

A BURDEN OF RESPONSIBILITY: THE ROLE OF SOCIAL APPROVAL AT THE ONSET OF A CRISIS

JONATHAN BUNDY
The Pennsylvania State University

MICHAEL D. PFARRER
University of Georgia

We extend research on social evaluations and crisis management by explicating the sociocognitive mechanisms that influence how an organization and its external evaluators perceive and respond to the onset of a crisis. Specifically, we highlight the role of social approval—evaluators' general affinity toward an organization—not only as a critical outcome of crisis management but also as an important antecedent. We first identify the distinct aspects of social approval and explain why it is an important perception in a crisis context. We then detail how managers attempt to limit the probability and magnitude of social approval loss when responding to a crisis, and how an organization's existing endowment of social approval affects this decision. We theorize that social approval will serve as either a buffer or a burden in influencing evaluators' crisis sense-making and attributions. As a result, we argue, organizations endowed with higher and lower levels of social approval may be motivated to take less responsibility at the onset of a crisis than has been previously theorized. We conclude with a discussion of the broader managerial and social implications of our theory and how it expands our understanding of the crisis management process.

Management scholars have become increasingly interested in understanding the sociocognitive processes associated with how external evaluators perceive and make sense of an organization's behavior (e.g., Bitektine, 2011; Devers, Dewett, Mishina, & Belsito, 2009; Lange & Washburn, 2012; Mishina, Block, & Mannor, 2012). Much of the research in this area has focused on the more deliberate and analytical sociocognitive processes that often serve as the foundation for a number of social evaluations, including organizational reputation and legitimacy (e.g., Deephouse & Suchman, 2008; Jensen, Kim, & Kim, 2012; Pfarrer, Pollock, & Rindova, 2010). However, researchers have also begun to explore evaluators' more intuitive and affective sociocognitive processes that serve as the foundation for an organization's "social approval," which we define as evaluators' general affinity toward an organization (Zavyalova, Pfarrer, Reger,

& Shapiro, 2012: 1079). Hence, management research is beginning to show that the degree to which evaluators like or how they feel about an organization can be leveraged to build and maintain relationships, engender higher performance, and enhance an organization's chances of survival (e.g., Vergne, 2012; Zavyalova et al., 2012).

Despite these recent efforts, scholars have yet to fully explore the underlying sociocognitive processes associated with social approval and how social approval influences organizational outcomes. Additionally, scholars have yet to fully understand the role of social approval when an organization is associated with *negative* behaviors, such as when experiencing a crisis—an unexpected, publicly known, and harmful event that has high levels of initial uncertainty, interferes with the normal operations of an organization, and generates widespread, intuitive, and negative perceptions among evaluators (cf. Coombs, 2007b; Fink, 1986; Roberts, Madsen, & Desai, 2007). Recent examples of organizational crises include BP's Deepwater Horizon explosion and oil spill, Apple's labor and human rights issues in China, and Target's consumer data breach. Given the intuitive and affective nature of social approval, it seems particularly important to examine its role at the onset of a crisis, where similarly heuristic and

We thank former associate editor Cindy Devers and the three anonymous reviewers for their exceptional guidance during the review process. We also thank Katy DeCelles, Ashley Gangloff, Amy Guerber, Patrick Haack, Jason Kiley, Alan Muller, Christine Shropshire, and Anastasiya Zavyalova for their helpful comments on previous versions of the manuscript. Finally, we thank participants at the 2012 Academy of Management annual meeting, especially those who participated in the Pecha Kucha organized by David Deephouse.

affective information processing dominates (cf. Billings, Milburn, & Schaalman, 1980; van der Meer & Verhoeven, 2014; Weick, 1988).

In this article we seek to advance research on social evaluations and crisis management by explicating the role of social approval in the sociocognitive processes that shape managers' and evaluators' perceptions of and responses to the onset of a crisis. Recent commentary suggests that scholars often rely too heavily on anecdotal, case-based evidence instead of theory-based arguments to systematically identify and model the key sociocognitive properties of crisis management (Coombs, 2007a). Additionally, scholars have largely ignored the role of an organization's endowment of social approval in the crisis sensemaking process. Given that evaluators rely on their prior social evaluations as a "cognitive shorthand" to "gauge the probable outcomes of interacting with [an organization]" (Mishina et al., 2012: 460), endowed social approval likely plays an important role in how evaluators initially interpret and react to a crisis. We therefore draw from research on social judgment formation, perception management, and decision making to examine not only how an organization's social approval acts as a key *outcome* of crisis management but also how it acts as an important *antecedent*. In so doing, we contribute to multidisciplinary organizational research in four primary ways.

First, we define social approval and identify its sociocognitive properties. We highlight the intuitive and affective basis of social approval, as well as several additional characteristics, including its ability to be collectively understood and its individuating nature. We also compare social approval with two related evaluations: organizational legitimacy and reputation. Finally, we position social approval as a key evaluation at the onset of an organizational crisis, matching its distinct properties to those that similarly define a crisis.

Second, in focusing on social approval as an outcome, we apply a sociocognitive framework to understand the onset of a crisis in terms of the expected probability and magnitude of social approval loss. We argue that evaluators will use two primary sources of information to make sense of a crisis and formulate their attributions: (1) the perceived degree of an organization's responsibility based on the characteristics of the crisis, which we term *situational attributions*, and

(2) an organization's *response strategy*, which is the set of coordinated communication and actions used to influence evaluators' crisis perceptions (Barton, 2001; Coombs, 2007b). The degree to which these two sources of information are *matched* will facilitate evaluators' initial crisis sensemaking and attributions. For example, for a crisis that triggers greater perceptions of responsibility (e.g., financial fraud or environmental malfeasance), a response strategy that accepts more responsibility will match evaluators' situational attributions and will simplify sensemaking. We theorize that a matched strategy will result in a more *normalized* loss of social approval such that the expected mean and variance of social approval loss will be reduced. In contrast, a mismatched strategy will complicate evaluators' sensemaking and attribution efforts, which can increase the mean and variance of social approval loss.

Third, because prior social evaluations of an organization influence "what observers expect and notice, as well as how actions and statements will be interpreted" (Mishina et al., 2012: 462), we theorize that an organization's endowment of social approval is an important yet often overlooked antecedent for evaluators as they make sense of a crisis at its onset. We extend organizational research exploring the "double edge" of social evaluations (cf. Ashforth & Gibbs, 1990: 177; Brooks, Highhouse, Russell, & Mohr, 2003; Rhee & Haunschild, 2006) by arguing that an organization's endowment of social approval can serve as either a buffer or a burden in influencing evaluators' perceptions of a crisis. We explain the sociocognitive mechanisms behind this double edge and show how an organization's response strategy is an important factor in determining whether endowed social approval will act as a buffer or a burden. We ultimately argue that higher and lower levels of social approval are likely to be a burden when an organization accepts more crisis responsibility, whereas they are likely to be a buffer when an organization accepts less responsibility.

Fourth, we theorize that an organization's endowment of social approval will also influence its choice of response strategy. We utilize arguments from managerial decision making and risk taking (e.g., March & Shapira, 1987) to suggest that—because of the *burden of responsibility* associated with social approval—organizations endowed with higher and lower levels of social

approval may be motivated to take less responsibility for a crisis. In doing so we contribute to organizational research by specifying a motivation that goes beyond the typical legal and financial reasons an organization may choose one response strategy over another.

SOCIAL APPROVAL AND ORGANIZATIONAL CRISES

There are several sociocognitive properties that make social approval distinctly suited for examination at the onset of a crisis. These properties include (1) social approval's more *intuitive* and *affective* cognitive basis and (2) its *collective* and *individuating* nature. Throughout this section we highlight how social approval compares with two related evaluations, organizational legitimacy and reputation. Table 1 summarizes all three evaluations along the dimensions detailed below.

Social Approval As the Result of a More Intuitive and Affective Process

Research in social psychology has shown that evaluators engage in two types of cognitive processing to make sense of the social world (Chaiken & Trope, 1999; Kahneman, 2011; Kahneman & Frederick, 2002; Stanovich & West, 2000). The first, *deliberate processing*, is slow and effortful, involving more analytical reasoning and a controlled application of decision rules to reach optimal conclusions (Bazerman, 2006; Kahneman & Frederick, 2002). The second, *intuitive processing*, is fast and effortless, involving more heuristic and affective reasoning and a loose application of decision rules to reach satisfactory conclusions. Both

processes have been shown to influence a variety of social judgments, ranging from statistical reasoning to medical diagnoses to military strategy (Kahneman, 2011).

Drawing on this "dual-process" perspective (Kahneman & Frederick, 2002: 51), researchers investigating how evaluators perceive and understand an organization have often emphasized the specific outcomes of more deliberate socio-cognitive processes. For example, in research on organizational legitimacy, scholars have often focused on the result of evaluators' more analytical assessments of an organization's conformity to a set of social norms and values (Bitektine, 2011; Deephouse & Suchman, 2008; Tost, 2011). Thus, legitimacy is frequently characterized as a more deliberate judgment as to "whether the organization, its form, its processes, its outcomes, or its other features are socially acceptable" (Bitektine, 2011: 157). Similarly, researchers typically have characterized organizational reputation as the outcome of a more deliberate process based on an organization's ability to deliver value according to evaluators' idiosyncratic expectations (Jensen et al., 2012; Rindova, Petkova, & Kotha, 2007). Thus, reputation is often described as a more "analytical interpretive frame" used by evaluators to understand an organization's ability to deliver value (Pfarrer et al., 2010: 1134).

In addition to these more deliberate and analytical assessments, some scholars have begun to investigate evaluators' more intuitive and affective perceptions of an organization (e.g., Deephouse, 2000; Highhouse, Broadfoot, Yugo, & Devendorf, 2009; Love & Kraatz, 2009; Raithel & Schwaiger, in press). For example, Lange, Lee,

TABLE 1
A Comparison of Social Evaluations

Sociocognitive Property	Social Approval	Legitimacy	Reputation
Definition	Perception of general affinity toward an organization	Assessment of an organization's appropriateness	Assessment of an organization's ability to deliver value
Cognitive reference point	No explicit reference	Social norms and values	Expectations based on idiosyncratic relationship
Emphasized cognitive basis	Intuitive and affective	Deliberate and analytical	Deliberate and analytical
Collective understanding?	Yes	Yes	No
Individuating?	Yes	No	Yes
(Range)	(Continuous)	(Categorical)	(Continuous)

and Dai recognize a "generalized favorability" dimension of reputation, described as "an overall, generalized assessment of the organization... as more or less good and attractive" (2011: 159). Similarly, the concept of cognitive legitimacy describes an organization's intuitive taken-for-grantedness as an appropriate entity (cf. Scott, 1995; Suchman, 1995), and research has begun to explore how more affective perceptions influence legitimacy judgments (e.g., Haack, Pfarrer, & Scherer, 2014).

Despite these developments, however, the intuitive versus analytical nature of social evaluations remains in debate, as does the role of affect among related constructs (cf. Bitektine, 2011; Deephouse & Suchman, 2008; Fombrun, 2012; Jensen et al., 2012). For example, Bitektine (2011) suggests that the intuitive taken-for-grantedness inherent in cognitive legitimacy is still the end result of a more deliberate categorization process grounded in widely held beliefs and norms. Similarly, Jensen et al. argue that conceptualizing reputation as an intuitive and affective construct has resulted in "definitions that are vague and indistinguishable from other related theoretical constructs" (2012: 143). Furthermore, research has recognized that assessments of reputation and legitimacy—either as more deliberate or more intuitive judgments—do not necessarily involve perceptions of affinity (Haack et al., 2014; Pfarrer et al., 2010). That is, an organization can be judged as legitimate and reputable without evaluators necessarily attaching affective value to the judgments. Given this debate, Lange et al. (2011: 154) argue that we are still in a "formative phase" of research on the subject, characterized by uncertainty surrounding definitions, dimensionality, processes, and interrelationships.

In response to the "confusions and conflation" (Deephouse & Suchman, 2008: 62) associated with a conceptual thicket of related labels and definitions, researchers have begun using the term *social approval* as an overarching construct to describe the more intuitive and affective perceptions inherent in the social evaluations of an organization (cf. Vergne, 2012; Zavyalova et al., 2012). As Jensen et al. (2012: 144) argue, distinguishing such an overarching construct to represent the "diffuse general impressions or sentiments among diverse audiences" is needed for conceptual clarity. Research in social psychology also provides support for the use of overarching constructs to attenuate the potential

confusion related to more intuitive and affective perceptions. For example, the dual-process perception of cognition recognizes that affective reactions are often separated from recallable content knowledge. In other words, "one may feel strongly about...[something] without remembering all the reasons why" (Fiske & Taylor, 1991: 452). Consistent with this logic, we argue that it is difficult for scholars and evaluators to distinguish between the more affective and intuitive perceptions that may be inherent in different social evaluations.¹ Instead, intuitive perceptions of an organization's affinity are often indiscriminate and overlapping.

We therefore posit that the more affective and intuitive perceptions inherent in social evaluations can be holistically summarized as social approval. As such, social approval reflects evaluators' general affinity toward an organization, including perceptions of its inherent goodness or badness, attractiveness, or likability. Unlike more deliberate and analytical assessments, social approval perceptions operate "automatically and quickly, with little or no effort and no sense of voluntary control" (Kahneman, 2011: 20). As the result of a "feeling state" (Slovic, Finucane, Peters, & MacGregor, 2002: 397), the evaluative question underlying social approval does not necessarily make an explicit reference to a social norm (as with legitimacy) or specific value expectation (as with reputation); it is simply, "Do I like this organization?" In this way social approval is a nonspecific perception of affinity, whereas more intuitive forms of legitimacy and reputation have a cognitive reference grounded in norms or expectations.² Additionally, while we recognize that more analytical and more intuitive forms of information processing are not mutually exclusive, we also recognize that certain evaluations tend to emphasize one form of processing

¹ Evidence of this difficulty is shown in the academic literature through the use of similar concepts and measures to capture reputation (e.g., Deephouse, 2000), legitimacy (e.g., Lamin & Zaheer, 2012), and social approval (e.g., Zavyalova et al., 2012).

² Because of their inherent overlap, an organization's social approval likely increases as it gains legitimacy and reputation, and vice versa. While the nuances of this relationship are beyond the scope of this article and remain underdeveloped (cf. Deephouse & Suchman, 2008; Lange et al., 2011), the key difference in the context of our theorizing is the emphasized cognitive basis and reference point for each assessment.

over the other (cf. Pfarrer et al., 2010; Slovic, Finucane, Peters, & MacGregor, 2004). Thus, as Table 1 depicts, we use "social approval" to capture evaluators' more nonspecific, intuitive, and affective perceptions toward an organization, while we use "reputation" and "legitimacy" to reference more deliberate and analytical evaluations, consistent with their dominant characterizations in the literature.

An organization accrues social approval by regularly engaging in positively perceived behavior (Vergne, 2012; Zavyalova et al., 2012). Higher levels of social approval are reflected in external accounts of praise, such as positive media coverage, institutional endorsements, and placement on popular social lists or rankings (Vergne, 2012). In contrast, lower levels of social approval are reflected in external accounts that "challenge, criticize, or condemn [an organization's] activities, behaviors, or values" (Vergne, 2012: 1027), such as negative media coverage, institutional scrutiny, and placement on unpopular social lists or rankings. An organization's level of social approval is also important for building and maintaining relationships with evaluators. For example, individuals have a natural tendency to direct their behaviors toward positive stimuli and away from negative stimuli (Elliot, 2006; Haidt & Bjorklund, 2008; Lange et al., 2011). As such, evaluators will be more inclined to interact with an organization they perceive more positively and less inclined to interact with an organization they perceive more negatively. Thus, an organization with higher social approval may benefit from better performance and more diverse and longer-lasting relationships. In contrast, while an organization with lower approval may find ways to remain profitable, it also may have difficulty creating and maintaining relationships and may be hampered with excessive regulation and scrutiny, which may threaten its long-term viability and performance.

Social Approval As a Collective and Individuating Perception

Scholars have asserted that individuals and organizations are "immersed in cultural systems from which standards for judging favorability are socially constructed" (Lange et al., 2011: 159-160). For example, moral intuition researchers have argued that an individual's innate sense of right and wrong is the product of a group socialization

process (Haidt, 2001), and social psychologists have long recognized that individuals validate their thoughts and opinions via social comparison (Festinger, 1954). In the same way, evaluators' perceptions of social approval are shaped by a collective and intuitive social construction process (Devers et al., 2009; Highhouse et al., 2009). Because of this, social approval perceptions tend to "transcend stakeholder group boundaries" (Rindova & Martins, 2012: 22), whether evaluators are directly engaged with an organization or are more diffuse observers, such as the general public or media. Thus, social approval can be understood as a *collective* perception within a social system.

However, it is important to recognize that evaluators' collective understanding of an organization's social approval does not require complete agreement among *all* evaluators. Instead, we argue that an organization collectively gains higher or lower levels of social approval when evaluators reach "concurrence" (Pfarrer, DeCelles, Smith, & Taylor, 2008: 733), which reflects evaluators' generally shared perceptions or their dominant opinion of an organization (Devers et al., 2009; Highhouse et al., 2009; Pfarrer, DeCelles, Smith, & Taylor, 2008). Thus, while an organization with higher or lower levels of social approval may have defectors, the concurring perception among most evaluators will be consistent. For example, research has shown that evaluators generally view Disney and Amazon positively and Goldman Sachs and Halliburton negatively (RepTrak, 2013), despite the fact that not all individual evaluators would agree.

In contrast, when evaluators fail to reach concurrence in their affinity toward an organization, its social approval fails to collectivize in a useful manner. For example, evaluators' perceptions of Walmart and McDonald's are quite varied, both within and across evaluators and evaluator groups (RepTrak, 2013). Because of this lack of concurrence, we argue that such organizations have *mixed* levels of social approval. Given these conflicting perceptions of positive and negative affinity, a mixed level of social approval is ill-defined and therefore less useful at a collective level (cf. Bitektine, 2011). Thus, an organization's social approval is most salient at higher and lower levels, where evaluators have reached concurrence about the organization's goodness or badness and the perception is widely shared. As Table 1 shows, concurrence also makes social approval an *individuating*

evaluation—meaning that higher and lower levels of social approval can set the organization apart such that it is perceived as a distinct entity (Devers et al., 2009).

Additionally, we limit our arguments to those organizations that maintain a minimum level of approval among evaluators. For example, a cigarette manufacturer's negative media coverage, consistent regulatory challenges, and encounters with advocacy groups suggest lower levels of social approval. However, while facing collective perceptions of lower approval, the manufacturer still maintains standing as a credible and legally bound organization; it is "approved" to exist and maintain operations, even if such approval is tenuous. In contrast, organizations that fail to maintain a minimum level of collective social acceptance become "disapproved." Such organizations are often made explicitly illegal, are disparaged by a concurrence of evaluators, and generally struggle to exist. Thus, we use the terms *higher approval* and *lower approval* to describe a social approval continuum—with higher approval representing increasingly positive perceptions and lower approval representing increasingly negative perceptions. We use the term *disapproved* to describe a point on the negative side of the continuum, beyond which an organization is no longer approved to exist by a concurrence of evaluators. Finally, we use the terms *mixed approval* and *average approval* to describe the middle of the continuum. As with mixed approval, we argue that average approval is ill-defined as a collective and individuating construct. Average approval captures those organizations that have neither positive nor negative affinity, resulting in neutral perceptions. Examples include Safeway and Dollar General (RepTrak, 2013).³

³ As evaluators' affinity toward an organization decreases, their negative perceptions may also increase. This suggests that higher (positive) and lower (negative) approval may exist on two separate continua (cf. Brooks et al., 2003; Vergne, 2012). However, the possibility of two continua is less important for our theorizing, given our focus on higher and lower levels of social approval. For example, higher-approval organizations can be defined either by the positive end of one continuum or by the presence of high positive approval on one continuum and low negative approval on another continuum. An organization simultaneously facing high positive approval and high negative approval would have mixed approval and be ill-defined as a collective perception.

Scholars have also considered the collective and individuating nature of organizational legitimacy and reputation. As with social approval, legitimacy is often understood as a collective perception (Deephouse & Suchman, 2008). However, unlike social approval, legitimacy generally is not considered individuating. For example, Devers et al. argue that "rather than conveying the unique aspects of organizations, it [legitimacy] categorizes organizations into those either having legitimacy (legitimate) or not having legitimacy (nonlegitimate)" (2009: 156). Once legitimacy has been conferred on an organization, evaluators consider it socially acceptable, but the judgment does not convey unique or evaluative attributes. Because of this, legitimacy is often considered a categorical construct (Deephouse & Suchman, 2008; Devers et al., 2009).

In contrast, organizational reputation is often viewed as an individuating assessment conveying distinct aspects of an organization that can be used to compare that organization against others (Devers et al., 2009). As such, reputation is often considered a continuous construct and fundamentally differentiating (Deephouse & Suchman, 2008). However, unlike social approval and legitimacy, an organization's reputation is generated from how well it meets different evaluators' specific and idiosyncratic expectations (Devers et al., 2009; Fombrun, 2012; Lange et al., 2011; Rindova et al., 2007). Different evaluator groups have different perceptions of an organization's ability to provide value, including via financial performance, innovation, or social responsibility. Thus, many current conceptualizations of reputation do not depict it as a collective construct (cf. Fombrun, 2012; Jensen et al., 2012).

The Role of Social Approval in a Crisis

An organizational crisis is an unexpected, publicly known, and harmful event that has high levels of initial uncertainty, interferes with the normal operations of an organization, and generates widespread, intuitive, and negative perceptions among evaluators. We focus on how an organization manages evaluators' perceptions of a crisis, as opposed to how it minimizes harm and controls physical damage. We are also particularly interested in evaluators' perceptions and reactions at the onset of a crisis. This stage includes the public disclosure of the crisis, evaluators' initial attempts to make sense of the

crisis and attribute responsibility, and the organization's initial response (Fink, 1986; Mitroff, 1994; Turner, 1976; Veil, 2011).

There are three characteristics of the onset of a crisis that make the role of social approval important to our theorizing. First, the onset of a crisis is characterized by high levels of *uncertainty* both within the organization and with external evaluators. Crises often have multiple explanations, ambiguity regarding responsibility and potential damages, and several feasible solutions (Billings et al., 1980; Pearson & Clair, 1998; Scherer, Palazzo, & Seidl, 2013). Under conditions of high uncertainty, most evaluators—whether directly engaged with the organization or more diffuse—will rely on more heuristic and intuitive processes as they attempt to quickly make sense of the situation (Kahneman, 2011; Kahneman & Frederick, 2002; Sinaceur, Heath, & Cole, 2005). These processes are also necessarily more affective, with evaluators reacting emotionally to the perceived negative consequences of a crisis (Coombs, 2007b; Sinaceur et al., 2005; van der Meer & Verhoeven, 2014). Similarly, managers also rely on more heuristic decision making in their responses to uncertainty, often making rapid and emotional decisions in the heat of the moment (Sayegh, Anthony, & Perrewe, 2004; Weick, 1988). Given evaluators' and managers' greater reliance on intuition and affect to make sense of uncertainty, it is more likely their attention will be directed toward social approval at the onset of a crisis—itsself the result of a more intuitive and affective process.

Second, a crisis has a *widespread impact* on a range of evaluators, from direct stakeholders—for example, investors and customers—to more indirect evaluators—for example, the media and the general public (Pfarrer, DeCelles, Smith, & Taylor, 2008; Yu, Sengul, & Lester, 2008). In this way a crisis is a collectively perceived event. Similar to evaluators' concurrence about an organization's social approval, our definition of a crisis requires that evaluators within and across groups concur in their perceptions of a crisis as a negative event, even if some evaluators may diverge from the dominant opinion.

Third, a crisis can be understood as an *individuating* event because it compels evaluators to make attributions of responsibility. Attribution theorists argue that individuals have an "innate need to understand and control their environments" and act as "naïve psychologists" to

develop "causal explanations for significant events" (Martinko, 1995: 8; see also Heider, 1958). In turn, these causal explanations influence individuals' perceptions and behaviors (Martinko, 1995; Weiner, 1986). Researchers have applied the basic tenets of attribution theory to crisis management, arguing that determining crisis responsibility assigns individuality to the event (cf. Coombs, 1995; Coombs & Holladay, 2002). As such, evaluators quickly begin to associate a crisis with an individual organization, such as Exxon's oil spill or Enron's scandal.

Thus, both the cognitive processes related to social approval assessments and those associated with the onset of a crisis can be characterized as more intuitive, affective, collective, and individuating. We are therefore able to develop theory that pairs our key construct and context along similar cognitive properties and at the same level of analysis. In summary, we argue that an organizational crisis, which generates high uncertainty and negative perceptions among a wide range of evaluators, should be paired with an equally broad construct, such as the "generalized, non-attribute-specific positive attitudes" inherent in an organization's social approval (Rindova & Martins, 2012: 22). We next consider the sociocognitive processes associated with how evaluators formulate their crisis attributions and modify their perceptions of an organization's social approval as an outcome of a crisis.

CRISIS ATTRIBUTIONS AND THE CRISIS-RESPONSE MATCH

A key element in understanding how evaluators make sense of a crisis lies in their attributions of crisis responsibility: as evaluators attribute more crisis responsibility to an organization, the threat to the organization's social approval increases (Coombs, 1995). Two sources of information are critical in influencing these attributions. First, evaluators rely on the characteristics of a crisis—including its perceived intentionality, controllability, and severity—to formulate initial *situational attributions* along a continuum of responsibility (Coombs, 2007b). Situational attributions are the result of a heuristic simplification process in which evaluators intuitively combine past experiences and expectations to reduce the complex nature of a crisis into easier-to-understand cognitive schemas (Coombs

& Holladay, 2004; Mitroff, 1988). For example, evaluators will intuitively attribute more responsibility to an organization for a crisis originating within the organization (e.g., an executive scandal) or resulting from a more controllable situation (e.g., an industrial accident). In contrast, evaluators will intuitively attribute less responsibility to an organization for a crisis originating outside the organization (e.g., a natural disaster) or resulting from a less controllable situation (e.g., product tampering).

Situational attributions can serve as useful *ceteris paribus* heuristics for understanding how evaluators comprehend crisis responsibility, and research confirms that evaluators make such simplified judgments when initially perceiving a crisis (cf. Coombs & Holladay, 2004). However, evaluators' situational attributions are also a negotiated feature of crisis management and, therefore, subject to social influence (cf. Fediuk, Coombs, & Botero, 2012; Gephart, 2007; Roberts et al., 2007). Thus, the second important source of information for evaluators as they make crisis attributions is an organization's *response strategy*. An organization's initial response is influential in anchoring evaluators' first impressions, which "form quickly and color the remainder of . . . [their] reception of the crisis communication efforts" (Coombs, 2011: 139).

Similar to the continuum of situational attributions detailed above, crisis management scholars have described a response strategy continuum in terms of the amount of responsibility an organization takes for a crisis (Coombs, 2007b; Coombs & Holladay, 2004; Elsbach, 2003; Marcus & Goodman, 1991). Response strategies that accept less responsibility—generally labeled *defensive*—attempt to avoid social approval loss by eliminating an organization's perceived association with a crisis (Coombs & Holladay, 2004; Elsbach, 2003; Pfarrer, DeCelles, Smith, & Taylor, 2008). Examples range from outright denial of responsibility to attacking accusers and shifting blame onto other entities (Coombs & Holladay, 2004; Elsbach, 2003). In contrast, strategies that accept more responsibility—generally labeled *accommodative*—attempt to manage social approval loss by acknowledging an organization's causal role in a crisis and reducing evaluators' negative perceptions (Bottom, Gibson, Daniels, & Murnighan, 2002; Coombs & Holladay, 2004). Examples range from outright acceptance of responsibility to apologies and displays of

mortification (Coombs, 2011; Kim & Yang, 2009). Finally, response strategies in the center of the continuum attempt to reframe how evaluators perceive a crisis, while not necessarily accepting or denying responsibility (Coombs & Holladay, 2004). Examples include providing excuses (downplaying an organization's responsibility), justifications (minimizing the negativity of the event), and partial deflections (Elsbach, 2003).⁴

The Crisis-Response Match

Communication and public relations researchers have argued that an effective response strategy should *match* evaluators' situational attributions of a crisis (Coombs, 1995, 2007b; Coombs & Holladay, 2004). A crisis with higher situational attributions of responsibility should be matched with a response strategy that accepts more responsibility, and a crisis with lower situational attributions of responsibility should be matched with a response strategy that accepts less responsibility (Coombs, 1995; Coombs & Holladay, 2004). Empirical research provides support for this logic. For example, Zavyalova et al. (2012) found that a more accommodative strategy led to less negative media coverage than a more defensive strategy after a product recall—a crisis with generally higher situational attributions. Similarly, Coombs and Holladay (2004) found that a matched response that neither accepted nor rejected crisis responsibility led to less social approval loss than a mismatched response that denied responsibility after a technical industrial accident—a crisis with generally moderate situational attributions.

However, despite the breadth of work on evaluators' situational attributions of a crisis and an organization's response strategy, crisis management scholars have yet to fully consider the sociocognitive mechanisms that generate a crisis-response match (or mismatch) and the resulting benefit (or burden) to an organization's social approval.

⁴ In addition to response strategies used to manage evaluators' attributions, we make the assumption that an organization provides instructing information to help evaluators avoid harm that may result from the crisis (cf. Coombs, 2011).

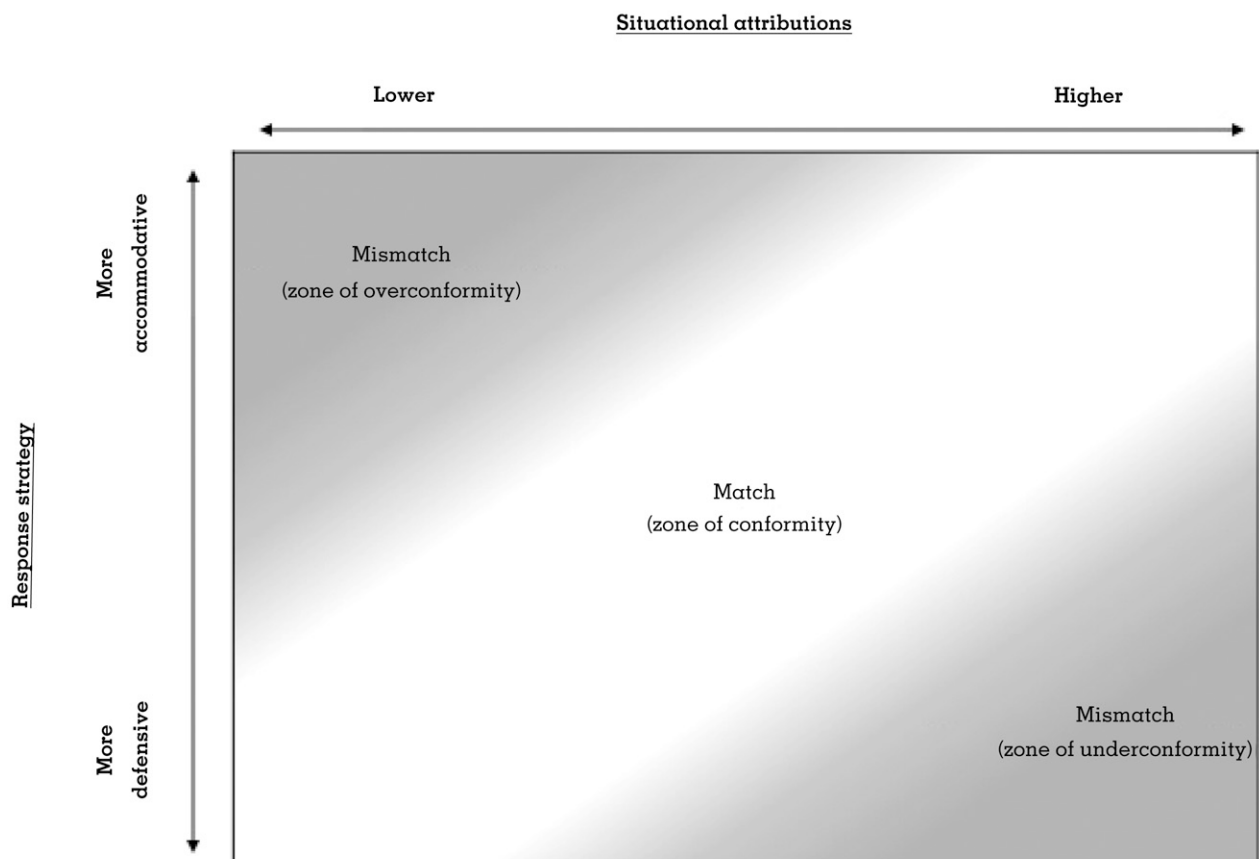
A Sociocognitive Perspective of the Crisis-Response Match

As mentioned above, evaluators' situational attributions are subject to a degree of social influence from an organization's response strategy. However, the extent of this influence varies. For example, an organization will have a difficult time denying complete responsibility for an on-site explosion or a scandal emanating from the executive office. Thus, the degree to which a response strategy is able to influence evaluators' sense-making will be constrained by how well the strategy conforms to the evaluators' intuitive situational attributions of the crisis. Figure 1 depicts the matched and mismatched zones between evaluators' situational attributions of a crisis and an organization's response strategy. Matched strategies conform to evaluators' situational attributions, as shown in the center diagonal area of Figure 1, which we label the "zone of conformity." In contrast, mismatched strategies either

underconform by accepting less responsibility than evaluators expect, based on their situational attributions (shown in the lower right "zone of underconformity" in Figure 1), or overconform by accepting more responsibility than evaluators expect (shown in the upper left "zone of overconformity" in Figure 1).

We argue that the crisis-response match can best be understood in how it influences the probable distribution of social approval loss for a given crisis. All crises are uncertain events that generate initial negative reactions. An organization therefore can expect a negative residual effect on its social approval at the onset of any crisis, regardless of its response and the level of situational attributions. All else being equal, a crisis that generates higher situational attributions of responsibility should result in a greater average magnitude loss to an organization's social approval than a crisis that generates lower attributions of responsibility. However, given the high uncertainty at the onset

FIGURE 1
The Crisis-Response Match



of a crisis, the expected probability distribution surrounding social approval loss for any given crisis is less clear. We argue that a matched response strategy that conforms to evaluators' situational attributions normalizes the probability distribution of social approval loss for a given crisis such that the uncertainty surrounding potential loss is reduced. Stated more formally, "normalize" describes a distribution of expected outcomes that is centered around the mean, thus reducing the variance of social approval loss.

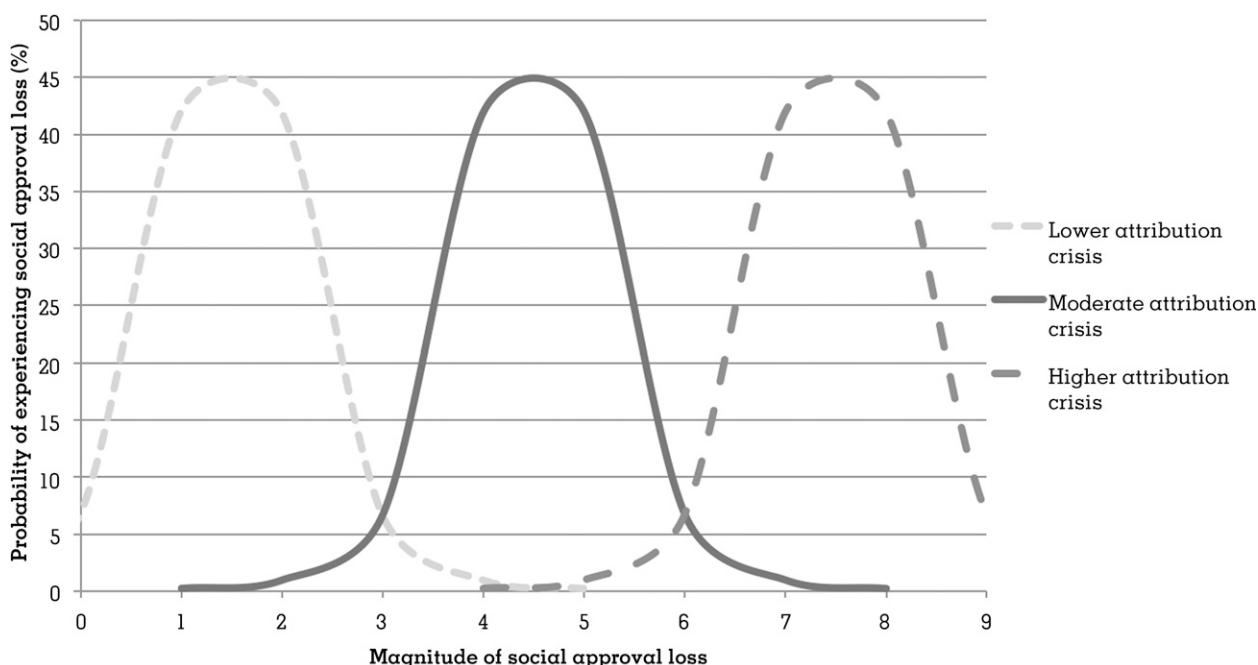
Figure 2 depicts a set of crises with lower, moderate, and higher situational attributions. The x-axis depicts a hypothetical scale representing the potential magnitude of social approval loss. The y-axis represents the hypothetical probability of experiencing a particular magnitude of loss (scaled as percentages, with the total area underneath each distribution equal to 100 percent). Each distribution can be thought of as the aggregate of any N number of organizations responding to a similar yet independent crisis with a matched strategy. The three distributions in Figure 2 show that the average magnitude of expected loss

to social approval increases as situational attributions increase. Figure 2 also highlights the normalized probability distributions resulting from the use of a matched strategy for a given attribution level (as identified in Figure 1). For example, the hypothetical scales suggest that the large majority of organizations responding to a moderate attribution crisis with a matched strategy would experience a midrange magnitude social approval loss.

In contrast to a matched strategy, we argue that a mismatched strategy that either overconforms or underconforms to evaluators' situational attributions not only increases the average magnitude of loss by shifting the peak of the distribution to the right but also broadens the curve such that the variance of potential outcomes increases. Figure 3 depicts the distribution of social approval loss expected for a matched strategy compared to the distribution for a mismatched strategy, assuming a moderate attribution crisis. We explain each distribution in more detail below.

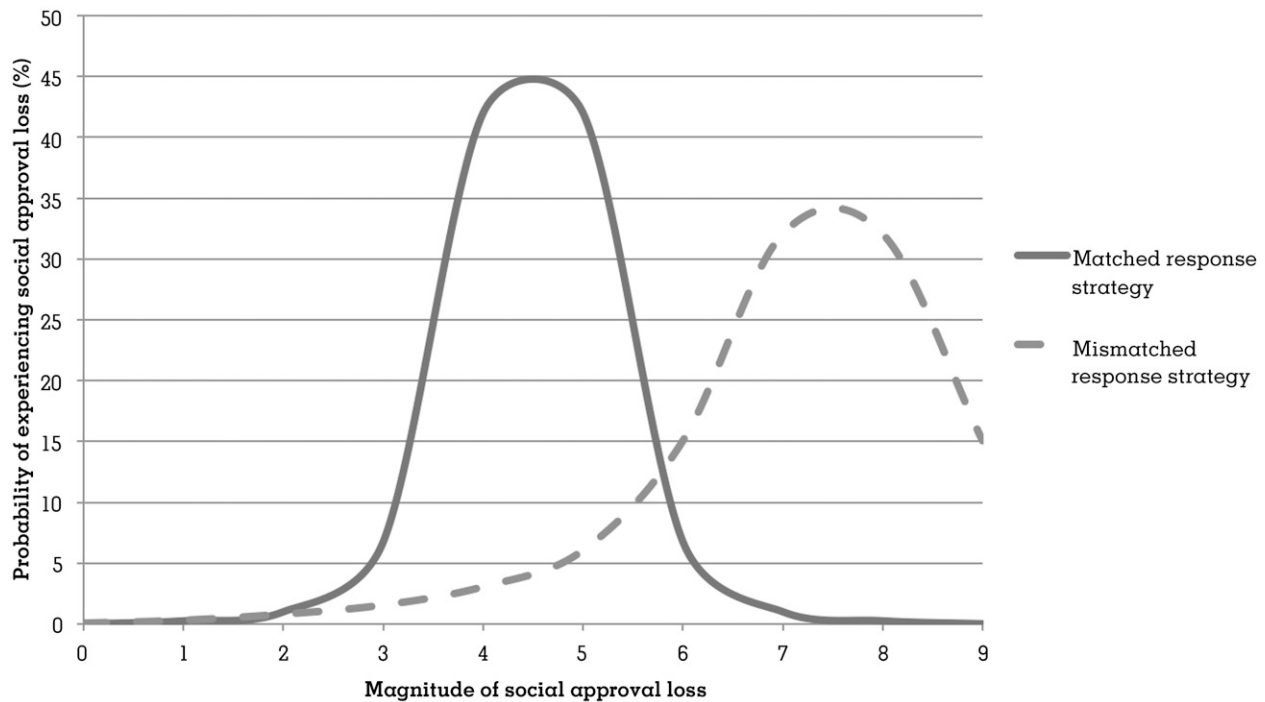
Matched strategy. The solid curves in Figures 2 and 3 depict a normalized distribution of social

FIGURE 2
Expected Probability and Magnitude of Social Approval Loss for a Matched Response Strategy and a Lower, Moderate, and Higher Attribution Crisis^a



^aThe probability and magnitude scales represent hypothetical unit increases.

FIGURE 3
The Trade-off Between a Matched and Mismatched Response Strategy^a



^aThe probability and magnitude scales represent hypothetical unit increases. The matched strategy for the moderate attribution crisis from Figure 2 is used for clarity.

approval loss associated with a matched response strategy from Figure 1. There are two primary sociocognitive explanations for this distribution. First, as mentioned above, a matched strategy provides information to evaluators about an organization's role in a crisis that conforms to their situational attributions. Scholars have long recognized that evaluators display reluctance to revise already formed judgments and attributions (e.g., Bottom et al., 2002; Nickerson, 1998; Traut-Mattausch, Schulz-Hardt, Greitemeyer, & Frey, 2004; Tversky & Kahneman, 1974). This confirmation bias restricts evaluators' attention to confirming information, causing them to ignore or resist disconfirming information (Traut-Mattausch et al., 2004). As such, a matched strategy creates a state of cognitive consonance in which evaluators are likely to agree with an organization's posture. A matched strategy therefore facilitates evaluators' sensemaking and can normalize the loss to social approval for a given level of situational attributions.

Second, there is also a normative component to the crisis-response match along the entire

zone of conformity in Figure 1. For example, an organization's acceptance of responsibility for a crisis with higher situational attributions satisfies social expectations of justice, sincerity, and fairness (Coombs, 2007b; Dean, 2004; Pfarrer, DeCelles, Smith, & Taylor, 2008; Tyler, 1997). Evaluators may interpret an organization's accommodation as a sign of goodwill (Benoit, 1995; Pfarrer, DeCelles, Smith, & Taylor, 2008; Sutton & Callahan, 1987). Evaluators may also grant an organization a pardon, in which case it is essentially rewarded—or penalized less—for coming forward and taking responsibility (Pfarrer, Smith, Bartol, Khanin, & Zhang, 2008; Tyler, 1997). Thus, accepting increasing responsibility as evaluators' situational attributions increase should contribute to a more predictable and normal distribution of social approval loss.

For crises generating moderate situational attributions of responsibility, evaluators' normative expectations may be focused more on "setting matters aright going forward" than on having an organization take responsibility for the crisis (Koehn, 2013: 249). Thus, a response in the

center of the response strategy continuum that neither accepts nor rejects responsibility is likely an effective match. For example, in response to a product recall that resulted when rogue suppliers added lead paint to toys, Mattel took efforts to prevent a similar situation from happening in the future but did not accept outright responsibility for its suppliers' actions (Koehn, 2013). Mattel's response was consistent with evaluators' normative expectations, since few expected the company to have "omniscient" control over unprecedented supplier deviance (Koehn, 2013: 247).

Finally, evaluators typically have lower normative expectations of an organization for crises with lower situational attributions. Thus, a more defensive response strategy where an organization does not accept responsibility is not likely to violate evaluators' normative expectations and, therefore, is the matched response for such crises. For example, while a general expression of sorrow may be appropriate in the wake of a natural disaster or an act of terrorism, evaluators likely do not have expectations for an organization to accept responsibility for the event itself (Koehn, 2013).

Returning to Figure 1, we expect the response strategies in the matched zone of conformity to normalize the distribution of social approval loss because of their conformity to evaluators' initial situational attributions of responsibility and normative expectations. This normalized distribution is depicted in Figure 2 for a range of situational attribution crises. In contrast, we theorize that the mismatched strategies in the zones of underconformity and overconformity from Figure 1 will generate a distribution of social approval loss more reflective of the mismatched (dashed) curve in Figure 3.

Mismatched strategy. Instead of conforming to evaluators' situational attributions, a mismatched strategy challenges evaluators' initial perceptions of a crisis. Such a challenge is a "sensebreaking" event that triggers cognitive dissonance among evaluators (Festinger, 1957; Pratt, 2000: 464) and results in a higher average magnitude of loss distributed over a wider range for a given crisis. As with the matched curve, there are several explanations for this distribution.

First, we argue that cognitive dissonance created by the sensebreaking response is a strong motivator for evaluators to increase information

search (Ashforth, Harrison, & Corley, 2008; Elliot & Devine, 1994). This search can lead to conclusions that are contrary to the organization's mismatched response. In such instances evaluators may deduce that an organization's mismatched response was careless at best, or inaccurate, wrong, or even deceitful at worst (Benoit, 1995; Dean, 2004; Elsbach, 2003; Pfarrer, Smith, Bartol, Khanin, & Zhang, 2008). For example, an organization that is overconforming by being accommodative during a crisis with lower situational attributions risks being perceived as insincere or overreaching, leading evaluators to reduce their perceptions of social approval as they attempt to rectify their dissonance (Ashforth & Gibbs, 1990). Similarly, an organization that is underconforming by being defensive in response to a crisis with higher situational attributions risks being perceived as unethical and manipulative. In such cases a mismatched response may lead to a state of "perpetual discordance," preventing crisis resolution and likely increasing an organization's social approval loss (Pfarrer, DeCelles, Smith, & Taylor, 2008: 737). This increase in expected loss is depicted by the mismatched (dashed) curve in Figure 3, which shows a higher average magnitude loss compared to the matched curve.

Second, evaluators' attribution biases can lead them to resist an underconforming or overconforming mismatched strategy. As mentioned above, the confirmation bias leads evaluators to prefer their initial attributions, either ignoring or challenging inconsistent information. Similarly, the anchoring bias suggests that even if evaluators do make subsequent adjustments, they will be hesitant to stray too far from their initial attributions (Tversky & Kahneman, 1974). Thus, the more a response strategy is mismatched to evaluators' situational attributions, the less likely evaluators are to view it as appropriate. For example, evaluators will likely respond negatively to a defensive response from an executive caught misappropriating organizational funds. As a result, the distribution of social approval loss shifts to the right since evaluators are inclined to reject a nonconforming response.

Finally, we also recognize that the distribution of potential outcomes is wider and more uncertain when using a mismatched strategy. The disconfirming information in an organization's mismatched strategy can hinder evaluators from making definitive attributions regarding the nature

of a crisis and an organization's responsibility. This may cause some evaluators to alter their perceptions of the response or the crisis. For example, evaluators may perceive an organization's overconformity in taking more responsibility for a moderate attribution crisis as an additional sign of goodwill rather than as a sign of disingenuousness. Similarly, some evaluators may resist their biases and begin to doubt their original intuitive attributions. Others will be reluctant to expend the time and effort required to gather more information and, thus, will be pacified by an organization's mismatched posture (Connelly, Certo, Ireland, & Reutzel, 2011; Sanders & Carpenter, 2003). Still others will continue their search but may not find the diagnostic information needed to challenge the mismatched response. For instance, an underconforming defensive response to a crisis with higher situational attributions may sow seeds of doubt among evaluators. Thus, uncertainty from the disconfirming response—and the effect of uncertainty on evaluators' sensemaking and attributions—can increase the expected distribution of social approval loss.

In sum, a mismatched strategy, whether lying in the zones of overconformity or underconformity in Figure 1, is likely to increase the average magnitude of social approval loss for a given crisis. However, because it is difficult to predict how evaluators will collectively perceive an organization's nonconformity, especially amid high uncertainty (cf. Heckert & Heckert, 2002), we argue that the variance of the distribution will also increase. Figure 3 shows that the peak of the mismatched curve is to the right of the matched curve, indicating an increased probability for a higher-magnitude loss. Figure 3 also shows that the mismatched distribution is wider and more uncertain, making it more difficult for managers and evaluators to understand and predict the consequences for an organization's social approval. Combining these arguments with our arguments related to a matched strategy, we propose the following.

Proposition 1: The more an organization's response strategy matches evaluators' situational attributions of crisis responsibility, the lower the mean and variance of social approval loss.

In this section we focused on an organization's social approval as an outcome of a crisis. Below we examine how an organization's endowment of

social approval acts as an important *antecedent* for evaluators' perceptions of a crisis.

THE EFFECT OF AN ORGANIZATION'S ENDOWMENT OF SOCIAL APPROVAL ON EVALUATORS' CRISIS PERCEPTIONS

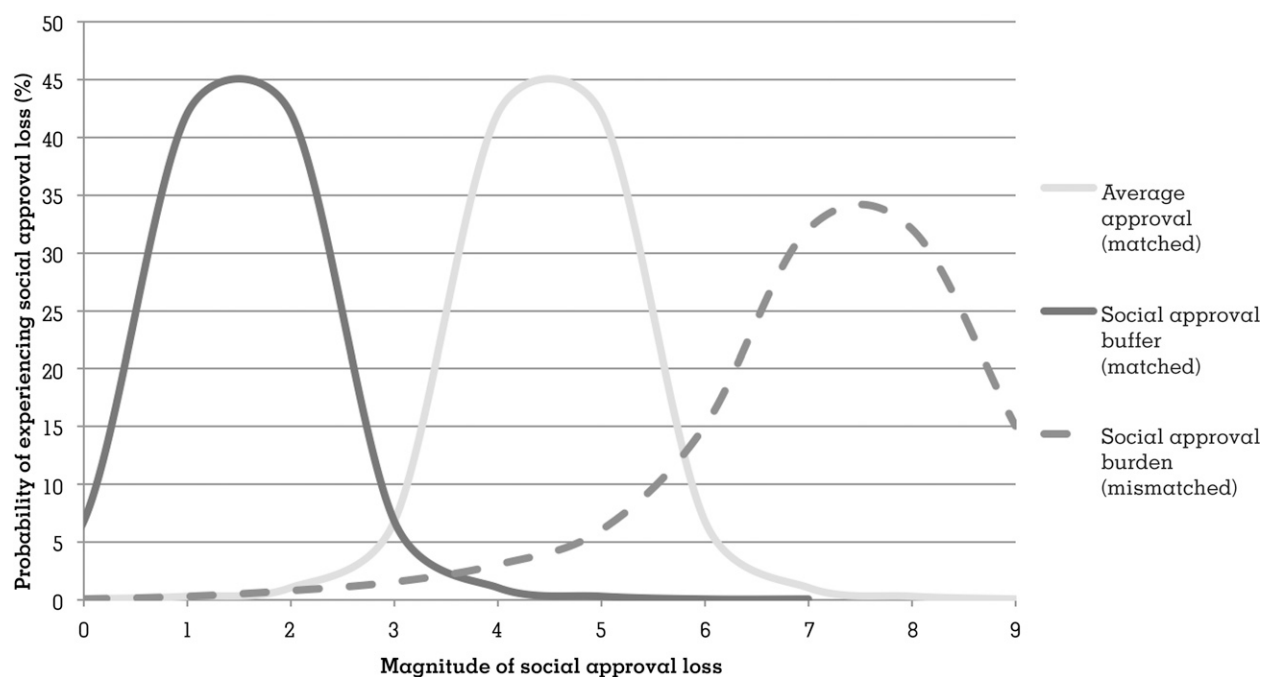
In addition to situational attributions and an organization's response strategy, one important—yet often neglected—source of information for evaluators as they make sense of a crisis is an organization's endowment of social approval. Evaluators rely on social evaluations as a "cognitive shorthand" to help them make sense of an organization's actions (Mishina et al., 2012: 460). Consequently, an organization's endowment of social approval will likely influence the way evaluators perceive and react to a crisis and, thus, the probable social approval loss associated with an organization's response strategy.

In this section we theorize that the probability distributions associated with the matched and mismatched strategies described above are altered as an organization's endowed social approval increases or decreases. These altered distributions are depicted in Figure 4. We argue that endowed levels of social approval can serve as a buffer to decrease the magnitude of social approval loss (depicted as the darkly shaded matched [solid] curve on the far left side of Figure 4) or as a burden to increase the magnitude of social approval loss (depicted as the mismatched [dashed] curve on the far right side of Figure 4), relative to the average-approval organization (depicted as the lightly shaded matched [solid] curve in the center of Figure 4).

Crisis Perceptions of an Organization with Higher Social Approval

Research investigating the influence of endowed social approval following a negative event suggests a conundrum. On the one hand, scholars have argued and found that evaluators give higher-approval organizations the benefit of the doubt when disconfirming information arises (cf. Burgoon, 1993; Coombs & Holladay, 2006; Hollander, 1958; Pfarrer et al., 2010; Schnietz & Epstein, 2005). Because of evaluators' affinity toward a higher-approval organization, they may be hesitant to conclude that such an organization could be as responsible for a negative event as other organizations. Thus, an endowment of

FIGURE 4
The Trade-off Between a Matched and Mismatched Response Strategy for Higher- and Lower-Approval Organizations^a



^aThe probability and magnitude scales represent hypothetical unit increases. The matched strategy for the moderate attribution crisis from Figure 2 is used for clarity.

higher social approval can serve as a buffer against loss as evaluators either ignore or downplay negative information that is incongruent with their prior positive social judgments (Burgoon, 1993). In this way evaluators may be inclined to attribute less responsibility for a crisis to an organization with higher levels of social approval, even if the crisis characteristics might normally signal higher situational attributions. Empirical findings provide support for this buffer. For example, Coombs and Holladay (2001) found a significant negative correlation between evaluators' perceptions of crisis responsibility and an organization's social approval.

On the other hand, a separate stream of research suggests that higher levels of social approval can serve as a burden that exacerbates loss following a negative event (cf. Ashforth & Gibbs, 1990; Brooks et al., 2003; Graffin, Bundy, Porac, Wade, & Quinn, 2013; Merton, 1968; Mishina et al., 2012; Rhee & Haunschild, 2006; Sutton & Galunic, 1996). Evaluators may have heightened standards and expectations for organizations they

view positively (Burgoon, 1993; Pfarrer et al., 2010). When a higher-approval organization is associated with a negative event, it can serve as a stark violation of these standards and expectations, which can lead to dissonance and feelings of betrayal (e.g., Brehm & Brehm, 1981; Decker, 2012; Mishina et al., 2012; Rhee & Haunschild, 2006; Sutton & Galunic, 1996). Evaluators may also begin to suspect that "ulterior motives" were behind a higher-approval organization's prior behavior, causing them to question the organization's values and motivations (Mishina et al., 2012: 466). For example, describing a product recall as a breach of an "implicit promise," Rhee and Haunschild (2006: 103) found that more highly approved companies suffered a greater loss of market share when issuing recalls than did less approved competitors.

Taking these past theoretical arguments and empirical findings together, it remains unclear how higher levels of social approval might affect evaluators' perceptions of and reactions to the onset of a crisis. We theorize that this conundrum is best understood by considering the effects of

an organization's endowment of social approval on evaluators' initial situational attributions of responsibility combined with an organization's response strategy.

The higher-approval buffer. As detailed above, different biases and expectations may incline evaluators to attribute less crisis responsibility to a higher-approval organization, regardless of the situational crisis characteristics. However, evaluators can only attribute less responsibility as long as the higher-approval organization's response strategy matches the evaluators' altered perceptions of the crisis. For example, Figure 4, like Figure 3, illustrates a crisis that has moderate situational attributions for an average-approval organization. As Figure 1 and 2 show, an average-approval organization's matched strategy would be in the center of the response strategy continuum, and the organization would expect a moderate-magnitude social approval loss. Figure 4 depicts this match as the lightly shaded matched (solid) curve. In contrast, a higher-approval organization facing the same crisis would likely be buffered such that evaluators would attribute less responsibility to the organization—perceiving the moderate attribution crisis as a lower attribution crisis. The effect of the buffer makes a more defensive strategy a more suitable match for a higher-approval organization, as depicted in the lower left of Figure 1. Combined with evaluators' reduced attributions, a more defensive strategy should decrease the expected magnitude of social approval loss when compared to an average-approval organization facing the same crisis. This buffering effect of higher social approval is shown on the far left side of Figure 4 by the darkly shaded matched (solid) curve.

By matching its response to evaluators' reduced attributions, a higher-approval organization allows evaluators to rely on their positive prior judgments to downplay divergent crisis information. For example, when referring to Apple's defensive strategy related to its iPhone 4 antenna issues, an industry analyst noted, "Apple has a history of making ridiculous claims and having them accepted by an adoring fan base and worshipful press" (Lyons, 2010: 1). Apple's higher social approval—combined with its more defensive response—likely reduced evaluators' situational attributions of responsibility. What could have been perceived as a crisis with

moderate situational attributions (a technical product error) for an average-approval organization was instead largely perceived as a crisis with lower situational attributions (a rumor) for Apple, a higher-approval organization.

The overall implication of the buffer is that, for a given crisis, a higher-approval organization has the opportunity to accept less crisis responsibility than its average-approval counterpart. In contrast, when a higher-approval organization accepts the same or more crisis responsibility, we expect a burdening effect to prevail.

The higher-approval burden. The heuristics and biases associated with the social approval buffer are likely only effectual when an organization's response strategy matches evaluators' reduced attributions of crisis responsibility. Thus, a response strategy that accepts more crisis responsibility than indicated by evaluators' altered situational attributions is mismatched and creates a sensebreaking situation of non-conformity. In such situations evaluators are likely compelled to question their prior judgments and may be forced to face the conclusion that a higher-approval organization is responsible for a crisis. To rectify their cognitive dissonance, evaluators likely will reduce their approval of the organization. As mentioned above, such dissonance is also likely to trigger feelings of betrayal (Koehler & Gershoff, 2003; Mishina et al., 2012), further exacerbating loss as evaluators intuitively react to a higher-approval organization's failure to meet their heightened standards.

Returning to Figure 4, we argue that a higher-approval organization's movement away from a more defensive strategy and toward a more accommodative strategy will trigger evaluators' perceptions of mismatched overconformity. The organization's acceptance of more crisis responsibility does not conform to evaluators' prior positive perceptions and their reduced situational attributions. The effect of this *burden of responsibility* is depicted on the far right side of Figure 4 by the mismatched (dashed) curve. The mismatched curve shows a higher probability for a higher-magnitude social approval loss. Importantly, a mismatched strategy for a higher-approval organization may be a matched strategy for an average-approval organization. For example, an average-approval organization would match a higher attribution crisis with

a more accommodative response, while evaluators would likely respond to the same response from a higher-approval organization as a mismatch.

We also recognize that the distribution of potential outcomes is increased when a higher-approval organization uses a mismatched response strategy. Again, this is due to the heightened uncertainty and sensebreaking that accompany a mismatched response. It may be difficult for evaluators to make sense of the non-conformity, which increases the distribution of potential outcomes. For example, a higher-approval organization providing a comprehensive accommodative explanation of a crisis—including offering compelling logic for its responsibility and specific details of its proactive efforts to prevent reoccurrence—may be spared excessive social approval damage, even when the response is perceived as a mismatch (Coombs, 2007a). However, such a nuanced response may be difficult to deliver at the onset of a crisis, when uncertainty is at its peak.

In summary, we expect a burdening effect to prevail when a higher-approval organization accepts the same or more crisis responsibility for a given crisis, relative to an average-approval counterpart. As a result, the distribution of social approval loss identified by the mismatched (dashed) curve in Figure 4 is more likely to occur. In contrast, we expect a buffering effect to prevail when a higher-approval organization accepts less crisis responsibility, relative to an average-approval counterpart. As a result, the distribution of social approval loss identified by the darkly shaded matched (solid) curve in Figure 4 is more likely to occur.

Proposition 2: For an organization with higher social approval, a response strategy that accepts less crisis responsibility, relative to an average-approval organization, will generate a lower mean and variance of social approval loss than a response strategy that accepts the same or more crisis responsibility.

Crisis Perceptions of an Organization with Lower Social Approval

Scholars have done little research on the effects of negative social evaluations in the

context of a negative event. We develop theory in this domain by arguing that a lower-approval organization in a crisis also faces a potential buffer or burden. Unlike for a higher-approval organization, however, the buffering effect for a lower-approval organization does not result from evaluators' altered attributions of crisis responsibility (cf. Coombs & Holladay, 2001). Rather, it results from evaluators' reduced standards for the lower-approval organization.

An organization accrues lower approval by consistently invoking negative feelings and affinity. Over time, evaluators may become desensitized to a lower-approval organization's behaviors, giving each successive disappointment less attention and concern (e.g., Ahmadjian & Robinson, 2001). Because evaluators' standards of conduct are intuitively reduced for a lower-approval organization, it is harder for such an organization to violate evaluators' expectations (Burgoon, 1993). Additionally, evaluators are likely to be less motivated to engage in extensive sensemaking when an organization they perceive negatively is associated with a crisis. Such an organization is effectively "screened out of consideration" in the first place (Phillips & Zuckerman, 2001: 385). Thus, for a lower-approval organization, evaluators' response to a crisis—in terms of the expected magnitude of social approval loss—may be muted.

However, as with a higher-approval organization, evaluators' reactions to a lower-approval organization may also be more extreme, suggesting a potential burdening effect. For example, in research on reciprocity and recidivism, scholars argue that a crisis may serve as a breaking point, compelling evaluators to enact "durable changes to the rules" and to punish a lower-approval organization for its repeated failures (Ballinger & Rockmann, 2010: 374; Braithwaite, 1989; Davidson, Worrell, & Lee, 1994; Fehr & Gächter, 2000; Pfarrer, DeCelles, Smith, & Taylor, 2008). Thus, rather than facing the same measurable magnitude of social approval loss that a higher-approval organization faces, a lower-approval organization risks evoking collective disapproval, which may threaten its survival.

As with higher approval, we argue that this conundrum is best understood by considering the influence of evaluators' situational attributions and an organization's response strategy.

The lower-approval buffer. We argue that a response strategy that rejects or is more equivocal about crisis responsibility is likely to buffer a lower-approval organization. As mentioned above, evaluators already have reduced expectations and reduced standards for a lower-approval organization and likely will not be surprised when such an organization is associated with a crisis (Burgoon, 1993). A more defensive strategy does little to alter these beliefs and, instead, can generate additional uncertainty. As evaluators' dissonance and sensemaking are reduced in response to this uncertainty, so, too, is the potential magnitude of damage to social approval. For example, in responding to challenges regarding the addictive nature of nicotine, many cigarette manufacturers denied the accusations in an attempt to "place an element of doubt or confusion in the minds of consumers or potential consumers" (Ulmer & Sellnow, 1997: 231). When confusion and doubt grow, a lower-approval organization can be spared further loss as many evaluators become desensitized and disengaged. Thus, a lower-approval organization's response strategy that accepts less responsibility can be understood as a conforming matched response and can trigger a buffering effect.

The lower-approval burden. In contrast, a lower-approval organization that accepts more responsibility for a crisis is likely to trigger evaluators' extreme negative reactions. Accepting more crisis responsibility risks reinforcing evaluators' negative affinity and triggering a tipping point, beyond which evaluators can no longer accept the organization as an approved entity. That is, responsibility for a crisis is likely to compel the active punishment of a lower-approval organization as evaluators enforce notions of reciprocity and signal the importance of positive behavior (e.g., Abbink, Irlenbusch, & Renner, 2000; Davidson et al., 1994; Fehr & Gächter, 2000). Thus, we argue that a response strategy that accepts the same or more crisis responsibility relative to an average-approval organization is mismatched and will trigger a burdening effect for a lower-approval organization. This effect of the burden of responsibility is represented by the mismatched (dashed) curve on the far right of Figure 4, which shows a greater probability of a higher-magnitude social approval loss for a lower-approval organization, relative to an

average-approval organization. As with higher approval, what is considered a mismatched strategy for a lower-approval organization can be considered a matched strategy for an average-approval organization.

We also recognize that, as with a higher-approval organization, the variance of outcomes is increased when a lower-approval organization uses a mismatched response strategy. For example, it is possible that evaluators may perceive a lower-approval organization's more accommodative response as a positive expectancy violation (Burgoon, 1993) and a signal that the organization is motivated to change its ways. This could trigger evaluators to reward the lower-approval organization for its acceptance of responsibility, so the magnitude of social approval loss would be reduced. However, proactive accommodation can also confirm evaluators' general perceptions of lower approval, which is likely to reinforce evaluators' perceptions that the organization deserves conferral of negative affinity. Thus, the resulting probability distribution would widen because of the increased uncertainty regarding how evaluators might respond to the nonconformity of a mismatched response.

In summary, we expect the burdening effect to prevail when a lower-approval organization accepts the same or more crisis responsibility for a given crisis, relative to an average-approval counterpart. As a result, the distribution of social approval loss identified by the mismatched (dashed) curve in Figure 4 is more likely to occur. In contrast, we expect the buffering effect to prevail when a lower-approval organization accepts less crisis responsibility, relative to an average-approval counterpart. The resulting distribution of social approval loss will resemble the darkly shaded matched (solid) curve on the far left of Figure 4, which shows a greater probability of a lower-magnitude loss relative to an average-approval organization.

Proposition 3: For an organization with lower social approval, a response strategy that accepts less crisis responsibility, relative to an average-approval organization, will generate a lower mean and variance of social approval loss than a response strategy that accepts the same or more crisis responsibility.

PREDICTING RESPONSE STRATEGIES FOR ORGANIZATIONS ENDOWED WITH HIGHER OR LOWER APPROVAL

Given our arguments above, managers at a higher- or lower-approval organization may be tempted to accept less crisis responsibility at the onset of a crisis. Managers at a higher-approval organization will want to protect a valuable asset, whereas managers at a lower-approval organization will want to avoid disapproval and potential failure. Spurred by these motivations, a higher-approval organization may act more defensively, knowing that its endowed approval can provide a buffer from more unfavorable attributions of crisis responsibility. A lower-approval organization is also likely to respond more defensively, knowing that it has little to lose in the way of goodwill and hoping that evaluators perceive the crisis as just another example of why the organization deserves lower approval—as opposed to outright disapproval.

Research investigating managerial risk preferences and decision making provides support for how endowed social approval influences managers' choice of response strategies (e.g., Argote & Greve, 2007; Cyert & March 1963; March & Shapira, 1987). For example, in situations of high uncertainty, such as the onset of a crisis, managers will look for strategic opportunities to control loss (Cyert & March 1963; March & Shapira, 1987, 1992). Managers at a higher- or lower-approval organization are likely to perceive that a more accommodative strategy will present an almost certain social approval loss, whereas a less accommodative strategy will present an opportunity to reduce loss. Additionally, when making risky decisions, such as responding to a crisis, managers are often more sensitive to the potential magnitude of loss rather than to the probability of loss (March & Shapira, 1987). Given that managers are likely to perceive that a more accommodative response will increase the magnitude of loss, managers of a higher- or lower-approval organization may be motivated to avoid such outcomes.

Proposition 4: Managers of a higher- or lower-approval organization will be more likely to accept less crisis responsibility, relative to managers of an average-approval organization.

DISCUSSION

In this article we have applied theories from social judgment formation, perception management, and decision making to examine the role of an organization's social approval as both a critical outcome of and important antecedent to evaluators' perceptions of a crisis. In doing so we offered four primary contributions to research. First, we specified the sociocognitive mechanisms that make social approval a distinct social evaluation ideally suited for research on crises. Second, we advanced understanding of crisis management by identifying the sociocognitive processes underlying the crisis-response match. Third, we detailed how an organization's endowment of social approval influences this match, arguing that higher and lower levels of social approval act as either a buffer or a burden to modify evaluators' crisis perceptions and attributions. Finally, given the burden of responsibility associated with endowed social approval, we theorized that managers at higher- and lower-approval organizations will be more likely than managers at other organizations to use a response strategy that accepts less responsibility for a crisis. Below we discuss the social and theoretical implications of our theory, as well as limitations and directions for future research.

Social Implications

We recognize that our theory may raise normative and ethical concerns for scholars and managers. Our intention has been to theorize and describe how evaluators' sociocognitive biases and reactions related to social approval influence an organization's crisis management strategies. Importantly, we do not prescribe that higher- and lower-approval organizations *should* accept less responsibility for a crisis. Rather, we suggest that they *could* be buffered from social approval loss, at least at the onset of a crisis. Who is responsible for a crisis is often a question of perception rather than fact, especially at the onset (Coombs, 2007b; Gephart, 2007; Sellnow & Seeger, 2013). Such equivocality serves as a foundation for investigating the sociocognitive effects we describe in this article. Additionally, because of this ambiguity, many scholars have challenged whether it is appropriate and ethical for organizations to always be accommodative in

response to a crisis (cf. Coombs & Holladay, 2008; Koehn, 2013). Indeed, some have suggested that, in extreme cases of uncertainty, the most ethical response is to "remain strategically ambiguous" so as not to unnecessarily fan the flames (Sellnow & Seeger, 2013: 227).

This tension highlights an important boundary condition for our theory, which only considers the effects of social approval under the conditions of high uncertainty prevailing at the onset of a crisis. Of course, as a crisis evolves, more information may come to light, and uncertainty about an organization's responsibility may be reduced. Thus, in the latter stages of a crisis, a truly misleading defensive strategy may offer few benefits for a higher- or lower-approval organization, and the burden of being overly defensive may lead to greater social approval loss than being more accommodative in the first place (cf. Kim, Ferrin, Cooper, & Dirks, 2004; Pfarrer, DeCelles, Smith, & Taylor, 2008; Pfarrer, Smith, Bartol, Khanin, & Zhang, 2008). This is also true for crises in which managers unambiguously know that their organization is responsible. Thus, like Benoit, we advocate that "those who are truly at fault should admit it immediately and take appropriate corrective action" (2005: 409). Of course, we also contend that such unequivocal knowledge of responsibility is rare at the onset of a crisis, and it may take much time before an organization and evaluators agree on the facts, rather than their perceptions of what happened and why (cf. Gephart, 2007; Pfarrer, DeCelles, Smith, & Taylor, 2008).

Given these social implications, it is our hope that our theory can have important societal and organizational applications. From a societal perspective, an understanding of the role of an organization's social approval should allow evaluators to recognize their potential biases when making crisis attributions. This may help them be wary of overly defensive strategies or more accepting of accommodative strategies, especially from higher- and lower-approval organizations and particularly at the onset of a crisis. It should also allow evaluators to have a deeper consideration of the crisis situation, reducing their tendencies toward intuitive and visceral reactions. Such consideration may change the dynamics of the social approval buffer and burden and, ultimately, may encourage higher- and lower-approval organizations to take more responsibility for a crisis than theory, investors, and their legal counsel might suggest.

From an organizational perspective, an enhanced awareness of the trade-offs associated with a given endowment of social approval, the different response strategies, and the dynamics of the crisis-response match should reduce the common tendency for organizations to offer an initial, automatic, and often defensive response that limits attributions of responsibility. Such awareness should also enhance the ability of organizations to focus on resolving crisis situations and to move more quickly toward reintegration with evaluators (Pfarrer, DeCelles, Smith, & Taylor, 2008). The result would be more effective organizational communication, more effective management, and, ultimately, increased benefits for society.

Implications for Theory and Future Research

Research in risk management and managerial decision making has highlighted the trade-offs among strategic choices in terms of probability distributions and expected outcomes (e.g., Gephart, Van Maanen, & Oberlechner, 2009; March & Shapira, 1987; Tversky & Kahneman, 1974). Using this logic, we identified the sociocognitive mechanisms that drive the probable distributions of social approval loss in a crisis. In doing so we added refinement to traditional research on the crisis-response match, including highlighting zones of overconformity and underconformity and the trade-offs associated with matched and mismatched strategies.

Our sociocognitive focus on the crisis-response match was centered on evaluators' situational attributions of responsibility relative to the amount of responsibility an organization takes for a crisis. Underlying our argument was an assumption that an organization is satisfying evaluators' "basic information needs," such as providing emergency information to protect evaluators from harm (Coombs, 2007b; Coombs & Holladay, 2004: 99), and that the organization is taking appropriate actions to contain the crisis (cf. Pfarrer, DeCelles, Smith, & Taylor, 2008). Although these assumptions are inherent in crisis communication research (cf. Coombs, 2011), future research could investigate the moderating effects of substantive organizational actions other than response strategies that influence evaluators' attributions (e.g., Pfarrer, DeCelles, Smith, & Taylor, 2008; Zavyalova et al., 2012). Additionally, some organizations are more

prepared to handle a crisis than others (cf. Turner, 1976). For example, high-reliability organizations may emphasize substantive actions to control the crisis over more symbolic actions to manage social approval (Roberts, 1990; Weick & Sutcliffe, 2001). An organization's ability to assert control over the crisis, especially at its onset, may influence the dynamics of our theory and could dampen the effect of the responsibility burden.

Our theory focused on crisis-response strategies in terms of an organization's level of acceptance of responsibility. However, we recognize that, in practice, organizational responses are sometimes more nuanced (e.g., Coombs, 2007a; Lamin & Zaheer, 2012). For instance, we suggested that an organization with higher or lower social approval may benefit from using a more defensive strategy at the onset of a crisis. Future research could investigate how that benefit would be moderated by more or less extreme defensiveness (e.g., an outright denial versus a deflection strategy), more or less extreme crises (e.g., those with particularly high or low situational attributions of responsibility), or during the latter stages of a crisis. Additionally, we did not consider an organization's reticence at the onset of a crisis. However, researchers have found evidence that reticence is often suboptimal to other response strategies (e.g., Decker, 2012; Ferrin, Kim, Cooper, & Dirks, 2007). Because theory and findings suggest the need for an organization to provide a consistent message at the onset of a crisis (Massey, 2001), we assumed that if an organization wants to protect its social approval, it not only will provide an initial response but will provide a response that speaks to both direct and more diffuse evaluators.

We also recognize the special case of a mismatched strategy for higher- and lower-approval organizations facing crises that would normally trigger higher situational attributions of responsibility. In such crises the burdening effect may be possible when a higher- or lower-approval organization goes *too far* by giving an overly defensive response. Such a response risks incurring evaluators' anger and resentment should it be found to be untrue, particularly when diagnostic information suggests that the organization is indeed responsible for the crisis. For example, once a member of the highly approved Big Five group of accounting firms, Arthur Andersen found its higher social

approval threatened as its role in the Enron crisis was revealed. Arthur Andersen executives immediately denied all responsibility for Enron's failures, while secretly destroying evidence (McLean & Elkind, 2003). Pundits claimed that when this came to light, it "tar[red] the name of the venerable Arthur Andersen" (Kadlec, 2002), and several scholars have argued that Arthur Andersen's subsequent loss of social approval led to its eventual downfall (e.g., Chaney & Philipich, 2002; Krishnamurthy, Zhou, & Zhou, 2006; Linthicum, Reitenga, & Sanchez, 2010). Additionally, research on product recalls has shown that a lower-approval organization implementing an aggressive defensive response risks being perceived as overly self-interested and lacking credibility, which can increase evaluators' negative perceptions and threaten the organization's survival (Siomkos & Shrivastava, 1993). This suggests a fine line for higher- and lower-approval organizations, which may be afforded the opportunity to accept less crisis responsibility, but only to a certain point, beyond which an overly defensive strategy could backfire.

Our interest in the sociocognitive mechanisms of crisis management made focusing on the onset of a crisis, when uncertainty and sensemaking are high and, thus, when a response strategy can have its greatest effect on evaluators' perceptions, a natural boundary for our theorizing. Yet, as mentioned above, uncertainty may decrease and sensemaking may be reduced as a crisis evolves. An organization therefore may switch its response strategy based on new information and feedback from evaluators. How an organization's endowment of social approval would influence the likelihood and effectiveness of switching is an interesting question. For example, switching is often triggered by the release of authoritative information that conflicts with an organization's initial response (e.g., the U.S. government's challenges to BP's initial estimates of oil leaking from the Deepwater Horizon rig). Because such information is difficult to contest, it is likely that any organization would alter its message to be consistent with the message evaluators will perceive as more credible.

Nevertheless, a higher- or lower-approval organization may face more or less extreme reactions to its switching response strategies than the average organization. For example, the buffering effect of endowed approval may continue to influence evaluators' reactions through the latter

stages of a crisis, giving a higher- or lower-approval organization some leeway in either maintaining its initial response or switching to a new one. In contrast, the burdening effect of social approval may trigger enhanced negative reactions. Evaluators' heightened expectations for a higher-approval organization may include that it provide a consistent response throughout the crisis. Alternatively, evaluators may view a lower-approval organization's lack of persistence as further evidence that it should be disapproved. Ultimately, the role of social approval on an organization's switching behavior may be another theoretical conundrum, or it may be an empirical question worthy of future study.

We also extended organizational research by specifying the sociocognitive foundations of social approval and its role as an intuitive perception ideal for a crisis context. We treated social approval as a distinct construct, but we also acknowledged that a crisis could have negative effects on legitimacy and reputation. While social evaluations scholars continue to debate definitions, dimensionality, and proper levels of analysis (e.g., Deephouse & Suchman, 2008; Lange et al., 2011; Rindova & Martins, 2012), future work should consider how more deliberate and more intuitive social evaluations may interact to influence the crisis management process. Incorporating social approval and crisis responses into the processes related to reputation formation (cf. Rindova et al., 2007) and legitimacy (cf. Haack et al., 2014) may also provide fruitful future research opportunities. Additionally, beyond the onset of a crisis, different evaluators may become more or less salient, and an organization's response may become more nuanced and targeted (Mitchell, Agle, & Wood, 1997; Pfarrer, DeCelles, Smith, & Taylor, 2008). We therefore encourage future research to explore the multiple interactions among the nature of the crisis, the response strategy, and the range of stakeholders and social evaluations.

Finally, we recognize that our theory could be enhanced by a number of additional moderators. For example, we suggested that diagnostic information contrary to an organization's underconforming or overconforming mismatched response strategy could lead to more severe social approval loss. Thus, the presence of a "smoking gun" could be an important moderator to enhance our understanding of the trade-offs

among response strategies. Additionally, we suggested above that Arthur Andersen's overly defensive response likely contributed to its downfall. However, the Enron crisis was exceptional, being one of the largest corporate frauds in U.S. history. Thus, the magnitude or salience of the crisis could represent an important moderator altering the effect of different response strategies on social approval. Similarly, the concept of moral intensity—the perceived moral imperative in a crisis situation—could influence how evaluators respond (Jones, 1991).

In conclusion, organizational scholars are continuing to add to their understanding of the "microfoundations of strategic management concepts" (Mishina et al., 2012: 460). Extending this line of inquiry, we theorized that social approval can act as both a buffer and a burden in a crisis context, and we identified the sociocognitive mechanisms behind this seeming contradiction. We believe that future research can continue to untangle the mechanisms and processes that generate social approval and crisis perceptions, as well as other factors that may contribute to the double edge of social approval in crisis and noncrisis situations.

REFERENCES

- Abbink, K., Irlenbusch, B., & Renner, E. 2000. The moonlighting game: An experimental study on reciprocity and retribution. *Journal of Economic Behavior & Organization*, 42: 265–277.
- Ahmadjian, C. L., & Robinson, P. 2001. Safety in numbers: Downsizing and the deinstitutionalization of permanent employment in Japan. *Administrative Science Quarterly*, 46: 622–654.
- Argote, L., & Greve, H. R. 2007. A behavioral theory of the firm—40 years and counting: Introduction and impact. *Organization Science*, 18: 337–349.
- Ashforth, B., & Gibbs, B. 1990. The double-edge of organizational legitimation. *Organization Science*, 1: 177–194.
- Ashforth, B. E., Harrison, S. H., & Corley, K. G. 2008. Identification in organizations: An examination of four fundamental questions. *Journal of Management*, 34: 325–374.
- Ballinger, G. A., & Rockmann, K. W. 2010. Chutes versus ladders: Anchoring events and a punctuated-equilibrium perspective on social exchange relationships. *Academy of Management Review*, 35: 373–391.
- Barton, L. 2001. *Crisis in organizations* (2nd ed.). Cincinnati: South-Western College Publishing.
- Bazerman, M. H. 2006. *Judgment in managerial decision making* (6th ed.). New York: Wiley.
- Benoit, W. 1995. *Accounts, excuses, and apologies: A theory of image restoration strategies*. Albany: State University of New York Press.

- Benoit, W. L. 2005. Image restoration theory. In R. L. Heath (Ed.), *Encyclopedia of public relations*, vol. 2: 407–410. Thousand Oaks, CA: Sage.
- Billings, R. S., Milburn, T. W., & Schaalman, M. L. 1980. A model of crisis perception: A theoretical and empirical analysis. *Administrative Science Quarterly*, 25: 300–316.
- Bitektine, A. 2011. Toward a theory of social judgments of organizations: The case of legitimacy, reputation, and status. *Academy of Management Review*, 36: 151–179.
- Bottom, W., Gibson, K., Daniels, S., & Murnighan, J. 2002. When talk is not cheap: Substantive penance and expressions of intent in rebuilding cooperation. *Organization Science*, 13: 497–513.
- Braithwaite, J. 1989. *Crime, shame and reintegration*. Cambridge: Cambridge University Press.
- Brehm, S. S., & Brehm, J. W. 1981. *Psychological reactance: A theory of freedom and control*. New York: Academic Press.
- Brooks, M., Highhouse, S., Russell, S., & Mohr, D. 2003. Familiarity, ambivalence, and firm reputation: Is corporate fame a double-edged sword? *Journal of Applied Psychology*, 88: 904–913.
- Burgoon, J. K. 1993. Interpersonal expectations, expectancy violations, and emotional communication. *Journal of Language and Social Psychology*, 12: 30–48.
- Chaiken, S., & Trope, Y. 1999. *Dual-process theories in social psychology*. New York: Guilford Press.
- Chaney, P. K., & Philipich, K. L. 2002. Shredded reputation: The cost of audit failure. *Journal of Accounting Research*, 40: 1221–1245.
- Connelly, B. L., Certo, S. T., Ireland, R. D., & Reutzel, C. R. 2011. Signaling theory: A review and assessment. *Journal of Management*, 37: 39–67.
- Coombs, W. T. 1995. Choosing the right words: The development of guidelines for the selection of the “appropriate” crisis response strategies. *Management Communication Quarterly*, 8: 447–476.
- Coombs, W. T. 2007a. Attribution theory as a guide for post-crisis communication research. *Public Relations Review*, 33: 135–139.
- Coombs, W. T. 2007b. Protecting organization reputations during a crisis: The development and application of situational crisis communication theory. *Corporate Reputation Review*, 10: 163–176.
- Coombs, W. T. 2011. *Ongoing crisis communication: Planning, managing, and responding*. Thousand Oaks, CA: Sage.
- Coombs, W. T., & Holladay, S. J. 2001. An extended examination of the crisis situations: A fusion of the relational management and symbolic approaches. *Journal of Public Relations Research*, 13: 321–340.
- Coombs, W. T., & Holladay, S. J. 2002. Helping crisis managers protect reputational assets. *Management Communication Quarterly*, 16: 165–186.
- Coombs, W. T., & Holladay, S. J. 2004. Reasoned action in crisis communication: An attribution theory based approach to crisis management. In D. P. Millar & R. L. Heath (Eds.), *Responding to crises: A rhetorical approach to crisis communication*: 95–116. Mahwah, NJ: Lawrence Erlbaum Associates.
- Coombs, W. T., & Holladay, S. J. 2006. Unpacking the halo effect: Reputation and crisis management. *Journal of Communication Management*, 10: 123–137.
- Coombs, W. T., & Holladay, S. J. 2008. Comparing apology to equivalent crisis response strategies: Clarifying apology’s role and value in crisis communication. *Public Relations Review*, 34: 252–257.
- Cyert, R. M., & March, J. G. 1963. *A behavioral theory of the firm*. Englewood Cliffs, NJ: Prentice-Hall.
- Davidson, W. N., Worrell, D. L., & Lee, C. I. 1994. Stock market reactions to announced corporate illegalities. *Journal of Business Ethics*, 13: 979–987.
- Dean, D. H. 2004. Consumer reaction to negative publicity: Effects of corporate reputation, response, and responsibility for a crisis event. *Journal of Business Communication*, 41: 192–211.
- Decker, W. H. 2012. A firm’s image following alleged wrongdoing: Effects of the firm’s prior reputation and response to the allegation. *Corporate Reputation Review*, 15: 20–34.
- Deephouse, D. 2000. Media reputation as a strategic resource: An integration of mass communication and resource-based theories. *Journal of Management*, 26: 1091–1112.
- Deephouse, D. L., & Suchman, M. C. 2008. Legitimacy in organizational institutionalism. In R. Greenwood, C. Oliver, R. Suddaby, & K. Sahlin-Andersson (Eds.), *The Sage handbook of organizational institutionalism*: 49–77. Thousand Oaks, CA: Sage.
- Devers, C. E., Dewett, T., Mishina, Y., & Belsito, C. A. 2009. A general theory of organizational stigma. *Organization Science*, 20: 154–171.
- Elliot, A. J. 2006. The hierarchical model of approach-avoidance motivation. *Motivation and Emotion*, 30: 111–116.
- Elliot, A. J., & Devine, P. G. 1994. On the motivational nature of cognitive dissonance: Dissonance as psychological discomfort. *Journal of Personality and Social Psychology*, 67: 382–394.
- Elsbach, K. D. 2003. Organizational perception management. *Research in Organizational Behavior*, 25: 297–332.
- Fediuk, T. A., Coombs, W. T., & Botero, I. C. 2012. Exploring crisis from a receiver perspective: Understanding stakeholder reactions during crisis events. In W. T. Coombs & S. J. Holladay (Eds.), *The handbook of crisis communication*: 635–656. Malden, MA: Wiley.
- Fehr, E., & Gächter, S. 2000. Cooperation and punishment in public goods experiments. *American Economic Review*, 90: 980–994.
- Ferrin, D., Kim, P., Cooper, C., & Dirks, K. 2007. Silence speaks volumes: The effectiveness of reticence in comparison to apology and denial for responding to integrity- and competence-based trust violations. *Journal of Applied Psychology*, 92: 893–908.
- Festinger, L. 1954. A theory of social comparison processes. *Human Relations*, 7: 117–140.

- Festinger, L. 1957. *A theory of cognitive dissonance*. Stanford, CA: Stanford University Press.
- Fink, S. 1986. *Crisis management: Planning for the inevitable*. New York: AMACOM.
- Fiske, S., & Taylor, S. 1991. *Social cognition*. New York: McGraw-Hill.
- Fombrun, C. J. 2012. The building blocks of corporate reputation: Definitions, antecedents, consequences. In M. L. Barnett & T. G. Pollock (Eds.), *The Oxford handbook of corporate reputation*: 94–113. Oxford: Oxford University Press.
- Gephart, R. P. 2007. Crisis sensemaking and the public inquiry. In C. M. Pearson, C. Roux-Dufort, & J. A. Clair (Eds.), *International handbook of organizational crisis management*: 123–160. Thousand Oaks, CA: Sage.
- Gephart, R. P., Van Maanen, J., & Oberlechner, T. 2009. Organizations and risk in late modernity. *Organization Studies*, 30: 141–155.
- Graffin, S. D., Bundy, J., Porac, J. F., Wade, J. B., & Quinn, D. P. 2013. Falls from grace and the hazards of high status: The 2009 British MP expense scandal and its impact on parliamentary elites. *Administrative Science Quarterly*, 58: 313–345.
- Haack, P., Pfarrer, M. D., & Scherer, A. G. 2014. Legitimacy-as-feeling: How affect leads to vertical legitimacy spillovers in transnational governance. *Journal of Management Studies*, 51: 634–666.
- Haidt, J. 2001. The emotional dog and its rational tail: A social intuitionist approach to moral judgment. *Psychological Review*, 108: 814–834.
- Haidt, J., & Bjorklund, F. 2008. Social intuitionists answer six questions about moral psychology. In W. Sinnott-Armstrong (Ed.), *Moral psychology: The cognitive science of morality: Intuition and diversity*, vol. 2: 181–218. Cambridge, MA: MIT Press.
- Heckert, A., & Heckert, D. M. 2002. A new typology of deviance: Integrating normative and reactivist definitions of deviance. *Deviant Behavior*, 23: 449–479.
- Heider, F. 1958. *The psychology of interpersonal relations*. New York: Wiley.
- Highhouse, S., Broadfoot, A., Yugo, J. E., & Devendorf, S. A. 2009. Examining corporate reputation judgments with generalizability theory. *Journal of Applied Psychology*, 94: 782–789.
- Hollander, E. P. 1958. Conformity, status, and idiosyncrasy credit. *Psychological Review*, 65: 117–127.
- Jensen, M., Kim, H., & Kim, B. K. 2012. Meeting expectations: A role-theoretic perspective on reputation. In M. L. Barnett & T. G. Pollock (Eds.), *The Oxford handbook of corporate reputation*: 140–159. Oxford: Oxford University Press.
- Jones, T. 1991. Ethical decision making by individuals in organizations: An issue-contingent model. *Academy of Management Review*, 16: 366–395.
- Kadlec, D. 2002. Enron: Who's accountable? *Time Magazine*, January 21: 28–35.
- Kahneman, D. 2011. *Thinking, fast and slow*. New York: Farrar, Straus and Giroux.
- Kahneman, D., & Frederick, S. 2002. Representativeness revisited: Attribute substitution in intuitive judgment. In T. Gilovich, D. Griffin, & D. Kahneman (Eds.), *Heuristics and biases: The psychology of intuitive judgment*: 49–81. Cambridge: Cambridge University Press.
- Kim, H. K., & Yang, S. U. 2009. Cognitive processing of crisis communication: Effects of CSR and crisis response strategies on stakeholder perceptions of a racial crisis dynamics. *Public Relations Journal*, 3: 1–39.
- Kim, P., Ferrin, D., Cooper, C., & Dirks, K. 2004. Removing the shadow of suspicion: The effects of apology versus denial for repairing competence- versus integrity-based trust violations. *Journal of Applied Psychology*, 89: 104–118.
- Koehler, J. J., & Gershoff, A. D. 2003. Betrayal aversion: When agents of protection become agents of harm. *Organizational Behavior and Human Decision Processes*, 90: 244–261.
- Koehn, D. 2013. Why saying "I'm sorry" isn't good enough: The ethics of corporate apologies. *Business Ethics Quarterly*, 23: 239–268.
- Krishnamurthy, S., Zhou, J., & Zhou, N. 2006. Auditor reputation, auditor independence, and the stock-market impact of Andersen's indictment on its client firms. *Contemporary Accounting Research*, 23: 465–490.
- Lamin, A., & Zaheer, S. 2012. Wall Street vs. Main Street: Firm strategies for defending legitimacy and their impact on different stakeholders. *Organization Science*, 23: 47–66.
- Lange, D., Lee, P. M., & Dai, Y. 2011. Organizational reputation: A review. *Journal of Management*, 37: 153–184.
- Lange, D., & Washburn, N. T. 2012. Understanding attributions of corporate social irresponsibility. *Academy of Management Review*, 37: 300–326.
- Linthicum, C., Reitenga, A. L., & Sanchez, J. M. 2010. Social responsibility and corporate reputation: The case of the Arthur Andersen Enron audit failure. *Journal of Accounting and Public Policy*, 29: 160–176.
- Love, E., & Kraatz, M. 2009. Character, conformity, or the bottom line? How and why downsizing affected corporate reputation. *Academy of Management Journal*, 52: 314–335.
- Lyons, D. 2010. Apple's rotten response. *Newsweek*, July 16: <http://www.thedailybeast.com/newsweek/2010/07/16/apple-s-rotten-reponse.html>.
- March, J., & Shapira, Z. 1987. Managerial perspectives on risk and risk taking. *Management Science*, 33: 1404–1418.
- March, J., & Shapira, Z. 1992. Variable risk preferences and the focus of attention. *Psychological Review*, 99: 172–183.
- Marcus, A., & Goodman, R. 1991. Victims and shareholders: The dilemmas of presenting corporate policy during a crisis. *Academy of Management Journal*, 34: 281–305.
- Martinko, M. J. 1995. The nature and function of attribution theory within the organizational sciences. In M. J. Martinko (Ed.), *Attribution theory: An organizational perspective*: 7–16. Delray Beach, FL: St. Lucie Press.
- Massey, J. E. 2001. Managing organizational legitimacy: Communication strategies for organizations in crisis. *Journal of Business Communication*, 38: 153–183.

- McLean, B., & Elkind, P. 2003. *The smartest guys in the room: The amazing rise and scandalous fall of Enron*. New York: Penguin.
- Merton, R. K. 1968. The Matthew effect in science. *Science*, 159: 56–63.
- Mishina, Y., Block, E. S., & Mannor, M. J. 2012. The path dependence of organizational reputation: How social judgment influences assessments of capability and character. *Strategic Management Journal*, 33: 459–477.
- Mitchell, R. K., Agle, B. R., & Wood, D. J. 1997. Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of Management Review*, 22: 853–886.
- Mitroff, I. I. 1988. Crisis management: Cutting through the confusion. *Sloan Management Review*, 29(2): 15–20.
- Mitroff, I. I. 1994. Crisis management and environmentalism: A natural fit. *California Management Review*, 36(2): 101–113.
- Nickerson, R. S. 1998. Confirmation bias: A ubiquitous phenomenon in many guises. *Review of General Psychology*, 2: 175–220.
- Pearson, C. M., & Clair, J. A. 1998. Reframing crisis management. *Academy of Management Review*, 23: 59–76.
- Pfarrer, M. D., DeCelles, K. A., Smith, K. G., & Taylor, M. S. 2008. After the fall: Reintegrating the corrupt organization. *Academy of Management Review*, 33: 730–749.
- Pfarrer, M. D., Pollock, T., & Rindova, V. 2010. A tale of two assets: The effects of firm reputation and celebrity on earnings surprises and investors' reactions. *Academy of Management Journal*, 53: 1131–1152.
- Pfarrer, M. D., Smith, K., Bartol, K., Khanin, D., & Zhang, X. 2008. Coming forward: The effects of social and regulatory forces on the voluntary restatement of earnings subsequent to wrongdoing. *Organization Science*, 19: 386–403.
- Phillips, D. J., & Zuckerman, E. W. 2001. Middle-status conformity: Theoretical restatement and empirical demonstration in two markets. *American Journal of Sociology*, 107: 379–429.
- Pratt, M. G. 2000. The good, the bad, and the ambivalent: Managing identification among Amway distributors. *Administrative Science Quarterly*, 45: 456–493.
- Raithel, S., & Schwaiger, M. In press. The effects of corporate reputation perceptions of the general public on shareholder value. *Strategic Management Journal*.
- RepTrak. 2013. *2013 most reputable U.S. companies: Part of the world's largest study on corporate reputation*. New York: Reputation Institute.
- Rhee, M., & Haunschild, P. 2006. The liability of good reputation: A study of product recalls in the U.S. automobile industry. *Organization Science*, 17: 101–117.
- Rindova, V. P., & Martins, L. L. 2012. A multidimensional perspective on reputation as an intangible asset. In M. L. Barnett & T. G. Pollock (Eds.), *The Oxford handbook of corporate reputation*: 17–33. Oxford: Oxford University Press.
- Rindova, V. P., Petkova, A. P., & Kotha, S. 2007. Standing out: How new firms in emerging markets build reputation. *Strategic Organization*, 5: 31–70.
- Roberts, K. H. 1990. Some characteristics of one type of high reliability organization. *Organization Science*, 1: 160–176.
- Roberts, K. H., Madsen, P., & Desai, V. 2007. Organizational sensemaking during crisis. In C. M. Pearson, C. Roux-Dufort, & J. A. Clair (Eds.), *International handbook of organizational crisis management*: 107–122. Thousand Oaks, CA: Sage.
- Sanders, W. G., & Carpenter, M. A. 2003. Strategic satisficing? A behavioral-agency theory perspective on stock repurchase program announcements. *Academy of Management Journal*, 46: 160–178.
- Sayegh, L., Anthony, W. P., & Perrewe, P. L. 2004. Managerial decision-making under crisis: The role of emotion in an intuitive decision process. *Human Resource Management Review*, 14: 179–199.
- Scherer, A. G., Palazzo, G., & Seidl, D. 2013. Managing legitimacy in complex and heterogeneous environments: Sustainable development in a globalized world. *Journal of Management Studies*, 50: 259–284.
- Schnietz, K., & Epstein, M. 2005. Exploring the financial value of a reputation for corporate social responsibility during a crisis. *Corporate Reputation Review*, 7: 327–345.
- Scott, W. R. 1995. *Institutions and organizations*. Thousand Oaks, CA: Sage.
- Sellnow, T. L., & Seeger, M. W. 2013. *Theorizing crisis communication*. Malden, MA: Wiley.
- Sinaceur, M., Heath, C., & Cole, S. 2005. Emotional and deliberative reactions to a public crisis: Mad cow disease in France. *Psychological Science*, 16: 247–254.
- Siomkos, G., & Shrivastava, P. 1993. Responding to product liability crises. *Long Range Planning*, 26: 72–99.
- Slovic, P., Finucane, M., Peters, E., & MacGregor, D. G. 2002. Rational actors or rational fools: Implications of the affect heuristic for behavioral economics. *Journal of Socio-Economics*, 31: 329–342.
- Slovic, P., Finucane, M., Peters, E., & MacGregor, D. G. 2004. Risk as analysis and risk as feelings. *Risk Analysis*, 24: 311–322.
- Stanovich, K. E., & West, R. F. 2000. Advancing the rationality debate. *Behavioral and Brain Sciences*, 23: 701–717.
- Suchman, M. C. 1995. Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, 20: 571–610.
- Sutton, R., & Callahan, A. 1987. The stigma of bankruptcy: Spoiled organizational image and its management. *Academy of Management Journal*, 30: 405–436.
- Sutton, R. I., & Galunic, D. C. 1996. Consequences of public scrutiny for leaders and their organizations. *Research in Organizational Behavior*, 18: 201–259.
- Tost, L. P. 2011. An integrative model of legitimacy judgments. *Academy of Management Review*, 36: 686–710.
- Traut-Mattausch, E., Schulz-Hardt, S., Greitemeyer, T., & Frey, D. 2004. Expectancy confirmation in spite of disconfirming evidence: The case of price increases due to the introduction of the euro. *European Journal of Social Psychology*, 34: 739–760.

- Turner, B. 1976. The organizational and interorganizational development of disasters. *Administrative Science Quarterly*, 21: 378–397.
- Tversky, A., & Kahneman, D. 1974. Judgment under uncertainty: Heuristics and biases. *Science*, 185: 1124–1131.
- Tyler, L. 1997. Liability means never being able to say you're sorry: Corporate guilt, legal constraints, and defensiveness in corporate communication. *Management Communication Quarterly*, 11: 51–73.
- Ulmer, R. R., & Sellnow, T. L. 1997. Strategic ambiguity and the ethic of significant choice in the tobacco industry's crisis communication. *Communication Studies*, 48: 215–233.
- van der Meer, T. G. L. A., & Verhoeven, J. W. M. 2014. Emotional crisis communication. *Public Relations Review*, 40: 526–536.
- Veil, S. V. 2011. Mindful learning in crisis management. *Journal of Business Communication*, 48: 116–147.
- Vergne, J. P. 2012. Stigmatized categories and public disapproval of organizations: A mixed-methods study of the global arms industry, 1996–2007. *Academy of Management Journal*, 55: 1027–1052.
- Weick, K. E. 1988. Enacted sensemaking in crisis situations. *Journal of Management Studies*, 25: 305–317.
- Weick, K., & Sutcliffe, K. 2001. *Managing the unexpected: Assuring high performance in an age of uncertainty*. San Francisco: Wiley.
- Weiner, B. 1986. *An attributional theory of motivation and emotion*. New York: Springer-Verlag.
- Yu, T., Sengul, M., & Lester, R. H. 2008. Misery loves company: The spread of negative impacts resulting from an organizational crisis. *Academy of Management Review*, 33: 452–472.
- Zavyalova, A. A., Pfarrer, M. D., Reger, R. K., & Shapiro, D. L. 2012. Managing the message: The effects of firm actions and industry spillovers on media coverage following wrongdoing. *Academy of Management Journal*, 55: 1079–1101.

Jonathan Bundy (jbundy@psu.edu) is an assistant professor of management and organization in the Smeal College of Business at The Pennsylvania State University. He received his Ph.D. from the University of Georgia. His research investigates the social and cognitive forces that shape organizational outcomes, with a focus on social evaluations, crisis management, stakeholder management, and corporate governance.

Michael D. Pfarrer (mpfarrer@uga.edu) is an associate professor in the Terry College of Business at the University of Georgia. He received his Ph.D. from the University of Maryland. His research focuses on social evaluations of the firm, including reputation and celebrity; impression and crisis management; media accounts; and the role of business in society.