PARAMETERS OF SCANSIS: EXPLORING THE INTERCONNECTEDNESS OF CRISES AND SCANDALS

A Dissertation

by

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Submitted to the Office of Graduate and Professional Studies of
Texas A&M University
in partial fulfillment of the requirements for the degree of

DOCTOR OF PHILOSOPHY

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May 2021

Major Subject: Communication

ABSTRACT

This manuscript examines the concept of *scansis* and its practical and theoretical significance for the field of crisis communication. Scansis is the intersection between a crisis and a scandal; it has been found to challenge existing theory, leaving room for improvement and development of more accurate recommendations for crisis practitioners. Through a series of studies, this research sought to explore the characteristics of scansis and refine some of the main propositions of Situational Crisis Communication Theory (SCCT).

The dissertation begins with an overview of the field of crisis communication, focusing particularly on SCCT and its premises. Secondly, a discussion of the scandal literature is provided, and the connection between crises and scandals is presented. The dissertation presents three experimental studies. These studies are designed to explore the idea of scansis and its theoretical and practical implications. The first study seeks to re-think the preventable crisis cluster and the different sub-clusters that constitute it. The second study examines SCCT's optimal crisis response recommendations for the new crisis sub-clusters. The third and final study looks at how people make judgments of a certain crisis based on the information they read about it. Although these studies were carried out independently, they are inherently interconnected. The studies represent the steps necessary to refine and advance SCCT, informing research and improving crisis communication practice. Finally, the dissertation concludes with a chapter summarizing the results and discussing how scansis has influenced crisis communication research.

DEDICATION

This dissertation is dedicated to my late grandmother, who believed in me even when I didn’t believe in myself.

ACKNOWLEDGMENTS

I would like to thank my committee, Dr. Timothy Coombs, Dr. Sherry Holladay, Dr. Barbara Gastel, and Dr. Kirby Goidel. Dr. Coombs and Dr. Holladay, thank you both so much for the support that you have given me throughout my time at Texas A&M. My abilities as a scholar have been heavily influenced by your mentorship, and I am forever grateful for your kindness. This would have not been possible without you! Dr. Gastel and Dr. Goidel, thank you for your understanding and patience as I was dealing with all the challenges of the COVID-19 pandemic.

I would also like to thank my friends and family for putting up with me and always being there.

CONTRIBUTORS AND FUNDING SOURCES

Contributors

This work was supervised by a dissertation committee consisting of Professor Timothy Coombs [advisor], Professor Sherry Holladay, Professor Kirby Goidel of the Department of Political Science, and Professor Barbara Gastel of the Department of Veterinary Integrative Biosciences. All work conducted for the dissertation was completed by the student independently.

Funding Sources

Graduate study was supported by a fellowship from the Office of Graduate and Professional Studies at Texas A&M University.

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CHAPTER I

INTRODUCTION AND LITERATURE REVIEW

Introduction

A tension between research and practice lies at the heart of crisis communication. Crisis communication research examines issues and focuses on efforts that can improve theory and inform practice. The ever-changing character of businesses, however, often challenges the established norms. In fact, rather quickly knowledge that has been built up over years becomes insufficient and lacking. Organizations constantly challenge established societal norms by violating moral codes and committing wrongdoings. That is why crises are dramatic, newsworthy, and complex. The media thrives on such crises, as it is human nature to be drawn to conflict and *scandals*.

This dissertation provides solid evidence that crisis communication research and practice have largely overlooked scandals and their significance to the field. This has led to much confusion about the nature of scandals and their communicative implications. The research presented later in the dissertation challenges some of the established paradigms in crisis communication. The anomalies I will discuss, however, are not merely obstacles that hinder understanding. They are in fact assets that help us move forward and guide us to understanding the unknown.

The dissertation is divided into three main sections. The first section examines the field of crisis communication and tracks its development from the 1980s to present day. Secondly, the manuscript discusses scandals and their relevance to the field of crisis communication. Specifically, the idea of scansis, as the intersection between a crisis and a scandal, is presented and explained. Lastly, three

experimental studies are presented. These studies are specifically designed to investigate how scansis affects theory development in the field and help us explain some of the anomalies crisis communication research currently faces.

Crisis Communication

Organizational Crisis Defined

No organization is immune to crisis. Companies must be prepared and ready to respond when a crisis happens. This is the main focus of crisis management. Furthermore, crisis communication is a critical component of crisis management. But before crisis management and crisis communication are examined, the term (organizational) *crisis* must be defined.

Despite the rapid development of the field, there is no universally accepted definition of the term *crisis.* Coombs defines crisis as "the perception of an unpredictable event that threatens important expectancies of stakeholders related to health, safety, environmental, and economic issues, and can seriously impact an organization's performance and generate negative outcomes" (2015, p.3). This definition encompasses some of the most common characteristics of crises that other authors have identified. We need to unpack the elements of this definition in order to understand the nature of crises better.

A crisis is perceptual and socially constructed because stakeholders, and their opinions and perceptions, can define an event as a crisis. In other words, if stakeholders perceive a crisis exists, there is a crisis, regardless of whether managers want to recognize it or not. Stakeholders play an important role in co-creating the meaning of a crisis. At its heart, crisis communication is about managing stakeholder concerns and perceptions in a way that can benefit organizations. For example, in

1994 the Intel Corporation was confronted by users who discovered that the Pentium processor was prone to error when doing complex calculations (Hearit, 1999). The company initially tried to minimize the magnitude of the error, claiming there was a very low probability that it would occur. However, stakeholders challenged the response, and the company was ultimately forced to acknowledge the failure of the Pentium chip and issue an official apology (Hearit, 1999). This case illustrates the power of stakeholder perceptions in defining a situation as a crisis.

A crisis might be unpredictable, but not necessarily unexpected. It is often a matter of *when* a crisis will happen, not *if* it will happen. Organizations will inevitably experience a crisis during their lifetime but the question is how severe will the crisis be. Although a crisis has the element of unpredictability, a prepared organization should always have a clear crisis management plan that can help manage the crisis effectively (Coombs, 2015). Crisis managers can use different approaches to manage warning signs and be more prepared. Furthermore, a crisis can include a pre-crisis and post-crisis phase, making it a process. The pre-crisis phase is the time before the crisis occurs, and the post-crisis phase involves the crisis response and its implications. In some cases, it is easy to identify the defining moment that triggers the actual crisis event. In other cases, it is difficult for managers to make this distinction. For instance, when an explosion occurred at a Georgia Imperial Sugar refinery in 2008, it became evident that this was the trigger event, defining the start of the crisis. In other cases, it might be difficult for management to realize the organization is experiencing a crisis that has to be addressed. When the Pentium chip failed Intel did not think they were dealing with a crisis until stakeholders demanded from the organization a clear response to the crisis and a solution to the problem.

Crises can also be seen as violations of stakeholder expectations related to health, safety, and environmental and economic issues. When an organization experiences a crisis, stakeholder expectations are disturbed; for example, food poisoning is not what people expect when they go to a restaurant. This, in turn, could lead to people's thinking badly of the organization or being angry with it, which can affect their behaviors. Therefore, crises are dangerous for organizational reputation and can lead to negative outcomes such as financial losses, negative word-of-mouth, desire for avoidance, reduced purchase intention and outrage toward the organization (Coombs, 2010). Preventing the negative outcomes of a crisis is at the core of crisis management.

Crisis Management

Coombs (2015) defines crisis management as a set of actions specifically designed to combat the negative outcomes of a crisis. Crisis management is a complex process that has many parts. There are three main phases of crisis management: pre-crisis, crisis and post-crisis.

The pre-crisis phase consists of efforts to prevent crises and help prepare organizations to respond most effectively. There are three sub-stages of crisis management efforts in this phase. The first one is signal detection. Within this sub-stage, the crisis management efforts are concentrated around identifying sources of warning signs and collecting and analyzing information related to them. The second sub-stage within the pre-crisis phase of crisis management is prevention. This sub-stage deals with actions to prevent the crisis from happening. The main approaches encompassed by crisis prevention are issues management, risk management, and reputation management. Issues management efforts aim to prevent a problem from

escalating to a crisis. Risk management aims to minimize the damage of various risks, and reputation management is concerned with the stakeholder-organization relationship and how to resolve issues between organizations and their stakeholders. The third sub-stage of the pre-crisis phase is preparation. Preparation involves drafting the crisis management plan and selecting and training the crisis management team. This is followed by testing the effectiveness of the crisis plan and the preparedness of the crisis team.

The second phase of crisis management is responding to the crisis event (Coombs, 2015). The crisis phase begins with a trigger event or the realization a crisis exists and has two sub-stages: crisis recognition and crisis containment. During the crisis recognition phase, the crisis managers recognize that the organization is facing a crisis and the need to respond to it. It is crucial that the organization understands how perceptions of the crisis are created and how to respond in the most appropriate manner. The crisis containment stage focuses on the organizational response. Specifically, the initial organizational response is crucial, as it indicates whether the organization is in control of the situation and what actions have been taken to protect stakeholders from the crisis. The purpose of the initial crisis response is to contain the damage of the crisis by warning people about dangerous products. A crisis response thus prevents injuries and manages perceptions of the crisis by limiting reputational damage for the organization.

The final stage of the crisis management process is the post-crisis stage, which begins when the crisis is considered to be resolved and over (Coombs, 2015). In this stage, it is essential that the organization considers what further actions could be taken to respond more effectively the next time and to make sure stakeholders have

good impressions of the organization. Additionally, the process of organizational learning occurs during the post-crisis stage. Many organizations use crises as opportunities to improve their operations and learn from their mistakes. Organizational learning includes making minor or major changes in organizational policies and practices to improve safety for employees and customers and quality of products or services.

At this point in the discussion, it becomes evident that the essence of crisis management is communication.

Crisis Communication

Crisis communication has a variety of functions. However, the two basic purposes of crisis communication are to manage crisis knowledge and to manage stakeholder reactions (Coombs, 2010). Crisis knowledge management is concerned with identifying information, collecting it and analyzing it. In other words, crisis knowledge management is an important step crisis managers take in order to prepare to respond to a crisis event. Stakeholder reaction management consists of communicative efforts that influence the way the stakeholders perceive the crisis and the organization in crisis. Another useful way to distinguish the two main functions of crisis communication is to think of them as efforts to (1) manage information and (2) manage meaning. Crisis practitioners have to first and foremost protect public safety, and therefore managing crisis knowledge and information is key for effective crisis management. Crisis managers are expected to prioritize providing information about how stakeholders can physically protect themselves from the crisis and what actions have been taken to stop the crisis and prevent it from happening again. Secondly, managing meaning is essential for reducing limiting how much a crisis

damages organizational reputation. Specifically, here the main concern is how stakeholders view the crisis, the organization and the organization's response to the crisis. The different crisis response strategies that organizations can adopt are designed to lessen the reputational damage of the crisis and manage stakeholder perceptions.

As crisis management focuses on the three stages of a crisis so does crisis communication research. Communication efforts during the pre-crisis stage concentrate on identifying and reducing risk. The crisis response phase of a crisis is the area of greatest interest to both practitioners and scholars. The way an organization communicates about a crisis can be directly linked to important outcomes such as the number of victims, financial losses and amount of reputational damage the organization suffers (Coombs, 2010). For instance, if an organization is quick and effective with its crisis communication, it can warn stakeholders about the crisis and reduce injuries and therefore the number of victims. Furthermore, good crisis communication can be a sign of effective crisis management, which can in turn reinforce perceptions of the organization's credibility and help prevent future financial losses caused by desire to avoid the organization. Lastly, successful crisis communication efforts can reduce reputation damage, as the organization has demonstrated the capability to manage the crisis and taken action to offset the negatives generated by the crisis. Lastly, the communicative efforts in the post-crisis stage focus on learning from how the situation was handled. Furthermore, post-crisis communication is often connected to the crisis response stage, as it can be rather difficult to determine when a crisis ends.

Crisis Communication Research History and Development

Crisis communication is an applied concept where theory and practice intersect. The main purpose of crisis communication research is to improve practice, hence the interconnectedness. The applied nature of crisis communication explains the development of the field. Initial research was done by public relations practitioners and was published in non-academic journals (e.g., Bergman, 1994; Carney & Jorden, 1993). This research was primarily based on various cases and provided merely descriptive accounts of how the crisis was handled, without the support of any theoretical frameworks. The purpose of these case studies was to illustrate points that appeared effective in the specific crisis situation and to help develop advice for future crisis managers. The end result was typically a list of do's and don'ts for crisis managers (Coombs, 2010).

The next step in crisis communication research evolution was case studies analyzed by academics. Such analyses were more rigorous, as scholars applied specific theoretical principles and tools to the cases (Coombs, 2010). Benoit's work on image repair is the most utilized case study framework, and a large amount of crisis communication research has applied his message typology. However, most of these case studies are qualitative in nature, and thus generalizations could not be drawn from the results (Stacks, 2011)

Although case studies have dominated crisis communication research, Coombs (2010) argues that the field needs an evidence-based approach in order to advance theory building, identify potential variables and relationships among them and document causal relationships between variables. An example of such a framework is Situational Crisis Communication Theory (SCCT). SCCT is

cognitively based, originating in attribution theory and tested with experiments. The theory aims to explain how people make attributions of responsibility for a negative event and matches the different types of crises with the most appropriate crisis response strategies. The crisis response phase is, in fact, the most researched area in crisis communication, and different theories and methods have been used to examine how communication can lessen the negative outcomes of crises. The next section reviews the major research lines in crisis communication and the methods associated with them.

Corporate Apologia

Apologia is a rhetorical concept which examines how communication could be used for self-defense. Self-defense is used when someone's character is being attacked, and in the organizational communication context the concept is used to illustrate how organizations can restore face and protect their reputations. There are four communication strategies that can be used as self-defense: *denial* (denying involvement in any wrongdoing), *bolstering* (associating the organization with something positive), *differentiation* (removing the action from its negative context), and *transcendence* (placing the questionable act in a broader, a more favorable context) (Ware & Linkugel, 1973). Dionisopolous and Vibbert (1988) were the first to adapt and to apply the concept of apologia to corporate communication. They argued that a crisis could be seen as a wrongdoing, attacking the character of an organization and thus creating the need for *corporate apologia.* Furthermore, Hearit (1995) brought the concept of corporate apologia to crisis communication. He characterized crises as a threat to organizational legitimacy, the relationship between organizational and stakeholder values. Within this context corporate apologia is used

to restore organizational legitimacy and stakeholders' view of the organization. Hearit argues that an organizational legitimacy is a form of reputation, making corporate apologia a form of reputation defense strategy.

Image Restoration/Repair Theory

William Benoit's image restoration theory (IRT) is one of the predominant frameworks in crisis communication research. IRT is based on research in communication (Burke, 1970; Ware & Linkugel, 1973) and sociology (Scott & Lyman, 1968). IRT holds that one goal of communication is to protect images. The theory proposes five major categories for image restoration: denial, evading responsibility, reducing offensiveness, corrective action, and mortification. Table 1 presents the main strategies and their sub-categories, and it provides a simple example of each.

Table 1. Benoit's Typology of Image Repair Strategies
Adapted from Benoit (1995)

Categories	*Strategy*	*Description/Example*
Denial	1. Simple denial	1. Refuting outright that the organization had any part in the event
	2. Shifting the blame	2. Asserting that someone else is responsible
Evasion of responsibility	3. Scapegoating	3. Blaming the event on the provocation of another
	4. Defeasibility	4. Not knowing what to do and/or lacking the knowledge to act properly
	5. Accident	5. Claiming the event was "accidental"
	6. Good intentions	6. Claiming the company had good intentions

Table 1. Continued

Categories	*Strategy*	*Description/Example*
Reducing the offensive act	7. Image bolstering	7. Using puffery to build an image
	8. Minimization	8. Stating the crisis is not bad
	9. Differentiation	9. Indicating that this crisis differs from more offensive crises
	10. Transcendence	10. Asserting good acts far outweigh the damage of this one crisis
	11. Reducing credibility	11. Maintaining that the accuser lacks credibility
	12. Compensation	12. Paying the victim; making restitution to set things to where they were before the event
Taking corrective action	13. Corrective action	13. Taking measures to prevent the event from reoccurring
Mortification	14. Mortification	14. Admitting guilt and apologizing

The denial strategy can take the form of a simple denial or shifting the blame. The evasion of responsibility strategy is a repair strategy and aims to reduce perceptions of responsibility for the wrongful act. This strategy has four subcategories: provocation, defeasibility, accidents, and good intentions. The third type of strategy identified in IRT is reducing the offensiveness of acts. It has six sub-categories: bolstering, minimization, differentiation, transcendence, attack accuser, and compensation (Benoit, 1995). The fourth main strategy in Benoit's theory is concerned with taking corrective action; this strategy attempts to communicate what

actions have been taken to ensure that the wrongful act will not happen again. The final strategy in the IRT typology is mortification. An organization uses mortification strategy when it apologizes for the wrongdoing, admitting guilt and expressing regret for its actions. IRT research in crisis communication relies primarily on case studies.

Stacks (2011) categorizes the research methods employed to study crisis communication as falling into three groups: informal, transition, and formal. Informal research methods provide little or no control over variables, are not systematic in the collection and interpretation of data and are generally regarded as subjective (Coombs, 2010). A case study is an example of an informal method. Although case studies do not allow for generalization or prediction, they provide an in-depth understanding of the phenomenon that is being examined. Research using case studies in crisis communication is used to examine and interpret different crisis cases. Corporate apologia and IRT use what Coombs (2010) calls "third-person" case studies. Such case studies focus on third-party data such as news reports and public statements concerning the crisis. Moreover, third-person case studies do not provide insights from the crisis managers who handle the crisis, but simply focus on what the organization said and did, applying a certain theoretical framework (e.g., Benoit & Czerwinski, 1997).

Framing Studies

The second category of research methods used to study crisis is content analysis (Stacks, 2011). Content analysis could be seen as a transition between formal and informal research (Coombs, 2010). Content analysis studies actual messages where researchers try to clarify how different crisis response strategies are used in a given crisis situation. The data could be media reports or messages from the

organization on social media. In general, such studies answer questions of fact, what are the effects of using or ignoring crisis communication advice, and if managers are following theory recommendations in their practice.

In crisis communication research, content analysis has been most often utilized to study the different frames that are used when communicating about a crisis. Entman (1993) conceptualized the process of framing as making some aspects of a message more salient or obvious than others. In crisis communication research, An and Gower (2009) examined which news frames (attribution of responsibility, human interest, conflict, morality, and economic) and level of responsibility (individual or organizational) have been most widely used by the media according to crisis type. They found that level of responsibility was the most used frame. However, the types of frames depended on the crisis type. Additionally, the level of responsibility varied by crisis type. Furthermore, van der Meer and colleagues (2014) looked at the frame-building process and the interplay between organizations, news media and the public when communicating about a crisis. Specifically, they examined whether the crisis frames of these three domains align over time. The study documented the rise of crisis-frame alignment among PR, news media, and the public over time but also noted that after the frame alignment, the domains' discourses move away from one another, resulting in more variation between frames. This complex interplay between organizations, the media and the public demonstrates the need to better understand the collective sensemaking processes that happen when a crisis occurs, as well as the need to identify the different stakeholders that are affected. This idea has been further explored by the notion of the *rhetorical arena* (Frandsen & Johansen, 2006), which we will return to later on.

The limitations of case studies and content analysis in crisis communication is that such studies are predominantly descriptive. We can learn what was done in a crisis and identify key variables in crisis communication, such as crisis types and crisis response strategies, as well as how some variable might be related to one another. What is lacking is an understanding of why this happens - causation. The research lacks a strong explanation of why certain crisis variables should be related and offers no evidence of causality. Evidence-based crisis communication demands research that can address the cause-and-effect relationships between crisis communication, crisis types, and crisis outcomes. SCCT uses experimental methods to establish causal relationships.

Stacks (2011) categorizes this type of research as formal. Formal research is about controlled, objective and systematic collection of data. Formal research helps make generalizations and predictions, as well as build causal models. Studies employing formal research are designed to establish relationships between the different variables and develop evidence-based recommendations for improvement in crisis communication theory (Coombs, 2010). It is also important to note that unlike informal and content analysis, formal research focuses on the audience and not the sender of the message. The main idea is to examine how the receivers of the message react to it; therefore formal research is audience oriented.

Stealing Thunder

The notion of *stealing thunder* is known and advocated in both legal and political settings. In the context of crisis communication, stealing thunder consists of admitting a mistake or failure before it becomes known or announced by another party (Arpan & Pompper, 2003). In other words, in a crisis situation an organization

can choose to steal thunder by breaking the news about its own crisis instead of waiting to have to respond to queries from the public. The idea is that an organization can decide to break the news of an upcoming crisis (i.e., steal thunder) or remain quiet until stakeholders learn of the crisis themselves, usually from the news media.

Research shows that organizations that choose to be proactive with their crisis management efforts and decide to come forward are considered more credible because they openly admit their mistakes and take responsibility for their actions. Additionally, when organizations steal thunder, the crises are viewed as less severe and draw less attention. Furthermore, an organization that steals thunder suffers less reputational damage from a crisis than does an organization in the same crisis that does not steal thunder. More importantly, however, an organization that steals thunder demonstrates that it prioritizes its stakeholders and their needs by behaving ethically (Claeys, 2017).

SCCT

SCCT is one of the main theories in crisis communication. It is an evidence-based framework that initially examined how to maximize reputational protection through post-crisis communication (Coombs, 1995). SCCT has expanded beyond just reputation as the crisis outcome to include purchase intention, negative word-of-mouth, and anger. The roots of SCCT lie in Attribution Theory, a social-psychological theory that explains how people make sense of negative events (Weiner, 1986). Applied to crisis events, attribution theory would suggest that after a crisis situation, individuals need to attribute the responsibility of why the crisis occurred to some entity. In general, people attribute the crisis event either to the organization or to external factors. Further, when stakeholders perceive that an

organization is responsible for a crisis, they attribute the responsibility for everything that occurred to the organization rather than external factors such as the weather or other people (Weiner, 1986).

Attribution theory posits that people make judgments about the causes of negative events based on three dimensions: locus of control, stability, and controllability. Locus of control refers to whether the cause of the event was internal or external to the organization. Stability refers to whether the organization has a history of suffering similar events or committing similar acts. Lastly, controllability refers to whether the organization can affect the cause of the event or the cause is outside its control (Russell, 1982). Thus, Coombs (1995) suggests that perceptions of crisis situations vary depending on how stakeholders view these three attribution dimensions. Perceptions of organizational responsibility will be strongest when the cause is stable (i.e., the organization has been involved in a crisis before), the locus of control is internal (i.e., the reason for the crisis is internal) and controllable (i.e., the crisis could have been prevented). Furthermore, the stronger these perceptions of organizational responsibility are, the more likely it is that the organization's reputation will be damaged and stakeholders will have negative feelings towards the organization (Coombs, 1995).

However, perceptions of the crisis situation also are influenced by other factors: veracity of the evidence, performance history, and damage (Coombs, 1995). These factors come into play since there is no universal public for crisis managers. When facing a crisis organizations have to communicate to all relevant stakeholder groups. Stakeholder theory suggests that publics are any type of group that can affect or be affected by the organization's actions (Freeman, Harrison, Wicks, Parmar, & de

Colle, 2010). Some of the typical stakeholder groups are media, government, employees, local community, suppliers, competitors, stockholders, consumers, unions and in the case of a crisis - victims (Allen & Caillouet, 1994). Each of these groups might make different attributions of crisis responsibility. Therefore crisis managers should consider how the various publics might view the evidence, damage and performance history of an organization differently (Coombs, 1995). Veracity of the evidence refers to how the evidence of the organizational wrongdoing appears to be (i.e., true, false or ambiguous). Damage refers to the amount of damage associated with the crisis. Damage is directly related to locus of control, and the general assumption is that the more severe the damage, the more likely it is that publics will ascribe responsibility for the crisis to the organization (i.e., an internal locus) (Coombs, 1995). Finally, performance history refers to whether the organization has had a positive or negative performance history. An organization with positive performance history is perceived as more trustworthy and is likely to recover faster from negative impacts of the crisis (Coombs & Holladay, 2006).

Coombs (1995) developed a crisis-type matrix based in attribution theory. Specifically, when the two dimensions are crossed (i.e., locus of control and controllability), four crisis types are formed (Table 2). The vertical internal-external dimension refers to locus of control as per attribution theory. Internal locus of control suggests that the crisis originated within the organization, and external locus of control suggests that it was caused by factors outside of the organization. The horizontal unintentional-intentional dimension corresponds to the controllability dimension of attribution theory. Unintentional indicates a crisis situation that was not

caused purposefully by the organization, while the intentional dimension indicates a crisis that was committed purposefully by some actor.

The matrix distinguishes between four types of crisis: faux pas (external and unintentional), terrorism (external and intentional), accidents (internal and unintentional) and transgressions (internal and intentional).

Table 2. Crisis Types
Modified from Coombs (1995)

	Unintentional dimension	Intentional dimension
External dimension	**Faux Pas**	**Terrorism**
Internal dimension	**Accidents**	**Transgressions**

However, the theory has since progressed from the two-by-two matrix of crises types to a continuum of crisis types. A series of experimental studies showed that external locus of control did not help to explain the variance between the different crisis types (Coombs, in press). Therefore, personal control was combined with attributions of blame to from crisis responsibility. The crisis types are currently arranged on the crisis responsibility continuum from minimal to high responsibility. Additionally, SCCT classifies the different crisis types into three clusters: victim cluster, accidental cluster and preventable cluster (Table 3).

Table 3. Crisis Type Clusters
Adapted from Coombs (2007)

Victim cluster – the organization is also a victim (Weak attributions of crisis responsibility cause mild reputational threat) • Natural disaster • Rumors • Workplace violence
Accidental cluster – unintentional organizational actions led to the crisis (Minimal attributions of crisis responsibility cause moderate reputational threat) • Technical-error accidents • Technical-error product harm
Preventable cluster - the organization knowingly put others at risk (Strong attributions of crisis responsibility cause severe reputational threat) • Human-error accidents • Human-error product harm • Management misconduct

The victim cluster represents types of crisis where both the organization and the stakeholders are harmed, for example, natural disasters and rumors. Coombs (2007) argues that these types of crisis can cause mild reputational damage and stakeholders are likely to attribute less responsibility to the organization. The accidental cluster represents crises that are the result of some unintentional actions of the organization, technical error accidents for instance. The accidental cluster can generate moderate reputational threat and is characterized by minimal attributions of crisis responsibility (Coombs, 2007). Lastly, the preventable cluster involves crises where the organization intentionally placed stakeholders at risk. Examples of that kind of crisis are organizational misdeeds with injuries and human-error accidents. Human-error accidents are industrial accidents (e.g., explosions) caused by an employee mistake, while human error product recalls are situations when a product had to be recalled because of an employee error (e.g., food contamination). Because of the intentional nature of these types of crisis, they are likely to cause severe

reputational damage, and stakeholders tend to have strong attributions of organizational responsibility (Coombs, 2007).

Crisis Response Strategies

There are several crisis response strategies that an organization can adopt when responding to a crisis. A crisis response message can include instructing information, adjusting information and a form of a reputation repair strategy. Sturges (1994) was the first to articulate the idea of instructing and adjusting information during a crisis. Instructing information tells people how to physically protect themselves from a crisis. Adjusting information aims to help people cope psychologically with the effects of a crisis, and it consists of expressions of empathy and corrective action. Instructing and adjusting information are the first communication response when a crisis occurs (Sturges, 1994). SCCT refers to this as the ethical base response to a crisis (Coombs, in press). The ethical base response is a combination of instructing and adjusting information targeted towards any victims or potential victims. The reputation repair strategies are efforts to repair the reputational damage of the crisis.

An explicit assumption of SCCT is that crisis managers should select the reputation repair crisis response strategy based upon the level of responsibility attributed to the organization (Coombs, 2010). SCCT indicates that crisis-response strategies can be arranged on a continuum from defensive to accommodative (Coombs, 1995). The three primary postures are denial, diminishment, and rebuilding, with bolstering considered as a secondary posture (Table 4).

The denial strategies aim to remove any connection between the organization and the crisis. These low accommodative strategies have little emphasis on the victim

and include denial, attacking the accuser, and scapegoating (Coombs & Holladay, 2007). Denials claim that there is no crisis, while attack the accuser involves management's confronting the person/group claiming there is a crisis. Scapegoating means that management blames somebody outside of the organization for the crisis (Coombs & Holladay, 2007).

The diminish strategies aim to reduce the attributions of crisis responsibility that people might have and are therefore moderate accommodative strategies. The diminish strategies include excuses and justifications. Excuses are used when management tries to minimize their responsibility for the crisis by saying they did not intend for the crisis to happen or did not have control over the events leading to the crisis. Justification suggests the crisis is not as bad as it looks (Coombs & Holladay, 2007).

The rebuild strategies aim to improve the organization's reputation following the crisis. These strategies are highly accommodative and include compensation and apologies. Compensation means that the management offers the victims money or services, whilst the statement of *full* apology accepts responsibility for the crisis, expresses regret for organizational actions, and asks the victims for forgiveness (Coombs & Holladay, 2007). SCCT suggests that the more severe the crisis, the more accommodative the response strategy should be (Coombs, 1995). Therefore, after a transgression, rebuild strategies are the most appropriate, since they are the most accommodative (Coombs & Holladay, 2007). Rebuild strategies (i.e., mortification strategies) are designed to restore legitimacy and protect organizational reputation, which is believed to be a valuable asset for the economic performance of the organization (Coombs & Holladay, 1996). Moreover, rebuild strategies seek to

improve stakeholders' perception of the organization through compensation and apologies (Coombs, 2010).

Lastly, the bolstering posture consists of reminding, ingratiation and victimage. These strategies are considered secondary because they are intended to be supportive of the other crisis response strategies and have not been found to be effective on their own (Coombs, in press).

Table 4. Crisis Response Strategies
Modified from Coombs (1995)

	Denial posture
Attacking the accuser	The organization attacks those that claim a crisis exists.
Denial	The organization denies that a crisis exists.
Scapegoating	The organization blames somebody outside of it for the crisis.
	Diminishment posture
Excuse	The organization tries to minimize its responsibility for the crisis.
Justification	The organization tries to minimize the perceived damage from the crisis.
	Rebuilding Posture
Compensation	The organization provides some kind of compensation to the victims.
Apology	The organization accepts responsibility and asks for forgiveness.
	Bolstering posture
Reminding	The organization reminds others of its past good works.
Ingratiation	The organization praises stakeholders.
Victimage	The organization argues that it too is a victim of the crisis.

Although research (Pace, Fediuk, & Botero, 2010) has been testing the evidence-based recommendations of SCCT and found support for them, the framework does not provide all the answers for how to successfully manage a crisis.

Just like any theory, SCCT has limitations. To begin with, it was created to understand how the attributions of responsibility that stakeholders make for an organizational crisis guide the choice of responses that organizations use in a crisis. Therefore, SCCT does not help understand the impacts of the different crisis responses, but rather when to use them (Fediuk, Pace, & Botero, 2010). Secondly, a recently published meta-analysis (Ma & Zhan, 2016) examining SCCT-related research found that attributed responsibility and organizational reputation are strongly associated, and that organizational reputation is relatively weakly associated with some SCCT-identified response strategies. In other words, responsibility attributed to an organization following a crisis has a stronger negative effect on reputation than the positive effect the prescribed crisis response strategy does. However, attributions of crisis responsibility are basic psychological processes, while attempting to influence stakeholder perceptions following a crisis is a more complicated process involving different cognitions (Coombs, 2016). It is also important to note that communication is not a cure-all. Crisis response strategies have a limited positive reputational effect, and in the most serious and austere crises communication can only do so much. For instance, the nature and severity of some crises do not allow for immediate recovery, but practitioners should be cognizant of not making communicative mistakes that will amplify the damage (Coombs, 2016). There are certain boundary conditions that limit the theory and the effectiveness of its recommendations.

Little is known about how culture affects the feasibility of recommendations articulated in US-based theories. SCCT was developed in the US context and has never been intended to be universally applicable. Culture is an important variable, as

it can affect how stakeholders react to crisis response strategies. Many organizations nowadays are transnational, meaning they operate in more than one country. These organizations are susceptible to crises as well, but they face an additional challenge – how to successfully deal with a crisis considering the cultural context and how to manage the differing legal and media systems. Understanding how culture might affect perceptions of crises starts by acknowledging the power, legitimacy, and urgency of the different stakeholder groups.

Frandsen and Johansen (2006) propose a model of crisis communication called the rhetorical arena which acknowledges an organization's various stakeholders. This model is based on a multi-vocal approach that takes into account that crisis communication does not happen in a vacuum, and that examines the complicated dynamics between all relevant stakeholders, such as media, political constituents, consumers and other citizens. The model considers crisis communication as being mediated by context, media, genre, and text. The idea is to provide a comprehensive view of all actors and factors that are interconnected when organizations and stakeholders communicate in a crisis situation. For SCCT, the multiple voices of various stakeholders is a contextual factor, which potentially affects how a crisis response is interpreted.

Finally, some crises might generate very strong reactions from stakeholders that negate the immediate positive effect of the crisis response, thus creating boundary conditions for the recommendations for the theory. Specifically, the intersection between crises and scandals has been found to be a serious challenge for the effectiveness of the SCCT-prescribed crisis responses.

Scandals

The scandal literature has been overlooked in crisis communication. Scandals are of great interest to both crisis scholars and practitioners because they pose serious communication challenges for organizations. There are both negative behavioral and economic outcomes associated with scandals. These range from stakeholder perceptions of trust violations to community outrage and a desire to engage in negative word-of-mouth (Grebe, 2013; Zona, Minoja, & Coda, 2013). The negative economic outcomes include a decline in stock prices and loss of market value, which can ultimately lead to bankruptcy. More importantly, scandals also can cause serious reputational damage for organizations. Reputation is an important variable in crisis communication, as it can influence behavior (Lyon & Cameron, 2004). A good reputation can be considered an organizational asset because it can be directly linked to positive outcomes, such as customer involvement, purchase intentions (Lyon & Cameron, 2004), positive word of mouth (Coombs & Holladay, 2007) and community support (De Blasio & Veale, 2009). On the other hand, reputational damage during or after a crisis can lead to negative outcomes, such as negative word of mouth, desire for avoidance or revenge towards the organization (Fediuk, Coombs, & Botero, 2010; Nguyen & Leblanc, 2011). Considering the ways in which scandals can affect organizations and their performance, it is important to understand the best way to communicate with stakeholders when facing a scandal and how organizations can recover faster from it.

There are several issues with conceptualizing scandals in crisis communication research. To begin with, there is a lack of clear definition of the term corporate scandal (DeMaria, 2010). Although research has previously examined

various types of scandals and their effects on organizations, these studies often do not clearly define the term. Secondly, *scandal* is often used interchangeably with *crisis.* Treating scandals merely as types of crises is problematic, as it oversimplifies the concept and thus impedes organizations from communicating effectively when facing a scandal (Marcus & Goodman, 1991).

Defining Scandals

Verbalyte (2018) proposes two perspectives on scandals: functionalist and discursive-communicative. The functionalist perspective represents theories that focus on the normative and societal functionality of scandals. Furthermore, the functionalist theories argue that a society with established rules and norms would find some events illegitimate and would deem them as scandals. Such a view emphasizes the role of societal norms for the creation of scandals. A critique of the functionalist approach is that every misdemeanor has the potential to be scandalized. It would be impossible to punish every norm violation, as it would have negative consequences for society. In a crisis communication context, this approach would mean that certain crisis types that violate moral codes and norms (e.g., management misconduct) are automatically scandals. The discursive-communicative perspective, on the other hand, argues that scandals are indeed symbolically constructed. This perspective focuses more on the *process* of scandalization. The discursive-communicative approach emphasizes the importance of timing, strategic benefit and framing of the scandal, rather than the classification of facts and circumstances of the misbehavior as in the functionalist perspective. This dissertation adopts the discursive-communicative perspective approach to scandals, and the way I will later

define scandal is consistent with the idea that people construct scandals from environmental cues.

The term *scandal* is often used interchangeably with the terms *crisis, corporate failure, malfeasance,* and *corporate fraud* (Soltani, 2014; Zona et al., 2013). This misuse does not allow researchers to fully explore the nature of scandals. Furthermore, without a clear definition of scandals we cannot fully explore their impact on organizational performance and how communication could be used as a form of scandal management practice. Although there is no universally agreed upon definition of organizational scandals in the crisis communication literature, several common characteristics of scandals often emerge in scandal scholarship.

Entman (2012) argues that ultimately scandals are violations of societal norms and beliefs. Indeed, much of the research examining scandals suggests that violating moral codes and unethical organizational behavior are some of the main characteristics of organizational scandals. Furthermore, the crisis literature discusses scandals as a fraud that has become public (Zona, Minoja, & Coda, 2013) or doing what is prohibited by the rules of good corporate governance (Jory, Ngo, Wang, & Saha, 2015). The idea is that stakeholders perceive the organization to have engaged in illegal and dishonest behavior, which is in turn seen as a violation of their trust. Another important theme in scandal scholarship is the idea of justice and how the organization should be punished for its actions (Grebe, 2013). If people believe that an organization treated them unfairly, they want justice by punishing it for the wrongdoing. As previously discussed, negative behavioral outcomes of scandals include engaging in negative word-of-mouth and desire for revenge. One way in which stakeholders can punish organizations for their wrongdoing is by boycotting

them. Boycotts can be effective because they mobilize consumers to stop supporting the company or because of the negative media exposure that the organization receives (King, 2011). Furthermore, the decline in revenue and stock prices that boycotts can cause forces managers to pay attention to boycotter demands. Lastly, the role of the media for creating a scandal is not to be underestimated. Entman (2012) argues that the media are essential for creating political scandals. Furthermore, Tumber and Waisbord (2004) maintain that the media, and investigative journalism in particular, are the driving forces in scrutinizing political wrongdoings that originally took place in secrecy. Therefore, it could be argued that scandals are types of wrongdoing that have been mediatized and publicly exposed. Ekström and Johansson (2008) propose the concept of *talk scandal* to further explain the role of media for creating political scandals. The idea is that the way media talk about wrongdoings and transgressions can (a) create a scandal and (b) shape people's perceptions of the situation. Furthermore, scandals reflect news values that attract media attention (Burkhardt, 2018; Tumber & Waisbord, 2004). People are often drawn to scandals, and the media thrives on reporting bribery or sexual harassment scandals, for instance.

The Nature of Scandals

It is evident from the previous discussion that scandals are often linked to publicized exposure of unethical organizational behaviors those can trigger perceptions of trust violations and unfairness within stakeholders. Furthermore, according to Entman (2012), a scandal is a deviation from accepted practices. However, for a scandal to occur, the situation must evoke moral outrage within stakeholders. Moral outrage is a deeper form of anger that is triggered by violations

of moral codes (Hoffman, 2000). Cognitive appraisal theories help explain what situational factors promote moral outrage. The term "theories" is used because the cognitive appraisal is a mix of theories (Watson & Spence, 2007).

Cognitive appraisal theories examine how certain elements of a situation evoke an emotional response. In other words, specific elements of a specific event produce predictable emotions that can be linked to a certain appraisal pattern (Lazarus, 1991). Therefore, cognitive appraisal theory helps predict the emotions a situation is likely to engender if the relevant assessment factors shaping the situation are known. For instance, anger is the likely emotion when the appraisal factors in the situation are incongruent with goals or values and intentional action. Furthermore, feelings of anger in a certain situation can drive people to attempt to change the negative undesired outcome that the situation has caused. In other words, anger can lead to behavioral outcomes such as desire of avoidance and negative word-of-mouth.

Moral outrage is a critical appraisal characteristic for scandals. Scandals are situations that include cues that should trigger moral outrage. Research (Antonetti & Maklan, 2016) has found that moral outrage is connected anger with greed and injustice. Specifically, the study identified a strong connection between perceived unfairness (injustice) and greed and showed how these lead to moral outrage. This suggests that moral outrage is a distinctly different emotion from anger and can therefore lead to different and more severe consequences. Moreover, the study suggests that perceptions of injustice are essential to appraisals of anger and moral outrage. Antonetti and Maklan's (2016) work could be used to explain what factors must be present for a crisis to transmogrify into a scandal. Considering the unique

appraisals linked to scandals, it is important to distinguish between a crisis and a scandal.

Not all crises have the potential to become scandals. Human-error crises for example can rarely escalate to a scansis. Management misconduct crises, however, have the potential to become scandals, but yet little is known about what contextual modifiers facilitate this process. Therefore, equating a scandal with a crisis limits our understanding of these phenomena and their communicative demands. We must remember that even if a situation has the potential to evoke moral outrage, there is no guarantee moral outrage will occur. As Entman (2012) noted, not all situations that can become scandals do become scandals. From a research perspective, we are limiting our understanding of scandals by equating crises to scandals. The lack of clarity from the misuse of the term scandal in the crisis communication writings hinders communicating effectively during a scandal and poses challenges for practitioners. The term scansis has therefore been proposed to bring conceptual clarity to situations when a crisis becomes a scandal (Coombs, Holladay & Tachkova, 2018).

Scansis

Scansis is distinct from other crisis types and scandals. A scansis is the intersection between an organizational crisis and a scandal, particularly when a crisis transmogrifies into a scandal (Coombs et al., 2018). It occurs when stakeholders perceive that an organization has acted out of greed and has been unjust or unfair to people. If certain crisis risks are not managed properly, they can evolve into a crisis and potentially a scansis. The term scansis fits with the discursive-communicative view of scandal rather than the functionalist perspective because scandalization is a

socially constructed process based on stakeholder perceptions and evaluations of a certain situation.

A scansis can develop in both the pre and post-crisis phases of a crisis, and various factors facilitate this process (Table 5). During the pre-crisis phase, the following warning signs can help crisis managers identify when a crisis has the potential to become a scansis: (a) the behaviors in question are considered morally offensive; (b) the offensive behaviors appear to be intentional; (c) the behaviors are linked to highly controversial social issues; and (d) there is public awareness of the behaviors. There is potential that stakeholders will experience moral outrage when an organization engages in offensive behavior and commits a moral violation. Furthermore, a crisis can generate greater negative emotions if stakeholders perceive it to be intentional and the action is highly controversial. In such situations, the potential for moral outrage is enhanced by the media, which provides a platform and necessary attention for a crisis to become a scansis. An example of scansis would be Well Fargo's recently admitting to charging customers unnecessary mortgage fees and insurance. The company forced its clients to buy car insurance they did not need, which resulted in some people having their cars repossessed.

Table 5. Scansis Crisis Risk Factors
Adapted from Coombs et al. (2018)

	Crisis Risk Factors
Pre-Crisis Phase	Situation • Morally offensive behaviors • Intentional • Linked to controversial social issue • Public awareness
Post-Crisis Phase	Situation • Violation of moral obligations • High public awareness • Provocation of moral outrage

During the post-crisis phase, a crisis can transmogrify into a scansis if the organization does not respond adequately to the situation. Specifically, DeMaria (2010) proposes that a crisis becomes a scandal when the organization employs inappropriate crisis response and is publicly exposed by the media. An inappropriate response is one that does not address the concerns and needs of victims and can, therefore, provoke the public and invite moral outrage. VW, for instance, failed to provide an appropriate response when it was discovered the company falsified its laboratory emission testing results. People were outraged by the organization's response that only several individuals were responsible and none of the senior management knew about what was going on. This response backfired and prolonged the crisis, as it did not seem to provide an accurate or satisfactory account for the company's actions. But scansis is a complex construct and more than merely an inappropriate crisis response. Other factors that facilitate the transmogrification process of a crisis to a scansis are violations of moral obligations and high levels of public awareness, generated by the media.

Exploring the Communicative Implications of Scansis

Research has just begun to empirically examine the communicative implications of scansis. Coombs and Tachkova (2019) examined stakeholder perceptions following a scansis. Specifically, they examined corrective action coupled with a moral outrage recognition as a specific crisis response following a scansis. The idea is that an ethically base response (i.e., corrective action), coupled with an empathetic response (i.e., oral recognition) is the most appropriate way to respond to a scansis, considering the unique appraisal of moral outrage it creates (Coombs et al., 2018). However, the researchers found no significant difference between an empathetic response and a corrective action only response. Although results showed that in a scansis, a corrective action with moral recognition response is recognized as an empathetic response by stakeholders and that it lowered their perceptions of moral outrage, it did not seem to affect positively their overall perceptions of the organization. The results of the study suggest that (1) the common immediate benefits from accommodative crisis communication were not found in a scansis and (2) moral outrage seems to negate the immediate effect of the prescribed crisis response.

Although previous studies have found a positive effect of crisis response strategies on organizational crisis outcomes (Ma & Zhan, 2016), the new data on scansis suggests that it is a distinct type of crisis, where the anticipated benefits of the ethical-base response (corrective action) and recognition of the moral violation do not have an immediate effect on improving post-crisis perceptions of an organization. This has important implications for both crisis communication theory and practice.

To begin with, the effects of a crisis response in a scansis may be long-term rather than short-term. Managers should be aware that some crises could be serious enough that no response will have an immediate positive effect on stakeholder perceptions. As previously discussed, communication is not a cure-all, and the severity of some crises creates boundary conditions for the effectiveness of the prescribed crisis response strategies (Coombs, 2016). However, these findings should not be taken as advice to ignore accommodative crisis response strategies during a scansis.

In the case of scansis, providing corrective action coupled with expressions of empathy may provide a way for organizations to avoid organizational stigmatization. Devers and colleagues (2009) define organizational stigma as a label that induces stakeholder perceptions that the organization possesses fundamental flaws. Furthermore, stigmatization happens through an attribution process that links the organization to a negative category of organizations collectively perceived as having values counter to those of stakeholders. This, in turn, makes people stereotype the organization as defined by the attributes of this category rather than its unique characteristics. The long-term benefits of an appropriate crisis response following a scansis may be to avoid stigmatization, allowing a faster recovery from the crisis (Coombs & Tachkova, 2019).

Secondly, research (Coombs & Tachkova, 2019) indicated that perhaps scansis should be viewed as a special type of crisis. Scansis is unique because it adds a third appraisal not found in the other types of intentional crises. All intentional crises begin with an evaluation of a negative event and assessment of the organization's responsibility for that event. However, scansis adds a third appraisal,

resulting in a triadic appraisal process. Specifically, perceptions of injustice coupled with greed result in the emotion of moral outrage (Antonetti & Maklan, 2016). As previously discussed, scansis has the potential to produce strong perceptions of moral outrage within stakeholders. The discovery of this triadic appraisal model therefore creates the need to rethink the intentional crisis cluster in SCCT.

Based on the current examinations of the concept of scansis, it could be argued that it is a distinct form of crisis. Scansis has been found to prevent the immediate positive effects of accommodative crisis response strategies and even to facilitate the process of organizational stigmatization (Devers et al., 2009). Furthermore, these findings corroborate that indeed all theories have limitations. Specifically, scansis proves to be a boundary condition for the recommendations of SCCT. The discovery of scansis prompts the need to reconsider one of the major premises of SCCT. More specifically, we need to reexamine the intentional crisis cluster, considering the new triadic appraisal model that scansis proposes. The reexamination includes refining the SCCT communication recommendations for the preventable cluster. Not all crises have the potential to become a scansis, but management misconduct crises are most likely to breed scansis. Because scansis is a socially constructed concept, based on people's perceptions and reactions (Coombs et al., 2018), we need to examine how stakeholders make sense of scansis and what communicative cues they use to make their judgments.

The dissertation presents three experimental studies, designed to inform one another. The studies demonstrate the logical steps necessary to advance theory development regarding the concept of scansis. Moreover, the experiments are a

logical progression in the conceptualization of scansis and the refinement of SCCT and its communicative recommendations.

The first study, titled Rethinking the Intentional Crisis Cluster in SCCT (Chapter 2), re-examines the intentional crisis cluster. The cluster currently consists of human-error accidents, human-error product harm and management misconduct crises. However, moral outrage was found to be an important appraisal during crises. Therefore, there is now a need to re-think the preventable cluster using injustice and greed, characteristic of moral outrage. Study 1 establishes new sub-clusters within the preventable crisis cluster, which more accurately address the quantitative and qualitative differences between the different crises types and reflect the newest theory development in crisis communication research.

The second study (Chapter 3), Refining the Communicative Recommendations of SCCT, examines the differentiation between the preventable crisis types and focuses on the effects of SCCT's optimal crisis response recommendations for the human-error and management misconduct sub-clusters. SCCT recommends using the ethical base response and accommodative response (compensation and/or apology) when faced with a preventable crisis. This optimal response should result in less reputational damage, less loss of purchase intention, and less negative word-of-mouth (the three common crisis outcomes). The question is whether the optimal response for the preventable crisis cluster produces the desired positive results for the human-error and management misconduct sub-clusters. This study focuses on the effects of SCCT's optimal crisis response recommendations for the human-error and management misconduct sub-clusters.

The third study (Chapter 4), Understanding How Communicative Cues Shape Perceptions of Crises, examines how people make judgments of a certain crisis based on the information they read about it. The study focuses on the types of discourse that lead people to perceive a crisis as one of the three preventable sub-clusters and discusses how this information helps professionals practicing crisis communication. Moreover, Study 3 identifies the sub-clusters that emerge during the process of "crisis framing." This study has important practical implications and helps point out what kind of crisis practitioners are facing based on the way people talk about it.

Finally, Chapter 5 summarizes the findings of the experimental studies and discusses how scansis shapes the landscape of crisis communication. The dissertation concludes with a broader discussion of the findings of the three experimental studies and how scansis has affected crisis communication research and practice.

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CHAPTER II

RETHINKING THE INTENTIONAL CRISIS CLUSTER IN SITUATIONAL CRISIS COMMUNICATION THEORY

Every organization is bound to experience a crisis in its life. The key to communicating effectively in this situation is being able to categorize the crisis, its severity and the responsibility attributed to the organization. Coombs (2018) suggests that there are three main crises clusters - victim, accidental and intentional. The victim cluster consists of crises where the organization is a victim itself, for example, natural disasters. The accidental cluster includes crises caused by internal factors within the organization. However, accidental crises are unintentional and caused by technical or human-error factors. Lastly, the intentional cluster consists of crises where the organization is perceived to have knowingly put stakeholders at risk. These are the most severe crises; they pose the biggest reputational threat for organizations and are the most difficult to manage. The original conceptualization of the three crisis clusters was presented in (Coombs & Holladay, 1996). As research in crisis communication has proliferated in the last twenty years, now there is a need to refine this typology in order to reflect the newest theoretical developments in the field and therefore improve communicative recommendations for crisis managers. Therefore, the purpose of this study was to examine the intentional crisis cluster within Situational Crisis Communication Theory (SCCT). The idea is to enhance the theory by reconceptualizing it and ultimately refining its communicative recommendations. This chapter begins with a literature review that problematizes the intentional cluster and discusses the need to rethink the different crisis types. An

experimental study is presented to address the gaps in our understanding of this cluster. The chapter concludes by discussing the results and the implications for crisis communication scholars and practitioners.

Literature Review

This section starts with a discussion of situational crisis communication theory and its main assumptions. This is followed by an overview of the different crisis response strategies and crisis clusters that the theory matches. Moreover, the intentional crisis cluster is problematized in detail. Lastly, building on trust violation literature in psychology and considering recent research on scandals, the section concludes by presenting the research objectives of the study.

SCCT is one of the main theories in crisis communication research (Avery, Lariscy, Kim & Hocke, 2010). It is a cognitive-based framework, rooted in Attribution Theory (Weiner, 1986). Crisis responsibility is the key variable in SCCT, and it is used to predict the optimal crisis response. In other words, SCCT matches the different crisis types with the most appropriate crisis responses based on the level of responsibility attributed to an organization. Furthermore, when a crisis happens, stakeholders make two main appraisals about the situation. The first appraisal is to determine whether a negative situation exists, the second appraisal is the attribution of crisis responsibility (Coombs, 2007). SCCT uses the attributions of crisis responsibility to prescribe what would be the best crisis response in a given situation/crisis.

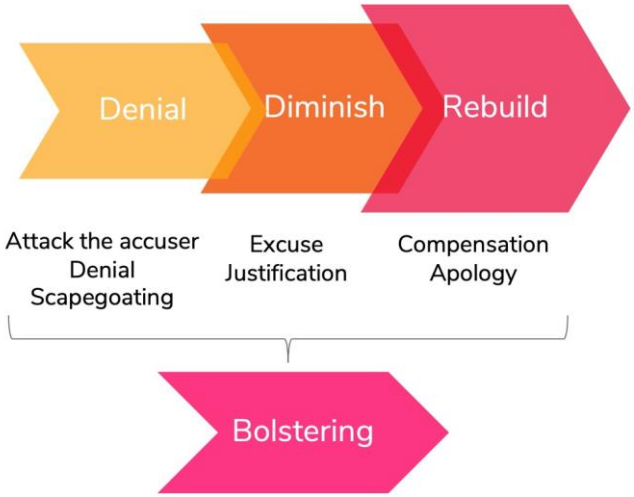
When an organization faces a crisis, it is essential that the first response focus on victims and the wellbeing of people affected by the crisis (Coombs & Holladay, 1996). This is also known as an ethical base response and consists of instructing and

adjusting information (Sturges, 1994). Instructing information tells people how to physically cope with the crisis; adjusting information tells them how to manage the situation psychologically. Once the ethical base response has been provided, managers can focus on choosing the most appropriate crisis response strategy to minimize reputational damage.

SCCT arranges the crisis response strategies on a continuum from defensive to accommodative (Figure 1). Defensive strategies focus on the needs of the organization by trying to shield the organization from the damage associated with a crisis. Accommodative strategies focus on the concerns of the victims. Low accommodative strategies include denial, attacking the accuser and scapegoating (Coombs, 2008). A denial strategy claims there is no crisis, and an attack the accuser strategy involves confronting the credibility of the person/group accusing the organization. Scapegoating means blaming somebody outside of the organization for the crisis.

Moderate accommodative strategies include excuses and justifications. Excuses are used when management tries to minimize their responsibility for the crisis by saying they did not intend for the crisis to happen or did not have control over the events leading to the crisis. Justification suggests the crisis is not as bad as it looks. High accommodative strategies include apologies. Apologies accept responsibility for the crisis, express regret and provide compensation to the victims. Finally, bolstering strategies are supplemental to the other three and aim to build a positive connection between the organization and its stakeholders. Examples of bolstering strategies include organizations telling people of past good works and praising stakeholders.

Figure 1. Continuum of Crisis Response Strategies



According to SCCT, the more responsibility is attributed to the organization, the more accommodative the response should be (Coombs, 1995). An optimal crisis response aims to minimize the harm of the crisis for both the stakeholders and the organization. Determining the optimal crisis response starts with assessing crisis responsibility. This is a two-step process in itself. First, the specific crisis type must be determined. Crisis types are frames for how most stakeholders are likely to interpret the crisis. Second, other contextual factors that might affect attributions of responsibility must be considered. These include prior reputation and crisis history (Coombs & Holladay, 2006).

An organization with a favorable prior reputation will have a stronger post-crisis reputation because it has reputational capital to spend. This would not be the case for organizations that have unfavorable or neutral reputations before a crisis. So favorable prior reputation would mean that the organization suffers less and recovers faster following a crisis (Coombs & Holladay, 2006). Some researchers claim that the organization suffers less damage in a crisis because of the halo effect that prior

reputation has (e.g., Ulmer, 2001). A halo effect is observed when people attribute less responsibility for a crisis to an organization if this organization has had good prior reputation. In other words, reputation can be used as a shield during times of crisis. Data suggest that a halo effect is rare, with the Velcro effect being more likely. The Velcro effect is the way a negative prior reputation can increase attributions of crisis responsibility and the negative crisis effects on an organization (Coombs & Holladay, 2006). Crisis history can also affect the way stakeholders attribute crisis responsibility. If an organization has had previous crises, people will attribute more responsibility to it than to an organization that has not faced any crises in its past (Coombs, 2018).

There are three crisis types clusters in SCCT, formed based on stakeholder attributions of crisis responsibility: victim, accidental, and intentional (Coombs & Holladay, 2002). The victim cluster has very low attributions of crisis responsibility, and the organization is often seen as a victim of the crisis as well. Examples include natural disasters and product tampering. The accidental cluster has minimal attributions; examples are crises caused by technical errors. Lastly, the intentional crisis cluster has the strongest attributions of crisis responsibility, and examples include product harm caused by human error and management knowingly placing stakeholders at risk (Coombs & Holladay, 2002). Table 6 represents the three crises clusters and the sub-clusters for each crisis type.

Table 6. Crisis Types Clusters
Adapted from Coombs (2007)

Victim cluster – the organization is also a victim (Weak attributions of crisis responsibility cause mild reputational threat) • Natural disaster • Rumors • Workplace violence
Accidental cluster – unintentional organizational actions led to the crisis (Minimal attributions of crisis responsibility cause moderate reputational threat) • Technical-error accidents • Technical-error product harm
Preventable cluster - the organization knowingly put others at risk (Strong attributions of crisis responsibility cause severe reputational threat) • Human-error accidents • Human-error product harm • Organizational misdeed with/without injuries

The ethical base response is the recommended optimal crisis response in cases involving victim and accidental crises where there are no contextual modifiers such as crisis history and prior negative reputation. Contextual modifiers are likely to intensify attributions of crisis responsibility and therefore a specific response beyond the ethical base response would be required. In situations when an organization is dealing with an intentional crisis, attributions of crisis responsibility will be high; SCCT posits that the optimal crisis response should be accommodative, such as apology and/or compensation coupled with the ethical base response (Coombs, 2018). Research (Coombs & Holladay, 2002) suggests that people tend to view crises as strong or weak in crisis responsibility. The ethical base response is all that is needed for crises with weak attributions of crisis responsibility, while an accommodative response must be added when crises with attributions of strong crisis responsibility. While research is largely supportive of SCCT (Ma & Zhan, 2016),

there are reasons to reconsider the current conceptualization of the intentional crisis cluster.

Problematizing the Intentional Cluster

The growing body of crisis communication research suggests a need to rethink the structure of the intentional crisis cluster. There are three main factors that allow us to problematize these crisis types: (1) the very broad original conceptualization of the cluster; (2) trust violation literature in psychology that can help make a better distinction between the crisis types and (3) crisis communication research that examines the ineffectiveness of the prescribed optimal crisis responses for the intentional crises.

To begin with, currently the intentional cluster includes three crisis types: human-error accidents, human-error product harm, and management misconduct. SCCT distinguishes between technical error and human error for accidents and product harm. Human-error crises are characterized by employees not doing their jobs properly and therefore causing either an accident or a product harm situation. Technical-error crises are usually caused by technology or equipment failure and can lead to either an accident or a product recall. Moreover, human-error accidents and product-harm crises can sometimes be unintentional because the crisis could be a result of incompetence (lacking the necessary skills to do the job) or simply being sloppy. However, the third crisis type - management misconduct - is intentional. This means that management has knowingly put stakeholders at risk by purposefully deceiving them or distributing dangerous goods. The original tests performed on the different crisis types indicated that management misconduct crises create higher scores of crisis responsibility but not enough to argue that these crises should be in a

separate cluster (Coombs & Holladay, 2010). The idea is that human-error and management misconduct crises could have significant differences, but that evidence has yet to emerge.

There are qualitative differences between human-error and management misconduct crises as well. The trust literature in psychology helps account for these differences and provides a lens to make the differentiation more precise. Trust is defined as the intention to accept vulnerability because of positive expectations of the behavior or intention of another (Kim, Ferrin, Cooper, & Dirks, 2004). When these expectations are violated, a trust violation occurs. If we apply this concept to crisis communication, a crisis could be seen as a violation of trust in the form of stakeholder expectations (Coombs, 2018). Furthermore, the trust violation literature distinguishes between competence-based and integrity-based trust violations. Competence is defined as "the degree to which one possesses the technical and interpersonal skills required for a job" and integrity is "the degree to which one adheres to a set of principles that is considered acceptable" (Kim, Dirks Cooper & Ferrin, 2006, p. 51). With this in mind, human-error crises could be seen as a form of competence-based trust violations i.e., employees not able to perform their job correctly due to lack of knowledge or training. A management misconduct crisis could be equated to an integrity trust violation, where management has intentionally violated certain ethical and moral codes. Still, when forming the original crisis clusters Coombs and Holladay (2002) did not clearly distinguish between the human-error and management misconduct crises types based on the levels of crisis responsibility attributed by stakeholders.

Trust is an important factor to consider because it can offer benefits for both individuals and organizations. Specifically, the presence of trust has been found to improve job attitudes and increase employee commitment to organizational goals and performance (Kim et al., 2004). That is why when trust is broken, management often has to repair it. The trust repair process differs from initial trust development. First, in some cases the magnitude of the required increase in trust may be greater than the initial trust that people had in the organization. Second, the mistrusted party has to overcome negative expectations in addition to reestablishing positive expectations (Kim et al., 2004). These differences require an understanding of the type of trust violation in order to identify to the approaches needed in the trust repair process. The distinction between competence and integrity-based violations is useful because research in psychology shows discrepancies in the ways people assess positive versus negative information about competence versus integrity. Specifically, individuals have been found to weigh positive information about competence more heavily than negative information about competence and to weigh negative information about integrity more heavily than positive information about integrity (Snyder & Stukas, 1999). Applied to crisis communication, this suggests that a competence-based trust violation would require a different crisis response than an integrity-based trust violation.

Lastly, a recent meta-analysis of SCCT (Ma & Zhan, 2016) found inconsistencies among its communicative recommendations across the different crisis types. Furthermore, the prescriptions of the theory did not hold true for all crisis types in the intentional cluster. One reason for these inconsistencies is the conceptual differences between the types of crisis in the cluster. In other words, since human-

error and management misconduct are qualitatively different and potentially quantitatively different, it makes sense that they would require different crisis response strategies. Additionally, all theories have boundaries. Research (Coombs & Tachkova, 2019) examining the intersection between crises and scandals, termed scansis, has prompted the need to investigate what might be the boundary conditions of SCCT.

Scansis is a special type of crisis that transmogrifies into a scandal (Coombs, Holladay, & Tachkova, 2018). The terms crisis and scandal have often been used interchangeably in the crisis communication literature; therefore the term scansis was introduced to bring conceptual clarity. Moral outrage is a component of scandals and a defining characteristic of scansis. Moral outrage is provoked when there is some kind of deviation from accepted ethical or moral practices; in other words, moral outrage is a necessary but not sufficient condition for a situation to be considered a scandal.

Moral outrage differs from anger, in part because it is a stronger emotion and provokes stronger reactions. Cognitive appraisal theories can help explain how emotions are evoked. According to this set of theories, certain appraisal factors can produce certain emotions (Lazarus, 1991; Watson & Spence, 2007). For instance, anger occurs when there is an unwanted outcome that could have been controlled by some actor. A crisis is an unwanted outcome and can produce anger if there are strong attributions of crisis responsibility. This is an example of how elements of a certain situation or event (i.e., the crisis) can produce predictable emotions (i.e., anger) linked to the appraisal pattern (Lazarus, 1991). Anger can also be seen as a predictor of behavior in this example, because it can drive people to attempt to

change or resist the unwanted outcome. Although not everyone perceives cues in the same exact way or adopts the same behaviors, emotions can trigger specific behaviors, and this is one way to make sense of how people respond to crises.

For moral outrage, injustice and greed are the appraisal factors that lead to moral outrage. In other words, when an organization acts in an intentional way that is perceived to be unjust to the public and motivated by greed, moral outrage will emerge (Antonetti & Maklan, 2016). I argue that scansis should be a part of the intentional crisis cluster because the appraisal of moral outrage associated with it is likely to generate strong attributions of crisis responsibility. Additionally, research examining the most appropriate crisis response strategies to scansis found none of the anticipated positive effects of the optimal accommodative crisis responses suggested by SCCT (Coombs & Tachkova, 2019). Furthermore, the results of this research indicated that an accommodative response had no effect on post-crisis reputation, purchase intention or negative word-of-mouth. This would suggest that moral outrage could be a boundary condition for the prescriptions of SCCT.

In summary, there are several issues with the intentional cluster. First, the original conceptualization of the crisis types included in the cluster is too broad. Second, it is possible to make a more accurate distinction between human-error and management misconduct crises. The trust violation literature helps explain the qualitative difference between the two. Trust violations concern matters of competence or integrity (Kim et al., 2004). Specifically, competence trust violations are concerned with lack of skills to perform a certain job and could be linked to human-error crises. Integrity trust violations happen when a person does not follow accepted principles of conduct and could be linked to management misconduct

crises. That is why human-error crises could also be redefined as competence-based crises and management misconduct could be conceptualized as integrity violation. Third, recent research on scansis (Coombs & Tachkova, 2019) shows that there are certain boundary conditions for the anticipated effects of crisis communication for intentional crises.

There is a need to re-conceptualize and refine the intentional cluster around the concept of moral outrage. Moral outrage reflects a third form of appraisal that stakeholders make beyond (1) negative situation and (2) crisis responsibility in a crisis situation. This would suggest that the different crisis types in the intentional crisis cluster should produce different levels of moral outrage. Furthermore, moral outrage may help explain the separation between human-error and management misconduct crises, which is reinforced by the trust violation literature in psychology. With this in mind, the study examined the following research questions:

RQ1: Does moral outrage produce distinct crisis grouping for the crisis types found in the intentional crisis cluster?

RQ2: Will scansis emerge as a distinct crisis type with the highest score on moral outrage?

RQ3: Will moral outrage provide a distinct separation between human-error and management misconduct crises?

Method

Design

A survey was administered online through Survey Monkey to help answer the research questions. Participants were informed that the survey was concerned with perceptions of organizations. They first completed a pre-test by rating how they felt

about a set of companies. This was necessary as a way to control for prior reputation because all scenarios were based on real organizations and crises that they have experienced. The respondents were then randomly assigned to read one of eight crisis scenarios (actual news articles), and finally they completed the survey, answering questions about their perceptions of the crises and the organizations.

Table 7. Crisis Cases

Summary of the crisis case	Crisis Type	Used in original 1996 study conceptualizing the various crisis types
Ralph Lauren pays $1.6 million fine for bribery of officials in Argentina.	Management misconduct	No
Astra USA dismisses two top executives for sexual harassment and other improprieties.	Management misconduct	Yes
Perrier has benzene contamination because a worker failed to replace a water filter.	Human-error	Yes
Employee at a Ford facility loads a chemical into the wrong storage tank, causing a chemical release that requires the evacuation of 2,400 people, including 600 local residents.	Human-error	Yes
Mylan raises the price of EpiPens 500% to increase profits.	Scansis	No
Peanut Corporation of America knowingly sells peanut products contaminated with Salmonella, sickening 714 people.	Scansis	No
Government investigators find that the Marcus Oil explosion and fire at its chemical facility was caused by human errors.	Human-error	Yes
Texaco senior executives are caught on audiotape making racists comments about minority employees.	Management Misconduct	Yes

Measures

Reputation was measured using the five-item version of the Organizational Reputation Scale (Coombs and Holladay, 2002) (Cronbach's $\alpha = .82$). Crisis

responsibility was assessed with a three-item scale from Coombs and Holladay (1996) (Cronbach's α = .87). Purchase intentions were assessed with a three-item scale (Cronbach's α = .88). Anger was measured using a three-item scale (Coombs and Holladay, 2007) (Cronbach's α = .89). Moral outrage was assessed with a three-item scale (Cronbach's α = .95), greed was measured using a three-item (Cronbach's α = .81,) and fairness was measured using a three-item scale (Cronbach's α = .87), all adapted from Antonetti and Maklan (2016). All scales reported a Cronbach's α above the acceptability level of .80 (Streiner, 2003). Most items were assessed on seven-point scales ranging from "strongly disagree" to "strongly agree" or "very unfavorably" to "very favorably." The exact items can be found in Appendix A.

Participants

The research participants were 403 US residents recruited by the Survey Monkey respondent pool. Survey Monkey maintains a pool of approximately 30 million respondents, representative of the US population. Respondent pools such as Survey Monkey enabled us to use a non-student sample. A student sample is more homogenous than a nonstudent sample in terms of age and education level. Using a pool such as Survey Monkey allowed us to include a more age-diverse population. Additionally, using an online subject pool often means faster recruitment and therefore smoother data collection process. Another benefit is subject anonymity. People who participate in respondent pools are always anonymous to the researcher. Therefore, Institutional Review Boards are more likely to treat studies as exempt from reviews, which reduces concerns about how to safely store responses to sensitive questions. Lastly, Survey Monkey maintains subject pools in specific countries; this allows (1) cultural diversity if this is desired in a certain research

project and (2) comparisons between subjects from two or more groups (Paolacci, Chandler & Ipeirotis, 2010). A potential drawback of Survey Monkey, and all web-based experiments, is the lack of supervision that could be achieved in a lab (Paolacci et al., 2010). This could be an issue because unsupervised subjects tend to be less attentive. However, this problem can be solved with the help of manipulation checks. Manipulation checks in the form of factual questions about different experimental scenarios can be used to identify subjects who failed to pay attention and did not read closely. These respondents are later removed during the data cleaning process and before any analysis is performed.

Another concern with online surveys is the role of professional respondents. Professional respondents are people who frequently participate in a large number of surveys and are focused on incentives. It is believed that professional respondents might provide lower quality data than altruistic respondents. Furthermore, professional respondents are believed to be motivated by monetary incentives and in order to earn as much as possible rush through questionnaires with minimal cognitive effort. Other concerns include engaging in distractions as cell phones or multitasking while completing surveys. However, research comparing the performance of supervised participants rather than a MTurk population (Hauser & Shwarts, 2016) did not find much empirical support for these assumptions. In fact, answers of professional respondents have been found to result in higher scale-reliability, and no significant differences between their performance and that of the so-called altruistic respondents (Hauser & Shwarts, 2016).

The age breakdown of the respondents was 13.2% 25 to 29 years old, 27% 30 to 44 years old, 37% 45 to 59 years old, and 22.8% 60 to 65 years old. The sample was 49.9% percent female (n = 201) and 50.1% percent male (n = 202).

Scenarios

Eight scenarios served as stimuli for the crisis types. These were specifically selected for the study and fit the parameters of the intentional crisis cluster. Three were human-error crises, three were management misconduct crises, and two were scansis. More importantly, five of the cases used are cases included in the original Coombs and Holladay (2002) study that created the three crisis clusters for SCCT. Two new crisis cases were added because they fit the criteria for being a scansis. The two scansis crisis cases were the Mylan and Peanut Corporation of America cases. The last case is a recent management misconduct case involving bribery. All scenarios were based on actual crises, using real news stories about the crisis events, including the names of the companies involved in the crises. Appendix A presents the stimuli used in the study.

Procedures

The survey was administered online through SurveyMonkey. Participants were informed that the study was concerned with perceptions of organizations. Because the actual organization's name was used in the case, a pre-test to check the prior reputation for the organization was included. Respondents completed the pre-test by rating how they felt about a set of three companies. People were then randomly assigned to read one of the eight crisis scenarios (news articles) and complete the survey following the news article. Completion of the survey took less than 15 minutes. The prior reputations for all eight organizations were around four,

the mid-point on the seven-point scale, with Mylan having the lowest score (M = 3.69) and Ford having the highest score (M = 4.68).

Analysis and Results

Cluster Analysis

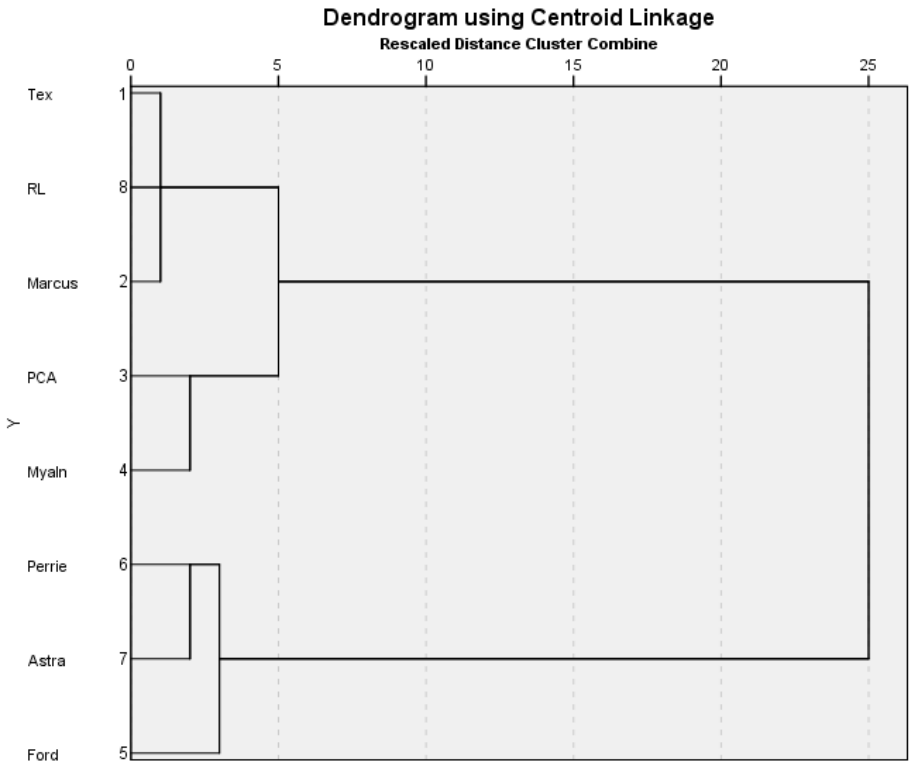
The purpose of this study was to determine whether moral outrage could be used to create distinct sub-clusters of crises in the preventable crisis cluster. The study used a cluster analysis to determine whether this was possible. Cluster analysis is an exploratory technique used to examine how cases group together (Gries, 2015) and how these different cases are related to one another. Specifically, hierarchical cluster analysis groups cases together based on a set of variables. The idea is that the cases included in a cluster are similar to one another and different from those in other clusters. Cluster analysis ultimately allows researchers to find patterns in the data (Patel, Sihmar & Jatain, 2015).

This analysis used the agglomerative, sometimes also called bottom-up, method of cluster analysis. The agglomerative analysis begins by treating each case as a stand-alone cluster, then joining the two closest clusters together. A single cluster is formed after multiple iterations of merging. The agglomerative results are graphically presented in a dendrogram, a tree-like graph that shows the merging process. The challenge with this type of analysis is to determine how many clusters exactly capture the data in the best way possible. There are no set rules for how many clusters best represent the data; hierarchical clustering always finds a pattern, but that does not mean the pattern is meaningful (Patel et al., 2015).

In this study, the different crisis types were treated as the different cases. Greed and injustice were selected as the set of grouping factors/variables used for the

clustering because they are characteristics of moral outrage. In other words, injustice and greed were the factors used to determine the similarity and dissimilarity between the crisis types, represented by the different cases. Based upon the mean scores for the crisis cases for greed and injustice, the dendrogram in Figure 2 was created.

Figure 2. Dendrogram



Interpreting a dendrogram involves selecting the optimal number of clusters for the data - how many clusters best capture the pattern in the data. One method for interpretation is to select clusters that have a similar height on the dendrogram (Patel et al., 2015) or plotting the clusters on a scree diagram. Furthermore, the visual selection of clusters requires validation. For this study, the optimal number of clusters was validated by comparing the possible clusters using scores for three

common outcome variables in crisis communication research: (1) organizational reputation, (2) purchase intention, and (3) negative word-of-mouth. The optimal number of clusters was determined by comparing the cluster scores for the three crisis outcomes using one-way ANOVAs. The best fit in terms of number of clusters occurred when there were significant differences between the clusters for all three variables. Significant differences between the outcome variables is evidence that that clusters are distinct. A three-cluster solution produced significant differences between all three clusters for organizational reputation, purchase intention, and negative word-of-mouth. Table 8 provides the results of the one-way ANOVA analyses. The eight crisis cases from the preventable crisis cluster were reducible to three sub-clusters.

Table 8. Cluster Analyses One-way ANOVA Results

Four-cluster Solution

			Cluster 1		Cluster 2		Cluster 3				
Variable	*Mean*	*SD*	*Mean*	*SD*	*Mean*	*SD*	*Mean*	*SD*	*F*	*df*	*p*
Reputation	2.94[a]	1.11	3.44[b]	1.00	4.35[c]	.87	4.92[d]	.93	53.05	3,367	.001
Purchase Intention	3.01[a]	1.18	3.65[b]	1.15	4.01[b]	.99	4.82[c]	1.15	27.08	3,368	.001
Negative Word-of-Mouth	4.75[a]	1.30	4.04[b]	1.29	3.40[c]	1.03	2.94[c]	1.32	27.58	3,370	.001

Table 8. Continued

Three-cluster Solution

		Cluster 1	Cluster 2	Cluster 3				
Variable	*Mean*	*SD*	*Mean*	*SD*	*Mean*	*SD*	*F*	*df*
Reputation	4.56[a]	.93	3.44[b]	1.00	2.94[c]	1.11	74.04	2,368
Purchase Intention	4.23[a]	1.12	3.65[b]	1.15	3.01[c]	1.28	33.55	2,369
Negative Word-of-Mouth	3.23[a]	1.19	4.04[b]	1.29	4.75[c]	1.30	39.43	2,371

NOTE: For each test, means superscripted a, b, c, and d are significantly different using Dunnett's C procedure, p < .01.

A one way analysis of variance showed that the differences between the post-crisis reputation scores were significantly different (F(2,368) = 377.7, p < .001) for the three-cluster solution. Post hoc analyses using the Dunnett's C post hoc criterion for significance indicated that the post-crisis reputation score was significantly higher in the human-error sub-cluster (*M* = 4.56, *SD* = .92) than either the management misconduct (*M* = 3.44; *SD* = 1.00) or the scansis (*M* = 2.94, *SD* = 1.11) sub-cluster. In addition, the post-crisis reputation score was significantly higher in the management misconduct than the scansis sub-cluster. A one-way ANOVA showed that the differences between the purchase intention scores were significant (F(2,369) = 93.82, p < .001) for the three-cluster solution. Post hoc analyses using the Dunnett's C post hoc criterion for significance indicated that the purchase intention score was significantly higher in the human-error sub-cluster (*M* = 4.32, *SD* = 1.12) than either the management misconduct (*M* = 3.65; *SD* = 1.15) or the scansis (*M* = 3.01, *SD* = 1.28) sub-cluster. In addition, the purchase intention score was

significantly higher in the management misconduct than the scansis sub-cluster. A one-way ANOVA showed that the differences between the negative word-of-mouth scores were significant ($F(2,369) = 93.82$, $p < .001$) for the three-cluster solution. Post hoc analyses using the Dunnett's C post hoc criterion for significance indicated that the negative word-of-mouth score was significantly lower in the human-error sub-cluster ($M = 3.23$, $SD = 1.18$) than either the management misconduct ($M = 4.04$; $SD = 1.29$) or the scansis ($M = 4.75$, $SD = 1.30$) sub-clusters. In addition, the negative word-of-mouth score was significantly lower in the management misconduct than the scansis sub-cluster.

A three-cluster solution was the best fit because it produced significant differences between all three clusters for organizational reputation, purchase intention, and negative word-of-mouth. Hence, we concluded the eight crisis cases from the intentional crisis cluster were reducible to three sub-clusters. The answer to RQ1 was that moral outrage (injustice and greed) created three distinct groups for crises in the intentional crisis cluster. The three clusters were given names based on the predominant crisis types appearing in the clusters. Cluster 1 was labeled scansis because it contained the two scansis scenarios. Cluster 2 was labeled management misconduct because two of the three scenarios in this cluster were management misconduct. Cluster 3 was labeled human error because two of the three scenarios in this cluster were human error. Table 9 presents the final configuration of the three clusters.

Table 9. Composition of the Crisis Clusters

Crisis Scenario	Anticipated Crisis Type	Final Crisis Cluster
Peanut Corporation of America	Scansis	Scansis
Mylan	Scansis	Scansis
Texaco	Management misconduct	Management misconduct
Ralph Lauren	Management misconduct	Management misconduct
Marcus Oil	Human-error	Management misconduct
Perrier	Human-error	Human-error
Ford	Human-error	Human-error
Astra USA	Management misconduct	Human-error

RQ2 and RQ3 were answered using information from the cluster analysis and MANOVAs to determine whether there were significant differences between the crisis clusters for the variables related to moral outrage. The MANOVA results indicated a significant difference between the three clusters for injustice ($F(2,362)= 67.38$, $p < .001$, partial eta square = .27, power = 1.00), greed ($F(2,362)= 77.55$, $p < .001$, partial eta square = .30, power = 1.00), and moral outrage ($F(2,362)= 29.49$, $p < .001$, partial eta square = .14, power = 1.00). Post hoc analyses using the Dunnett's C post hoc criterion for significance indicated all three clusters were significantly different from one another for injustice, greed, and moral outrage. The results of the analyses indicate that scansis was distinct from the other two clusters. Moreover, the scansis cluster generated the highest overall score for injustice ($M = 4.85$, SD = 1.19) and greed ($M = 5.18$, SD = 1.31), the two key factors to promote moral outrage, as well as producing the strongest perceptions of moral outrage ($M= 4.93$, SD = 1.45). The answer to RQ2 was therefore that scansis is a distinct cluster and produces the

strongest perceptions of moral outrage among the crises in the intentional crisis cluster.

RQ3 sought to determine if there was a separation between human-error and management misconduct crises similar to the distinction between competence and integrity trust violations when compared using the moral outrage variables. The management misconduct (integrity cluster) had the second highest score for injustice (M = 4.28, SD = 1.13), greed (M = 4.43, SD = .99), and moral outrage (M = 4.46; SD = 1.19). The human-error (competence) cluster had the lowest score of injustice (M = 3.09; SD = 1.11), greed (M = 3.36, SD = .93), and moral outrage (M = 3.61, SD = 1.45). The Dunnett's C post hoc criterion for significance indicated a significant difference between the human-error and management misconduct clusters for injustice, greed, and moral outrage. The answer to RQ3 was therefore that moral outrage did differentiate between human-error crises (competence) and management misconduct crises (integrity) in a way that is consistent with the trust violation distinction between competence and integrity.

Implications

The purpose of this study was to refine the intentional crisis cluster articulated by SCCT in order to improve the conceptualization of the different crisis types and yield communicative recommendations for crisis practitioners as well. Intentional crises produce strong attributions of crisis responsibility and pose serious threats to organizations. However, the cluster is currently too broad. This is problematic because it affects the effectiveness of the prescribed crisis response according to SCCT. A more precise distinction between the different crisis types

would improve the recommendations of SCCT and will ultimately benefit crisis communication praxis.

Moral outrage is a power emotion, distinct from anger (Silvia & Brown, 2007). Cognitive appraisal theory suggests that moral outrage results from perceptions of injustice and greed (Antonetti & Maklan, 2016). Within the context of crisis communication, moral outrage appears to be an assessment of how serious stakeholders perceive the crisis to be. Since moral outrage is a cognitive factor, it is consistent with how SCCT, a cognitive-based theory, is conceptualized. Therefore, moral outrage could be used as a mechanism for refining the intentional crisis cluster by creating distinct sub-clusters. Specifically, this would suggest that moral outrage adds a third appraisal of the crisis situation. In other words, when a crisis occurs, stakeholders (1) evaluate whether the situation is negative, (2) attribute responsibility of the crisis to someone *and* (3) consider whether the actions of the organization were unfair and out of greed.

There are three main factors that help with the reconceptualization of the cluster. First, the assessment of injustice and greed helped to differentiate between the crisis types in the intentional cluster by creating three distinct sub-clusters: human-error, management misconduct and scansis. Second, these sub-clusters clearly reflect the distinction between competence (human-error) and integrity-based (management misconduct) violations from the psychology literature articulated earlier. Third, these new sub-clusters help explain some of the inconsistencies regarding SCCT's communicative recommendations for the intentional cluster. This corroborates recent research showing that crises producing strong perceptions of

moral outrage do not show any immediate positive effects of the crisis response strategies recommended by SCCT (Coombs & Tachkova, 2019).

Figure 3. Triadic Appraisal of Crises

The new, triadic appraisal model in the intentional crisis cluster has theoretical and practical implications for crisis communication. From a theoretical standpoint, moral outrage allows to us distinguish between three separate sub-clusters of crises and move away from the previous conceptualization of one very broad cluster. The reconceptualization of the cluster and the sub-clusters in it prompts the need to replace the label *intentional* with *preventable*. This could be justified by the fact that human-error crises are part of the cluster but often are perceived to be unintentional because they score low on crisis responsibility. For instance, consider a situation in which an employee causes a crisis because of lack of competence or skills required to perform a certain task (i.e., competence-based trust violation). The crisis could be better characterized as preventable rather than intentional because it could have been averted if the employee received proper training. Furthermore, moral outrage is another indicator of crisis severity, and it seems to create a boundary condition for SCCT and its communicative

recommendations. The original prescriptions of SCCT may only hold for lower moral outrage crises because, as research has demonstrated, the advice does not hold for a scansis (Coombs & Tachkova, 2019). This would suggest that further research is needed to test the SCCT communication advice for management misconduct crises.

It is important to note that communication is not a cure-all. There are crises so severe that nothing an organization says or does will have a positive effect on the way stakeholders view the organization after the crisis. Moral outrage, facilitated by perceptions of greed and injustice, seems to be a defining component of such severe crises and can be used to predict when there will be no immediate positive effects from crisis communication efforts. In these cases, the optimal crisis response strategies are unlikely to produce immediate positive effects and will function similarly to suboptimal strategies. However, crisis managers should consider the possible long-term consequences of using only suboptimal responses such as declining to comment or releasing very basic information about the crisis.

Research on scansis is still in its infancy. More work is needed to understand what the communicative implications of scansis and the revised preventable crisis cluster are. Additionally, the findings of this experiment, coupled with the data from the earlier scansis study (Coombs & Tachkova, 2019), prompt the need to retest the communicative recommendations of SCCT, specifically for human-error and management misconduct crises, to determine the extent of moral outrage as a boundary condition for SCCT

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CHAPTER III

REFINING THE COMMUNICATIVE RECOMMENDATIONS OF SITUATIONAL CRISIS COMMUNICATION THEORY

Crisis communication combines multiple fields of study. These include communication, management and psychology. Therefore, crisis communication is intersectional; it seeks to answer theoretical questions and solve applied problems by combining multiple disciplines. Crisis communication research seeks to further test theories and improve their predictive value. Prescriptive theories, those that provide specific guidance regarding the effects of interventions, are important for the practice because they provide evidence-based recommendations for practitioners. Evidence-based management is key to improving crisis communication practice, as it relies on solid empirical evidence. Professionals learn not only what options in crisis communication are effective but what makes those options effective.

One of the main theories in the field is Situational Crisis Communication Theory (SCCT). SCCT is a cognitive-based framework; it matches crisis response strategies and crisis types based on the responsibility attributed to an organization. SCCT posits that specific crisis response strategies are optimal because they produce the greatest benefits to stakeholders and organizations in certain crisis situations (Coombs, 1995). The basic relationships identified in SCCT have been verified, along with much of its prescriptive advice (Ma & Zhan, 2016). However, as a prescriptive theory, SCCT's predictive value is called into question when the field experiences anomalies or new findings contradict pre-existing knowledge. There have been mixed and problematic findings for SCCT's prescriptive advice for

preventable crises. The accuracy of SCCT's optimal strategy recommendations when applied to the preventable cluster (crises that produce strong attributions of crisis responsibility) has been subject to scrutiny for several reasons. First, a meta-analysis of SCCT research found inconsistent results for the optimal crisis response strategies (apologies). Second, research documenting the existence of scansis (the fusion of a crisis and a scandal) as a distinct form of preventable crisis also raised concerns. Specifically, the prescribed optimal crisis response to a scansis did not create the positive effects on reputation predicted by SCCT (Coombs & Tachkova, 2019). Third, the previous chapter problematized the preventable crisis cluster and presented a rationale for its reconceptualization. Three new sub-clusters were created using injustice and greed as grouping variables. These sub-clusters are human-error, management misconduct and scansis. Considering the results of the scansis crisis response studies, a new question arises – whether the prescriptions of SCCT hold true for the new sub-clusters. In other words, will what has been considered the optimal crisis response produce the anticipated positive outcomes in the case of human-error and management misconduct crises? Finding the answer to this question drives this set of studies. Specifically, the study consists of two sub-studies using two different samples. This chapter begins with a review of the relevant literature and then presents the two studies, followed by a discussion of how the results relate to crisis communication theory and practice.

Literature Review

This section will provide context for the studies by reviewing SCCT and the concept of moral outrage. Moreover, the review of SCCT will present past research examining the predictive value of the theory. The main focus will be to examine the

preventable crisis cluster and the optimal crisis response strategies prescribed for the cluster. The notion of moral outrage will also be discussed because it has been found to be a characteristic of scansis. Scansis is a unique crisis type that requires further consideration and examination.

The Preventable Crisis Cluster in SCCT

SCCT is a cognitive-based framework rooted in attribution theory. The main premise of the theory is that effective crisis communication can protect organizational assets (Coombs, 1995). According to attribution theory, people attribute responsibility for negative events to internal or external factors based on limited information (Weiner, 1986). In the context of crisis events, attribution theory suggests that after a crisis situation, individuals need to attribute the responsibility of why the crisis happened and will attribute the cause either to the organization in crisis or to outside forces. Crisis responsibility is a key variable in SCCT. Furthermore, there are three clusters of crisis types in SCCT. These clusters are victim, accidental and preventable and are formed based on how much crisis responsibility stakeholders attribute to an organization.

The victim cluster consists of crises where both the organization and the stakeholders are harmed. For example, Hurricane Harvey in 2018 affected the operations of many corporations as well as small and medium businesses. These types of crises cause mild reputational damage and very low attributions of responsibility, as sometimes the organization is a victim itself. The accidental cluster is characterized by minimal attributions of crisis responsibility, as the crisis is a result of unpreventable actions from the organization's side. An example of an accidental crisis would be when an organization experiences product failure due to a technical

error – for example, when Samsung had to recall the Galaxy Note 7 in 2016 because of faulty batteries. Lastly, the preventable cluster involves crises where the organization has knowingly placed stakeholders at risk; these crises create strong attributions of crisis responsibility. An example of a preventable crisis is Peanut Corporation of America which was found guilty of knowingly selling salmonella-contaminated products that resulted in one of the most massive food recalls in U.S. history.

The starting point for any crisis response is the ethical base response (Coombs, 2018). An ethical base response includes providing corrective action: what the organization is doing to prevent the repeat of the crisis. The ethical base response consists of instructing and adjusting information. Instructing information tells people how to physically cope with a crisis. In a case of a food recall, instructing information would tell people what products are contaminated, where these are sold, and what to do in case the public has consumed a contaminated product. Adjusting information provides guidance how to psychologically cope with the crisis. In a food recall crisis, adjusting information would mean informing the public of what actions the organization has taken to lessen the damage of the contamination and to prevent it from happening again. Such information should reduce the anxiety caused by the crisis (Sturges, 1994).

Furthermore, SCCT proposes that the specific crisis types could be matched with an appropriate crisis response strategy based on how much crisis responsibility is attributed to an organization by its stakeholders. As attributions of crisis responsibility increase, the organization needs to be perceived as accepting more responsibility for the crisis (Coombs, 1995). The crisis response strategies can be

arranged on a continuum from defensive to accommodative. Defensive crisis response strategies reject responsibility for a crisis while accommodative strategies accept responsibility for a crisis (Coombs, 2006). Table 10 presents a summary of the crisis response strategies used in SCCT.

Table 10. Crisis Response Strategies
Adapted from Coombs (2014)

Denial Strategies	Attacking the accuser
	Denial
	Scapegoating
Diminishment Strategies	Excusing
	Justification
Rebuilding Strategies	Compensation
	Apology

The more responsibility attributed to the organization, the more accommodative the crisis response should be. The preventable crisis cluster has the strongest attributions of responsibility and is therefore matched with the most accommodative crisis response strategies. These strategies are apologies and/or compensation. In other words, the optimal crisis response following a preventable crisis would include an apology accepting responsibility and possibly compensation.

However, there have been some conceptual issues with the crisis types included in the preventable cluster. Originally the three types of sub-clusters were human-error accidents, human-error product harm and management misconduct (Coombs, 1995). The original study that created the crisis groups found that human-

error and management misconduct crises produced similar levels of crisis responsibility. However, on the surface, human-error and management misconduct crises appear different because human-error seems less intentional than management misconduct. Research, nevertheless, showed that even when human-error accidents and human-error product harm crises produced lower crisis responsibility attribution scores than the management misconduct crises, those differences tended not to be significant (Coombs & Holladay, 2002; 2010).

When a crisis occurs, people's expectations are violated because the organization is not meeting them. Crises are similar to trust violations studied in psychology. There are two types of trust violations – competence and integrity-based trust violations. Competence-based trust violations happen when a person performs poorly because they lack the required skills (i.e., they are perceived not to be competent). An integrity-based trust violation is a situation when a person is perceived not to follow commonly accepted principles of conduct (Kim, Ferrin, Cooper & Dirks, 2004). Applying this typology to crisis communication research and the preventable cluster would equate human-error crises to competence-based and management misconduct crises to integrity-based trust violations. This distinction could be used to explain the qualitative differences between human-error and management misconduct crises.

Research Using SCCT: A Meta-Analysis

A meta-analysis of SCCT (Ma & Zhan, 2016) sought to examine how crisis responsibility affects organizational reputation and how the SCCT prescribed crisis response strategies protect reputation. The sample consisted of 24 studies, published between January 1990 and March 2015. The results indicated that crisis

responsibility was negatively and strongly associated with reputation. This provides support for one of SCCT's main assumptions, that the more crisis responsibility is attributed to an organization, the more damaging this will be for its reputation. Second, the SCCT prescribed crisis response strategies were positively but weakly associated with reputation, and these associations were influenced by crisis clusters (victim, accidental, preventable), measurements of reputation (credibility vs general attitudes operationalization), crisis vignette choice (real or fictitious crises/organizations), and sample choice (student or non-student population).

The meta-analysis found more support for the responsibility-reputation connection than for the response strategy effects. This could be because attributing crisis responsibility is a basic psychological process. On the other hand, the crisis response strategies are a more complicated process that attempts to influence cognitions (Coombs, 2016). Additionally, although the effects of appropriate crisis response strategies might be difficult to assess, there is evidence indicating that appropriate crisis response strategies allow an organization's reputation to rebound faster than do no or very minimal responses (Coombs, 2016). Research has also been focusing on the so-called double crises (Frandsen & Johansen, 2017; Grebe, 2013). A double crisis happens when a crisis response is handled incorrectly. It is a matter of mismanagement and ineffective communication. In such cases the original crisis escalates to a new level because the organization has caused a secondary crisis by its poor communicative choices (Frandsen & Johansen, 2010). Stakeholders deem the response adopted by the organization as inappropriate, which triggers negative reactions and creates the secondary/double crisis.

Coombs (2016) argues that because the preventable crisis cluster is comprised of the most severe crises, it is no surprise that the prescribed crisis response strategies perform better following accidental versus preventable crises. In most severe crises, communication will have less of an effect. The issue in such cases becomes how to avoid communicative mistakes that can potentially amplify the damage. Scansis, for example, is a severe crisis which illustrates the importance of adopting an appropriate crisis response that acknowledges stakeholder concerns. However, the unique triadic appraisal associated with scansis and caused by moral outrage seems to create a boundary condition for SCCT and its prescriptions. Moreover, the meta-analysis found an inconsistency in SCCT's prescriptive communicative advice for the preventable cluster. While four of the studies in the sample support the recommendations for optimal crisis response selection, four other studies did not find direct support of the recommendations. Two of the studies, Grappi and Romani (2015) and Claeys and Cauberghe (2014), examined moderators and how crisis response strategies affect crisis outcomes. These two moderator studies do not contradict the SCCT recommendations for optimal crisis responses but do show how contextual modifiers shape the way crisis responses affect crisis outcomes. A study by Kim and Sung (2014) mistakenly and inappropriately used denial strategies in the study. Mistakenly because their claims of when to use denial do not fit with SCCT recommendations and inappropriately because denial works differently from the other crisis response strategies and is highly sensitive to issues of guilt (Coombs, Holladay & Claeys, 2016). The raw data from that study actually supports the SCCT recommendation that the ethical base response plus apology is more effective than ethical base response alone in a preventable crisis. The study by Verhoeven and

colleagues (2012) provided the only clear failure of the optimal crisis response recommendations from SCCT for the preventable crisis cluster. That crisis was a case of management misconduct that was connected to cutting costs, which could potentially be a scansis. Specifically, the study employed an experimental design in which attributed crisis responsibility was manipulated. A fictitious crisis scenario involving a hospital was used. After a power breakdown, the electricity generator on an intensive care failed to switch on, which resulted in two deaths. Crisis responsibility was manipulated by altering the cause of the crisis. In one condition, the generator failed because it was turned off by the hospital board of directors to cut costs (preventable crisis). In the other condition, the generator failed because a technical error (accidental crisis). The first condition has the potential to be a scansis because it might trigger perceptions of injustice and greed and therefore create moral outrage. It is possible that the respondents considered the actions of the management to be unfair to the patients in the hospital and motivated by greed and desire to cut costs.

Cognitive Appraisal Theory: From Moral Outrage to Scansis

Cognitive appraisal theories provide a useful framework for understanding the nature of moral outrage. Cognitive appraisal theories examine how certain elements of a situation can lead to a certain emotional response. In other words, elements of a situation or an event can produce emotions that can be predicted and linked to the appraisal pattern (Lazarus, 1991). In the previous chapter, I discussed how an organizational crisis is perceived as an undesirable outcome and will produce anger when attributions of crisis responsibility are high. In such cases anger can drive

stakeholders to attempt to change or resist a certain negative outcome, and thus emotions can translate into behavior (Watson & Spence, 2007).

Moral outrage is a critical appraisal related to scansis, the intersection between crises and scandals (Coombs & Tachkova, 2019). Specifically, moral outrage occurs when stakeholders believe an organization has treated them unfairly and acted out of greed (Antonetti & Maklan, 2016). It is believed that moral outrage facilitates the transmogrification of a crisis and a scandal into a scansis. Here it is important to note that not all crises are scansis but some are more closely related to scansis then others. For instance, management misconduct crises have the potential to escalate to a scansis but cannot be automatically classified as that. The next section will unpack the idea of scansis.

Scansis is a unique crisis type. Crisis risks can evolve into a crisis and potentially scansis if not properly managed. What separates scansis from other types of crises are the perceptions of injustice and greed (exploitation), which provoke moral outrage. Certain types of organizational crises have the potential to turn into a scansis when several factors are present. These factors include engaging in morally offensive behaviors, which appear to be intentional, and are linked to highly controversial social issues, attracting public awareness and interest from the media (Coombs, Holladay & Tachkova, 2018). Furthermore, when the specific societal issue is highly controversial, the potential for moral outrage to be present is greater because people are more emotional and more likely to feel outraged. Lastly, the media provides the necessary attention for a crisis to become a scansis (Coombs et al., 2018). In review, the factors that enable the transformation of a crisis into a scansis include an in appropriate crisis response, a violation of moral obligations, a

strong level of awareness and the provocation of moral outrage. SCCT posits that an appropriate and ethically based crisis response must address the physical and psychological state of stakeholders (Holladay, 2009). Therefore, an inappropriate response following a scansis could be defined as one that fails to address victim concerns and thus serves to evoke moral outrage within the public. Research examining the nature of scansis as a unique crisis type (Coombs & Tachkova, 2019) found that it has significant communicative implications for theory and practice. First, scansis has a unique triadic appraisal process that had yet to be explored in crisis communication. This third appraisal, following a negative situation and attirbutions of crisis responsibility, is moral outrage following a negative event and attribution of crisis responsibility. Furthermore, moral outrage has been found to negate the immediate positive effect of the optimal crisis response strategies as prescribed by SCCT. In other words, there is nothing an organization can say or do to improve its reputation following a scansis. Second, these findings help define some boundary conditions for SCCT, suggesting that crisis response strategies cannot be used as a cure-all and for every organizational crisis. We need to explore whether the other two crises in the preventable crisis clusters react to the boundary condition created by moral outrage.

In summary, a scansis can emerge when stakeholders become aware of a crisis that violates moral obligations and/or the crisis response fails to address the concerns of victims. The crisis risks that indicate the possibility of a crisis becoming a scansis include (1) the behaviors in question are considered morally offensive, (2) the offensive behaviors appear to be preventable, and (3) there is public awareness of the behaviors. Moral outrage is the most significant characteristic of scansis and

serves as its critical appraisal. Furthermore, moral outrage is a distinct form of anger (Salerno & Peter-Hagene, 2013). Lastly, scansis produces strong appraisals of greed and injustice (exploitation), which seem to preclude the immediate positive effects of an accommodative crisis response on stakeholder perceptions. The scansis results raise the possibility that other crises in the preventable crisis cluster are subject to the moral outrage boundary condition.

Summary and Hypotheses

The previous chapter sought to improve the conceptualization of the preventable crisis cluster in order to more accurately capture the different crisis sub-clusters and in response to the proposition that moral outrage creates a third appraisal in SCCT. Specifically, we examined whether moral outrage can be used to produce new crisis clusters. The results of the study indicated that moral outrage is a third appraisal in SCCT, and that perceptions of injustice and greed could be successfully used to produce the new sub-clusters. The new clusters are human-error (competence-based crisis), management misconduct (integrity-based crisis) and scansis. The purpose of the first of the two studies in this chapter will be to help determine whether moral outrage does indeed create three distinctive crisis types. Therefore, the following two hypotheses are proposed in study 1:

H1: A scansis will produce significantly greater scores for perceptions of greed and injustice that a human-error or management misconduct crisis.

H2: A management misconduct crisis will produce significantly greater scores for perceptions of greed and injustice that a human-error crisis.

The second study will examine the effects of SCCT's optimal crisis response recommendations for the three new sub-clusters constituting the preventable crisis

clusters. The results will indicate whether modifications are needed to the SCCT crisis optimal crisis response recommendations for preventable crises once moral outrage is added to the theory. We need to know the extent of moral outrage as a boundary condition for SCCT. It is expected that the optimal crisis response will have a positive effect on the three crisis outcome variables in the human-error and management misconduct crises. These common outcome variables in crisis communication are reputation, purchase intention and negative word-of-mouth. Following recommendations from SCCT and considering findings from previous research, the following hypotheses are proposed for study 2 and study 3 in this chapter:

H1: An apology coupled with an ethical base response will result in more positive post-crisis reputation scores for human-error and management misconduct crises than information only coupled with an ethical base response.

H2: An apology coupled with an ethical base response will result in higher purchase intention scores for human-error and management misconduct crises than information only coupled with an ethical base response.

H3: An apology coupled with an ethical base response will result in lower negative word-of-mouth scores for human-error and management misconduct crises than information only coupled with an ethical base response.

Study 2 and study 3 examined the same hypotheses as study 1 but relied on different samples. Study 2 used a sample from the respondent pool Survey Monkey. Study 3 relied on a student sample. Using two different populations allowed us to determine

whether the results are reproduceable and to test whether there is a difference between student and non-student samples.

Study 1 Method

Design and Procedures

The study compared the greed and injustice scores produced by the three crisis scenarios. The materials included in the study were specifically selected to represented the new preventable sub-clusters. People were told to read a news story about the crisis event and then respond to a series of questions. Prior to reading the news story, people were asked to evaluate the reputation of the two companies used in the study. This provided a pre-test score for reputation. The purpose was to see whether the pre-test reputation was neutral (near 4) and not overly positive or negative because prior reputation can affect perceptions of post-crisis reputations. Mylan had a pre-test reputation of 3.54, Ralph Lauren had a pre-test reputation of 4.28, and Perrier had a pre-test reputation of 4.13. The survey took about 10 minutes to complete. The pre-test reputation scores were all around 4 and therefore acceptable.

Measures

Reputation was measured using the five-item version of the Organizational Reputation Scale (Coombs and Holladay, 2002) (Cronbach's $\alpha = .89$). Sample items include "The organization is concerned with the well-being of its publics" and "Under most circumstances, I would be likely to believe what the organization says." Crisis responsibility was assessed with a three-item scale from Coombs and Holladay (1996) (Cronbach's $\alpha = .82$). Sample items include "The blame for the incident lies with the organization" and "The cause of the crisis was something the organization

could have controlled." Greed was assessed using a three-item scale; sample items were "The organization intended to take advantage of its customers" and "The organization had good intentions" (Cronbach's α = .87). Unfairness was measured using a three-item scale. Sample items included "The organization's behavior was unfair" and "The organization's behavior was unjust" (Cronbach's α = .89). The greed and fairness scales are adapted from Antonetti and Maklan (2016). The majority of the items were assessed on seven-point scales ranging from "strongly disagree" to "strongly agree" or "very unfavorably" to "very favorably."

The manipulation check for crisis type aimed to determine whether people saw the differences between the crisis types. The items included: "The situation was caused because of employee incompetence," "The situation was caused by purposeful and inappropriate actions by management in the organization," and "Management in the organization acted out of greed in this situation." Appendix B contains the questionnaire used in the experiment.

Stimuli

Because of its nature the human-error crisis, the scenario had to be caused by incompetence within the organization. The organizations that were selected for the study included Perrier, which had to issue a product recall because their mineral water was contaminated with benzene. The reason for the recall was an employee's failure to replace a water filter. Furthermore, management misconduct crises are integrity-based; therefore, the case involving management misconduct had to represent a preventable violation of moral codes and unethical behavior. Ralph Lauren was involved in a bribery scandal where the corporation agreed to pay about

$1.6 million to resolve charges that it made illegal payments and gifts to foreign officials, including perfume, dresses and handbags.

Finally, the scansis case had to produce moral outrage and therefore had to have a strong greed factor and a sense of injustice (Antonetti & Maklan, 2016). Mylan drastically raised the prices of EpiPen, a life-saving allergy medication, which made it impossible for many people to afford. The company outraged stakeholders, and as a result the CEO was asked to provide an explanation before Congress. Previous research has found that these scenarios correspond to the human-error, managerial misconduct, and scansis crises (Coombs & Tachkova, 2019). Appendix B contains all stimuli used in the study.

Participants

The research participants were 135 U.S. residents recruited by the SurveyMonkey respondent pool. SurveyMonkey maintains a pool of approximately 20 million respondents, representative of the U.S. population. Respondents from SurveyMonkey allowed us to access a non-student pool for the study. The age breakdown of the respondents was 16.3% 25 to 29 years old, 34% 30 to 44 years old, 23% 45 to 60 years old, and 26.7% 61 to 75 years old. The sample was 67.4% female (n = 91) and 32.6% male (n = 44).

Results: Manipulation Checks

Three manipulation checks were evaluated using one-way analysis of variance to assess how people were perceiving the different crisis scenarios. For the item "The situation was caused because of employee incompetence," there was a significant different ($F(2, 114) = 26.98$, $p < .001$) for scenarios. As expected, the post hoc analysis using Dunnett's C found a significant difference between all three

scenarios. The human-error scenario produces the highest score (M = 5.05, SD = 1.25), followed by management misconduct (M = 4.08, SD = 1.40) and then scansis as the lowest (M = 2.79, SD = 1.41). For the item "The situation was caused by purposeful and inappropriate actions by management in the organization," there was a significant difference between scenarios ($F(2, 114) = 17.88$, $p < .001$. The post hoc analysis using Dunnett's C found that the management misconduct (M = 4.79, SD = 1.26) and scansis (M = 5.46, SD = 1.45) scenarios produced similar scores on this item and both were higher than the human-error scenario (M = 3.62, SD = 1.43). This was the anticipated pattern for the results. For the item "Management in the organization acted out of greed in this situation," there was a significant difference between scenarios ($F (1, 114) = 16.06$, $p < .001$). The post hoc analysis using Dunnett's C found that the scansis scenario (M = 5.33, SD = 1.49) and the management misconduct scenario (M = 4.72, SD = 1.34) were similar and both were higher that the human error scenario (M = 3.54, SD = 1.43). Ideally the scansis scenario would have been significantly higher than the management misconduct scenario, but the human-error did produce the lowest score, as anticipated. Overall, the results indicated that the crisis type manipulation was successful.

Results: Hypotheses

One-way analyses of variance were used to determine if there were significant differences between the crisis scenarios for greed and injustice. There was a significant difference for both greed ($F (2, 114 = 21.71$, $p < .001$) and injustice ($F(2,114) = 15.45$, $p < .001$) for crisis scenarios (crisis types). The post hoc analysis using Dunnett's C found a significant difference between all three scenarios for both greed and injustice. For greed, the scansis scenario produced the highest greed score

(M = 5.26, SD = 1.27), followed by management misconduct (M = 4.28, SD = 1.06) and then human-error with the lowest (M = 3.55, SD = 1.09). For injustice, the scansis scenario produced the highest greed score (M = 4.81, SD = 1.13), followed by management misconduct (M = 4.08, SD = 1.10) and then human error with the lowest (M = 3.46, SD = .98). The results support H1 (A scansis will produce significantly greater scores for perceptions of greed and injustice than a human-error or management misconduct crisis) because scansis did produce stronger greed and injustice scores than either human-error or management misconduct. The results support H2 (A management misconduct crisis will produce significantly greater scores for perceptions of greed and injustice that a human-error crisis) because management misconduct did produce stronger greed and injustice scores than human-error.

Study 2 Method

Design and Procedures

The study employed a 2 (crisis type: human-error, management misconduct) by 3 (crisis response: apology, information, no response) between-subjects design. People were told to read a news story about the crisis event and then respond to a series of questions. Prior to reading the news story, people were asked to evaluate the reputation of three companies, including the two that were used in the study. This provided a pre-test score for reputation. The idea was to see whether the pre-test reputation was neutral (near 4) and not overly positive or negative because prior reputation can affect perceptions of post-crisis reputations. The pre-crisis reputation score for the management misconduct scenario was 4.59 and the human-error scenario was 4.32; both were near the mid-point of 4. In addition, one-way analyses

of variance were run to determine if there were differences in the pre-crisis reputation scores for respondents in the various scenarios. The was no significant difference between the pre-crisis reputation scores for either respondents in the human-error ($p = .72$) or the management misconduct ($p = .07$) conditions. The results of the pre-crisis reputation scores indicated that prior reputation should not affect the results of the study. The survey took about 15 minutes to complete.

Measures

Reputation was measured using the five-item version of the Organizational Reputation Scale (Coombs and Holladay, 2002) (Cronbach's $\alpha = .75$), and crisis responsibility was assessed with a three-item scale from Coombs and Holladay (1996) (Cronbach's $\alpha = .78$), the same measures used in study 1. Purchase intention was measured with a three-item scale. Sample items included "The likelihood of my buying products made by the organization is quite high" and "Because of the incident, I would avoid using product made by the organization" (Cronbach's $\alpha = .71$). Negative word-of-mouth was measured using three items consistent with previous research (Gregoire and Fisher, 2006) (Cronbach's $\alpha = .93$). Sample items included "I would be likely to bad-mouth against the company in the news story to other people" and "I would tell other people not to buy from the company in the news story." Account acceptance was assessed with four items, adopted from Blumstein et al. (1974) (Cronbach's $\alpha = .80$). Sample items included "The people affected by the incident would consider the response by the organization to be APPROPRIATE" and "The people affected by the incident would consider the organization's response to be BELIEVABLE". The majority of the items were

assessed on seven-point scales ranging from “strongly disagree” to “strongly agree” or “very unfavorably” to “very favorably.”

A set of manipulation checks was used to determine whether respondents perceived the desired differences between the independent variables, namely the three crisis types and the three crisis response conditions. The manipulation check for crisis type aimed to determine whether people see the difference in the crisis types. Sample items included the following: “The situation was caused because of employee incompetence.” “The situation was caused by purposeful and inappropriate actions by management in the organization” and “Management in the organization acted out of greed in this situation”. Manipulation checks were also used to assess whether respondents see the difference between the no response condition and the other conditions and if this independent variable was manipulated successfully. Sample items included: “The organization apologized for the crisis”, “The organization provided information to the public about what happened” and “The organization did not provide a response to the crisis”. Appendix B contains the questionnaire used for the experiment.

Stimuli

The crisis scenarios for human-error (Perrier, human-error) and management misconduct (Ralph Lauren, bribery) from study 1 were used in study 2. The design also involved three crisis response conditions: apology, information, and no response. SCCT posits that the optimal response for a preventable crisis is the ethical base response (instructing and adjusting information) plus apology (and/or compensation). For this study, only apology was selected. For the human-error (Perrier) scenario, the ethical base response was the recall announcement,

replacement of the problem filter, and information about the recall process. For the management misconduct scenario, the ethical base response was paying the fine, an internal audit about bribery, and details about the acts of bribery. Note that the scenario did not need instructing information because the scenario did not place stakeholders at risk. All three scenarios included the ethical base response to control for the possible effect of the ethical base response on the outcome variables (i.e., purchase intention, reputation, and negative word-of-mouth).

In the apology response, the organization took responsibility for the crisis and admitted that what happened was due to its wrongdoing. The information conditions consisted of a very brief statement issued by the organization where just basic information about the crisis was given to the public. Information only is a neutral response, and past research shows it is suboptimal because it is unlikely to affect post-crisis reputation, purchase intention, or negative word-of-mouth either positively or negatively (Coombs & Holladay, 2008). Moreover, giving information about the crisis is a common crisis response to actual crises because people do find such information useful. That makes the information-only condition a fair comparison treatment because it is a useful response and will not create a negative reaction, as would a denial crisis response. The no-response condition included some background information about the organization. It did not state that comment had been declined, as this is considered a response in itself (Coombs, 2014). All three crisis responses were of equal length and created from actual statements that organizations have at some point made in front of the public. The rest of the information in the stimuli came from actual news stories about the crisis events. The

use of actual crisis responses and news stories enhanced the realism of the crisis stimuli. Appendix B contains all stimuli used in the experiment.

Participants

Crisis response strategies should not have the desired effect if account acceptance is low (Fediuk, Pace & Botero, 2010). Because the study involved crisis responses, account acceptance was an important factor for retaining respondents in the study. Respondents were retained in the analyses if they reported an account acceptance score of 3.5 or higher, slightly below the mid-point of 4 for variable. The research participants were 261 U.S. residents recruited by the SurveyMonkey respondent pool. SurveyMonkey maintains a pool of approximately 30 million respondents, representative of the U.S. population. Using respondents from SurveyMonkey allowed us to access a non-student pool for the study. The age breakdown of the respondents was 16% 25 to 29 years-old, 26.4% 30 to 44 years-old, 42.5% 45 to 60 years-old, and 14.9% 61 to 70 years-old. The sample was 52.9% female (n = 138) and 47.1% male (n = 123).

Results: Manipulation Checks

The manipulation checks were evaluated using one-way analysis of variance to assess how people were perceiving the different crisis scenarios. For the crisis type, there were two items: one asking if the situation was result of an employee mistake and one asking if the situation was a result of purposeful action by managers. For the incompetence item, there was a significant difference ($F(1, 267) = 37.8$, $p < .001$) for scenarios. As expected, the human-error scenario ($M = 4.94$, $SD = 1.48$) was rated more highly for incompetence than the management misconduct scenario ($M = 3.93$, $SD = 1.19$). For the purposeful action item there was a significant

difference ($F(1, 267) = 26.1$, $p < .001$) for scenarios. As expected, the management misconduct scenario ($M = 4.64$, $SD = 1.40$) was rated higher for purposeful action than the human-error scenario ($M = 3.89$, $SD = 1.10$). The manipulation for crisis types was considered successful.

Two items were used to evaluate the manipulation of the crisis response. One asked if the organization provided an apology, and the other asked if the organization had provided a response. The manipulation checks for the crisis response found that respondents were not differentiating between the information-only and the no-response condition. The information-only condition noted the organization supplied specific information about the crisis, while the no-response simply provided additional information about the company. The one-way analysis of variance indicated no difference between the information-only and no-response for the two manipulation check items. The overlap is probably a result of all crisis response conditions containing the ethical base response. The ethical base response was necessary to determine if apology was adding value to a response beyond the initial ethical base response. Because of the overlap, the information-only and no-response conditions were collapsed into one condition, resulting in only two crisis responses: apology and information. A one-way analysis of variance using the two response conditions found significant differences between response conditions for both the apology ($F(1,249) = 33.94$, $p < .001$) and providing a statement ($F(1, 249 = 4.28$, $p = .04$) items. The apology manipulation was considered successful.

Results: Hypotheses

MANOVAs were used to test the three hypotheses. The initial analysis found no interaction effect for crisis type and crisis response. Separate MANOVAs were

conducted for the human-error and management misconduct conditions to determine if there was any effect for crisis response on reputation, purchase intention, or negative word-of-mouth. There was no significant effect in the management misconduct crises for crisis response on reputation ($p = .98$), purchase intention ($p = .72$), or negative word-of-mouth ($p = .69$).

For the human-error crisis there was a significant effect for crisis response on reputation ($F(1,99) = 4.80$, $p = .03$, partial eta square = .05, power = .58) but not for purchase intention ($p = .72$) or negative word-of-mouth ($p = .69$). The mean score was 4.91 (SD = 1.05) for apology and 4.49 (SD = .81) for information. To follow up on this positive effect for crisis response on reputation, a set of paired t-tests were conducted on the pre-crisis and post crisis single item measures of organizational reputation ("Overall my impression of the organization is"). The only paired t-test that did not show a significant drop between the pre and post-crisis organizational reputation was the apology in a human error condition (see Table 11 and Table 12). This is further evidence that corrective action plus apology (the optimal response for a preventable crisis according to SCCT) does have a positive effect on protecting an organization's reputation during a crisis.

Table 11. Paired t-test Results (Human-error Condition)

	Reputation	**t**	**df**	**M**	**SD**
Apology & recall	Pre-crisis	.92	33	4.38	.92
	Post-crisis			4.46	1.04
Information & recall	Pre-crisis	2.05*	69	4.46	1.03
	Post-crisis			4.17	.98

**p<.001
*p< .05

Table 12. Paired t-test Results (Management Misconduct Condition)

	Reputation	**t**	**df**	**M**	**SD**
Apology & recall	Pre-crisis	4.41**	26	5.11	.97
	Post-crisis			4.11	.93
Information & recall	Pre-crisis	2.86*	61	4.65	1.32
	Post-crisis			4.13	1.00

**p<.001
*p< .05

Study 3

Design and Procedures

The second part of the project consisted of three separate experimental studies. Each study represented a different crisis scenario, namely human-error, management misconduct and scansis. People were asked to read a news story about the crisis event and then respond to a series of questions. Prior to reading the news story, people were asked to evaluate the reputations of three companies (Kia, Texaco, and Wells Fargo). This provided a pre-test score for reputation. Ideally the reputation score should be neutral, near 4. Overly positive or negative prior reputation can affect perceptions of post-crisis reputations. The pre-crisis reputation score for the human-error scenario was 3.94 (SD = 1.00), for the management misconduct scenario was 4.11 (SD = 1.90), and for scansis 4.07 (SD = .99). All were near the mid-point of 4. Furthermore, one-way analysis of variance was run to determine if there were any statistically significant differences between the pre-crisis reputation scores in the three different crisis types. The results indicated that there was no significant difference across the three conditions ($F(2, 357) = 0.53$, $p = 0.59$). The results of the pre-crisis reputation scores indicated prior reputation should not affect the results of the study.

Measures

Reputation was measured using the five-item version of the Organizational Reputation Scale (Coombs and Holladay, 2002). The scale originally consisted of five items, but two had to be dropped in order for the scale to be deemed reliable. Purchase intention was measured with a three-item scale. Sample items include "The likelihood of my buying products made by the organization is quite high" and "Because of the incident, I would avoid using product made by the organization". Negative word-of-mouth was measured using three items consistent with previous research. Sample items included "I would be likely to bad-mouth against the company in the news story to other people" and "I would tell other people not to buy from the company in the news story". Table 13 shows the Cronbach's α for the key outcome variables in the three different experiments.

The majority of the items were assessed on seven-point scales ranging from "strongly disagree" to "strongly agree" or "very unfavorably" to "very favorably". Appendix B contains the questionnaire distributed to the participants.

Table 13. Outcome Variables Reliability Results

	Human-error	*Management misconduct*	*Scansis*
Reputation	.78	.75	.74
Purchase Intention	.60	.74	.69
Negative Word-of-Mouth	.92	.86	.87

A set of manipulation checks was used to determine whether respondents perceived the desired differences between the independent variables, namely three crisis response conditions. The manipulation check aimed to determine whether people saw the difference in the crisis responses and thus if the experiment was successful. The three items were: “The organization apologized for the crisis”, “The organization provided information to the public about what happened” and “The organization took steps to prevent a repeat of the crisis”.

Stimuli

Three crisis scenarios were used to illustrate the respective crisis types in the preventable crisis cluster. The human-error crisis was caused by employee incompetence that led to a chemical leak. The management misconduct case was related to management making racist remarks about employees, and the scansis case regarded a well-known bank that was accused of purposefully deceiving customers and selling them unnecessary insurance policies. The design also involved three different crisis response conditions: apology, corrective action and apology coupled with corrective action. According to SCCT the optimal response for a preventable crisis includes providing instructing and adjusting information in addition to apology (and/or compensation). This study included apology but no compensation. Appendix B contains all stimuli used in the study.

Participants

A total of 360 participants took part in the three separate experiments. These were students at Texas A&M University and were recruited through the Department of Communication Participant Pool. The human-error had 126 participants between 18 and 24 years old; 46% of the sample were male, 52% were female, and 2%

declined to answer. The management misconduct experiment had 114 participants, 18 to 23 years old; 38% of the sample male, 58% were female, and 4% did not respond. Lastly, the scansis experiment had a sample of 120 respondents which were again 18 to 23 years old. This sample was 50 % male and 50% female.

Results: Manipulation Checks

The manipulation checks were evaluated using one-way analysis of variance to assess how people were perceiving the different crisis responses. Two items were used to evaluate the manipulation of the crisis response. One asked if the organization provided an apology, and the other asked if the organization had provided any steps to prevent the crisis from happening again (corrective action). A one way analysis of variance using the two response conditions found significant differences between response conditions for both apology ($F(1,123) = 7.41$ $p = .001$) and corrective action ($F(2, 123 = 22.70$, $p = .000$) items in the human-error condition. In the management misconduct experiment, there was also a significant effect for apology manipulation ($F(2, 111) = 4.17$, $p = .02$ and for corrective action response ($F(2, 111) = 11.05$, $p = .000$). Therefore, these manipulation checks were considered successful. Regarding the scansis condition, the analysis revealed that the apology manipulation check was successful ($F(2, 117) = 13.32$, $p = .000$) but the corrective action one failed ($F(2, 117) = 0.051$, $p = .95$). The manipulation checks served two purposes: (1) establish if the manipulation of the experiment was successful and (2) serve as screen questions (attention checks) to eliminate respondents who did not perceive the crisis responses as intended. The number of participants reported earlier consists only of those who satisfied above-mentioned criteria.

Results: Hypotheses

The three hypotheses were tested using ANOVAs. There was no significant effect in the management misconduct crises for crisis response on reputation ($p = .66$), purchase intention ($p = .90$), or negative word-of-mouth ($p = .99$). Likewise, no significant effect was found for crisis response on reputation ($p = .89$), purchase intention ($p = .84$), or negative word-of-mouth ($p = .62$ in the scansis experiment. However, there was an effect for the human-error crisis on reputation ($F(2,123) = 5.59$, $p = .005$) and negative word-of-mouth ($F(2, 121) = 3.19$, $p = .05$). No significant effect was found for purchase intentions ($p = .26$).

A Tukey post hoc test was used to assess the differences between the crisis response conditions in the human-error scenario. The test indicated a statistically significant difference ($p = .007$) for reputation between the apology ($M = 4.70$; $SD = .84$) and apology with corrective action ($M = 5.27$; $SD = .80$). The other significant score was for negative word-of-mouth ($p = .04$), again in the apology ($M = 3.32$; $SD = 1.26$) and the apology coupled with corrective action ($M = 2.63$; $SD = 1.10$) condition. There was no significant difference between the apology only and corrective action only conditions. The results indicate that the post-crisis reputation and negative word-of-mouth were significantly better in the optimal response condition (apology plus corrective) condition than in either the suboptimal response conditions (apology only or corrective action only). The results provide evidence that the optimal crisis response prescribed by SCCT (apology plus corrective action) indeed helps protect an organization's reputation during a crisis. The lack of support for the recommendations of SCCT in management misconduct crises and scansis

further corroborates the idea that moral outrage creates a boundary condition for the theory.

Discussion

Study 1 reaffirmed that management misconduct and scansis are most likely to trigger perceptions of moral outrage. The study corroborated the results presented in the previous chapter by measuring perceptions of injustice and greed, the two main components of moral outrage across human-error, management misconduct and scansis crises. The second purpose of the study was to pilot test new crisis scenarios that accurately represent the preventable crisis cluster. Research on scansis is still in its infancy, and more cases have to be developed and tested as potential scansis cases in order to fully explore the uniqueness of this crisis type. Additionally, since the preventable cluster has now been reformed, it was necessary to confirm how respondent perceptions of the three scenarios fit with the conceptual definitions of scansis, human-error, and management misconduct.

Studies 2 and 3 help explain the inconsistent findings of research using SCCT as documented by Ma and Zhan (2016). In both studies, only a human-error crisis obtained reputational benefit from an apology being added to instructing and adjusting information. Furthermore, the management misconduct and scansis scenarios did not show a benefit from using the optimal crisis response as prescribed by SCCT. This could be explained by the fact that, as indicated by study 1, management misconduct and scansis have higher perceptions of moral outrage than human-error crises. These results have several important implications. First, it is now evident that moral outrage is indeed a third appraisal in SCCT and it is characteristic of management misconduct crises and especially scansis. Second, perceptions of

injustice and greed could be used to quantitatively differentiate between the three new sub-clusters of crises in the preventable crisis cluster. Lastly, moral outrage creates a boundary condition for SCCT and indicates the value of integrating it into SCCT.

The revision of SCCT should start with treating the preventable crisis cluster as three distinct sub-clusters: human-error, management misconduct, and scansis. These sub-clusters generate different levels of moral outrage and are therefore distinct from one another. In turn, perceptions of greed and injustice shape how people respond to crisis response strategies. The results of study 2 and 3 indicate that the original optimal crisis response prescriptions for the preventable crisis cluster apply only to human-error crises. These crises, as indicated by study 1, have the lowest levels of perceived greed and injustice. As for management misconduct crises and scansis, the ineffectiveness of the optimal crisis response could be explained by the strong perceptions of injustice and greed (moral outrage) characteristic for these two types of crises. Moral outrage precludes any immediate benefit the optimal crisis response strategies might have. Thus, moral outrage creates a boundary condition for the positive effects of the optimal crisis response strategies in SCCT.

The results of these studies should be carefully considered. It is important to avoid the idea an organization can simply use any response in a management misconduct case or scansis because of the lack of immediate positive effects on the key crisis outcome variables (reputation, purchase intention, and negative word-of-mouth). A suboptimal response can enhance the negative effects from the initial crisis, intensifying the damages a crisis can inflict on an organization (Frandsen & Johansen, 2017). Also, an optimal response can be an investment that produces long-

term benefits for the organization. In other words, an optimal response might not be effective immediately, but it might prevent the situation from getting worse. More research is needed to understand the potential long-term benefits of optimal response strategies in management misconduct and scansis situations.

While the majority of the experimental research in SCCT supports the theory's basic assumptions, there has been inconsistency in the results of studies exploring the effects of crisis response strategies on crisis outcomes, especially reputation, the central outcome variable in SCCT. The studies presented in this chapter used the concept of moral outrage and cognitive appraisal theory to explain why those contradictory results occurred and to provide a revision of SCCT to improve its predictive abilities. The data suggest that scansis and management misconduct crises create the emotion moral outrage due to the perceptions of greed and injustice created by these situations. Moral outrage creates a boundary condition for SCCT. The optimal crisis response recommendations do not seem to hold for crises that create strong perceptions moral outrage (management misconduct and scansis). These findings have direct implications for crisis communication practice and theory. For practice, crisis communicators must be aware of the limited effects crisis response strategies can have in crises that are likely to generate moral outrage. Furthermore, crisis response strategies should be considered long-term rather than short-term investments when a crisis has strong moral outrage. For theory, the structure of the preventable crisis cluster in SCCT must be revised along with its optimal response recommendations. The preventable crisis cluster should be treated as three distinct sub-clusters and the current optimal response strategies applied only to the human-error sub-clusters. Crisis communicators must be told not to expect

immediate benefits from using optimal crisis responses for scansis and management misconduct crises but should be warned that failing to use optimal response strategies could worsen the situation. More research is needed to clarify and to strengthen the value of integrating cognitive appraisal theory, via moral outrage, into SCCT.

Conclusion

The three experiments have some limitations. First, an experimental design is limited by the artificial nature of experiments. However, the benefit of an experimental method is the ability to establish causal relationships, in this case the relationship between crisis response conditions and crisis outcome variables. Additionally, the studies are testing only the effectiveness of an apology. Compensation is also a highly accommodative crisis response; thus, future research should examine the effects of compensation alone and a combination of compensation and apology to determine the possible effect of those responses in a management misconduct crisis.

The studies have several strengths as well. First, study 2 and study 3 used different stimuli. The crisis scenarios that the participants read were different in the two studies. Considering that both studies indicated that there was no effect of the optimal crisis response in management misconduct and scansis crises, the results are clearly reproduceable. Moreover, the experiments used two different samples. Study 2 used the so-called professional respondents recruited through Survey Monkey, and study 3 used a student sample. Again, considering that the results from both studies were similar this demonstrates that there is no significant difference between student and non-student samples.

The three studies have several implications for both theory and practice. From a theoretical standpoint, the studies reaffirm previous research that indeed moral outrage creates a third appraisal in SCCT. Furthermore, the results of study 1 suggest that injustice and greed could be used to group but also differentiate the crisis types in the preventable cluster. Moreover, human-error crises produce the lowest attributions of moral outrage, and this could be used to explain the findings of studies 2 and 3. Moral outrage prevents the positive effects of the SCCT prescribed crisis response following a preventable crisis. The only significant effect was found in the human-error condition. These findings support previous research (Coombs & Tachkova, 2019) about the unique communicative challenges that scansis creates for organizations. Because theory heavily informs practice in the field of crisis communication, these findings have important implications for practitioners as well. Although it seems that organizations cannot reduce reputational damage following a scansis by means of communication, this does not mean that no response is the best response. Inappropriate crisis responses can worsen the crisis and create a double crisis (Frandsen & Johansen, 2010). SCCT focuses not only on the optimal crisis response but also on what strategies might be problematic and should be avoided (Coombs, 2007). Organizations can choose a suboptimal crisis response which can sometimes be inappropriate and cause a double crisis (Claeys & Coombs, 2020). While a suboptimal response will produce less benefits for stakeholders and the organization in crisis, there also is the risk it can worsen the crisis. Further research is needed to understand the value of the suboptimal crisis response strategies and what responses should absolutely be avoided by organizations. Lastly, this research shows that management misconduct and scansis are similar in the sense that both crises

trigger perceptions of moral outrage. With this mind it would be useful for practitioners to know what communicative cues in a news story affect the way people make sense of a crisis. The next chapter presents an experiment that aims to address exactly this question.

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CHAPTER IV

UNDERSTANDING HOW COMMUNICATIVE CUES SHAPE PERCEPTIONS OF CRISES

Most often people learn about an organizational crisis through the media unless they are direct victims of the crisis. People turn to either traditional or digital media to seek information and learn more about the crisis. The public ultimately evaluates the causes of the event and the organizational responsibility for the crisis based on the information provided in media reports (An & Gower, 2009). Therefore, the way media represents a crisis influences the public's perceptions and impressions of the crisis and the organization involved.

The field of crisis communication is going through a metamorphosis Research on scandals has recently reshaped the way we think of crises and has proposed several important considerations for theory advancement. The term scansis was introduced to distinguish between organizational crises and scandals, terms which have until recently been used interchangeably. Scansis was found to be a unique and distinct crisis type, posing challenges for crisis practitioners. Scansis is unique because it generates strong perceptions of moral outrage. Moral outrage is a third appraisal stakeholders make for a crisis situation following appraisals of a negative situation and crisis responsibility. Furthermore, moral outrage is a distinct emotion characterized by perceptions of greed and injustice (Antonetti & Maklan, 2016). The second hapter of the dissertation presented and tested a new triadic appraisal model in crisis communication. Using injustice and greed as grouping variables, a new typology of preventable crises was established: human-error,

management misconduct and scansis. The next logical step was to retest the communicative recommendations of Situational Crisis Communication Theory (SCCT) for the new crisis types in the preventable cluster. The results indicated that there was an immediate positive effect for crisis response for human-error crises only and not for management misconduct and scansis. Since management misconduct crises are most likely to breed scansis (Coombs & Tachkova, 2019), it is imperative to understand what triggers perceptions of moral outrage. Moreover, scansis was found to be a unique and distinct crisis type, posing challenges for crisis practitioners. A scansis is socially constructed (Coombs, Holladay & Tachkova, 2018). This means that people's perceptions of scansis are based on what type of discourse is used to discuss it, as well as what information about the crisis is made more salient than others.Because scansis has conceptual similarities with management misconduct crises, it is important to understand what exactly differentiates the two crisis types. The purpose of this chapter is to examine how specific communicative cues presented to stakeholders through the media shape their perceptions of a crisis. Specifically, two experimental studies were conducted to examine how discourse influences perceptions of greed and injustice and therefore people's understandings of a crisis.

The chapter begins with an abbreviated literature review tracking recent advancements in crisis communication research and exploring the concept of scansis in depth. The literature review is abbreviated because the many of the points have been covered in detail earlier in the dissertation. This is followed by a presentation of the two experimental studies. The chapter concludes with a discussion of the theoretical and practical implications of the results.

Literature Review

SCCT

The development of Situational Crisis Communication Theory began in 1995. SCCT is a cognitive-based framework rooted in Attribution Theory (Weiner, 1986). The main assumptions in the theory are that (1) crises are negative events and can threaten the operations of organizations, (2) stakeholders will make attributions of crisis responsibility and (3) those attributions will affect the way people interact with the organization (Coombs, 1995). SCCT is audience-centered because it seeks to understand how people make sense of crises and how they respond to crisis response strategies. The idea is that the nature of the crisis shapes audience perceptions and attributions of crisis responsibility. Crisis responsibility is a key variable in SCCT. Attributions of crisis responsibility have a significant effect on organizational reputation and are major factor in determining the threat posed by a crisis.

SCCT proposes a two-step process for assessing the threat which centers on the crisis type. SCCT groups the different crisis types in three broad clusters based on the crisis responsibility attributed to the organization. These clusters are victim, accidental and preventable. The victim cluster consists of crises where the organization is a victim itself (e.g., the devastating wildfires in California in 2020 affected many big and small business). An accidental crisis happens when an organization experiences product failure due to a technical error (e.g., Neutrogena had to recall its Red & Blue Light Therapy Acne Mask because of concerns of eye injury). Lastly, the preventable cluster involves crises where the organization has knowingly placed stakeholders at risk; these crises create strong attributions of crisis responsibility. For instance, Purdue Pharma, which produces OxyContin, has been

intentionally omitting information about the side effects of the medication and has distributed it without informing customers about the risk associated with taking it over a period of time.

Problematizing SCCT

As noted previously in the dissertation, the discovery of a new crisis type, called scansis (Coombs & Tachkova, 2019), has resulted in the need to revise elements of SCCT. Scansis is the intersection between an organizational crisis and a scandal. It is distinct from existing crises types and scandals. If not properly managed, crisis risks can evolve into a crisis and potentially a scansis. A scansis occurs when an organizational crisis is appraised to be an injustice that is driven by greed. A scansis is unique because it creates strong perceptions of moral outrage and is a function of a perception of injustice coupled with greed.

Research on scansis (Coombs & Tachkova, 2019) has shown that it poses unique communicative implications for crisis communication theory and practice. Specifically, it was found that the SCCT prescribed crisis responses during a scansis do not have any of the typical short-term positive effects on perceptions of organizations. Two experimental studies showed that there was no effect for a response composed of the ethical base crisis response coupled with a moral recognition for the three key crisis outcome variables of organizational reputation, purchase intention and negative word-of-mouth. These results raised questions about the configuration of the preventable crisis cluster in SCCT. Scansis would be part of the preventable crisis cluster based on assessments of crisis responsibility. However, the results of this study show that because of the evaluation of injustice and greed, scansis may be a unique crisis type. That would also explain why the prescribed

short-term effects of crisis response strategies recommended by SCCT do not have an effect in scansis. Furthermore, it was proposed that scansis establishes a boundary condition for the limits of the crisis response strategies and thus for SCCT.

Re-thinking the Preventable Crisis Cluster

The preventable crisis cluster produces the strongest attributions of crisis responsibility. These are the most severe crises which create the greatest threat to organizational reputations and other valued organizational outcomes. The need to problematize and rethink the cluster is driven by two main factors: (1) issues with the original conceptualization of the cluster and (2) the discovery of scansis.

The preventable cluster originally included three crisis types: human-error accidents, human-error product harm and management misconduct. Human-error crises are characterized by employees not doing their jobs properly and therefore causing either an accident or a product harm situation. The issue with this conceptualization is that because of the human-error element the accidents and product harms could sometimes be seen as unintentional and the result of incompetence (i.e., lack of certain skills to perform the job). However, the third crisis type - management misconduct - is intentional. The original tests performed on the different crisis types indicated that management misconduct crises create higher scores of crisis responsibility but not enough to argue that these crises should be in a separate cluster (Coombs & Holladay, 2010). The idea was that human-error and management misconduct crises could have significant differences, but evidence had yet to emerge to support that distinction. The qualitative differences between the human-error and the management misconduct crises could be explained with the help of the trust literature in psychology. Specifically, these crises could be seen as trust

violations. There are two main types of trust violations – competence and integrity (Kim, Ferrin, Cooper, & Dirks, 2004). Human-error crises could be seen as a form of competence-based trust violations i.e., employees not able to perform their job correctly due to lack of knowledge or training. A management misconduct crisis could be equated to an integrity trust violation, where management has intentionally violated certain ethical and moral codes. Still, when forming the original crisis clusters, Coombs and Holladay (2002) were not able to make a clear distinction between the human-error and management misconduct crises types based on the levels of crisis responsibility attributed by stakeholders.

The second reason why the preventable cluster had to be problematized is scansis and more so the perceptions of moral outrage associated with it. Moral outrage is an emotion distinct from anger; it is a result of perceptions of injustice and greed (Antonetti & Maklan, 2016). In crisis communication, moral outrage can be treated as an assessment of how severe stakeholders perceive a crisis to be. Furthermore, moral outrage could be used as a mechanism to refine the preventable cluster by creating new sub-clusters. Studies presented earlier in the dissertation showed that injustice and greed could be used as grouping variables to create new sub-clusters in the preventable cluster. The new sub-clusters are human-error, management misconduct, and scansis. More importantly, these studies show that moral outrage is a third appraisal in a crisis situation. When a crisis happens, people start by evaluating the situation as negative, attribute responsibility for the crisis to someone and if the actions of the organizations are deemed as unjust and prompted by greed, this creates the third appraisal – moral outrage (Figure 4).

Figure 4. New Triadic Appraisal Model

Although the new triadic appraisal model answered many questions and helped refine SCCT, it also prompted the need to further investigate the communicative recommendations of the theory for the new sub-clusters. Specifically, the findings of this experiment coupled with the data from an earlier scansis study (Coombs & Tachkova, 2019) suggested it is necessary to retest the communicative recommendations of SCCT. This is necessary specifically for human-error and management misconduct crises and in order to determine the extent of which moral outrage served as a boundary condition for SCCT.

In summary, SCCT is a cognitive-based prescriptive theory; using evidence-based management, the theory aims to match crisis types with crisis responses based on how much responsibility is attributed to an organization. However, there are certain gaps in the theory that recent research has helped highlight. It started by rethinking the preventable cluster, with the goal to improve the theory. The cluster was previously comprised of human-error accidents, human-error product harm and management misconduct crises. However, the discovery of scansis as a unique crisis type prompted the need to reconsider the intentional cluster. As a result, three new

sub-clusters were created using appraisals of injustice and greed. The new intentional cluster consists of human-error, management misconduct and scansis crises. Furthermore, scansis has been found to be particularly severe type of crisis. Moral outrage, which is a key appraisal for scansis, seems to prevent the immediate positive effects of the crisis response. In other words, following a scansis there is nothing that an organization can say to improve stakeholder perceptions. Because of the severity of scansis and the subsequent reconsideration of the intentional crisis cluster there is a need to establish a clear distinction between the three new sub-clusters. Such differentiation is needed as it can (1) help indicate different crisis markers for scansis and (2) help identify communicative cues that in turn will allow crisis managers and researchers to differentiate between the three sub-clusters.

Further Refinement of the Preventable Crisis Cluster

In order to make the distinction between the three different sub-clusters, it is necessary to identify the main conceptual differences between them. Human-error crises are defined as mistakes by employees who *unintentionally* did something wrong. These types of crises are isolated events, and there is no pattern associated with them. For instance, an employee forgetting to change a filter which results in a contamination is a human-error crisis. Management misconduct crises on the other hand are *intentional*, meaning the organization knowingly engaged in wrongdoing. Management misconduct crises could be related to violations of laws, regulations and moral values in general. Organizations bribing officials with luxury goods or gifts is an example of a management misconduct crisis.

So far it becomes clear that the main difference between human-error and management misconduct crises is perceived intentionality. Within crisis

communication research, intentionality is operationalized as crisis responsibility. Typically, human-error and management misconduct crises create similar attributions of crisis responsibility. However, injustice is correlated with but distinct from crisis responsibility. Differences are found between human-error and management misconduct for injustice. Therefore, the following hypothesis is proposed to explain the conceptual difference between human-error and management misconduct crises created by perceptions of intentionality:

H1: Respondents exposed to a management misconduct crisis will perceive stronger perceptions of injustice than those exposed to a human-error crisis.

Furthermore, scansis is characterized as the intersection between a crisis and a scandal. The defining characteristics of a scansis include intentionality, injustice, and organizational greed. In other words, stakeholders perceive that the organization has intentionally engaged in wrongdoing, that its actions have been unfair to them, and that the organization acted out of greed. The challenge with scansis is making the distinction between it and management misconduct crises. Management misconduct crises are most likely to breed scansis, hence there is a logical connection. However, only certain types of management misconduct crises can escalate to scansis and trigger perceptions of moral outrage. This conceptual difference could be explained with perceptions of injustice and greed and therefore the following hypotheses are proposed:

H2: Respondents exposed to a scansis will perceive stronger perceptions of injustice than those exposed to a management crisis.

H3: Respondents exposed to a scansis will perceive stronger perceptions of greed than those exposed to a management crisis.

The chapter presents two studies that aimed to replicate the same results using two different populations. Study 1 used a student sample, and study 2 used subjects recruited through the Survey Monkey respondent pool. Using different samples allowed results to be compared across different populations and provided more clarity about how unalike respondents make sense of crises.

Study 1

Design and Procedure

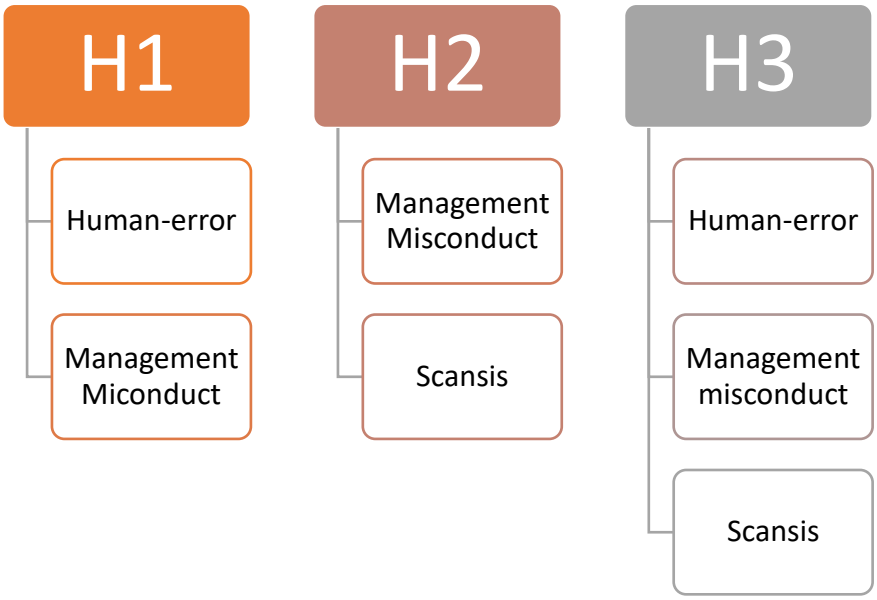
The study was divided into three different parts. The first part examined the differences between human-error crises and management misconduct crises. The case that was used for this was Perrier. The case was manipulated to be perceived as either a human-error or management misconduct crisis. For the human-error condition it was emphasized that the crisis was caused due to employee incompetence. For the management misconduct condition it was stated that the management knowingly decided to sell contaminated products to the public.

The second part examined the differences between management misconduct crises and scansis. The crisis scenario used for this comparison was based on Purdue Pharma. The management misconduct condition read that sales associates were given deceiving information about a drug that was supposed to spike sales. The scansis conditions used the same information but emphasized cues of exploitation that management had towards customers.

The third part replicated the findings of the first two experiments and could be used as further proof that the specified cues indeed differentiate between the three sub-clusters of crises. The company used for this vignette was Marcus Oil. The human-error condition stated that employee incompetence led to the crisis, and the

management misconduct condition explained that management failed to properly implement a process in the organization and that ultimately led to the crisis. The last scansis manipulation explained that because management was trying to cut costs, safety procedures were not carried out properly. Figure 5 represents the design of the study.

Figure 5. Study Design



Initially, participants were asked to rate their overall impressions about the organization mentioned in the crisis. This is a necessary measure to control for prior reputation, as the stimuli are based on real organizations and crises and not fictitious ones. In the Perrier condition prior reputation was around 4, which is neutral (M = 3.90; SD = .99). In the Purdue Pharma case, prior reputation was also at the midpoint (M = 3.64; SD = 1.01). Lastly, in the Marcus Oil case prior reputation was also neutral (M = 3.73; SD = .75). One-way analysis of variance was used to assess

whether there was a significant difference among perceptions of prior reputation in the different conditions. The tests showed a significance for the Purdue Pharma ($p = .03$) and the Marcus Oil conditions ($p = .06$). Prior reputation could be a concern for the validity of the results if the experiment was testing message effects. However, since the focus of this study is to explore stakeholder perceptions of crisis information the significance does not affect the findings.

After assessing prior reputation, participants were randomly assigned to a condition and asked to read a news story about a crisis that has happened. The last set of questions assessed perceptions of the organization based on what respondents had read. Completion of the questionnaire took approximately 20 minutes.

Stimuli

The cases that were selected are examples of human-error (Perrier), management misconduct and scansis (Purdue Pharma) and Marcus Oil which was manipulated to be each of the three crisis types. The cases were based on actual news stories that have appeared in the media to increase the realism of the crisis. Because actual crises were used, there was a need to control for prior reputation. Three manipulation checks were included to ensure the internal validity of the experiments.

The experiment consisted of three separate comparisons. The first aimed to identify the differences between human-error and management misconduct crises. The Perrier case was manipulated in a way to feature either human-error or management misconduct (management failed to train employees how often water filters should be replaced) cues. The second comparison used Purdue Pharma to assess the differences between management misconduct and scansis. The case was manipulated to be perceived as management misconduct (management omitted

information about the possibility of patients becoming addicted to OxyContin) or scansis (sales representatives were promised bonuses if they were able to attract new customers and were given deceptive information about the side effects of OxyContin) cues. Finally, the Marcus Oil case, involving an explosion in one of the company's refineries, was manipulated to fit the criteria for each of the three crisis types. The news story described the cause of the accident was either an employee failing to monitor a pressure gauge, management encouraging a lack safety culture by requesting employees ignore certain safety steps in starting up the equipment, or management seeking to boost profits by neglecting to repair or to replace safety devices in the facility. Appendix C provides all stimuli used in the three experiments.

Survey Instrument

Crisis responsibility was assessed with a three-item scale from Coombs and Holladay (1996). Sample items include "The blame for the incident lies with the organization" and "The cause of the crisis was something the organization could have controlled". Outrage was assessed with a three-item, e.g. "Indicate the degree to which you are feeling outraged". Greed was measured using a three-item, a sample item is "The organization intended to take advantage of its customers" and "The organization intended to take advantage of the situation." Fairness was measured using a three-item scale. Sample items include "The organization's behavior was unfair" and "The organization's behavior was unjust". The moral outrage, greed and fairness scales are all adapted from Antonetti and Maklan (2016). Most items were assessed on seven-point scales ranging from "strongly agree" to "strongly disagree" or "very unfavorably" to "very favorably". Table 14 shows Cronbach's α for the three key variables in the experiment.

The study also employed several manipulation checks which will help determine whether people see the difference between the crises. The three manipulation checks were “The situation was caused because of employee incompetence” (Employee Incompetence), “The situation was caused purposeful and inappropriate actions by management in the organization” (Purposeful Management), “Management in the organization acted out of greed in this situation” (Management Greed). The purpose of the three manipulation checks is to assess whether the respondents perceived the differences between the different crises. Appendix C contains a complete list of all items used in the three experiments.

Table 14. Cronbach’s α (Study 1)

	Part 1 Perrier	*Part 2 Purdue Pharma*	*Part 3 Marcus Oil*
Crisis Responsibility	.78	.89	.79
Greed	.87	.78	.64
Fairness	.94	.95	.88
Moral Outrage	.95	.91	.88

Participants

A total of 313 participants took part in the study. The first part (Perrier) had 122 respondents, 43 % of the sample was male and 57 % was female. The second condition (Purdue Pharma) had a total of 70 participants, 37 % were male and 63% were female. The third part (Marcus Oil) had 121 participants, of which 53 % were male, 45 % were female and 2 % declined to respond. The subjects were recruited through the Department of Communication Participant Pool.

Manipulation Checks

Each of the three parts of the study employed manipulation checks to assess if the respondents perceived a difference between the crisis scenarios. The manipulation checks were evaluated using one-way analysis of variance. The first part of the study compared human-error and management misconduct crises. The results indicated there was a significant difference for the human-error manipulation check "The situation was caused because of employee incompetence" ($F(1, 119) = 15.04$, $p = .000$) in the human-error condition ($M = 2.78$, $SD = 1.32$).

The management misconduct manipulation check "The situation was caused by purposeful and inappropriate actions by management in the organization" item was also successful ($F(1, 118) = 7.08$, $p = 0.01$) in the management misconduct condition ($M = 3,67$, $SD = 1.41$) (see Table 15).

The second part of the study tested the perceived difference between a management misconduct and scansis. These manipulations were successful as well (Table 15). There was a significant difference for management misconduct "The situation was caused by purposeful and inappropriate actions by management in the organization" ($F(1, 68) = 31.31$, $p = .000$ ($M = 4.18$, $SD = .95$) and for scansis "Management in the organization acted out of greed in this situation" ($F(1, 68) = 75.41$, $p = .000$) as well ($M = 2.26$; $SD = .90$).

Lastly, the third study employed three different manipulation checks for each crisis type. There was a significant difference between all three: human-error ($F(2, 118) = 27.44$, $p = .000$) ($M = 2.62$, $SD = .58$); management misconduct ($F(2, 118) = 4.62$, $p = .012$) ($M = 2.61$, $SD = .50$) and scansis ($F(2, 118) = 11.41$, $p = .000$) ($M = 2.11$, $SD = .83$) (Table 15). The manipulation checks were used as screening

questions as well. Specifically, the role of the manipulation checks was to see whether or not participants recognize the different scenarios as intended by the researcher. Only respondents who perceived the uniqueness of each crisis were included in the final analysis providing a more accurate assessment of any differences between the conditions.

Table 15. Manipulation Check Scores

Manipulation Items	Part 1 Perrier		Part 2 Purdue Pharma		Part 3 Marcus Oil		
	Human-Error	Management Misconduct	Management Misconduct	Scansis	Human-error	Management Misconduct	Scansis
Employee Incompetence	2.78** (1.32)	3.75** (1.43)	N/A	N/A	2.62** (.58)	4.10** (1.58)	4.51** (1.49)
Purposeful Actions by Management	4.41* (1.61)	3.67* (1.41)	4.18** (.95)	2.60** (1.02)	3.49* (1.39)	2.61* (.50)	3.07* (1.42)
Management Acted out of Greed	N/A	N/A	4.29** (.588)	2.26** (.90)	3.18** (1.32)	2.87** (1.02)	2.11** (.83)

Standard Deviations are given in parentheses
**p<.001
*p< .05

Hypothesis Testing

Three hypotheses were proposed to test the differences between human-error, management misconduct and scansis. H1 proposed that in a management misconduct crisis, communicative cues emphasizing intentionality will result in higher perceptions of injustice than a human-error crisis. H1 was tested using the first part

of the study, where the Perrier case compared human-error and management misconduct. The results indicated that indeed there is a significant difference ($F(1, 119) = 19.72$, $p = .000$) between perceptions of injustice following a human-error ($M = 3.59$, $SD = 1.33$) and a management misconduct crisis ($M = 4.60$; $SD = 1.16$) with the management misconduct condition reporting stronger perceptions of injustice. Therefore, H1 was supported.

H2 proposed that in a scansis, communicative cues emphasizing stakeholder exploitation will result in higher perceptions of injustice than in a management misconduct crisis. This hypothesis was tested in the second part of the study, where management misconduct crisis was compared to scansis using Purdue Pharma. The results indicated that there is a significance ($F(1, 67) = 27.88$, $p = .000$) between perceptions of injustice following a management misconduct crisis ($M = 4.35$; $SD = .95$) and scansis ($M = 5.72$; $SD = .89$) with the scansis condition perceived as creating greater injustice. Perceptions of greed also differed significantly between the two conditions Greed ($F(1, 68) = 11.50$, $p = .001$). Furthermore, the results indicated that perceptions the organization acted out of greed were higher in the scansis condition ($M = 5.40$, $SD = 1.00$) than in the management misconduct case ($M = 4.51$, $SD = .76$)

H3 sought to examine the differences between perceptions of greed following a scansis and a management misconduct crisis. H3 was tested in the third part of the study using Marcus Oil. The result indicated that there were significant differences in perceptions of greed ($F(2, 118) = 8.50$, $p = .000$) and injustice ($F(2, 117) = 15.96$, $p= .000$). There was no statistically significant difference for moral outrage, however ($F(2, 118) = 2.12$, $p = .13$). A follow-up post-hoc test was performed to establish the

differences between the conditions. For greed, the scansis condition (M = 4.96, SD = 1.00) scores were significantly higher than the human-error (M = 4.13, SD = 1.00). However, there was no significant difference between the management misconduct and scansis conditions. Therefore, H3 was not supported.

Study 2

This study followed the same procedure and design as study 1. The study also consisted of three different parts: human error vs management misconduct (Perrier), management misconduct vs scansis (Purdue Pharma) and human-error vs management misconduct vs scansis (Marcus Oil). However, study 2 employed a non-student sample, recruited through Survey Monkey.

There is an argument that effect size obtained from a student sample differs from nonstudent samples (Peterson, 2001). A major concern is that college student samples are more homogenous, compared to nonstudent samples and that because student often go through different transitions in college, this may influence their responses and thus the research results. Using a non-student sample for the second study allows to compare the results but also to test the hypotheses on a more heterogenous sample.

The first step in the experiment was to assess prior reputation because the study used real-life organizations. All three conditions showed that prior reputation was around the neutral point; Perrier (M = 4.35; SD = 1.35), Purdue Pharma (M = 4.02; SD = 1.26) and Marcus Oil (M = 4.17; SD = 1.28). Additionally, three separate ANOVAs were performed to assess whether there is any statistically significant difference between perceptions of prior reputation in the different conditions. Only Marcus Oil indicated that there was (p = .09). However, as previously discussed, this

does not affect the results since the purpose of the study is not to test the effects of crisis response message but to compare how human error, management misconduct and scansis differ in terms of perceptions of greed and injustice.

Participants and Measures

A total of 413 respondents participated in the experiment. The human-error condition had 171, 36 % of the sample was male, 58 % was female and 6 % declined to respond. The management misconduct condition consisted of 117 participants of which 46 % were male and 53 % were female. The scansis condition had 125 respondents, 50 % were male and 50% were female. The study employed the same measures as study 1. Table 16 represents Cronbach's α for each of the measures that were used.

Table 16. Cronbach's α (Study 2)

	Part 1 Perrier	*Part 2 Purdue Pharma*	*Part 3 Marcus Oil*
Crisis Responsibility	.81	.83	.83
Greed	.77	.77	.75
Fairness	.92	.93	.90
Moral Outrage	.94	.90	.92

Manipulation Checks

Study 2 employed the same manipulation checks as study 1. A one-way analysis of variance was used to evaluate the manipulation checks. The purpose of these items was to assess whether the manipulations of the different crisis scenarios were successful and if the respondents perceived the difference between the three

crisis types. The manipulation checks also were used as attention checks and respondents who failed the manipulation checks were not included in the analysis.

In the first part of the study, for the item "The situation was caused because of employee incompetence" in the human-error condition there was a significant difference $F(1, 144) = 16.22$, $p = .002$. The management misconduct manipulation was also successful $F(1, 144) = 4.46$, $p = .04$. This indicates that respondents perceived the difference between the two crisis types (human-error and management misconduct).

The second part of the study compared management misconduct and scansis. In this condition, there was no significant difference for the item "The situation was caused by purposeful and inappropriate actions by management in the organization" ($F(1, 115) = 1.79$, $p = .18$). These results are anticipated, however, since management misconduct and scansis crises are closely related. Specifically, management misconduct is most likely to escalate to a scansis and this overlap corroborates the conceptual similarity between these crises types.

Lastly, the third part of the study examined the perceived differences between the three types of crisis in the preventable cluster, namely human-error, management misconduct and scansis. Therefore, this section of the study had to employ manipulation checks for all three crisis types. There was a significant difference for the "The situation was caused because of employee incompetence" item ($F(2, 168) = 25.61$, $p = .000$). The management misconduct manipulation was also successful ($F(2, 168) = 39.69$, $p = .000$). Lastly, the manipulation check for scansis "Management in the organization acted out of greed in this situation" was successful as well ($F(2, 168) = 34.10$, $p = .000$) (Table 17). These results indicate there was a

significant difference between the conditions suggesting the manipulations were successful and that participants were able to interpret the crisis scenarios as intended. In part one, the human-error condition emphasized an employee mistake as the cause of the crisis; in part two, the management misconduct condition crisis was seen as the result of wrongful actions of the management and lastly in part three the scansis crisis was perceived to be the result of actions of greed.

Table 17. Manipulation Checks

Manipulation Items	Part 1 Perrier		Part 2 Purdue Pharma		Part 3 Marcus Oil		
	Human-Error	Management Misconduct	Management Misconduct	Scansis	Human-error	Management Misconduct	Scansis
Employee Incompetence	3.07* (1.29)	3.75 * (1.260)	N/A	N/A	1.44** (.51)	3.70** (1.77)	4.25** (1.98)
Purposeful Actions by Management	3.95* (1.54)	3.40* (1.54)	2.60 (1.18)	2.31 (1.14)	3.48** (1.83)	1.54** (.51)	1.92** (.92)
Management Acted out of Greed	N/A	N/A	2.45* (1.22)	1.96* (1.05)	3.44** (1.83)	1.82** (1.07)	1.45** (.51)

Standard Deviations are given in parentheses
**p<.001
*p< .05

Hypothesis Testing

One-way analysis of variance was used to assess the three hypotheses. H1 proposed that management misconduct crises will generate higher perceptions of injustice compared to human-error crises. This hypothesis was tested in the first part

of the study, where human-error and management misconduct were compared. The results indicated that in the human-error condition, there was a significant difference for injustice ($F(1, 144) = 7.74$, $p = .006$). Specifically, perceptions of injustice were higher following a management misconduct crisis ($M = 4.82$, $SD = 1.46$) than after a human-error ($M = 4.15$, $SD = 1.25$).

The second hypotheses suggested that after a scansis, perception of injustice would be higher compared to a management misconduct crisis. H2 was tested in the second part of the study, using the Purdue Pharma case. H2 was not supported because there was no significant difference between perceptions of injustice following a management misconduct and scansis ($F(1, 115) = 1.54$, $p = .217$). Additionally, perceptions of greed did not differ significantly across the two conditions ($F (1, 115) = 1.09$, $p = .29$).

The third hypothesis sought to compare management misconduct and scansis based on perceptions of greed. The results indicated that indeed there is a significant difference for perceptions of greed among the three different crisis types ($F(2, 168) = 10.05$, $p = .000$). Perceptions of injustice also differed significantly ($F(2, 168) = 17.51$, $p = .000$) across the three crisis types. Lastly, there was a significant difference for moral outrage as well ($F(2, 168) = 5.60$, $p = .004$. A Dunnett C post-hoc test revealed that the significant differences for all three outcome variables are between the human-error and the scansis conditions. Perceptions of greed in the human error condition ($M = 4.48$; $SD = 1.25$) were lower than in the scansis condition ($M = 5.56$; $SD = 1.20$); perceptions of injustice were also significantly lower in the human-error condition ($M = 4.57$; $SD = 1.38$) than in the scansis condition ($M = 6.01$; $SD = .98$) and lastly, the scansis condition created higher

perceptions of moral outrage (M = 5.05; SD = 1.43) than the human-error condition (M = 3.89; SD = 1.99). The third hypothesis stated that respondents exposed to a scansis will perceive stronger perceptions of greed than those exposed to a management misconduct crisis. Since the results did not indicate significant difference, this hypothesis was not supported.

Discussion

Research has problematized the current landscape of crisis communication. The terms scandal and crisis have been used as synonyms and the lack of clear distinction has hindered research in crisis communication (Coombs et al., 2018). The term scansis was proposed to bring conceptual clarity and explicate the unique intersection between a crisis and a scandal. Scansis has been found to be a unique crisis type which negates the immediate short-term positive effects of a crisis response. Therefore, there was a need to reconceptualize the preventable cluster and rethink the crisis types in it. This was necessary in order to move crisis communication research forward, improve the predictive value of SCCT, and advance recommendations for crisis managers.

The previous chapters provided a background for how scansis research has reshaped views of crisis communication. This study corroborates earlier findings and expands the importance of scansis for future development and research in crisis communication. Specifically, the study helps understand how stakeholders perceive crises and how they interpret and make sense of the information provided to them. The results indicate that there is an overlap between management misconduct and scansis. This could be anticipated because these crisis types are related. Specifically, management misconduct crises are believed to be most likely to breed scansis

(Coombs et al., 2018). Management misconduct crises could escalate into a scansis if certain factors are present and if the crisis response from the organization is found inappropriate by stakeholders. There are four risk factors that can guide managers when a crisis can escalate into a scansis: morally offensive behavior, perceived as intentional by the public, linked to a highly controversial societal issue and highly publicized by the media. The social construction of scansis explains the conceptual overlap between the two crisis types. Another factor that explains these findings is the threshold for moral outrage that both management misconduct and scansis create. Earlier studies showed that when a crisis reaches that threshold, there is no crisis response that can have an immediate effect on perceptions thus there is no effect on stakeholder perceptions as well. The idea is that moral outrage creates a boundary condition for SCCT. The results of this study indicate that this boundary condition is also present when it comes to how people perceive crises as well. Moral outrage seems to change the crisis communication dynamic inside and out.

The fact that management misconduct and scansis are conceptually different but perceived the same way has implications for crisis management as well. One of the factors that can create a scansis is an inappropriate crisis response following a management misconduct. Even though the SCCT optimal crisis response might not have the anticipated short-term benefits following a scansis, organizations should still be prepared to respond. A sub-optimal response could also be effective as it provides the public with information about the steps the organization is taking to limit the damage of the crisis and prevent it from happening again. This ethical-base response ensures that the organization is doing what is necessary to protect the public. Reputation management strategies can only be effective to a certain

threshold. That threshold is created by moral outrage, which is the third appraisal in SCCT, following negative situation and crisis responsibility. Moral outrage precludes the effects of the prescribed crisis response after a scansis. An inappropriate crisis response can create a double-crisis (Frandsen & Johansen, 2010) and even outrage if deemed inadequate. Effective crisis planning is based on worst case scenarios and so should crisis communication. Managers should assume that a management misconduct can escalate to a scansis if not handled properly and should therefore be prepared for the worst. Moreover, management misconduct seems to be enough to push moral outrage past the boundary condition for SCCT and its crisis response recommendations. Crisis preparedness is not only about matching crisis types with crisis responses. It goes beyond that to creating a safety-net for any possible scenarios.

Conclusion

The two studies have certain limitations. An experimental design is limited by the artificial nature of experiments. However, this research is driven by desire to establish causal relationships and in this case the relationships between perceptions of injustice and greed and how people make sense of crisis information. Additionally, the studies are testing a new potential scansis case (Purdue Pharma). It is possible that further development of the experimental stimuli is necessary to achieve optimal results. Another factor that could contribute to better understanding of the results is examining the role of organizational cynicism as a possible mediator of the relationship between crisis information and perceptions of crises. Organizational cynicism is a negative attitude towards an organization, based on the belief that the organization lacks integrity (Dean, Brandes & Dharwadkar, 1998). The idea is that

people are cynical towards an organization when they believe that is has been dishonest and unfair in order to further its self-interest using deception. The majority of the work on organizational cynicism is from the perspective of employees. However, this concept is relevant to scansis because it supports the idea that stakeholders could have negative attitudes towards an organization because of its hidden motives and lack of sincerity. Furthermore, people who are cynical about organizations might assume all inappropriate behavior by management is driven by exploitation. That possibility needs further research. Mediator variables help explain the relationship between two other variables. An experiment like that would allow to explore the conceptual differences between management misconduct and scansis and aid theory building.

The studies have several strengths as well. The experiments are using two different samples, a non-student and a student sample. This allows for generalizability of the results across the two studies. Additionally, although some of the stimuli have been developed particularly for this study, the results are promising to how these could be further tested and used as potential scansis scenarios.

The present study sought to examine how people make sense of crises and what communicative cues characterize the crises types in the preventable crisis cluster. The results indicate that there is a clear separation between human-error crises and both management misconduct crises and scansis. This reinforces the idea that human-error crises are conceptually different because of the employee incompetence factor that characterizes them. Specifically, the results of both studies indicated that perceptions of organizational responsibility were lower in the human-error conditions. These findings indicate that management misconduct and scansis

are indeed more severe crises and are likely to affect organizations more negatively than human-error crises.

The study also aimed to clarify the difference between management misconduct and scansis. While people did perceive differences between management misconduct and scansis, this did not always translate into differences between perception of exploitation and moral outrage between the two crisis types. These findings corroborate the connection between scansis and management misconduct. The two types of crises overlap because management misconduct crises are the ones most likely to escalate to scansis (Coombs et al., 2018). Furthermore, most scansis cases emerge from management misconduct crises. This study demonstrates that although the two crises types are conceptually distinct people do not always perceive the difference. Previous research has demonstrated that scansis produces higher perceptions of moral outrage and creates a boundary condition for the communicative recommendations of SCCT. The results of these studies suggest the management misconduct produce enough moral outrage to pass the boundary condition for SCCT. But more research and testing of crises scenarios is necessary to be able to fully explicate the relationship between these two crises types. Another factor that can contribute to explaining the overlap is the social construction of scansis. Scansis can develop in both the pre and the post crisis stages. There are different crisis risks that contribute to the formation of a scansis but a key is the role of the media and how the crisis is framed. Scandals attract media attention because people are drawn to the immoral nature of the scandal; this triggers perceptions of moral outrage. Moral outrage is defined as perceptions that the organization has treated unfairly its stakeholders and these actions were motivated by greed (Antonetti

& Maklan, 2016). In any case, management misconduct and scansis could be considered together are extreme crises or sticky crises. Sticky crises are broadly defined as complex and challenging crisis issues, which persist over time (Coombs, Holladay & White, 2020). What makes them sticky is the complex nature of the transgression as well as its long-lasting effects on stakeholder perceptions of the organization. The previous chapter found similar effects for management misconduct and scansis on key crisis outcome variables. Moreover, crisis communication strategies did not seem to affect post crisis reputation following a management misconduct or a scansis. These findings coupled with the results of this chapter suggest that the two crises types can be considered together. However, the threshold of moral outrage that scansis creates in SCCT requires more exploration of this unique crisis type. We need to understand what triggers perceptions of moral outrage. One way to go about this is to test more crisis scenarios which have the characteristics of scansis and compare perceptions of the crisis to management misconduct.

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CHAPTER V

CONCLUSION

The purpose of this dissertation is to unpack the idea of scansis as a unique crisis type and study its implications for research in crisis communication. The idea of scansis is relatively new, but practitioners have been dealing with scansis-like crises for years. There was just no name for this unique phenomenon which has the characteristics of both a crisis and a scandal. In fact, crisis and scandal have often been used interchangeably in the crisis literature (Coombs, Holladay & Tachkova, 2018) and yet very little research has actually looked into ways to effectively communicate after a scandal. Scandals attract attention; people are drawn to the drama and often appalled by what organizations have been able to get away with. US Gymnastics covering up systematic abuse of athletes, pharmaceutical companies purposefully deceiving patients about the side effects of medications, and banks making up fake accounts for profit are only a few examples of scansis. Each of these dramatic events compelled people to follow the crisis.

This chapter summarizes the findings of the three experimental studies in the dissertation. Additionally, the chapter clarifies the conceptualization of scansis and how it impacts the landscape of crisis communication research and practice. A scansis creates unique communicative demands for crisis managers and demands we consider new crisis outcomes. The chapter begins with a discussion of scandals and the process of scandalization, followed by an overview of cognitive appraisal theories and moral outrage as a unique appraisal in scansis. The chapter concludes with a discussion of the theoretical and practical implications of scansis research for crisis communication.

Defining Scandals

There are two different perspectives to studying scandals, functionalist and discursive-communicative perspective (Verbalyte, 2018). A functionalist approach to scandals consists of approaches which focus on the normative and societal functionality of scandals. According to this perspective, a society with established norms can find some events illegitimate and, therefore, deem them scandalous. The functionalist approach to scandals emphasizes the role of societal norms for the creation of scandals. In other words, a society governed by rules and norms would deem certain events illegitimate and therefore scandalous (Allern & Pollack, 2012). When applied to crisis communication, this suggests that certain crisis types, such as management misconduct for example, will automatically become scandals. However, a critique to this approach is that it ignores the social construction of scandals, assuming that a violation of societal norms suffices to create a scandal. However, the discursive-communicative perspective argues that scandals are indeed symbolically constructed and refutes the idea that a simple classification of facts about a misdemeanor can create a scandal (Kepplinger, Geiss & Siebert, 2012). The discursive-communicative approach acknowledges the importance of timing, strategic benefits, and media framing. This perspective proposes that scandalization is a process, a discursive construction in which the actual misconduct is not the most important factor. This perspective supports the idea that the public has to collectively establish a definition of a negative event and support this definition. The process of scandalization is therefore *negotiated* by the public and the media. So, unlike the functionalist perspective, the discursive-communicative approach goes beyond classification of facts and circumstances of a misbehavior. This chapter will examine

scandals, as context for scansis, from the discursive-communicative perspective, arguing people construct scandals through and from environmental cues. I begin with a discussion of the scandal scholarship.

Much of the research examining scandals suggests that violating moral codes and unethical organizational behavior are some of the main characteristics of organizational scandals (Entman, 2012). Moreover, the crisis literature views scandals as a type of fraud which has become public (Zona, Minoja, & Coda, 2013) or as a form of malfeasance prohibited under the rules of good governance (Jory, Ngo, Wang & Saha, 2015). Scandals, just like crises, are expectancy violations. When an organization engages in illegal and dishonest behavior, stakeholders perceive this as a violation of their trust. Scandal scholarship also examines the idea of justice and how organizations should be punished for their actions (Grebe, 2013). If people believe that an organization treated them unfairly, they will want justice by punishing it for the wrongdoing. One way for stakeholders to punish organizations is through boycotts. Boycotts are effective because they can mobilize consumers to stop supporting the company and can lead to negative media exposure for organizations (King, 2011). Furthermore, the financial consequences of boycotts, such as declines in revenue and stock prices, forces managers to pay attention to stakeholder demands. Lastly, the media has the power to create a scandal. In political scandals for example, investigative journalism leads to scrutinizing political wrongdoings taken in secrecy (Tumber & Wasibord, 2004). Scandals are therefore mediatized and publicly exposed wrongdoings. I argue that scandalization is a process because the way the media talks about wrongdoings and transgressions can (a) create a scandal and (b) shape people's perceptions of the situation. People are both drawn to scandals

and outraged by them because of the publicized unethical and immoral behaviors that have taken place in secrecy. Corporate scandals are deviant behaviors that are perceived as morally wrong by the public. Furthermore, the moral violation is a critical point for the nature of scandals. When news broke that Wells Fargo were intentionally deceiving customers by selling them unnecessary insurance, the public was outraged because of the apparent exploitation. I therefore define a corporate scandal as a moral wrongdoing, which violates stakeholder expectations and triggers moral outrage.

Understanding Moral Outrage

Scandals are often linked to the publicized exposure of unethical organizational behaviors, which can trigger perceptions of trust violations and unfairness within stakeholders. Furthermore, for a scandal to occur, the situation must evoke moral outrage within stakeholders. Moral outrage is triggered by violations of moral codes (Hoffman, 2000) and is distinct form of anger. Moral outrage is characterized as perceptions of greed and injustice (Antonetti and Maklan, 2016). For example, when Mylan raised the prices of EpiPens in 2016 by almost 400 percent, the public was outraged. The company was perceived to be acting out of greed, intentionally making a life-saving medication practically unattainable for people in need. Similarly, VW faced a serious backlash from customers because of #dieselgate. The German car giant was accused of intentionally "improving" diesel engines emission performance. This was done specifically when the cars are being tested. Both Mylan and VW were perceived to have exploited customers, being unfair to them because of self-interest and in favor of better revenues. Theoretically,

cognitive appraisal theories help explain what situational factors promote moral outrage (Watson & Spence, 2007).

Cognitive appraisal theories examine how certain elements of a situation evoke an emotional response. Moreover, specific elements of a specific event will produce predictable emotions which could be linked to a certain appraisal pattern (Lazarus, 1991). Therefore, cognitive appraisal theory helps predict the emotions a situation is likely to engender if certain appraisal factors are present. For instance, anger is the likely emotion when the appraisal factors in the situation involve incongruence with goals or values and intentional action. An example that illustrates how a crisis can affect people's goals and create anger is the Boeing 737 Max case. This particular Boeing model was grounded in March 2019 after two fatal crashes happened in less than six months. The grounding caused the cancellation of thousands of flights around the world. Customers were naturally angered with the airlines because of delays and cancellations. Furthermore, feelings of anger can drive people to attempt to change the negative undesired outcome. Therefore, anger can lead to behavioral outcomes such as desire of avoidance and negative word-of-mouth.

Moral outrage is a critical appraisal for scandals because scandals include cues such as injustice and greed that can outrage people. Research (Antonetti and Maklan, 2016) has identified the strong connection between perceived unfairness (injustice) and greed and how these lead to moral outrage. The research suggests moral outrage is a distinctly different emotion from anger and can, therefore, lead to severe consequences. Crises can have negative effects on common organizational outcomes such as a negative reputation, desire for avoidance, negative word-of-

mouth, reduced purchase intention, and supportive behaviors. These are key crisis outcome variables that capture how the negative consequences of a crisis can impact organizational performance. Moreover, the study suggests that perceptions of injustice are essential to appraisals of anger and moral outrage. Antonetti and Maklan's (2016) work could be used to explain what factors have to be present for a crisis to transmogrify into a scandal. Considering the unique appraisals of moral outrage linked to scandals, it is important to make the distinction between a crisis and a scandal.

Scansis: When a Crisis Is Also a Scandal

Comparing a scandal with a crisis limits our understanding of these phenomena and their communicative demands. Even if a situation has the potential to evoke moral outrage there is no guarantee moral outrage will occur. As Entman (2012) noted, not all situations that can become scandals do become scandals. It follows that not all crises are scandals and the terms should not be used interchangeably. The term *scansis* brings clarity to the conceptual differences between crises and scandals and helps explain the relationship between the two.

A scansis is the intersection between an organizational crisis and a scandal, particularly when a crisis transmogrifies into a scandal (Coombs et al., 2018). It occurs when a crisis is evaluated as an injustice to people that is driven by greed. If select crisis risks are not managed properly, they can evolve into a crisis and potentially a scansis. Because this transmogrification is a *process,* it fits within the discursive-communicative approach to scandalization and studying scandals.

A crisis can escalate to a scansis during the pre and post-crisis phases (Table 18). There are certain warning signs during the pre-crisis phase, which can help crisis

managers identify when a crisis has the potential to become a scansis: (a) the behaviors in question are considered morally offensive; (b) the offensive behaviors appear to be intentional; (c) the behaviors are linked to highly controversial social issues; and (d) there is public awareness of the behaviors. Stakeholders are likely to experience moral outrage when an organization engages in offensive behavior and commits a moral violation. Furthermore, a crisis can generate greater negative emotions if an organization's actions are perceived as intentional by the public and are concerned with a highly repugnant behavior (e.g., sexism, racism, bribery, etc.). The nature of such crises draws media attention easily and in such situations the potential for moral outrage is also enhanced by the media attention. The media provide a platform for a crisis to become scandalized and become a scansis. Consider Uber and how in early 2017 the organization was accused of systematic sexism and creating a toxic working environment, especially for female employees. It started with an essay former employee Susan Fowler published on her personal blog. Her post became viral in no time. As a result of the media scrutiny and how highly publicized the situation became, the company's CEO and co-founder Travis Kalanick had to step down due to pressure from investors created by the scandalization of the situation.

Table 18. Scansis Transmogrification Risk Factors
Adapted from Coombs et al. (2018)

	Crisis Risk Factors
Pre-Crisis Phase	• Morally offensive behaviors • Intentional • Linked to controversial social issue • Public awareness
Post-Crisis Phase	• Violation of moral obligations • High public awareness • Provocation of moral outrage

During the post-crisis phase, a crisis can transmogrify into a scansis if the organization does not respond adequately. Specifically, DeMaria (2010) proposes that a crisis becomes a scandal when the organization employs inappropriate crisis response and is publicly exposed by the media. The VW emission scandal is a good example of how a bad organizational response can escalate a management misconduct crisis to a scansis. The initial response blamed a handful of engineers for the emission scandal, saying management did not know about the fraud. The claim that only a small number of people were able to pull off such a large-scale deception was met with a lot of skepticism. The crisis response was not appropriate or believable. In fact, it seemed to exacerbate the situation and did not help VW appear trustworthy in front of the general public.

Research studying these double crises examines what happens when a crisis response is handled incorrectly (Frandsen & Johansen, 2010; Grebe, 2013). An inappropriate response is one that does not address the concerns and needs of victims and can, therefore, provoke the public and invite moral outrage. Ineffective crisis communication can cause a secondary crisis because of poor communicative choices

(Frandsen & Johansen, 2010). Stakeholders view the crisis response as inappropriate which triggers negative reactions and creates the secondary crisis, sometimes referred to as double crisis. A scansis, however, goes beyond an inappropriate crisis response. Additional factors that amplify the transmogrification process of a crisis to a scansis are violations of moral obligations and high levels of public awareness, generated by the media. This illustrates that scandalization is indeed a socially constructed process.

Researchers have begun to explore the communicative implications of scansis with experimental studies (Coombs & Tachkova, 2019). The results indicate that the common immediate benefits of recommended crisis response strategies are not found in a scansis and that moral outrage negates the immediate effect of the prescribed crisis response. More specifically, the optimal crisis responses from Situational Crisis Communication Theory (SCCT) have no effect on post-crisis reputation, purchase intention, or negative word-of-mouth for a scansis. Previous studies have found a positive effect for optimal crisis response strategies on organizational crisis outcomes in most crisis situations (Ma & Zhan, 2016). However, the new data on scansis (Chapter 2) suggests that it is a distinct form of crisis, where the anticipated benefits of the ethical-base response (corrective action) and recognition of the moral violation do not have an immediate effect on improving post-crisis perceptions of an organization. Therefore, scansis should be viewed as a special type of crisis in accordance with SCCT (Chapter 2).

SCCT and Scansis

SCCT is a cognitive-based framework which uses crisis responsibility to predict an optimal crisis response. The crisis response strategies in SCCT are

arranged on a continuum from defensive to accommodative. The continuum reflects the degree to which the crisis response reflects a concern of the crisis victims (accommodative) or a concern for the organization (defensive). Low accommodative strategies include denial, attack the accuser and scapegoating (Coombs, 2007). Moderate accommodative strategies include excuses and justifications. High accommodative strategies include apologies and compensation. Apologies accept responsibility for the crisis, express regret and maybe coupled with compensation to the victims. Finally, the bolstering strategies are supplemental to the other three and aim to build a positive connection between the organization and its stakeholders. Examples of bolstering strategies include organizations telling people of past good works and thanking those who have provided help during the crisis.

There are three crisis clusters in SCCT. These are: victim, accidental, and intentional (Coombs & Holladay, 2002). The three clusters are based on stakeholder attributions of crisis responsibility. The victim cluster has very low attributions of crisis responsibility and the organization itself is seen as a victim of the crisis. The accidental cluster has minimal attributions. Lastly, the intentional crisis cluster has the strongest attributions of crisis responsibility and includes product harm caused by human-error and management knowingly placing stakeholders at risk (Coombs & Holladay, 2002).

SCCT posits that when a crisis happens, stakeholders make two main appraisals about the situation. The first appraisal is to determine whether a negative situation exists, the second appraisal is the attribution of crisis responsibility (Coombs, 2007). The theory matches the different crisis types with the most

appropriate crisis responses based on the level of responsibility attributed to an organization.

Scansis is unique because it adds a third appraisal not found in the other types of intentional crises (Figure 6). SCCT proposes two appraisals (1) a negative situation and (2) attribution of crisis responsibility. However, scansis adds a third appraisal of moral outrage, resulting in a triadic appraisal process (Chapter 2). Specifically, perceptions of injustice coupled with greed, result in the emotion of moral outrage (Antonetti & Maklan, 2016).

Figure 6. Triadic Appraisal Model of Crises

Since moral outrage is a cognitive factor, it is consistent with how SCCT, a cognitive-based theory, is conceptualized. Research has used moral outrage as a mechanism for refining the intentional crisis cluster (Chapter 2). The results from the research exploring the triadic appraisal indicated three new sub-clusters within the intentional crisis cluster, each with various levels of attribution of moral outrage: human-error, management misconduct, and scansis. The new triadic appraisal allows researchers to move away from the previous conceptualization of the preventable cluster which was too broad and thus problematic. The preventable cluster was

earlier comprised of human-error technical errors, human-error accidents and management misconduct crises. However, a meta-analysis (Ma & Zhan, 2016) found inconsistencies for the effectiveness of the different crisis response strategies in the preventable cluster. For instance, one of the studies that found no effective for crisis communication used a management misconduct case, which could also be viewed as a scansis case. Verhoeven and colleagues (2012) used a fictitious crisis scenario, where a hospital was accused of saving money by turning off the electricity generator of an intensive care unit. This case has the potential to trigger perceptions of injustice and greed, and therefore create moral outrage.

The lack of support for SCCT recommendations could now be explained with the different levels of moral outrage that the sub-cluster produces. Moral outrage seems to be a boundary condition for SCCT and its communicative recommendations. The original prescriptions of SCCT may only hold for lower-level moral outrage crises because as research (Chapter 3) has demonstrated, the SCCT-based advice does not hold for scansis. Considering that management misconduct and scansis are the crisis types with the highest perceptions of moral outrage in the preventable cluster, it is understandable that no crisis response will have an immediate effect on stakeholder perceptions and the commonly used crisis outcome variables (Chapter 3).

The new typology of preventable crises poses challenges for the communicative recommendations of SCCT; more specifically for the human-error and management misconduct crises. Therefore, the next step in the scansis research was to retest the effects of the SCCT prescribed crisis responses for human-error and management misconduct crises (Chapter 3). It was found that only a human-error

crisis realized a reputational benefit from an apology being added to instructing and adjusting information (i.e., ethical-base response). Furthermore, the management misconduct and scansis scenarios failed to show a benefit from using the optimal crisis response as prescribed by SCCT. These results could be accounted for with the different perceptions of moral outrage that help differentiate the crisis types. The study also found human-error crises were the least likely crisis type to trigger moral outrage. On the other hand, management misconduct is most likely to turn into scansis (Chapter 4). The results of the experiment presented in Chapter 4 indicated there is a clear separation between human-error crises and both management misconduct and scansis crises since perceptions of exploitation were lower in the human-error conditions. Additionally, management misconduct crises are most likely to breed scansis (Coombs et al., 2018). This was corroborated by data suggesting that although people perceive the differences between the two crises types, perceptions of exploitation and moral outrage were similar for both (Chapter 4). The results of the experiments presented in Chapter 4 suggest the management misconduct produce enough moral outrage to pass the boundary condition for SCCT. Therefore, these findings corroborate that moral outrage creates a boundary condition for SCCT and indicate the value of integrating it into SCCT (Coombs & Tachkova, 2019).

Scansis has changed the landscape of crisis communication because it has changed the ways organizations have to communicate after a crisis. Organizations should carefully consider what to say and do following a management misconduct or a scansis. Since scansis can develop in both the pre- and post-crisis stages, a certain level of caution is required in order to effectively manage it. The transmogrification of a crisis to a scandal is a process, facilitated by a combination of crisis

characteristics and crisis responses that can trigger stakeholder reactions. A crisis can turn into a scansis if the following risk factors are present: the organization engaging in what is perceived to be a morally offensive behavior; these behaviors appear to be intentional; and are linked to controversial social issues; and finally, there is public awareness of the behaviors. These risk factors create the need for organizations to respond and address stakeholders' concerns and needs. Moreover, DeMaria (2010) argues that how an organization responds to a crisis has the potential to create moral outrage and thus a scandal. The idea is that if an organization ignores the legitimate concerns of its stakeholder, it can violate their perceptions of interactional justice (Coombs et al., 2018). In turn, the perception of interactional injustice can lead to moral outrage over the way stakeholder concerns have been mistreated.

Scansis can also develop in the post-crisis stage; this entails the existence of a crisis and the way the organization responds to it. Specifically, the factors that facilitate the transmogrification in the post-crisis phase are inappropriateness of crisis response, violation of moral obligations, high level of awareness, and the aggravation of moral outrage (Coombs et al., 2018). An inappropriate crisis response, which does not address the needs of victims, can invite moral outrage. Again, the perception of unfairness is enhanced by the bad crisis response, which is seen as either neglecting or negating the concerns of victims.

In summary, moral outrage creates a boundary condition for the effectiveness of the current optimal crisis response strategies prescribed by SCCT. Research is exploring what might constitute an optimal response for a scansis and new crisis outcomes to consider. Although an optimal crisis response might not have an immediate effect on key crisis outcomes such as reputation, purchase intention, and

negative word-of-mouth, it can produce long-term benefits for organizations. Research needs to consider the effect on long-term outcomes when evaluating crisis response for a scansis. For example, an optimal response can help organizations move away from organizational stigma and being deemed "bad" because of their lack of action or because of their inappropriate response. Avoiding stigma is a potentially valuable long-term crisis outcome. A current challenge is to differentiate between management misconduct and scansis. These two crisis types are conceptually different and inform one another, but in reality, they are perceived the same way by stakeholders (Chapter 4). This has implications for crisis management. Different crisis markers could be used to help navigate the complex and ever-changing crisis situation. It is important to start by acknowledging that management misconduct could easily escalate to a scansis if certain crisis risk factors are present. These include morally offensive behavior, perceived as intentional by the public, linked to a highly controversial societal issue and highly publicized by the media. Additionally, the chapter began with a discussion of scandals and their social construction origin. This is another way to explain the process of management misconducts crisis becoming a scansis and the conceptual overlap between the two. Management misconduct and scansis pose distinct challenges for crisis managers. Despite the fact that the SCCT optimal crisis response might not show short-term benefits, organizations should still be prepared to use an optimal response. An optimal response seeks to maximize the benefits for both stakeholders and the organization in crisis. Managers might simply use a sub-optimal response if they know it can have the same effect on common crisis outcomes as an optimal response. However, a sub-optimal response can serve to reinforce the organization is bad because managers

have mishandled the crisis. More research needs to be conducted to refine what constitutes an optimal response in a scansis and the unique outcome variables that need to be considered for a scansis.

The Future of Scandalogy in Crisis Communication

The field of crisis communication is complex and dynamic. Research has been aiming to inform crisis practice by studying past crises, improving theory, and testing new crisis response strategies. However, some crises prove to be different and pose new and unexpected challenges. The idea of scansis emerged from an attempt to come up with a distinction between scandals and crises. It has now turned into a sub-field of crisis communication, a line of research that has posed just as many questions as it has answered.

Scansis is the intersection between a crisis and a scandal. Certain crisis risk factors facilitate the transmogrification process: behaviors considered morally offensive; (b) appear to be intentional; (c) linked to highly charged social issues; and (d) high public awareness and media attention (Coombs et al., 2018). What makes scansis different is the unique appraisal of moral outrage. Moral outrage is caused by perceptions of greed and injustice (Antonetti & McKlan, 2014). Research has found that moral outrage is a boundary condition for the prescriptions of SCCT. It seems to negate the immediate positive effects of a crisis response strategies. Moreover, moral outrage was used to reconceptualize the preventable crisis cluster in SCCT. This helped account for some of the inconsistencies in research examining the effectiveness of SCCT and the crisis response strategies. But more importantly research examining scansis has had some practical implications as well.

In a scansis, the effects of a crisis response strategy might be long-term rather than short-term. Some crises are so severe that no crisis response can affect stakeholder perceptions positively. What makes scansis unique is the appraisal of moral outrage which creates a boundary condition for SCCT. Still, this should not be taken as to completely suggest ignoring the need of a crisis response. According to SCCT any crisis response should include instructing and adjusting information, which helps stakeholders to deal with the crisis physically and psychologically. This type of response is also known as the ethical-base response and can include corrective action (information about what actions have been taken to protect victims and ensure that the crisis won't happen again). In the context of scansis, an optimal response will (1) acknowledge the moral violation by expressing empathy for the victims and (2) provide evidence that the organization is committed to preventing relapse of the moral violation. In fact, this form of optimal response creates an impression of empathy that can provide a way to avoid organizational stigma. Stigma is defined as a label which categorizes organizations as flawed and perceived to have values counter to those of their stakeholders (Devers, Dewett, Mishina & Belsito, 2009). That is why an appropriate crisis response following a scansis could allow organizations to recover faster from the crisis and to move an organization away from stigma (Coombs & Tachkova, 2019).

Another factor that could contribute to improving our understanding of the overlap between management misconduct and scansis is examining the role of organizational cynicism as a possible mediator of the relationship between crisis information and perceptions of crises. People who are cynical about organizations might assume all inappropriate behavior by management is driven by exploitation

(i.e., injustice and greed). This may help to account for the similar reactions people have to management misconduct and scansis crises. Additionally, we have to further explore what other factors might affect the way stakeholders respond to scansis. Timing is an important factor in crisis communication. Research has shown that there are significant reputational benefits of coming forward with a crisis (Arpan & Pompper, 2003). If an organization is facing a scansis, it can steal thunder by choosing to come forward with information about the crisis. However, these ideas have to be further explored and tested.

The theoretical development of scansis is in its infancy. Research examining scansis provides empirical evidence for the significance of the concept. Scansis has helped explain some anomalies in SCCT and its communicative recommendations. Moreover, this has helped refine the existing SCCT crisis typology and improve the predictive value of the theory. More research is needed to understand the precursors of scansis, what differentiates it from management misconduct as well as what crisis response strategies (if any) can mitigate the immediate negative effects of moral outrage. We have seen only a small part of the scansis iceberg and much is still under water. However, scansis has considerable potential to advance crisis communication theory and practice and it deserves further exploration.

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APPENDIX A

Racism at Texaco
Brad Tuttle, Money magazine

In 1996, senior executives with Texaco Inc. were caught on audiotape belittling the company's minority employees with racial insults.
Two executives expressed their frustration about the employees who had filed a discrimination suit against Texaco.
"This diversity thing, you know how all the black jelly beans agree," Richar Ulrich (treasurer) said.
"That's funny," Richard Lundwall (personnel services) replied. "All the black jelly beans seem to be glued to the bottom of the bag."
The executives began discussing their difficulties in adjusting to the demands of minorities at Texaco, in particular the interest of some black employees in Kwanzaa.
"I'm still having trouble with Hanukkah," Mr. Ulrich said. "Now we have Kwanzaa."

Human Error Culprit for Houston Plant Explosion

Brad Tuttle, Money magazine
Ultimately it was human errors that caused a violent explosion at the Marcus Oil-owned chemical plant in southwest Houston in December 2004, according to a report released Tuesday by the U.S. Chemical Safety Board.
John Vorderbrueggen, the CSB's lead investigator into the incident, pointed to a lack of awareness at Marcus Oil about the dangerous nature of its own operations, a problem he said is not uncommon among smaller companies.
The blast at the polyethylene wax processing facility in the 14500 block of Minetta near Fondren and Main shattered windows at nearby businesses and sparked a raging three-alarm blaze that firefighters battled for seven hours before extinguishing.

No one died in the explosion, but three firefighters sustained injuries trying to put the fire out.

Marcus Oil refines polyethylene wax, which is used in textiles, adhesives and polishes.

Mass Salmonella Poisoning by the Peanut Corporation of America
Brad Tuttle, Money magazine

In 2008, top management at the Peanut Corporation of America (PCA) shipped peanut products known to be contaminated to customers in states across the country. Investigators found that managers did not notify customers of the results when laboratory testing revealed the presence of salmonella in peanut products from a plant in Blakely, GA.
The salmonella outbreak was one of the deadliest in United States history, resulting in recalls of thousands of products made by more than 300 companies, according to Food Safety News. A total of 714 persons were infected with the outbreak strain of *Salmonella* Typhimurium have been reported from 46 states. There have been nine deaths linked to the outbreak.

Why the EpiPen Price Scandal Sums Up Everything We Hate About Big Business
Brad Tuttle, Money magazine

Top executives at Mylan, the pharmaceutical company that owns EpiPen, reportedly reaped in nearly $300 million in compensation from 2011 to 2015. The fat payoffs rolled in during a period when the list prices for EpiPens soared, increasing over 500% in about a decade.

EpiPen has gone from $100 for a two-pack in 2009 to $608 today and costs Mylan around $30 to produce. The company's price hikes on a life-saving drug is clearly unethical if we take a closer look. When it comes to life-saving drugs, consumers interpret these significant increases as the producer profiteering off a person's life or death need.

Mylan N.V. is an American global generic and specialty pharmaceuticals company registered in the Netherlands with principal executive offices in Hatfield, Hertfordshire, UK and global headquarters in Canonsburg, Pennsylvania, US. In 2007, Mylan acquired a controlling interest in India-based Matrix Laboratories Limited, a top producer of active pharmaceutical ingredients (APIs) for generic drugs, and the generics business of Germany-based Merck KGaA. Through these acquisitions, Mylan grew from the third-largest generic and pharmaceuticals company in the United States to the second-largest generic and specialty pharmaceuticals company in the world.

Ford Employee Mistake Causes Evacuation from Chemical Release

Brad Tuttle, Money magazine

About 7:15 a.m. eastern standard time on November 19, 1998, a truckdriver driving a Matlack, Inc., cargo tank truck arrived at Ford Motor Company's Kentucky Truck Plant in Louisville, Kentucky, to deliver a liquid mixture of nickel nitrate and phosphoric acid (a solution designated CHEMFOS 700 by the shipper).
The driver told the pipefitter that he was delivering CHEMFOS 700 and then went to the driver's side of the cargo tank and took out a cargo transfer hose. Ford employee connected one end of the hose to one of the transfer couplers, while the driver connected the other end of the hose to the cargo tank's discharge fitting. The Ford employee had inadvertently attached the hose to the coupler marked "CHEMFOS LIQ. ADD" instead of to the adjacent coupler marked "CHEMFOS 700.
The driver stated that about 10 minutes after he started the transfer, he saw an orange cloud coming from the bulk storage building. He said he closed the internal valve of the cargo tank to stop the transfer of cargo and waited for someone to come out of the building. As a result of the incident, about 2,400 people were evacuated from the plant and surrounding businesses, and another 600 local residents were told by authorities to remain inside their homes. Three police officers, three Ford Motor Company employees, and the truckdriver were treated for minor inhalation injuries. Damages exceeded $192,000.

Perrier say Employee Failure to Replace Filter Caused Benzene Contamination

Brad Tuttle, Money magazine

Perrier, which is recalling 160 million bottles of its mineral water worldwide, offered a reason for how its popular product became contaminated with benzene - a worker failed to replace a water filter.

Perrier President Gustave Leven said the mineral water was contaminated when a filter on a gas line that was supposed to be changed every six weeks was left on for up to three months.
The decision to launch a worldwide recall followed the discovery of more contaminated Perrier in West Germany and the United States, Leven said.

In all, 160 million of the green bottles worth $35 million will be destroyed in 120 countries. The company, known as Source Perrier, is not insured for the loss, spokesmen said. Perrier is tapped from an underground natural mineral spring and is bottled in Vergeze, France.

2 Top Executives Dismissed in Astra Harassment Case
Brad Tuttle, Money magazine
Astra USA Inc., the American subsidiary of Sweden's biggest publicly traded company, said yesterday that it had dismissed two top executives, including its president and chief executive, and that two others had resigned following an in-house investigation of allegations of sexual harassment and other improprieties.
Lars Bildman, Astra USA's president and chief executive for the last 15 years, and George Roadman, vice president for marketing and sales, were dismissed. Edward Aarons, director of international business, agreed to resign.
Mr. Bildman, who was dismissed without compensation, was publicly rebuked yesterday by Astra executives in Sweden.
In a statement, C-G Johansson, executive vice president at Astra A.B., said: "Our investigation found that Mr. Bildman exhibited inappropriate behavior at company functions, primarily internal sales meetings held off company premises. Such conduct is inexcusable for any senior executive of our company."

Ralph Lauren Corp. Agrees to Pay Fine in Bribery Case
Brad Tuttle, Money magazine

The clothing retailer Ralph Lauren has agreed to pay about $1.6 million to resolve charges that it made illegal payments and gifts to foreign officials, including perfume, dresses and handbags, in the latest case highlighting the government's aggressive crackdown on overseas bribery by American companies.

Federal authorities announced on Monday the settlement of actions against Ralph Lauren Corporation related to bribes paid to officials in Argentina from 2005 to 2009. The company discovered the misconduct in an internal audit and reported violations of the law, called the Foreign Corrupt Practices Act, to the government, according to court filings.

Ralph Lauren signed two non-prosecution agreements to settle the actions, which were brought by the United States attorney in Brooklyn and the Security and Exchange Commission. The company agreed to pay penalties of about $882,000 to the Justice Department and about $735,000 to the S.E.C.

INSTRUCTIONS: Think about the information you have just read. The items below concern your impression of the organization. Circle one number for each of the questions. (The responses range from 1 = STRONGLY DISAGREE to 7 = STRONGLY AGREE for most items.)

1. The organization is concerned with the well-being of its publics.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

2. The organization is basically DISHONEST.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

3. I do NOT trust The organization to tell the truth about this incident.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

4. Under most circumstances, I would be likely to believe what the organization says.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

5. The organization is NOT concerned with the well-being of its publics.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

6. Circumstance not the organization are responsible for this incident.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

7. The blame for the incident lies with the organization.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

8. The blame for the incident lies in the circumstance, not the organization.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

9. The cause of the crisis was something the organization could have controlled.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

10. The cause of the crisis is something over which the organization HAD NO power

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

11. Overall, my impression of the organization is:

Very Unfavorable Neutral Very Favorable

1 2 3 4 5 6 7

12. After hearing the organization's response to the situation, people affected by the incident would be ACCEPTING of The organization.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

13. The people affected by the incident would consider the response by the organization to be APPROPRIATE.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

14. The people affected by the incident would consider the organization's response to be BELIEVABLE.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

15. After hearing the organization's response, the people affected the incident would react NEGATIVELY to Marcus Oil.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

16. Because of the incident, I would avoid using product made by the organization.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

17. The likelihood of my buying products made by the organization is quite high.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

18. I would continue to buy products made by the organization in the future.
Strong Disagree Unsure Strongly Agree
1 2 3 4 5 6 7

19. I feel annoyed toward the organization for what happened.
Strong Disagree Unsure Strongly Agree
1 2 3 4 5 6 7

20. Because of the incident, I feel angry at the organization.
Strong Disagree Unsure Strongly Agree
1 2 3 4 5 6 7

21. I do NOT feel anger toward the organization.
Strong Disagree Unsure Strongly Agree
1 2 3 4 5 6 7

22. Indicate the degree to which you are feeling angry.
Not at all Extremely
1 2 3 4 5 6 7

23. Indicate the degree to which you are feeling outraged.
Not at all Extremely
1 2 3 4 5 6 7

24. Indicate the degree to which you are feeling mad.
Not at all Extremely
1 2 3 4 5 6 7

25. The organization intended to take advantage of the situation.
Strong Disagree Unsure Strongly Agree
1 2 3 4 5 6 7

26. The organization intended to take advantage of its customers.
Strong Disagree Unsure Strongly Agree
1 2 3 4 5 6 7

27. The organization had good intentions.
Strong Disagree Unsure Strongly Agree
1 2 3 4 5 6 7

28. The organization's behavior was dishonest.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

29. The organization's behavior was unfair.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

30. The organization's behavior was unjust.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

31. I would be likely to complain about the organization to other people.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

32. I would be likely to bad-mouth against the organization to other people.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

33. I would tell other people not to buy from the organization.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

34. The organization seems to understand the emotions, feelings, and concerns of those negatively affected by the situation.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

35. The organization seems to lack empathy for those negatively affected by the situation.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

37. The organization seems to be concerned about the people negatively affected by the situation.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

38. The organization seems able to view the situation from the perspective of those harmed by the situation.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

39. The organization seems able to understand why people are upset about the situation.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

40. The organization is an understanding company.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

41. The organization did make a statement about the situation.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

42. The organization seemed to recognize why people were upset about the price increase.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

43. The situation was caused because of employee incompetence

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

44. The situation was caused purposeful and inappropriate actions by management in the organization

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

45. Management in the organization acted out of greed in this situation.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

46. The organization apologized for the crisis.

Strong Disagree Unsure Strongly Agree

1 2 3 4 5 6 7

47. The organization provided information the public about what happened.

Strong Disagree			Unsure			Strongly Agree
1	2	3	4	5	6	7

48. The organization did not provide a response to the crisis.

Strong Disagree			Unsure			Strongly Agree
1	2	3	4	5	6	7

What each item measures:

1-5	Organizational reputation
6-10	Crisis responsibility
11	Overall reputation
12-15	Account acceptance
16-18	Purchase intention
19-21	Anger
22-24	Outrage
25-27	Greed
28-30	Fairness
31-33	Negative word-of-mouth
34-40	Empathy
41-48	Manipulation checks

APPENDIX B

SURVEY MONKEY STIMULI

PERRIER SAYS FAILURE TO REPLACE FILTER CAUSED BENZENE CONTAMINATION

Brad Tuttle, Money magazine

Perrier, which is recalling 160 million bottles of its mineral water worldwide, offered a reason for how its popular product became contaminated with benzene - a worker failed to replace a water filter.
Perrier President Gustave Leven said the mineral water was contaminated when a filter on a gas line that was supposed to be changed every six weeks was left on for up to three months.
The decision to launch a worldwide recall followed the discovery of more contaminated Perrier in West Germany and the United States, Leven said.
In all, 160 million of the green bottles worth $35 million will be destroyed in 120 countries. The company, known as Source Perrier, is not insured for the loss, spokesmen said. Perrier is tapped from an underground natural mineral spring and is bottled in Vergeze, France.

Apology
In a statement to the media, the company's spokesperson said: "We are sorry. We acknowledge responsibility for our actions. All contaminated products have been removed from the market ".

Information
The company said the search for the source of contamination is focusing on the packaging and distribution process. Stressing that the source of the mineral water, a spring at Vergeze in southern France, remained pure, a spokesperson for the company said the contamination problem was the result of "a human error" when filters in its bottling plant at Vergeze were not replaced on schedule. Approximately 70 million bottles of Perrier products were recalled.

No response
The spring from which Perrier water is sourced is naturally carbonated. Both the water and natural carbon dioxide gas are captured independently. The water is then purified, and, during bottling, the carbon dioxide gas is re-added so that the level of carbonation in bottled Perrier matches that of the Vergèze spring.

Ralph Lauren Corp. Agrees to Pay Fine in Bribery Case
Brad Tuttle, Money magazine

The clothing retailer Ralph Lauren has agreed to pay about $1.6 million to resolve charges that it made illegal payments and gifts to foreign officials, including perfume, dresses and handbags, in the latest case highlighting the government's aggressive crackdown on overseas bribery by American companies.
Federal authorities announced on Monday the settlement of actions against Ralph Lauren Corporation related to bribes paid to officials in Argentina from 2005 to 2009. The company discovered the misconduct in an internal audit and reported violations of the law, called the Foreign Corrupt Practices Act, to the government, according to court filings.
Ralph Lauren signed two non-prosecution agreements to settle the actions, which were brought by the United States attorney in Brooklyn and the Security and Exchange Commission. The company agreed to pay penalties of about $882,000 to the Justice Department and about $735,000 to the S.E.C.

Apology
In a statement to the media, the company's spokesperson said: "We are sorry, we acknowledge responsibility for our actions. Our failure of judgement greatly exacerbated the situation. What we did is wrong. It's just really wrong".

Information
Between 2004 and 2009, Ralph Lauren's Argentinian subsidiary bribed customs officials "to improperly obtain paperwork necessary for goods to clear customs; permit clearance of items without the necessary paperwork and/or the clearance of prohibited items; and on occasion, to avoid inspection entirely," the Justice Department said. Fake invoices were created to mask the payoffs, which totaled roughly $580,000, according to case documents. Ralph Lauren Corp said in a statement that the bribes were "wholly inconsistent with the culture of compliance and integrity that we have worked diligently to establish."

No response
Ralph Lauren Corporation is a global leader in the design, marketing, and distribution of premium lifestyle products, including apparel, accessories, home furnishings, and other licensed product categories. For five decades, our long-standing reputation and distinctive image have been consistently developed across an expanding number of products, brands, sales channels, and international markets. We believe that our global reach, breadth of product offerings, and multichannel distribution are unique among luxury and apparel companies.

Why the EpiPen Price Scandal Sums Up Everything We Hate About Big Business
Brad Tuttle, Money magazine

Top executives at Mylan, the pharmaceutical company that owns EpiPen, reportedly reaped in nearly $300 million in compensation from 2011 to 2015. The fat payoffs rolled in during a period when the list prices for EpiPens soared, increasing over 500% in about a decade.
EpiPen has gone from $100 for a two-pack in 2009 to $608 today and costs Mylan around $30 to produce. The company's price hikes on a life-saving drug is clearly unethical if we take a closer look. When it comes to life-saving drugs, consumers interpret these significant increases as the producer profiteering off a person's life or death need.
Mylan N.V. is an American global generic and specialty pharmaceuticals company registered in the Netherlands with principal executive offices in Hatfield, Hertfordshire, UK and global headquarters in Canonsburg, Pennsylvania, US. In 2007, Mylan acquired a controlling interest in India-based Matrix Laboratories Limited, a top producer of active pharmaceutical ingredients (APIs) for generic drugs, and the generics business of Germany-based Merck KGaA. Through these acquisitions, Mylan grew from the third-largest generic and pharmaceuticals company in the United States to the second-largest generic and specialty pharmaceuticals company in the world.

Apology
Mylan CEO Heather Bresch provided the following statement about the EpiPen price increase:
"I get the outrage created by the price increase because it reflects out-of-control drug prices and is viewed as profiteering at the expense of sick children and adults. Such actions are unacceptable and we are now reducing the pricing for most patients and creating a new review committee to insure we maintain our commitment to provide billions of people access to high quality medicine.

Information
Mylan CEO Heather Bresch provided the following statement about the EpiPen price increase:
"In the more than 8 years we have owned the EpiPen product, we have invested more than one billion dollars in the efforts. On many fronts we have succeeded.

No response
Mylan N.V. is an American global generic and specialty pharmaceuticals company registered in the Netherlands with principal executive offices in Hatfield, Hertfordshire, UK and global headquarters in Canonsburg, Pennsylvania, US. In 2007, Mylan acquired a controlling interest in India-based Matrix Laboratories Limited, a top producer of active pharmaceutical ingredients (APIs) for generic drugs, and the generics business of Germany-based Merck KGaA. Through these acquisitions, Mylan grew from the third-largest generic and pharmaceuticals company in the United States to the second-largest generic and specialty pharmaceuticals company in the world.

PARTICIPANT POOL STIMULI

HUMAN-ERROR
Kia Employee Mistake Causes Evacuation from Chemical Release

Brad Tuttle, Money magazine

About 7:15 a.m. eastern standard time on November 19, 1998, a truckdriver driving a Matlack, Inc., cargo tank truck arrived at Kia Motor Company's Kentucky Truck Plant in Louisville, Kentucky, to deliver a liquid mixture of nickel nitrate and phosphoric acid (a solution designated CHEMFOS 700 by the shipper).

The driver told the pipefitter that he was delivering CHEMFOS 700 and then went to the driver's side of the cargo tank and took out a cargo transfer hose. The Kia employee connected one end of the hose to one of the transfer couplers, while the driver connected the other end of the hose to the cargo tank's discharge fitting. The Kia employee had inadvertently attached the hose to the coupler marked "CHEMFOS LIQ. ADD" instead of to the adjacent coupler marked "CHEMFOS 700.

The driver stated that about 10 minutes after he started the transfer, he saw an orange cloud coming from the bulk storage building. He said he closed the internal valve of the cargo tank to stop the transfer of cargo and waited for someone to come out of the building. As a result of the incident, about 2,400 people were evacuated from the plant and surrounding businesses, and another 600 local residents were told by authorities to remain inside their homes. Three police officers, three Kia Motor Company employees, and the truckdriver were treated for minor inhalation injuries. Damages exceeded $192,000. The Safety Board concludes that Kia Motor Company did not adequately train its employees at the Kentucky Truck Plant in the unloading of bulk hazardous materials.

Apology
"We want to apologize to our neighbors, who were inconvenienced by the measures taken to protect the local community. We also want to sincerely thank all of the first-responders who provided support and assistance. We remain committed to determining the root cause of the piping failure and to taking appropriate action to protect against future incidents" said Refinery Manager Dan Yoder, in a press release.

Apology + Corrective action
"Our first priority was the safety of our employees and the local community," said Refinery Manager Dan Yoder, in a press release. "We want to apologize to our neighbors, who were inconvenienced by the measures taken to protect the local community. We also want to sincerely thank all of the first-responders who provided support and assistance. We remain committed to determining the root cause of the piping failure and to taking appropriate action to protect against future incidents.

“We are working round the clock with our specialist suppliers to install the replacement pump and restore normal operations” Yoder added. “People affected by the accident are encouraged to seek medical attention if they have been exposed to the chemical”. If experiencing respiratory symptoms please call a poison center or physician as soon as possible”. Further, the company reports that it has upgraded the signs at transfer stations, installed color coded key locks on pipe end caps, installed locks on the access panel, and posted unloading instructions at the transfer station.

Corrective action

“We are working round the clock with our specialist suppliers to install the replacement pump and restore normal operations” said Refinery Manager Dan Yoder, in a press release. “Meanwhile, people affected by the accident are encouraged to seek medical attention if they have been exposed to the chemical”. If experiencing respiratory symptoms please call a poison center or physician as soon as possible. Further, the company reports that it has upgraded the signs at transfer stations, installed color coded key locks on pipe end caps, installed locks on the access panel, and posted unloading instructions at the transfer station.

MANAGEMENT MISCONDUCT
Racism at Texaco

Brad Tuttle, Money magazine

In 1996, senior executives with Texaco Inc. were caught on audiotape belittling the company's minority employees with racial insults. The tapes are excerpted in papers filed in Federal District Court in White Plains, where Texaco is based. The excerpts come from a meeting held in August 1994 during which three senior executives discussed a class-action lawsuit filed by black employees who charged that Texaco had discriminated against them and created a racially hostile atmosphere. The Federal Equal Employment Opportunity Commission essentially validated the suit, ruling that there was reason to believe Texaco guilty of company-wide racial bias. Transcripts of the August tapes leave little doubt about the atmosphere at the company. Senior executives, including Texaco's former treasurer Robert Ulrich, freely deride black employees as "niggers" and "black jelly beans."

Mr. Ulrich is quoted in the transcripts as belittling the interest of black employees in Kwanzaa, an Africanist celebration held in December. "I'm still having trouble with Hanukkah," Mr. Ulrich said. "Now we have Kwanzaa."

The tapes were made by Richard A. Lundwall, a senior personnel official at Texaco responsible for keeping minutes of the meetings, who made the tapes available to the plaintiffs after he was laid off. At several points on the tapes, the Texaco executives openly discuss destroying records to protect themselves in the discrimination case. Federal prosecutors in White Plains are investigating to determine whether the records were actually destroyed.

Apology
Texaco Chairman Peter I. Bijur announced the following at a news conference: “I want to offer an apology to our fellow employees who were rightly offended by these statements and to people throughout America and elsewhere around the world. I am deeply angered and saddened at the allegations contained in the article. The actions are in direct violation of Texaco’s long-standing core values and principles concerning respect for the individual and ethical behavior. The rank insensitivity demonstrated in the taped remarks reported in the New York Times deeply offends me. I am sorry for our employees and both ashamed and outraged that such a thing happened to the Texaco Family.”

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me. I am sorry for our employees and both ashamed and outraged that such a thing happened to the Texaco Family."
Biujur went on to say: "I have directed today that all of our diversity and equal employment opportunity programs are to be reviewed and have instructed Dick Brenner, our head of Human Resources, to redouble our efforts with new programs to bring our employees back together. Today I am making a personal commitment to all employees at Texaco. We will intensify all of our efforts to make sure that this kind of behavior is eliminated from the workplace forever. Texaco Inc. on Wednesday suspended two executives and cut off the retirement benefits of its former treasurer, as the oil giant responded to a racial and legal scandal that has spawned a criminal investigation."

Corrective action
Texaco Chairman Peter I. Bijur announced the following at a news conference: "Texaco has retained outside counsel to immediately conduct an independent investigation to determine whether these allegations are true. If the company finds that the alleged misconduct occurred, immediate disciplinary action will be taken against the employees involved. This action could include termination of employment.
Biujur went on to say: "I have directed today that all of our diversity and equal employment opportunity programs are to be reviewed and have instructed Dick Brenner, our head of Human Resources, to redouble our efforts with new programs to bring our employees back together. Today I am making a personal commitment to all employees at Texaco. We will intensify all of our efforts to make sure that this kind of behavior is eliminated from the workplace forever. Texaco Inc. on Wednesday suspended two executives and cut off the retirement benefits of its former treasurer, as the oil giant responded to a racial and legal scandal that has spawned a criminal investigation."

SCANSIS
Wells Fargo knew for years that auto insurance was hurting customers.

By Matt Egan, CNN Business

Wells Fargo executives were warned that the bank's auto insurance program was harming customers four years before it was shut down. Several executives were briefed in 2012 about possible flaws in the auto insurance program that was ended in 2016.

Drivers who bought a car through Wells Fargo and let their insurance lapse could be charged for “force-place” policies. The bank enrolled about 2 million drivers into such policies and more than a quarter of those were not needed, regulators have said.

Here is how the process worked: When customers financed cars with Wells Fargo, the buyers’ information would go to National General, which was supposed to check a database to see if the owner had insurance coverage. If not, the insurer would automatically impose coverage on the customers’ accounts, adding an extra layer of premiums and interest to their loans.

Wells Fargo will now pay between $70 to 80 million dollars to refund customers for the insurance they did not need. “Instead of safeguarding its customers Wells Fargo exploited them," California Attorney General Xavier Becerra said in a statement. Officials noted that members of wells Fargo’s executive risk management committee were alerted in April and July of to “critical issues” about the insurance program known as collateral protection insurance or CPI but did not shut it down until September 2016. The expense of the unneeded insurance, which covered collision damage, pushed roughly 274,000 Wells Fargo customers into delinquency and resulted in almost 25,000 wrongful vehicle repossessions.

Apology
Franklin Codel, head of Wells Fargo consumer lending, said the bank takes responsibility for its failure to manage the insurance program and apologized to customers. “Upon our discovery, we acted swiftly to discontinue the program and immediately develop a plan to make impacted customers whole,” he said. "We take full responsibility for our failure to appropriately manage the CPI program and are extremely sorry for any harm this caused our customers, who expect and deserve better from us," he further added.

Apology + Corrective action
Franklin Codel, head of Wells Fargo consumer lending, said the bank takes responsibility for its failure to manage the insurance program and apologized to customers. “Upon our discovery, we acted swiftly to discontinue the program and immediately develop a plan to make impacted customers whole,” he said. "We take full responsibility for our failure to appropriately manage the CPI program and are extremely sorry for any harm this caused our customers, who expect and deserve better from us," he further added.

Wells Fargo said it has “gone through a comprehensive review using independent consultants” that determined certain external vendor processes and internal controls were inadequate. It added that refunds will depend on each customer’s situation and will include payment “above and beyond the actual financial harm as an expression of our regret for the situation.”

Corrective action
Wells Fargo said it has “gone through a comprehensive review using independent consultants” that determined certain external vendor processes and internal controls were inadequate. The bank said it found 570,000 customers who may have been affected from policies placed between 2012 and 2017, and that they will get refunds or account adjustments totaling around $80 million. It added that refunds will depend on each customer’s situation and will include payment “above and beyond the actual financial harm as an expression of our regret for the situation.”

Questionnaire Items measured using seven-point Likert scale “Strongly Disagree” – “Strongly Agree”:

- Organizational reputation
- Crisis responsibility
- Overall reputation
- Account acceptance
- Purchase intention
- Anger
- Outrage
- Greed
- Fairness
- Negative word-of-mouth
- Empathy
- Manipulation checks

APPENDIX C

SURVEY MONKEY AND PARTICIPANT POOL STIMULI

Perrier says employee failure to replace filter caused benzene contamination (human-error)

Or

Federal attorney: “Perrier knowingly sold contaminated water to the public” (management-misconduct)

Brad Tuttle, Money magazine

The company that made bottled mineral water chic is voluntarily recalling its entire inventory of Perrier from store shelves throughout the United States after tests showed the presence of the chemical benzene in a small sample of bottles.

The impurity was discovered in North Carolina by county officials who so prized the purity of Perrier that they used it as a standard in tests of other water supplies.

The Food and Drug Administration said it is testing supplies in California and other states. In a written statement issued last night, Ronald V. Davis, president of the Perrier Group of America Inc., said there was no significant health risk to the public. But the statement did not go into the details of the recall, how it would work, the number of bottles to be recalled and the impact on a company that has built its success on its product's image of purity and stylishness.

William M. Grigg, a spokesman for the Food and Drug Administration, said his agency's Hazard Evaluation Board had collected samples of Perrier and found no immediate risk to the public from the benzene in the water.

"At these levels there is no immediate hazard," he said. "The hazard would be that over many years, if you consumed about 16 fluid ounces a day, your lifetime risk of cancer might increase by one in a million, which we consider a negligible risk. You don't have to be concerned if you just had a bottle of Perrier."

Human-error
Company officials in France said the benzene appeared to have come from a cleanser used by a worker to remove grease from Perrier's bottling machinery. Perrier President Gustave Leven said the mineral water was contaminated when a filter on a gas line that was supposed to be changed every six weeks was left on for up to three months. He continued that this is an isolated incident - blaming a cleaner’s improper use of a cleaning solvent on machinery filling bottles bound for the USA for the contamination. Later it was revealed that the carbon filters intended to remove benzene from carbon dioxide gas had become clogged and had gone undetected for six months.

Management misconduct

Meanwhile, a federal lawsuit has been filed in Connecticut that could cost France's Perrier Co. millions of dollars for allegedly selling contaminated water knowingly, attorneys said Friday. The lawsuit seeks class-action status that could allow thousands of customers of Perrier throughout the United States to file claims, said attorney Richard Bieder of Bridgeport. Bieder said Perrier's actions in handling the contamination of millions of bottles of water was carried out with 'deception and complete disregard' toward the public. 'Their actions in allowing the public to believe their water was pure from the ground is without regard to the health concerns of the American public,' he said.
It was a week ago when Perrier executives were first contacted about a potential benzene problem. During the early part of last week the company began running its own tests. The company's sampling indicated that some bottles of Perrier were contaminated with benzene as early as last June. While the problem was confined to a small number of samples the problem bottles were apparently still distributed randomly throughout the United States.

In all, 10 million of the green bottles worth $35 million will be destroyed in 120 countries. The company, known as Source Perrier, is not insured for the loss, spokesmen said. Perrier is tapped from an underground natural mineral spring and is bottled in Vergeze, France. Perrier Group dominates in both price markets. It is the largest bottled-water company in the United States market not only because of Perrier but also because of its nine American brands, including Arrowhead, the best-selling water of any kind in the country, and Poland Spring. According to Beverage Marketing, Perrier Group's market share was about 23.9 percent in 1988, the latest year for which figures are available, with estimated sales that year exceeding $500 million.

Purdue Pharma used deceptive sales tactic for OxyContin: Documents reveal new details about Purdue's marketing of OxyContin
Matt Egan, CNN Business

The company that makes the narcotic painkiller OxyContin and three current and former executives pleaded guilty today in federal court here to criminal charges that they misled regulators, doctors and patients about the drug's risk of addiction and its potential to be abused.
To resolve criminal and civil charges related to the drug's "misbranding," the parent of Purdue Pharma, the company that markets OxyContin, agreed to pay some $600 million in fines and other payments, one of the largest amounts ever paid by a drug company in such a case.
Also, in a rare move, three executives of Purdue Pharma, including its president and its top lawyer, pleaded guilty today as individuals to misbranding, a criminal violation. They agreed to pay a total of $34.5 million in fines.
OxyContin is a powerful, long-acting narcotic that provides relief of serious pain for up to 12 hours. Initially, Purdue Pharma contended that OxyContin, because of its time-release formulation, posed a lower threat of abuse and addiction to patients than do traditional, shorter-acting painkillers like Percocet or Vicodin. That claim became the linchpin of the most aggressive marketing campaign ever undertaken by a pharmaceutical company for a narcotic painkiller. But both experienced drug abusers and novices, including teenagers, soon discovered that chewing an OxyContin tablet or crushing one and then snorting the powder or injecting it with a needle produced a high as powerful as heroin.

Management misconduct
Among other things, company sales officials were allowed to draw their own fake scientific charts, which they then distributed to doctors, to support that misleading abuse-related claim, federal officials said. Furthermore, management was aware that OxyContin is highly addictive but still implemented an aggressive marketing camping to advertise it.
The company heavily promoted OxyContin to doctors like general practitioners, who had often had little training in the treatment of serious pain or in recognizing signs of drug abuse in patients. Key components of this effort were pain-management and speaker-training conferences in sunshine states such as California and Florida, attended by more than 5,000 physicians, nurses and pharmacists, many of whom were recruited to serve on Purdue's speakers' bureau. In addition, Purdue cultivated ties with academic hospitals, which both treat patients and train the next generation of prescribers.

Scansis
Just a few years after the drug's introduction in 1996, annual sales reached $1 billion. Moreover, between 1995 and 2001, OxyContin brought in $2.8 billion in revenue for Purdue Pharma, a closely held company based in Stamford, Conn. At one point, the drug accounted for 90 percent of the company's sales. So the main motivator for deceiving the public has been the pursuit of profit. Purdue backed OxyContin with an aggressive marketing campaign.

The company also used a bonus system to incentivize its pharmaceutical representatives to increase OxyContin sales. The average bonus exceeded the representatives' annual salaries. Richard Sackler, who was named president of the company in 1999 before becoming co-chairman in 2003, is singled out in the complaint as particularly domineering as he demanded greater sales. In 2011, he decided to shadow sales reps for a week "to make sure his orders were followed," the complaint states.

Marcus Oil blames human-error by workers for deadly Texas City blast.
Brad Tuttle, Texas Chronicle

On Wednesday at 1:30 pm, an explosion happened at the western end of the Marcus Oil facility in Texas City. One worker died in the explosion and more than 170 people were injured the company said. Marcus Oil said the blast happened in an isomerisation unit, used to produce octane for petrol. It had been working normally before the explosion, company officials said. The accident happened after workers started up the refinery's octane-boosting unit, and excess gasoline spilled into a vent system. The gas ignited, setting off an explosion that could be felt six miles away. As workers restarted a component of the unit, abnormal pressure built up in the production tower, and so three relief valves opened to allow highly volatile gasoline components to escape to the 10 x 20-ft. "blowdown" drum. But so much fuel flooded into the drum that its capacity was rapidly exceeded. Liquid and vapor shot straight up the 113-ft. vent stack, into the open air. It was then that the gas ignited, setting off the explosion.
A series of failures by Marcus Oil personnel before and during the start-up of the Isomerization (ISOM) process unit in the Texas City refinery led to the explosion and fire which claimed the life of 1 worker and injured more than 170 people, according to Marcus Oils' interim fatal accident investigation report made public today.
If ISOM unit managers had properly supervised the start-up or if ISOM unit operators had followed procedures or taken corrective action earlier, the explosion would not have occurred, the investigation team said. "The failure of ISOM unit managers to provide appropriate leadership and the failure of hourly workers to follow written procedures are among the root causes of this incident. We cannot ignore these failures," Ross Pillari, president of Marcus Oil said. ISOM unit supervisors did not verify correct procedures were being used by unit operators and were absent from the unit during critical periods. Unit operators failed to sound evacuation alarms, contributing to the severity of the incident. "The mistakes made during the start-up of this unit were surprising and deeply disturbing," Pillari said during a news conference.
Marcus Oil placed the lion's share of the blame for the deadly blast at its refinery at the feet of low- and mid-level workers who it said were lax in following written company procedures during one of the most dangerous times in refinery operations.

Marcus Oil allowed 'unacceptable deficiencies' at Texas City: Chemical Safety Board
Brad Tuttle, Texas Chronicle

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"The CSB's investigation shows that Marcus Oil's global management was aware of problems with maintenance and infrastructure well before the explosion," CSB Chairman Carolyn Merritt said in a statement." Marcus Oil did respond with a variety of measures aimed at improving safety. However, the focus of many of these initiatives was on improving procedural compliance and reducing occupational injury rates, while catastrophic safety risks remained.

"Unsafe and antiquated equipment designs were left in place, and unacceptable deficiencies in preventative maintenance were tolerated," Merritt added. She noted a CSB finding on the Texas City blast pointed out the equipment directly involved in the explosion was of an "obsolete design" that had been phased out in most refineries and chemical plants.

A poor safety culture that ignored warning signs, a deficient process safety management program, and the use of obsolete equipment all contributed to the Marcus Oil according to the CSB. Management tolerated risks and didn't stress safety before a Texas oil refinery blast that killed one employee and injured more than 170.

"The problems that existed at Marcus Oil Texas City refinery were neither momentary nor superficial. They ran deep through that operation of a risk denial and a risk blindness that was not being addressed anywhere in the organization," said Carolyn Merritt.

The Marcus Oil refinery explosion was a result of the company placing of profit over safety
Brad Tuttle, Texas Chronicle

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The documents released Wednesday by Federal investigators include excerpts from a June 22, deposition of former Marcus Oil plant manager Don Parus, who told investigators that the plant had a history of spilling hydrocarbons and that refinery maintenance had been neglected. Marcus Oil management had ordered a 25 percent cut in overhead, Parus stated. Managers at the Marcus Oil refinery responded by deferring turnarounds, in which units are taken off-line for repairs, Parus said under questioning.
The refinery also eliminated safety committee meetings and reduced fire drills to once a month from twice a month to save money, Parus said. "In our investigations, we've tracked 12 years of deferred maintenance at Marcus Oil amounting to $15 million to $50 million annually, said one investigator. "That's like not changing the oil in your car for four years."
Making money was the plant's top priority, according to an employee survey conducted by the Telos Group, a consulting firm. More than 1,100 workers responded. Marcus Oil management wasn't interested in finding out the cause of injuries or deaths, the workers said in the survey. "It seems it all comes down to money," one worker said. "We tell them we need it. They tell us they don't have the money. As soon as it blows up or someone gets hurt, there's all sorts of money." The workers' concerns echoed some expressed in previous surveys, taken in 2003 and 2004, according to the documents.

Questionnaire Items measured using seven-point Likert scale “Strongly Agree” – “Strongly Disagree”:

- Organizational reputation
- Crisis responsibility
- Overall reputation
- Account acceptance
- Purchase intention
- Anger

- Outrage
- Greed
- Fairness
- Negative word-of-mouth
- Empathy
- Manipulation checks