



**BRITISH ACADEMY
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BAM
CONFERENCE

3RD-5TH SEPTEMBER

ASTON UNIVERSITY BIRMINGHAM UNITED KINGDOM

This paper is from the BAM2019 Conference Proceedings

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The Role Of Cultural Differences In The Acceptance Of Apologies By Companies During Global Crisis; One Size Does Not Fit All - Proposing Cross Culture Study

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Abstract

The body of research that deals with communicating corporate social responsibility (CSR) activities is rich. However, to date, few researches have shed light on the corporate apologies and the role of culture difference during a global crisis. Therefore, this research is set out to investigate the role the cultural differences play in the companies' acceptance of apologies during a global crisis. As a problem-oriented research, researchers propose a case study methodology to be adopted in the later phases of this research.

Keywords:

Communicating Corporate Social Responsibility, Risk and Crisis, Corporate Apology, and Culture Difference.

Track: Risk and Crisis Management

Introduction

To build and maintain a strong image of a company, the brand management of the company has to respond to every event that could harm/benefit its brand. In order to do so, companies should reduce the external events that stems from companies' enemies. At the same time, companies must control their messages and their employees to maximize the employees' role as brand champions; such champions can enhance the corporate brand (Garas et al. 2018). In this regard, multinational companies were faced by some difficulties in controlling their messages, since some of these messages can be delivered unintentionally to the company's audience. A good example of such situations is that of Uber's, the transportation service app, or Aljazeera's, the popular sports and news network.

Uber has dealt with a system failure, sexual harassment, inaccurate delivery, tips acceptance issues which cause embarrassment to customers, and changing of rates while a journey is being processed. While, Aljazeera, the news channels, was involved in a very hard political conflict between Qatar and other surrounding Arab countries. Therefore, Arab audience, of Aljazeera sports channels, decided to refrain from watching the sports channels.

To face these negative situations, Uber decided to take the traditional way of apologizing by sending a lot of apology and/or compensation-claim text messages through different channels. However, Aljazeera failed to undertake a similar reaction to that of Uber's since Qatar, its origin country, insisted on upholding its political position. Thus, an apology would not be appropriate since it will harm the credibility of Qatar as a country. Therefore, Aljazeera decided to divide its network into two major sub-networks; one is the Aljazeera news network and the other is beIN network, a totally new network with a new brand name and setting. The latter network served as a new company with a new management. The two different companies were faced by offensive behavior from jay customers. Yet, the crisis management's reaction toward the company's crisis differed based on the culture of the audience that affected the type of each crisis.

The Role Of Cultural Differences In The Acceptance Of Apologies By Companies During Global Crisis; One Size Does Not Fit All - Proposing Cross Culture Study

To this end, this paper aims at studying the effect of culture differences in a company's apology acceptance among the multi-national audience of the companies. This paper begins with a literature review and focuses on the role of culture in crisis management. Then, the research aims and objectives will be provided. After that, we present the proposed methodology. Finally, we will discuss the expected contribution.

Reviewing the current literature

So far, there has not been a unified definition of crisis among the scholars. It has been defined by King (2002) as “an unplanned event that can harm internal and external organization structure and has negative impact on employees and all external stakeholders as well”.

Therefore, once an organization is perceived to have a negative manner, the reputation and survival of the organization will be at a risk (King, 2002). Thus, there is an essential need for organizations to assess effective crisis management to control and minimize negative impacts during the phases of the crisis (Chung and Lee, 2019). Crisis communication is considered a vital element of crisis management that includes different crisis-response strategies to be communicated with all of the general public (Dhanesha and Sriramesh, 2017).

The theoretical foundation that is used in linking the role of culture in corporate apology acceptance during global crisis is based on the two dominant theories of crisis communication: Image Restoration theory of image restoration and Coombs' (1995, 2012) Situational Crisis Communication Theory (SCCT) (Benoit's, 1997, 2015).

Theory of image restoration claims that if a crisis were to occur and have negative impacts on the reputation of an organization, then that organization should respond to its stakeholders, in their particular environment, through image restoration discourse. The theory offered five response strategies: deny charges, evade responsibility, reduce the severity of offensiveness of a wrongful act, take corrective actions, and admit wrongdoing and asking for forgiveness (mortification). Accordingly, the effectiveness of each strategy depends on the type of crisis the organization faces (Benoit, 1997). Hence, there are many factors that affect the organization when selecting the most effective strategy.

Coombs (1995, 2012) developed the SCCT framework based on theory of image restoration (Benoit, 1997) and the attribution theory (Weiner1985), which suggests that stakeholders identify the cause of a crisis and then decide where to place responsibility for the crisis (Coombs, 2007). SCCT presented a typology of crises and the best three crisis response strategies; denial, diminishment, and rebuilding. Each strategy has its own advantage in minimizing reputational damage and enhancing an organization's damaged image in different situations. (Coombs, 2012). Therefore, the affected organization should select the most appropriate response strategies based on the level of the attributed responsibility to manage the reputational threat and to meet the expectations of its stakeholders.

According to the two theories, what defines a situation as a crisis depends mostly on the stakeholders' perception regarding the crisis. This means that the culture context could play a key role in such a relationship, especially if a global crisis was incurred since the perception of stakeholders as well as their acceptance / forgiveness toward the multinational organization may differ from one culture to another.

Drawing on the literature of crisis communication and crisis management, organizations today became accountable to realize the benefits of crisis response strategies to reduce the negative impacts during crises (Chung & Lee, 2019). One of the most favorable and common crisis response strategies used by the company during the crisis is the corporate apology (Lee &

The Role Of Cultural Differences In The Acceptance Of Apologies By Companies During Global Crisis; One Size Does Not Fit All - Proposing Cross Culture Study

Atkinson, 2019). The most logical explanation for that, provided by scholars, explains that such response represents as an ethical behavior toward the crisis's victims in too many ways ranging from expressing concern to the acknowledgement of responsibility toward the negative event and asking for forgiveness (Coombs & Holladay, 2012).

Chung and Lee (2019) examined how the types of corporate apologies influence cognitive and affective public responses (public anger, negative impression, distrust) during an aviation crisis. They found that a responsibility-oriented apology significantly reduced more public anger, negative impression, and distrust toward an airline company than a sympathy-oriented apology in an internal/controllable crisis situation. Moreover, Coombs and Laufer (2018) believe that effective crisis management is challenging not only for organizations that operate in single country but also for multi-national organizations.

The role of Culture difference during crisis

A considerable attention has been devoted among crisis management scholars to get full understanding of the culture context factors and its implications in crisis communication literature (Zhua, et al. 2017). For example, Dhanesha and Sriramesh (2017) revealed that multinational corporations suffer from difficulties related to the cultures of the host country. They illustrated that the case of Nestle India's crisis response was controlled more by its traditional corporate culture rather than other environmental factors such as the political economy and the Westernization of urban. They added that multinationals that ignore role of the culture context and its implication in crisis response will pay a higher cost, in terms of reputation and perceptions of stakeholders.

Therefore, intuitive questions could be raised regarding the culture context in the literature; what is the role that culture context could play in selecting the best organization response strategies during crisis phase? what is the role that culture context could play in the evaluation of organization response strategies? what is the role that culture context could play in the apology component and features?

Regarding the first question, Lee and Atkinson (2019) claim that developing effective crisis-response strategies for international corporations requires the interaction between the crisis type and level of involvement, through global usage of social media to manage the crisis globally. While et al. (2018) offered two main effective crisis-response strategies during a global crisis; the apologies and the compensation, since these two strategies will be addressed to the crisis victims directly. In contrast, Coombs (2007) stated that crisis response strategy can never be considered effective until the stakeholders accept it as a viable crisis response.

For the second questions that related to the influence of culture on respondents' reaction and evaluation of crisis-response strategies, Lee and Atkinson (2019) showed that post-crisis brand attitude and purchase intention could be different depending on the level of crisis involvement. It was found that participants with a higher level of crisis involvement show a more favourable attitude toward the brand and a higher purchase intention. That is, an apology message tends to be more persuasive for people with high crisis involvement. This is due to the fact that their higher engagement with the crisis information and recovery efforts lead them to pay greater attention and peruse the apology message more judiciously

Cleeren et al. (2017) demonstrated that consumers from different cultures may react differently to product-harm crises and the ensuing recalls. They added that it may take longer to restore brand trust following a crisis/recall in risk-averse societies. Similarly, Puzakova, Kwak and Rocereto (2013) mentioned that firms that operate internationally may be more likely to

The Role Of Cultural Differences In The Acceptance Of Apologies By Companies During Global Crisis; One Size Does Not Fit All - Proposing Cross Culture Study

receive damaging consumer reactions to the negative publicity on humanized brands in the individualist cultures compared to the collectivist ones.

Finally, the third question addresses how culture context influence the way multinational organization assess the apology's component and features. It is worth noting that the same apology statement can be interpreted differently across cultures (Janssens et al. 2004). The possible justification behind this is that the norms of an apology can vary from a culture to another (Maddux et al. 2011).

In addition, Maddux et al. (2011) revealed that, regarding culture difference, people in an individualistic culture (e.g., the United States) tend to regard apologies as analytical statements that assess blame, while those in a collectivistic culture (e.g., Japan) viewed apologies as a mean of expressing remorse. Moreover, Chung and Lee (2019) mentioned that the topic of corporate apologies during the crisis is still under-researched, and added that it would be a great opportunity to examine whether any cultural differences exist in evaluating apology statements that include statements related to a company's CSR activities

Taken together, these studies imply a potential relationship between the culture difference and corporate apology. Most of these studies deal with certain crisis in a certain culture context; yet, little research has directly addressed the role of cultural differences in the acceptance of companies' apologies during a global crisis.

Research aim and questions:

This research aims at examining the role of culture difference in the acceptance of apologies made by the company during crisis. Toward that, the researchers developed five main research questions that need to be answered. First, to what extent the culture affects national, multinational, and cultural crisis? Second, to what extent customer culture affects the crisis severity? Third, to what extent crisis-customer's involvement levels are affected by customer culture? Fourth, what are the most appropriate crisis management response strategies for each specific culture in relation to crisis-customer involvement level? Fifth, to what extent the company response will differ according to the user's types; end-users (B2C) and business firms (B2B).

Proposed methodology:

In order to answer the abovementioned research questions, we intend to apply a mixed method approach via multi-cross-sectional research design. Therefore, a systematic literature review will enhance the authors knowledge regarding the current crisis types, involvement levels, cultural differences, multinational or global crisis in business, and the crisis response strategies. After that, an in-depth interview will be applied with stakeholders of one of the companies that has lately faced a global crisis and overcame it (i.e., marketing manager, brand manager, regional managers, key customers, and suppliers). Then, two different questionnaires will be deployed, in a multi-cultural survey, all over the globe to get a comprehensive overview of the cultural effects from both end-users and business firms as a company customer.

Originality and expected contribution:

Up to the researchers' knowledge, this is the first study that investigates the effect of cultural differences in a global crisis management context. Thus, conceptual implications,

The Role Of Cultural Differences In The Acceptance Of Apologies By Companies During
Global Crisis; One Size Does Not Fit All - Proposing Cross Culture Study

generated from answering our proposed research questions, as well as managerial implications for managers in global companies will be drawn after applying our comprehensive research.

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