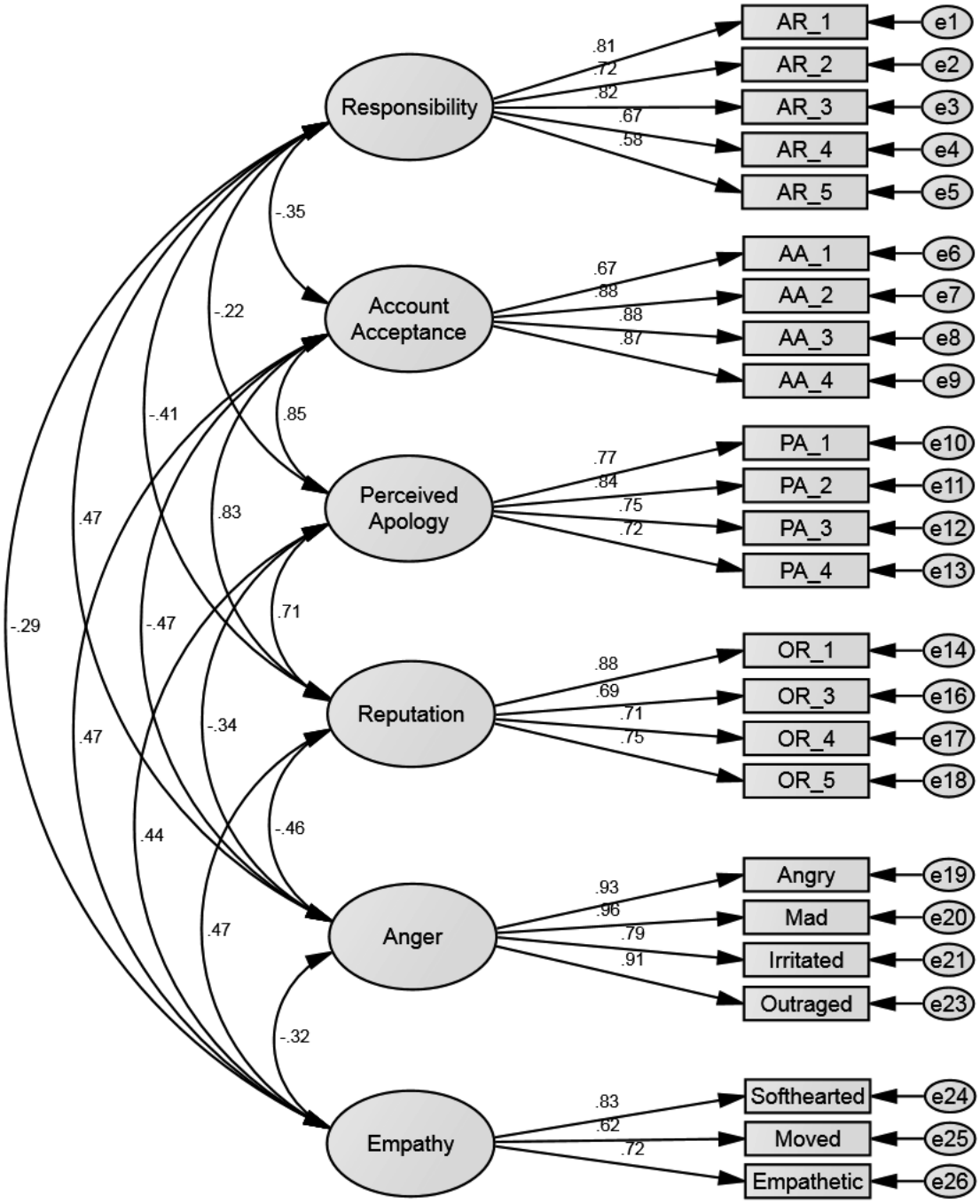
Fit statistics: $\chi^2/df = 5.72$, $p < .001$; GFI = .88; CFI = .93; TLI = .92; RMR = .07; RMSEA = .08 (Lo = .07; Hi = .08, PCLOSE < .001); AIC = 1041.34

Figure 4. Theorized Measurement Model of Apology Reaction Variables



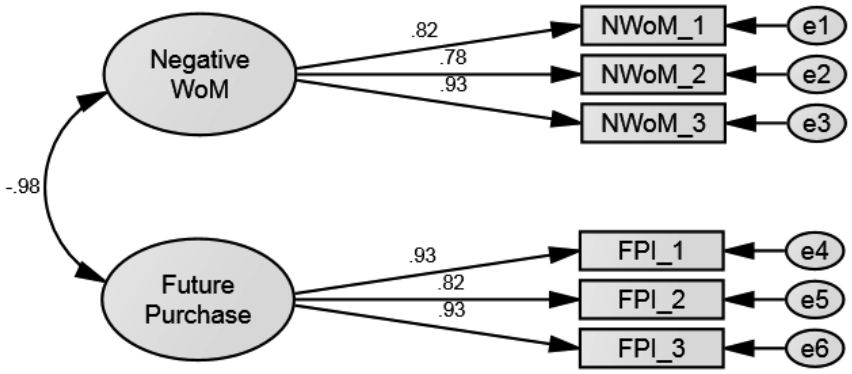
Fit statistics: $\chi^2/df = 7.24$, $p < .001$; GFI = .82; CFI = .87; TLI = .86; RMR = .24; RMSEA = .09 (Lo = .08; Hi = .09, PCLOSE < .001); AIC = 2376.05

Figure 5. Final Measurement Model of Apology Reaction Variables



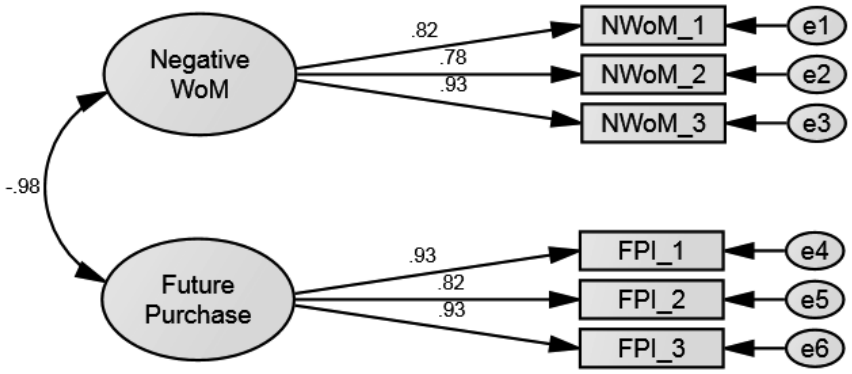
Fit statistics: $\chi^2/df = 4.96$, $p < .001$; GFI = .88; CFI = .93; TLI = .92; RMR = .12; RMSEA = .07 (Lo = .07; Hi = .07, PCLOSE < .001); AIC = 1300.90

Figure 6. Theorized Measurement Model of Behavioral Intentions



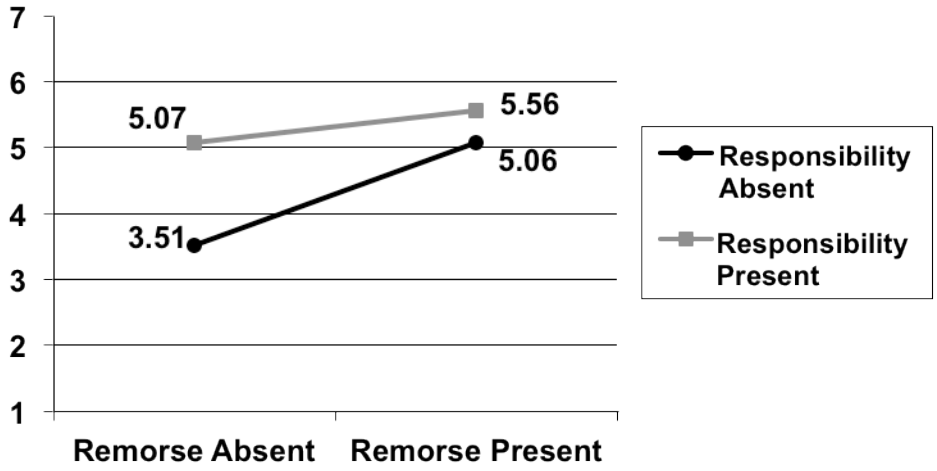
Fit statistics: $\chi^2/df = 19.58$, $p < .001$; GFI = .94; CFI = .97; TLI = .94; RMR = .08; RMSEA = .15 (Lo = .13; Hi = .17, PCLOSE < .001); AIC = 182.66

Figure 7. Final Measurement Model of Behavioral Intentions



Fit statistics: $\chi^2/df = 6.53$, $p < .001$; GFI = .98; CFI = .99; TLI = .97; RMR = .04; RMSEA = .08 (Lo = .06; Hi = .11, PCLOSE = .02); AIC = 52.66

Figure 8. Interaction Effects for Perceived Apology



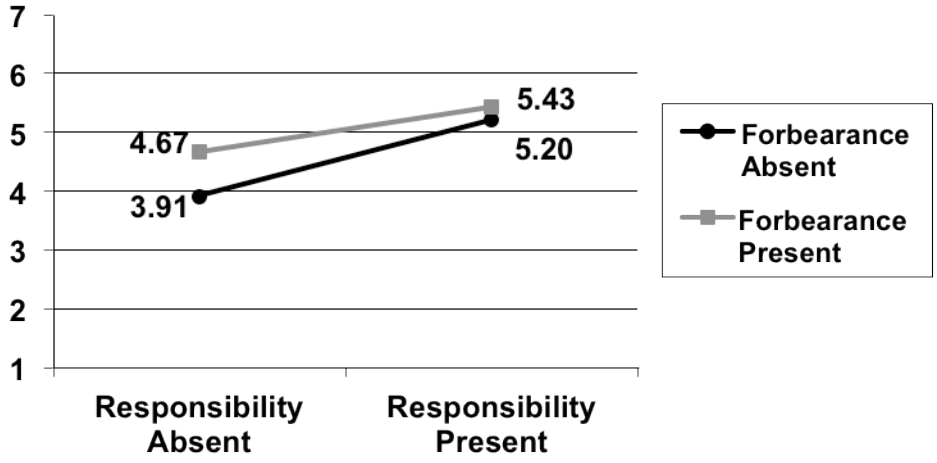


Figure 9. Perceived Apology Means by Number of Apology Components

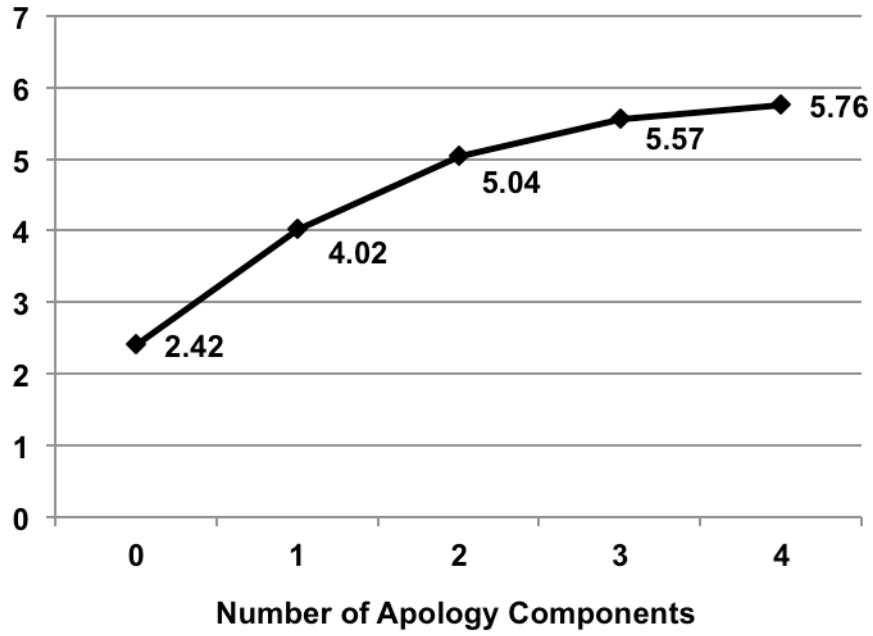


Figure 10. Interaction Effects for Account Acceptance

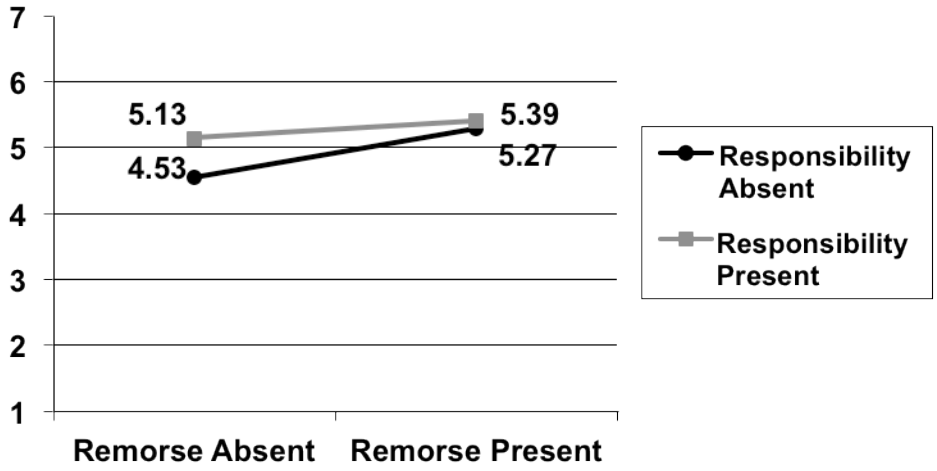
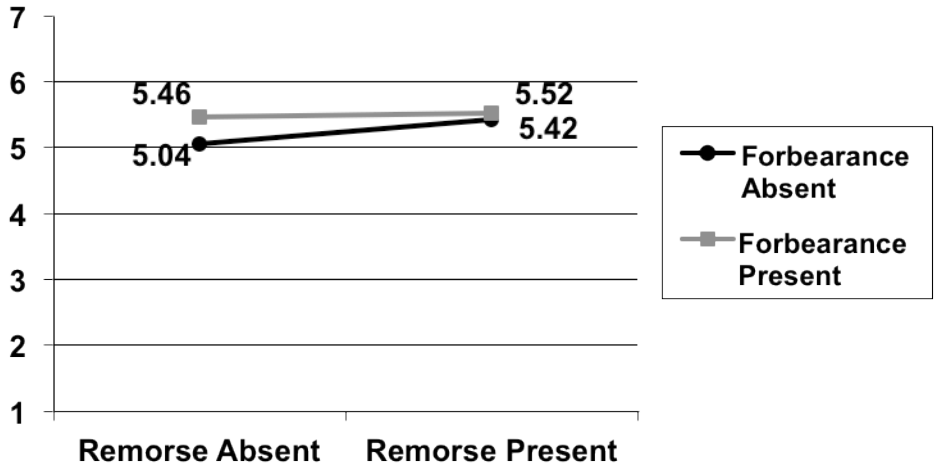


Figure 11. Interaction Effects for Organizational Reputation



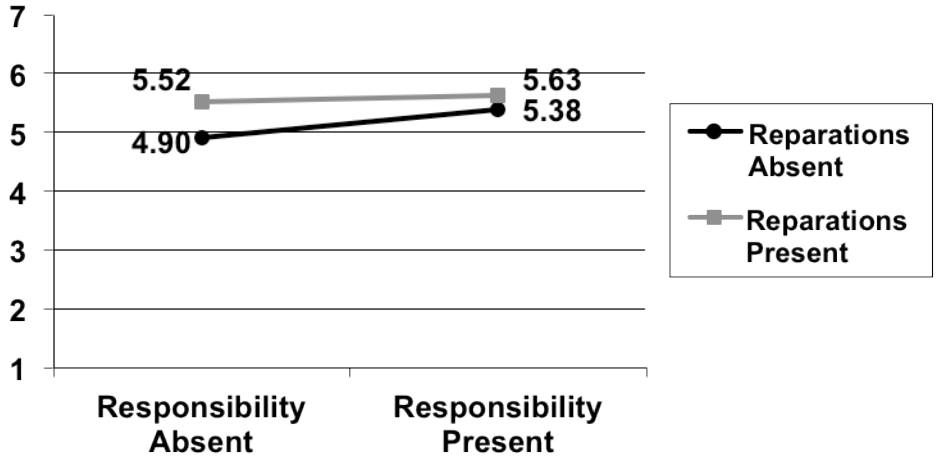


Figure 12. Interaction Effects for Anger

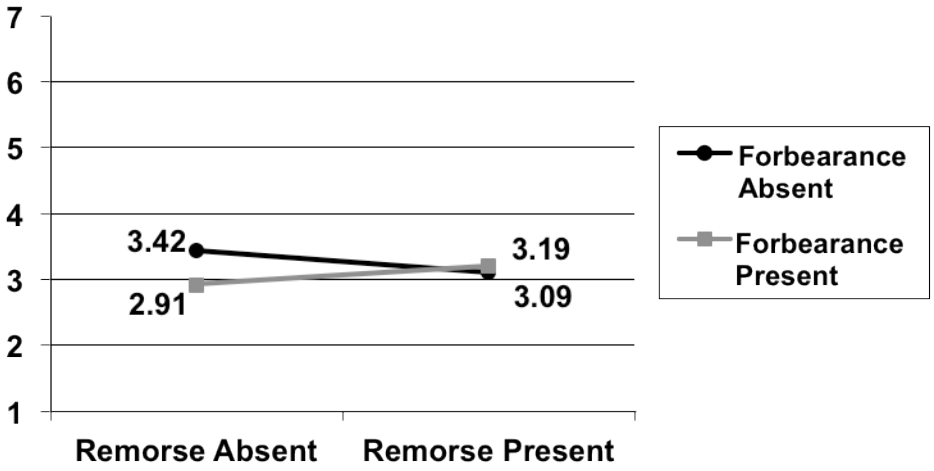


Figure 13. Interaction Effects for Empathy

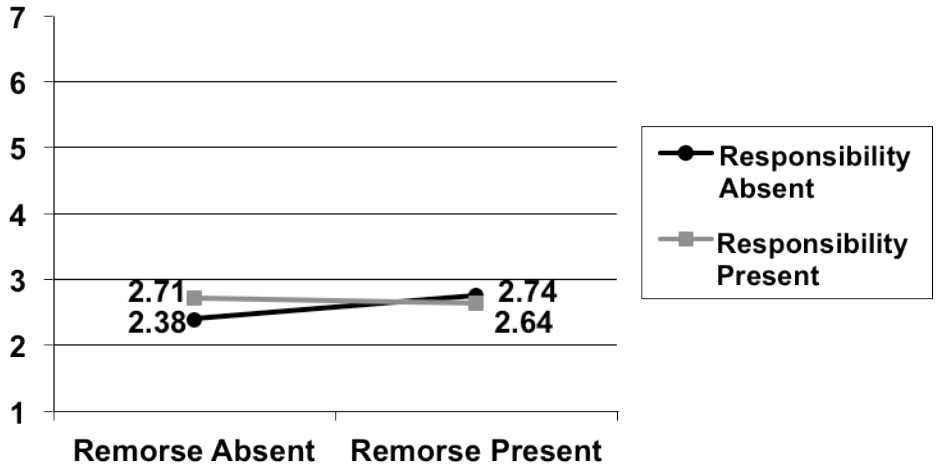
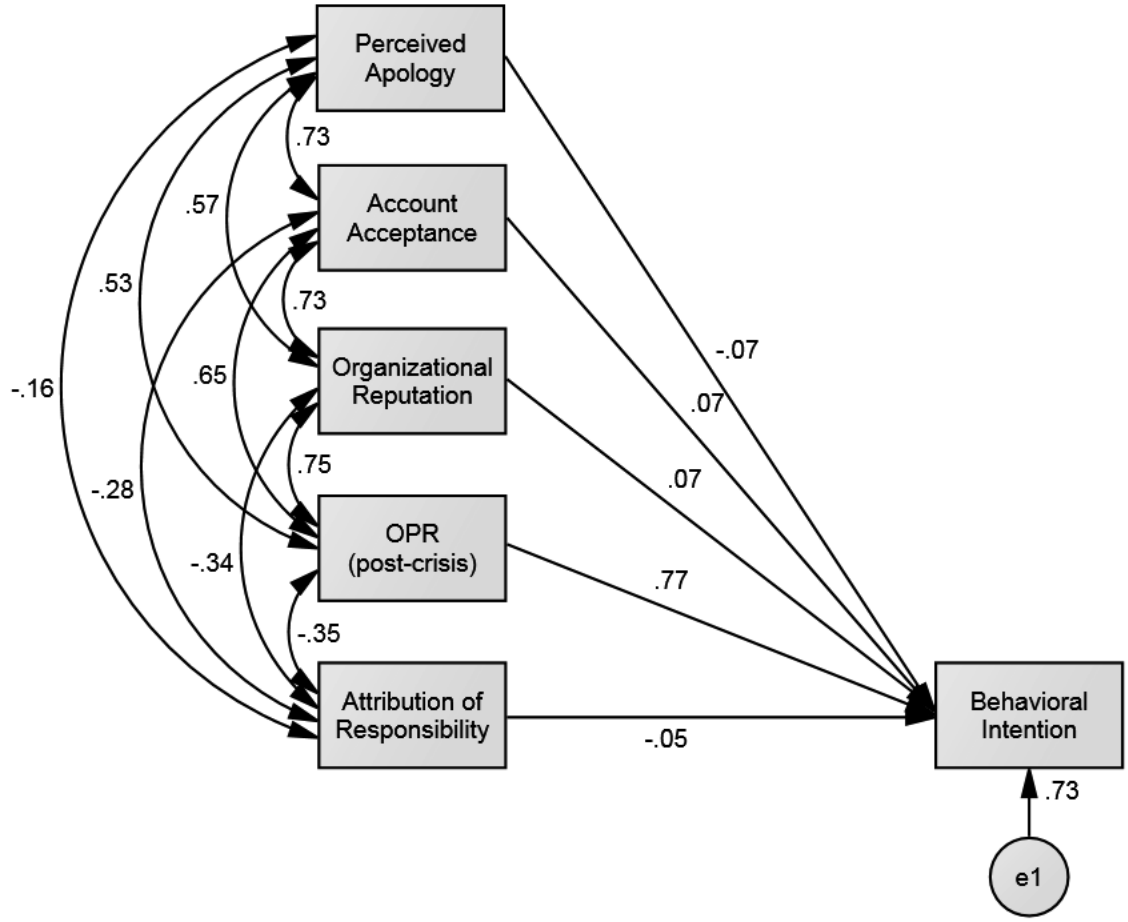
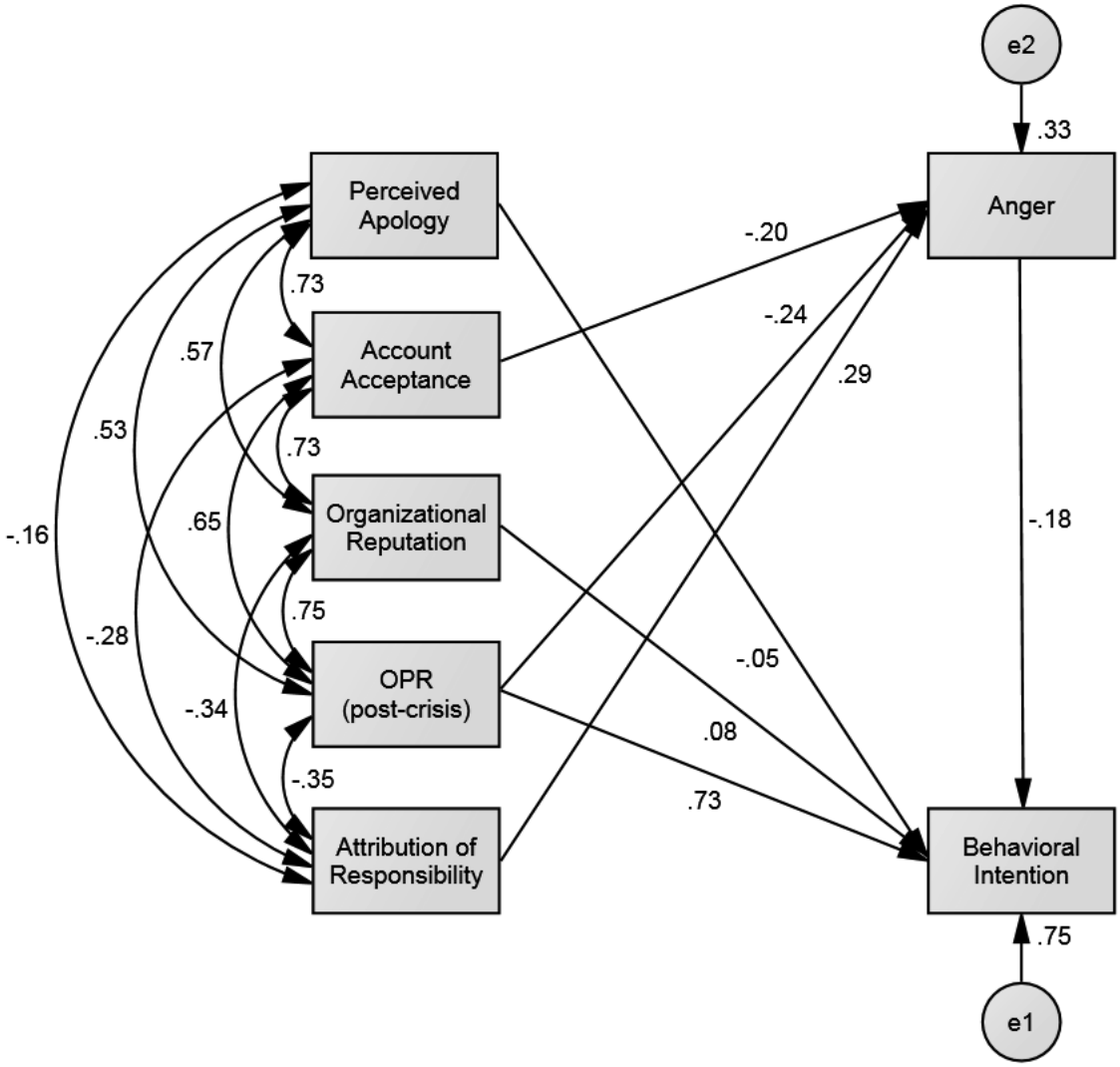


Figure 14. Direct Effects of DVs on Behavioral Intention



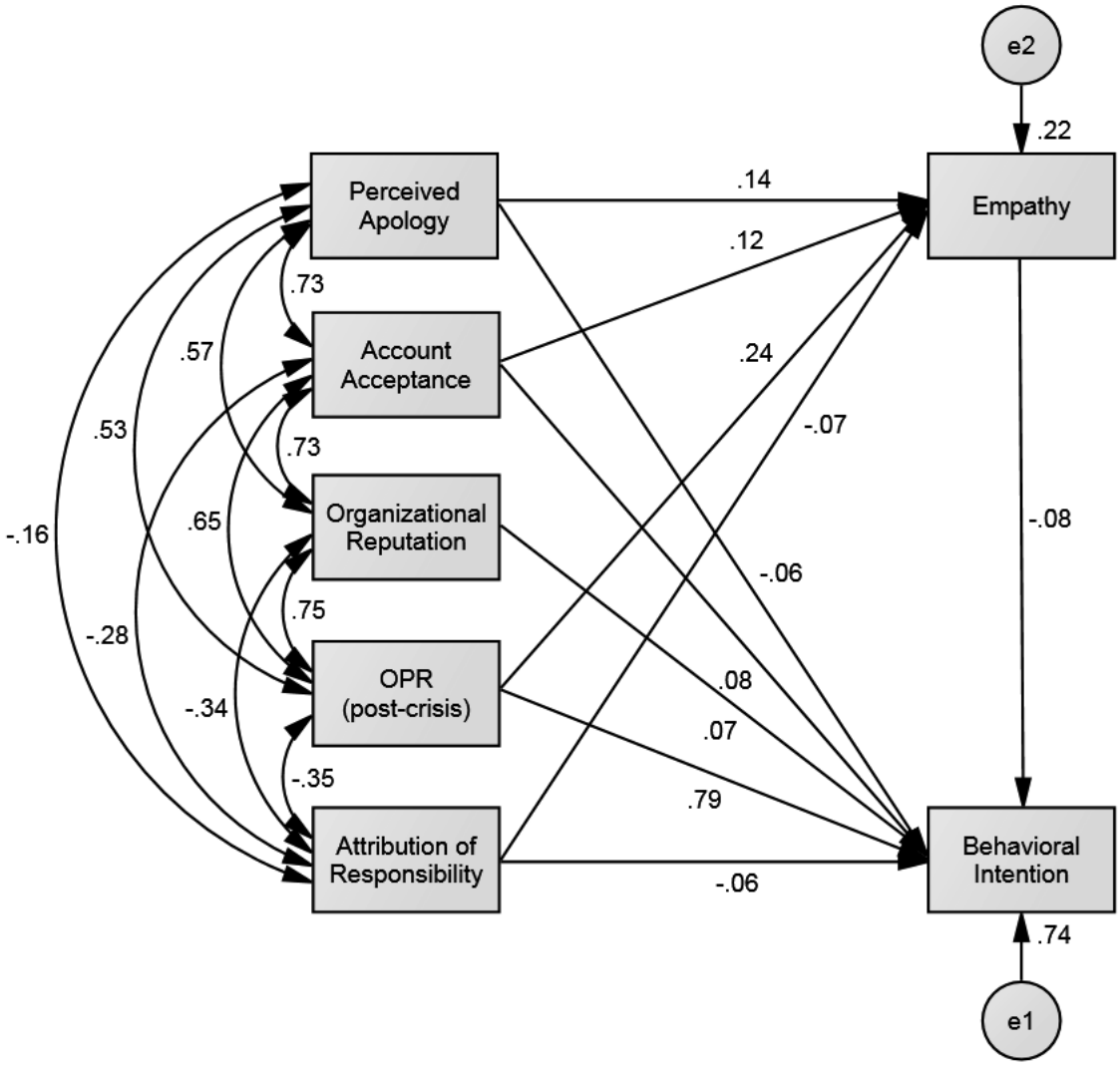
Note: All paths significant at the $p < .05$ level.

Figure 15. Effects of DVs on Behavioral Intention Mediated by Anger



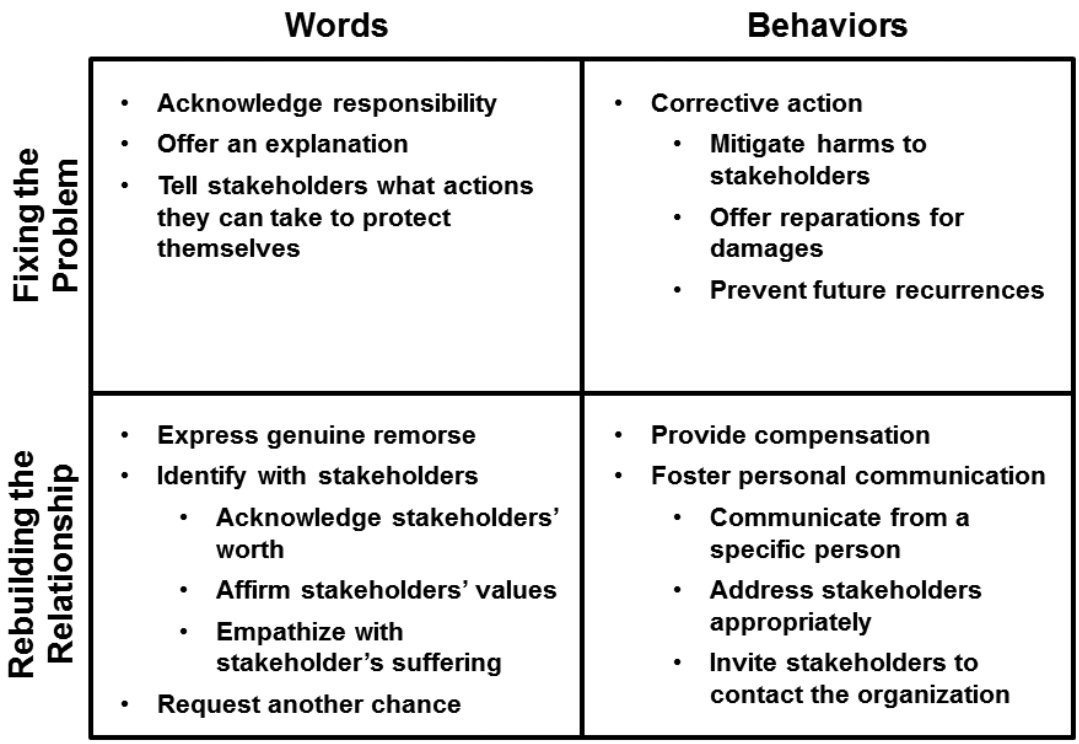
Note: All paths significant at the $p < .05$ level.

Figure 16. Effects of DVs on Behavioral Intention Mediated by Empathy



Note: All paths significant at the $p < .05$ level.

Figure 17. Diagram of Apology Themes



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APPENDIX A: SURVEY ITEMS

Unless otherwise noted, all items are measured on a 7-poing Likert scale (1= strongly disagree; 7=strongly agree).

Introduction

> This study is designed to test how you would feel if a company you shop with online experienced a serious problem. For the purposes of this study, you must choose a company with whom you have done business online. All the questions in this study will apply to the company you chose. This company may be an online-only retailer (e.g., Newegg.com) or a company that does business online AND through brick and mortar stores (e.g., Wal-Mart). The only requirement is that you have made an online purchase from this company at some point in the past.

Past Behavior

1. Please enter the name or the website of a commercial website where you have made at least one purchase in the past:_____
2. Approximately how often do you visit this retailer's website in a typical MONTH (please type a whole number)? _____
3. Approximately how often do you make an online purchase from this retailer in a typical YEAR (please type a whole number)? _____

Demographics

1. What is your sex?
    a. Female
    b. Male
2. What is your race?
    a. Asian/Pacific Islander
    b. Black/African American
    c. Hispanic/Latino/Latina
    d. Native American
    e. White/Caucasian
    f. Prefer not to answer
    g. Other (please specify) _____
3. How many years old are you (please type a whole number)? _____
4. What is the highest level of education you have completed?
    a. No high school diploma
    b. High school diploma or GED
    c. 2-year college degree (Associate's Degree)
    d. 4-year college degree (Bachelor's Degree)
    e. Graduate or professional degree (Masters, Doctorate, etc.)

f. Other (please specify) _____

5. What is your annual household income?
    a. Less than $10,000
    b. $10,000 - $19,999
    c. $20,000 - $29,000
    d. $30,000 - $39,999
    e. $40,000 - $49,999
    f. $50,000 - $59,999
    g. $60,000 - $69,999
    h. $70,000 - $79,999
    i. $80,000 - $89,999
    j. $90,000 - $99,999
    k. $100,000 - $150,000
    l. More than $150,000
    m. Prefer not to answer

6. Which of the following categories best describes your employment status?
    a. Employed, working 1-39 hours per week
    b. Employed, working 40 or more hours per week
    c. Not employed, looking for work
    d. Not employed, NOT looking for work
    e. Retired
    f. Disabled, not able to work
    g. Student
    h. Other (please specify) _____

Manipulation checks

1. [*The organization*] expressed regret for what happened.
2. [*The organization*] took responsibility for what happened.
3. [*The organization*] promised this situation would not happen again.
4. [*The organization*] offered to repair the damage caused by this situation.

Perceived Apology (adapted from Choi & Lin, 2009b)

5. [*The organization*] admitted its fault.
6. [*The organization*] accepted responsibility for the situation.
7. [*The organization*] sought forgiveness.
8. [*The organization*] apologized for the situation.

Account Acceptance (adapted from Blumstein et al., 1974)

1. [*The organization's*] response was believable.
2. [*The organization's*] response was sincere.
3. [*The organization's*] response was appropriate.
4. [*The organization's*] response was adequate.

Crisis Responsibility (adapted from Coombs & Holladay, 2002, 2007)

1. Circumstances, not [*the organization*], are responsible for the situation. (Reversed)
2. The blame for this situation lies with [*the organization*].
3. The blame for this situation lies in the circumstances, not [*the organization*]. (Reversed)
4. The cause of this situation was something [*the organization*] could have controlled.
5. The cause of this situation was something that was manageable by [*the organization*].

Organizational Reputation (adapted from Coombs & Holladay, 2002)

1. [*The organization*] is concerned with the well-being of its customers.
2. [*The organization*] is basically DISHONEST. (Reversed)
3. I do NOT trust [*the organization*] to tell the truth about this situation. (Reversed)
4. Under most circumstances, I would be likely to believe what [*the organization*] says.
5. [*The organization*] is NOT concerned with the well-being of its customers. (Reversed)

Organization-Public Relationship (adapted from Hon & Grunig, 1999)

Trust

1. [*The organization*] treats people like me fairly and justly.
2. Whenever [*the organization*] makes an important decision, I know it will be concerned about people like me.
3. [*The organization*] can be relied on to keep its promises.
4. I believe that [*the organization*] takes the opinions of people like me into account when making decisions.
5. [*The organization*] is known to be successful at the things it tries to do.
6. [*The organization*] has the ability to accomplish what it says it will do.

Control Mutuality

1. [*The organization*] and people like me are attentive to what each other say.
2. [*The organization*] believes the opinions of people like me are legitimate.
3. In dealing with people like me, [*the organization*] has a tendency to throw its weight around. (Reversed)
4. [*The organization*] really listens to what people like me have to say.

Commitment

1. I feel that [*the organization*] is trying to maintain a long-term commitment to people like me.
2. I can see that [*the organization*] wants to maintain a relationship with people like me.
3. There is a long-lasting bond between [*the organization*] and people like me.
4. Compared to other organizations, I value my relationship with [*the organization*] more.
5. I feel a sense of loyalty to [*the organization*].

Satisfaction

1. I am happy with [*the organization*].
2. Both [*the organization*] and people like me benefit from the relationship.
3. Most people like me are happy in their interactions with [*the organization*].
4. Generally speaking, I am pleased with the relationship [*the organization*] has established with people like me.
5. Most people enjoy dealing with [*the organization*].

Communal Relationships

1. [*The organization*] does not especially enjoy giving others aid. (Reversed)
2. [*The organization*] is very concerned about the welfare of people like me.
3. I feel that [*the organization*] takes advantage of people who are vulnerable. (Reversed)
4. I think that [*the organization*] succeeds by stepping on other people. (Reversed)
5. [*The organization*] helps people like me without expecting anything in return.

Exchange Relationships

1. Whenever [*the organization*] gives or offers something to people like me, it generally expects something in return.
2. Even though people like me have had a relationship with [*the organization*] for a long time, it still expects something in return whenever it offers us a favor.
3. [*The organization*] will compromise with people like me when it knows that it will gain something.
4. [*The organization*] takes care of people who are likely to reward the organization.

Anger (adapted from Lee & Chung, 2012)

(1=not at all; 7 = very much)

1. To what extent do you feel angry toward [*the organization*]?
2. To what extent do you feel mad toward [*the organization*]?
3. To what extent do you feel irritated toward [*the organization*]?
4. To what extent do you feel annoyed toward [*the organization*]?

5. To what extent do you feel outraged toward [*the organization*]?

Empathy (adapted from Coke et al., 1978; McCullough et al., 1998)

(1=not at all; 7 = very much)

1. To what extent do you feel softhearted toward [*the organization*]?
2. To what extent do you feel moved for [*the organization*]?
3. To what extent do you feel empathetic toward [*the organization*]?
4. To what extent do you feel concerned for [*the organization*]?

Negative Word of Mouth Intention (adapted from Coombs & Holladay, 2008)

1. I would encourage friends or relatives NOT to do business with [*this organization*].
2. I would say negative things about [*this organization*] to other people.
3. I would recommend [*this organization*] to someone who asked my advice. (Reversed)

Future Purchase Intentions (adapted from Coombs & Holladay, 2007; Jorgensen, 1996)

1. I would do business with [*this organization*] in the future.
2. I would not shop with [*this organization*] anymore. (Reversed)
3. I would continue to buy products from [*this organization*].

APPENDIX B: APOLOGY SCENARIOS

Scenario 1: No apology

Dear friend,

[*Insert company name here*] computer administrators recently discovered that hackers have illegally accessed a database containing the personal account information of [*Insert company name here*] customers. Your account is one that may be affected. Please contact our customer service department if you have any questions.

Yours respectfully,

[*Insert company name here*]

Scenario 2: Remorse only

Dear friend,

[*Insert company name here*] computer administrators recently discovered that hackers have illegally accessed a database containing the personal account information of [*Insert company name here*] customers. Your account is one that may be affected. We regret this security breach and apologize for the inconvenience and frustration it means for our customers. Please contact our customer service department if you have any questions.

Yours respectfully,

[*Insert company name here*]

Scenario 3: Responsibility only

Dear friend,

[*Insert company name here*] computer administrators recently discovered that hackers have illegally accessed a database containing the personal account information of [*Insert company name here*] customers. Your account is one that may be affected. We know our customers trust us with their private information and we have let you down. Please contact our customer service department if you have any questions.

Yours respectfully,

[*Insert company name here*]

Scenario 4: Forbearance only

Dear friend,

[*Insert company name here*] computer administrators recently discovered that hackers have illegally accessed a database containing the personal account information of [*Insert company name here*] customers. Your account is one that may be affected. With the help of computer security experts, we have strengthened the security of our computer systems so this will not happen again. Please contact our customer service department if you have any questions.

Yours respectfully,

[*Insert company name here*]

Scenario 5: Reparations only

Dear friend,

[*Insert company name here*] computer administrators recently discovered that hackers have illegally accessed a database containing the personal account information of [*Insert company name here*] customers. Your account is one that may be affected. We are offering a $1 million identity theft insurance policy to each customer who has been affected. Please contact our customer service department if you have any questions.

Yours respectfully,

[*Insert company name here*]

Scenario 6: Remorse + Responsibility

Dear friend,

[*Insert company name here*] computer administrators recently discovered that hackers have illegally accessed a database containing the personal account information of [*Insert company name here*] customers. Your account is one that may be affected. We regret this security breach and apologize for the inconvenience and frustration it means for our customers. We know our customers trust us with their private information and we have let you down. Please contact our customer service department if you have any questions.

Yours respectfully,

[*Insert company name here*]

Scenario 7: Remorse + Forbearance

Dear friend,

[*Insert company name here*] computer administrators recently discovered that hackers have illegally accessed a database containing the personal account information of [*Insert company name here*] customers. Your account is one that may be affected. We regret this security breach and apologize for the inconvenience and frustration it means for our customers. With the help of computer security experts, we have strengthened the security of our computer systems so this will not happen again. Please contact our customer service department if you have any questions.

Yours respectfully,

[*Insert company name here*]

Scenario 8: Remorse + Reparations

Dear friend,

[*Insert company name here*] computer administrators recently discovered that hackers have illegally accessed a database containing the personal account information of [*Insert company name here*] customers. Your account is one that may be affected. We regret this security breach and apologize for the inconvenience and frustration it means for our customers. We are offering a $1 million identity theft insurance policy to each customer who has been affected. Please contact our customer service department if you have any questions.

Yours respectfully,

[*Insert company name here*]

Scenario 9: Responsibility + Forbearance

Dear friend,

[*Insert company name here*] computer administrators recently discovered that hackers have illegally accessed a database containing the personal account information of [*Insert company name here*] customers. Your account is one that may be affected. We know our customers trust us with their private information and we have let you down. With the help of computer security experts, we have strengthened the security of our computer systems so this will not happen again. Please contact our customer service department if you have any questions.

Yours respectfully,

[*Insert company name here*]

Scenario 10: Responsibility + Reparations

Dear friend,

[*Insert company name here*] computer administrators recently discovered that hackers have illegally accessed a database containing the personal account information of [*Insert company name here*] customers. Your account is one that may be affected. We know our customers trust us with their private information and we have let you down. We are offering a $1 million identity theft insurance policy to each customer who has been affected. Please contact our customer service department if you have any questions.

Yours respectfully,

[*Insert company name here*]

Scenario 11: Forbearance + Reparations

Dear friend,

[*Insert company name here*] computer administrators recently discovered that hackers have illegally accessed a database containing the personal account information of [*Insert company name here*] customers. Your account is one that may be affected. With the help of computer security experts, we have strengthened the security of our computer systems so this will not happen again. We are offering a $1 million identity theft insurance policy to each customer who has been affected. Please contact our customer service department if you have any questions.

Yours respectfully,

[*Insert company name here*]

Scenario 12: Remorse + Responsibility + Forbearance

Dear friend,

[*Insert company name here*] computer administrators recently discovered that hackers have illegally accessed a database containing the personal account information of [*Insert company name here*] customers. Your account is one that may be affected. We regret this security breach and apologize for the inconvenience and frustration it means for our customers. We know our customers trust us with their private information and we have let you down. With the help of computer security experts, we have strengthened the security of

our computer systems so this will not happen again. Please contact our customer service department if you have any questions.

Yours respectfully,

[*Insert company name here*]

Scenario 13: Remorse + Responsibility + Reparations

Dear friend,

[*Insert company name here*] computer administrators recently discovered that hackers have illegally accessed a database containing the personal account information of [*Insert company name here*] customers. Your account is one that may be affected. We regret this security breach and apologize for the inconvenience and frustration it means for our customers. We know our customers trust us with their private information and we have let you down. We are offering a $1 million identity theft insurance policy to each customer who has been affected. Please contact our customer service department if you have any questions.

Yours respectfully,

[*Insert company name here*]

Scenario 14: Remorse + Forbearance + Reparations

Dear friend,

[*Insert company name here*] computer administrators recently discovered that hackers have illegally accessed a database containing the personal account information of [*Insert company name here*] customers. Your account is one that may be affected. We regret this security breach and apologize for the inconvenience and frustration it means for our customers. With the help of computer security experts, we have strengthened the security of our computer systems so this will not happen again. We are offering a $1 million identity theft insurance policy to each customer who has been affected. Please contact our customer service department if you have any questions.

Yours respectfully,

[*Insert company name here*]

Scenario 15: Responsibility + Forbearance + Reparations

Dear friend,

[*Insert company name here*] computer administrators recently discovered that hackers have illegally accessed a database containing the personal account information of [*Insert company name here*] customers. Your account is one that may be affected. We know our customers trust us with their private information and we have let you down. With the help of computer security experts, we have strengthened the security of our computer systems so this will not happen again. We are offering a $1 million identity theft insurance policy to each customer who has been affected.
Please contact our customer service department if you have any questions.

Yours respectfully,

[*Insert company name here*]

Scenario 16: Remorse _ Responsibility + Forbearance + Reparations

Dear friend,

[*Insert company name here*] computer administrators recently discovered that hackers have illegally accessed a database containing the personal account information of [*Insert company name here*] customers. Your account is one that may be affected. We regret this security breach and apologize for the inconvenience and frustration it means for our customers. We know our customers trust us with their private information and we have let you down. With the help of computer security experts, we have strengthened the security of our computer systems so this will not happen again. We are offering a $1 million identity theft insurance policy to each customer who has been affected. Please contact our customer service department if you have any questions.

Yours respectfully,

[*Insert company name here*]