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Managing Organizational
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Verbal Accounts

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Through a series of three inductive and deductive studies, I describe how spokespersons from the California cattle industry constructed and effectively used verbal accounts to manage perceptions of organizational legitimacy following controversial events. Findings of Study 1 suggest that organizational accounts are constructed by linking two forms of accounts: acknowledgments or denials, with two contents of accounts: references to institutional or technical characteristics of the organization. Findings of Studies 2 and 3 suggest that, in protecting organizational legitimacy (1) acknowledgments are more effective than denials, (2) references to institutionalized characteristics are more effective than references to technical characteristics, and (3) accounts combining acknowledgments with references to institutionalized characteristics are more effective than accounts with only one of these components. Effectiveness appears to depend on audiences' perceptions of the controversy, expertise in the area of controversy, and expectations of organizational responses. Overall, findings suggest that concepts from institutional and impression management theories may be combined to improve our understanding of organizational accounts and thus enhance models of symbolic management. •

INTRODUCTION

Organizational managers engage in many activities that may be viewed as symbolic, including organizational restructuring, succession ceremonies, language development, and the design of physical surroundings (Pfeffer, 1981). Managers commonly use these symbolic activities to affect the images of their organizations and its members by providing "explanations, rationalizations, and legitimation for activities undertaken in the organization" (Pfeffer, 1981: 4). In this paper, I am concerned with the symbolic management of a specific organizational image: organizational legitimacy. Two major theoretical perspectives have described the management of organizational legitimacy: impression management theories (Goffman, 1973; Schlenker, 1980; Tedeschi, 1981) and institutional theories (Meyer and Rowan, 1977; DiMaggio and Powell, 1983). Impression management theorists have focused on how people manage their personal legitimacy by actively taking on roles, displaying social affiliations, and providing verbal explanations of behavior following image-threatening events (Leary and Kowalski, 1990). More recently, theorists have proposed that organizational spokespersons may use these same tactics to manage organizational legitimacy (Staw, McKechnie, and Puffer, 1983; Elsbach and Sutton, 1992). In contrast, institutional theorists have focused on how organizations, or even whole industries, may project legitimacy by merely adopting and maintaining widely used and accepted practices (Powell and DiMaggio, 1991). In general, impression management theories have taken an active, individual-level view of the management of legitimacy, while institutional theories have taken a more passive, organization-level view. Impression management and institutional theory perspectives on managing organizational

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legitimacy are displayed in Table 1 and are discussed in detail below.

Table 1

Impression Management vs. Institutional Perspectives on Managing Legitimacy		
Factor in managing legitimacy	Impression management perspective	Institutional perspective
Who manages legitimacy?	Individual spokesperson	Organization, field, or society
When is legitimacy managed?	In response to legitimacy threats	In preparation for legitimacy threats
How is legitimacy managed?	Individuals' use of verbal accounts to defend, excuse, justify, or enhance organizational behaviors and protect legitimacy	Organizations' use of normative structures, procedures, or goals to signal legitimacy in organizational behaviors
Examples	Sutton and Kramer (1990) Marcus and Goodman (1991) Salancik and Meindl (1984) Staw, McKechnie, & Puffer (1983)	DiMaggio (1991) Galaskiewicz (1991) Brint and Karabel (1991) Rowan (1982)

Impression management theories. Impression management researchers have focused on how individual spokespersons use verbal accounts or explanations to avoid blame or gain credit for controversial events that may affect organizational legitimacy (Giacalone and Rosenfeld, 1989, 1991). Further, these researchers have concentrated on describing the effectiveness of different forms of accounts for protecting organizational legitimacy. Effective forms include enhancing explanations of company practices following good news and excuses or justifications following bad news (Staw, McKechnie, and Puffer, 1983; Bettman and Weitz, 1983; Salancik and Meindl, 1984), accommodative signals following scandals and defensive signals following accidents (Marcus and Goodman, 1991), and admissions of responsibility following bankruptcies or failed negotiations (Sutton and Callahan, 1987; Sutton and Kramer, 1990). Impression management researchers have suggested that different forms of accounts affect legitimacy by attenuating personal or organizational responsibility for controversial events and by accentuating the positive aspects of such events (Schlenker, 1980).

Yet, impression management researchers have not discussed how spokespersons build and support these forms of accounts through the specific arguments and evidence they contain. The few studies that have hinted at the content of organizational accounts suggest that it may consist of references to widely used and legitimating organizational characteristics. Elsbach and Sutton (1992), for example, found that spokespersons from radical social movement organizations often used references to normative and widely endorsed procedures (i.e., conducting press conferences or nonviolence workshops) in their accounts of illegitimate protest actions. Similarly, Taylor and Bogdan (1980) described the dramatic change in vocabulary used to defend mental institutions in recent decades. Accounts used by mental institution spokespersons included references to new, widely endorsed organizational goals (i.e., habilitation vs. custodial care) and organizational structures (i.e., team

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approaches, formal policies, and unitization). Finally, Dutton and Dukerich (1991) found that police officers in the Port Authority Bus Terminal justified their treatment of homeless persons by saying that they were enforcing an antiloitering law (i.e., a normative procedure). Later, Port Authority spokespersons enhanced their organization's image by highlighting their use of new, socially endorsed structures, including a paid consultant and a human resource administration to provide sensitivity training for police. These examples suggest that in protecting organizational legitimacy, spokespersons may rely on references to legitimating organizational features to support different forms of accounts.

Institutional theories. In contrast to impression management theories, institutional theories have focused on how organizations build support for legitimacy by maintaining normative and widely endorsed organizational characteristics (Meyer and Rowan, 1977; DiMaggio and Powell, 1983; Scott, 1987). Institutional theorists have argued that the development and retention of institutionalized structures, procedures, or personnel signal normativity, credibility, and legitimacy to outside audiences (Covaleski and Dirsmith, 1988; Fombrun and Shanley, 1990). Moreover, institutional theorists have suggested that organizations may strategically and manipulatively use links to institutionalized structures or procedures to "demonstrate the organization's worthiness and acceptability" (Oliver, 1991: 158) or to "provide rational accountings after failures occur" (Meyer and Rowan, 1977: 350). Evidence supporting these notions has been provided by Galaskiewicz (1991), who found that organizations could build legitimacy outside of traditional networks by participating in publicly recognized charity clubs or educational seminars, and by Brint and Karabel (1991), who showed how the American Association of Junior Colleges promoted the legitimacy of vocational colleges by developing legitimate recruiting, guidance, and placement programs for them.

Yet institutional theorists have not discussed the specific mechanisms organizations use to communicate or advertise their legitimating characteristics to audiences capable of granting legitimacy. Specifically, institutional theories have neglected the use of individual-level tools, such as spokespersons' accounts, in managing organizational legitimacy (DiMaggio, 1988; DiMaggio and Powell, 1991). Further, most institutional theorists have focused on how organizations prepare for legitimacy threats by using normative and widely endorsed practices in day-to-day operations, while few have addressed how organizations may respond to legitimacy threats by adopting or advertising legitimating organizational characteristics following controversies (Covaleski and Dirsmith, 1988).

Thus, while impression management theorists have focused on individuals' use of different forms of accounts in response to legitimacy threats, institutional theorists have focused on organizations' use of characteristics that might serve as the content of accounts in preparation for legitimacy threats. These two perspectives may thus represent the dual dimensions of Daft's (1983: 202) model

of organizational symbolism, with impression management theories focusing on the "expressive" dimension that serves to "clarify and structure perceptions of managerial and organizational actions" and institutional theories focusing on the "instrumental" dimension that "helps the organization accomplish immediate, legitimate work activities." Daft (1983) noted that these two dimensions reflect the complementary components of "feeling" and "thinking" that make up organizational symbols. Further, he suggested that symbols reflecting organizational health, such as accounts of organizational practices, may serve both expressive and instrumental purposes in organizations. Impression management and institutional theories may therefore describe distinct aspects of symbolic management (i.e., its forms and contents) that can fulfill complementary goals when combined in organizational accounts.

Managing Organizational Legitimacy in the California Cattle Industry

The goal of the present research is to enrich symbolic management perspectives by linking concepts from both impression management and institutional theories in a model describing the management of organizational legitimacy. Specifically, this model characterizes how both the forms and contents of verbal accounts affect perceptions of organizational legitimacy.

The model is grounded in three studies of organizational legitimacy that I carried out in the California cattle industry. These studies proceeded from inductive theory building to deductive theory testing. In Study 1, I used a qualitative analysis of cattle industry organizations to induce a framework describing how and why organizational accounts are constructed following legitimacy-threatening events. In Study 2, I used a qualitative analysis of cattle industry constituents to examine the effectiveness of those accounts in protecting organizational legitimacy. Finally, in Study 3, I tested three propositions on the effectiveness of accounts in an experimental vignette involving cattle industry constituents.

STUDY 1: THE CONSTRUCTION OF ORGANIZATIONAL ACCOUNTS

Methods

The California cattle industry. In Study 1, I focused on recent controversial events that threatened the legitimacy of organizations in the California cattle industry. Over the last few years, the U.S. cattle industry as a whole has endured increasing image problems related to food safety, human health, and environmental concerns (Rifkin, 1992). Studies linking fat consumption to heart disease (U.S. Public Health Office, 1989) and a "60 Minutes" television episode depicting poor animal care on a western ranch contributed to these problems. In addition, activist groups intensified attacks on the cattle industry through an international "Beyond Beef Coalition," which sought to cut U.S. beef consumption in half by the year 2002 and called beef cattle "one of the gravest threats to the Earth's ecology" (*New York Times*, 1992).

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The California cattle industry was not spared from these attacks. At the time of the study, California's \$1.7 billion beef industry was the fourth largest in the United States (California Livestock Reporting Service, 1990 report). Yet California cattle organizations faced multiple threats to their legitimacy, including public concerns about hormone use in cattle, grazing on public lands, excessive water use in raising cattle, humane treatment of cattle, and contamination of ground water by cattle manure. According to a California Beef Council internal report, nearly 40 percent of all media coverage of the cattle industry in 1991 was negative, while only 30 percent was positive, reflecting consumers' concerns over environmental, health, and food-safety issues. In response, state cattle associations intensified education and beef promotion efforts to combat the negative press (*California Cattleman*, 1992). Thus, the broad array of controversies facing the California cattle industry, as well as its desire to respond to these controversies, made it an appropriate setting for a study of managing organizational legitimacy.

Units of analysis. Based on a media search of five major California newspapers (the *Los Angeles Times*, the *Daily News of Los Angeles*, the *San Francisco Chronicle*, the *San Jose Mercury News*, and the *Sacramento Bee*), I chose eight controversial events occurring between 1989 and 1992 as the units of analysis for this study. These eight events represented the entire sample of events that were associated with widespread public criticism of California cattle industry operations during that time. Events prior to 1989 were not used because they did not add to the richness of the sample and because extensive data on them were not available. The controversies fell into two categories: events that affected specific organizations and events that affected the entire California cattle industry. Subsequent interviews revealed that cattle industry informants perceived all eight events to be "moderately damaging" to the legitimacy of the California cattle industry or the specific cattle organization associated with the event. Table 2 describes the events.

Organizations and informants. Fifteen informants from the California cattle industry participated in this study. Seven informants were members of three cattle ranching organizations, referred to here as "Cattle King," "Beef Queen," and "Little Wrangler." Cattle King processed over 200,000 head of cattle per year and was one of the largest cattle organizations in the state. Its primary businesses were feedlots (large holding lots where cattle are bulked up in weight before slaughter) and meat packing. Cattle King produced 20 percent of the beef cattle in the state through its feedlots, and its major clients were meat-packing plants and supermarkets. Beef Queen was a large agricultural operation with a moderate-sized cow-calf business that produced and raised beef cattle, grazing 9,000–10,000 head of cattle per year. Beef Queen produced 2–3 percent of the state's beef cattle, which it sold mainly to feedlots. Little Wrangler was a small, family-owned operation that maintained a 300-head cow-calf operation. Little Wrangler's operation represented less than .1 percent of the state's

Table 2

Controversial Events in the California Cattle Industry*

Events	Criticisms	Date
Organizational		
State agency orders Little Wrangler to stop grazing in a state park because cattle are not natural to the park and damage the environment.	<ol style="list-style-type: none"> 1. Cattle are unnatural to the state park. 2. Ranching conflicts with public recreation. 3. The state did not agree to long-term grazing. 	11/9/90
Protests over Beef Queen's plans to develop a Significant Ecological Area on their ranch.	<ol style="list-style-type: none"> 1. Development will hurt the environment. 2. The site was intentionally overgrazed so it would no longer qualify as a Significant Ecological Area. 	11/25/90
Emergency law passed to prevent the cutting of trees without a permit, after Beef Queen cut over 100 oak trees on its ranch.	<ol style="list-style-type: none"> 1. Cutting trees harms the environment. 2. The trees were cut haphazardly. 	4/23/91
Concerns over Cattle King's food safety after TV news series claimed Cattle King's city of residence had the dirtiest meat-packing plants in the nation.	<ol style="list-style-type: none"> 1. Dirty plants lead to unsafe food. 2. Inspection of plants is not adequate. 3. Management is only concerned with profits. 	3/2/92
Industry		
The European Economic Community bans all imports of U.S. beef, citing the widespread use of hormones in U.S. feedlots as the reason.	<ol style="list-style-type: none"> 1. Europe's ban means U.S. beef is unsafe. 2. There is not enough research on hormones. 3. Beef raised with hormones is not good for you. 	1/1/89
Country western singer k.d. lang launches a "Meat Stinks" campaign with a nationally broadcast TV advertisement citing animal cruelty as a problem in the cattle industry.	<ol style="list-style-type: none"> 1. The cattle industry is cruel to animals. 	7/3/90
Earth Day pamphlets, books, and grocery bags advertise that it takes over 5000 gals. of water to produce one pound of beef.	<ol style="list-style-type: none"> 1. Eating beef is a waste of water. 2. Cattle should not be raised in arid California and are bad for the environment. 	4/1/91
United Nations report is issued which claims that 85 percent of western range land is decimated by overgrazing from cattle.	<ol style="list-style-type: none"> 1. Cattle grazing hurts the environment. 2. Cattle should not be grazed on public land. 	11/1/91

* Organizations in the California cattle industry are referred to by the pseudonyms Cattle King, Beef Queen, and Little Wrangler, instead of their real names.

beef cattle production, and its cattle were sold mainly to feedlots. Cattle King and Beef Queen had trained public relations officers, while Little Wrangler's owner served as its public relations officer. Only Cattle King had a major advertising campaign.

Three of the seven informants were from Cattle King, three were from Beef Queen, and one was from Little Wrangler. All seven informants were top-ranking managers involved in the cattle operations, and all had served as spokespersons for their organization in response to one or more of the eight events. One informant from each organization was a designated media contact, and one informant from each organization was the head of cattle operations and a lifetime cattle rancher.

The remaining eight informants were members of three major California cattle industry associations, referred to here as "Association X," "Association Y," and "Association Z." Association officers acted as mediators between outside audiences and all three organizations included in this study. In addition, they acted as spokespersons for all four of the industry controversies included in this study. Association X served and promoted the interests of California cattle organizations through lobbying and research funding.

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Association Y engaged in consumer education, nutrition research, and media promotions related to the California cattle industry. Association Z conducted local outreach programs that promoted the economic and community benefits of the California cattle industry. All three associations were state affiliates of large national associations. Four of the eight informants were from Association X, three were from Association Y, and one was from Association Z. All eight association informants were designated media contacts for their associations, and the president of each association was an informant. Cattle King, Beef Queen, and Little Wrangler were all members of Associations X and Y, and all contributed to them financially. Association Z did not have organizational members.

Data sources. I conducted semistructured interviews with the fifteen organization and association informants. I first asked informants a series of questions about their roles, responsibilities, targets of organizational communication, and general communication guidelines for dealing with controversies. Next, I asked informants open-ended questions about the eight recent controversial events. I asked informants to describe their organization's communications about the events with several different outside audiences (i.e., consumers, the media, beef buyers, government agencies, activists, and watchdog agencies) and any other organizational responses to the events (i.e., changes to organizational programs, policies, or structures). Finally, I asked informants to describe the immediate impact of the events on their organization's image, as well as the effects of their subsequent communications. I asked informants only about events with which they were personally associated or for which they had acted as spokespersons. I instructed informants to treat me as a member of the general public. I collected 95 different accounts of the eight controversial events from the 15 informants.

I also used mass media publications to provide evidence of impression management following the eight controversial events. I searched five major California newspapers (the *Los Angeles Times*, the *Daily News of Los Angeles*, the *San Francisco Chronicle*, the *San Jose Mercury News*, and the *Sacramento Bee*), three California agricultural publications (*California Farmer*, *California Cattleman*, and the *Western Livestock Journal*), and an extensive collection of association newsletters and pamphlets for evidence of verbal accounts during the 12 months following each event. I collected 171 different accounts of the eight controversial events from over 50 different publications.

Data analysis. My data analysis of the 266 accounts I gathered from interview and records data involved an iterative approach of traveling back and forth between data, pertinent literature, and emerging theory (Glaser and Strauss, 1967; Eisenhardt, 1989). Over a six-month period, I made hundreds of refinements and five major revisions to the emerging theory. Prior to each of these revisions, I consulted with colleagues and recoded the data to examine its fit with the emerging theory.

I focused early within-case analysis on uncovering different types of accounts from the interview and records data. This analysis revealed several common types of accounts that were differentiated primarily by their form. Later iterations revealed, however, that within each form of account there were great differences in the evidence or content used to support it.

After making this distinction between the forms and contents of accounts, I focused on distinguishing different types of forms and contents used by spokespersons. I identified at least five different forms (i.e., defenses of innocence, justifications, excuses, enhancements, and entitlings) and four different contents (i.e., references to normative practices, references to rational practices, comparison with other industry practices, and references to historical practices) that were used to construct accounts. Later between-case analysis revealed, however, that nearly all of the different accounts could be accurately defined by two broad forms (i.e., denials or acknowledgments) and two broad types of contents (references to institutional or technical practices).

I then used the between-case analysis to systematically assess the strength of evidence for different links between forms and contents (i.e., the construction of account prototypes). I coded all accounts from interview and archival data by form and content and counted the frequency of each account prototype. I developed a table (Miles and Huberman, 1984) to document the extent to which the emerging model could be grounded in each data source. Evidence for a specific account prototype was denoted when either (1) every informant responding to a particular event used that prototype, (2) a majority of the records data contained that prototype, or (3) at least one informant or data source heavily used that prototype. This method was not intended to show statistical significance but to show general trends in the data. The outcome of this analysis is a model describing the construction of verbal accounts used to manage organizational legitimacy.

Forms and Contents of Organizational Accounts

Evidence from Study 1, as well as that from extant literature, suggests that organizational verbal accounts may be defined by both their form (i.e., how they are framed) and their content (i.e., how they are built). Data analysis from Study 1 revealed that spokespersons used two broad forms of accounts: denials and acknowledgments, and two broad types of contents: references to institutional and technical characteristics of organizations in most of their explanations of controversial events.

Denials. Denials were forms of accounts that proposed, "we weren't involved," or "it didn't happen." Spokespersons appeared to use denials to separate their organizations from controversial events (Schlenker, 1980; Schonbach, 1980). Examples of denials included Beef Queen's claim that it "hadn't done anything wrong" in cutting over 100 historic trees on its land, Association X's claim that "there is no evidence of any human health problems from the use of [hormones]," and Cattle King's

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claim that "we don't have a food safety problem" in response to an audit showing sanitation violations in local meat-packing plants.

Industry spokespersons commonly gave emotionally charged denials as their initial response to controversial events. This pattern fits social psychologists' predictions that people may experience emotional responses before cognitive responses (Zajonc, 1980) and may blame others for negative events because of self-serving biases (Schlenker, 1980). Legal considerations may have also motivated immediate denials in response to organizational controversies (Marcus and Goodman, 1991).

Acknowledgments. In contrast to denials, acknowledgments were forms of accounts that argued, "we recognize a negative event occurred, but . . ." "it wasn't our fault," or "we had a good reason for our actions," or "the ultimate outcome was positive." Spokespersons appeared to use acknowledgments to minimize their organizations' responsibility for events or attenuate negative perceptions of events. Examples of acknowledgments included Beef Queen's claim that "although our planned development is part of the Significant Ecological Area . . . it was [erroneously] included in the original plan," Little Wrangler's claim that "cattle do trample some tree saplings, but they also provide fire protection by keeping grass levels down," and Association Y's claim that "the benefit of hormones is that the animal's healthier, and you get a leaner product."

Spokespersons may have offered these acknowledgments for several reasons. First, because the consequences of the events were not severe (i.e., no one died), acknowledging these events had minor consequences for spokespersons and their organizations (Schlenker, 1980). In addition, because spokespersons' organizations were often clearly involved in actions leading to the controversies, industry audiences may have expected such acknowledgments (Marcus and Goodman, 1991).

Institutional characteristics. Institutional characteristics were a type of account content that consisted of normative and socially endorsed organizational practices. These characteristics signaled legitimacy with broad segments of society and matched organizational traits defined by institutional theorists as institutional structures (legitimate hierarchies and roles), institutional procedures (legitimate rules and processes), institutional goals (legitimate goals or outcomes), and structural decoupling (separating legitimate and illegitimate structures) (Scott, 1987; Ashforth and Gibbs, 1990).

Spokespersons appeared to use references to institutional characteristics to improve their credibility and support their claims. Thus, references to institutional structures included Cattle King's promotion of its Total Quality Management Department, which "meets or exceeds U.S. Department of Agriculture guidelines," and Beef Queen's reference to its own "habitat maintenance program," which "should preserve many of the native trees," in the Significant Ecological Area. References to institutional procedures included Association X's claim that grazing limits were

determined by the Bureau of Land Management and the United States Forest Service and Cattle King's claim that "government inspectors oversee all production [to ensure compliance with] standards of the Food Safety and Inspection Service." References to institutional goals included Beef Queen's claim that the cattle industry was "a multi-billion dollar industry that contributes a great deal to the state economy" and Association Y's claim that hormones provide "a cheaper product for the consumer, because hormones actually produce more weight in less time." Finally, references to structural decoupling included Little Wrangler's claim that environmental degradation was the fault of "hikers and horsemen," separate from the cattle in the area, and Association X's claim that the European boycott of U.S. beef was due to "some widely publicized illegal use of [hormones] in veal calves in Italy several years ago," not hormone misuse by U.S. cattle producers.

In many of these cases, spokespersons appeared to argue that their use of normative structures and procedures proved their legitimacy, and their actions should be unquestioned (Meyer and Rowan, 1977; Fombrun and Shanley, 1990). In addition, because most institutional characteristics were socially endorsed by broad segments of society, spokespersons may have used them as a form of social proof of legitimacy (Cialdini, 1984). Finally, references to institutional characteristics may have been used to improve the credibility of spokespersons and thus increase the believability of their accounts (Elsbach and Sutton, 1992).

Technical characteristics. The second type of account content was technical characteristics, which signaled efficiency and effectiveness in organizational performance (Scott, 1987). Similar to their use of institutional characteristics, spokespersons appeared to refer to technical characteristics to support their accounts. Several cattle industry spokespersons claimed, for example, that their grazing practices were designed to preserve the range because it was a critical resource for raising cattle. Similarly, Beef Queen spokespersons noted that tree clearing was done "in areas that we could make productive land out of" and noted that "it also makes our operation more efficient to have built this expansion." Finally, Association Y spokespersons claimed that hormone use in the U.S. was safe because "if there are residues at the time of slaughter the cattle are rejected. It's not in the cattlemen's best interest to lose the value of that whole animal by not complying with the withdrawal period for hormones."

In all of these instances, technical arguments appeared to be directed toward more informed or affiliated audiences. Thus, spokespersons gave nearly all technical arguments in interviews with me or in specialized cattle industry publications, while very few were included in widely circulated newspapers or magazines. Spokespersons may have believed that these informed or affiliated audiences would have either perceived the technical arguments as more valid due to their expertise about the controversies or perceived the controversies as more technical due to their connection to the industry and thus would have found the technical arguments more rational and adequate.

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Account Prototypes

Cattle industry spokespersons combined the two common forms of accounts (denials and acknowledgments) with the two common contents of accounts (references to institutional and technical characteristics) to produce four common account prototypes. These account prototypes appeared to be strategically designed to make accounts of controversial events more logical, believable, and adequate. Table 3 provides cross-event evidence of the four prototypes.

Table 3

Events	Form and content of accounts			
	Denial/ institutional characteristics	Denial/ technical characteristics	Acknowledgment/ institutional characteristics	Acknowledgment/ technical characteristics
Little Wrangler grazing in a state park	R, I		R, I	R, I
Beef Queen plans to develop Significant Ecological Area			R, I	I
Beef Queen cuts 100 oak trees	I	R		R, I
Cattle King associated with dirty meat packing	R, I	I	R, I	
European ban on U.S. beef due to hormones	R, I	I	R, I	R
"Meat Stinks" TV ad citing animal cruelty in beef industry	R, I	I	R, I	I
Earth Day statistics of 5000 gallons of water per pound of beef	R, I	R, I	R, I	R
United Nations report claiming 85 percent of the West is over-grazed	R	I	R, I	R

* Sources of evidence: R = the link was heavily used in records data sources responding to a given event, or I = the link was heavily used by informants responding to a given event. A total of 266 different accounts were used in this analysis.

Denials linked to institutional characteristics.

Spokespersons linked denials to two different institutional characteristics in cattle industry accounts. First, spokespersons commonly linked denials to institutional procedures. In response to a food-safety controversy, for example, a Cattle King spokesperson denied that his organization produced unsafe products by pointing to its conformance to stringent government standards: "We don't have a food safety problem. Sanitation-wise, we monitor [operations] and work with the U.S. Department of Agriculture to make sure we have met and have exceeded the minimum requirements." Similarly, Association X spokespersons referred to the specific standards that the U.S. Food and Drug Administration (FDA) required of cattle feeders in their denials of food-safety problems due to hormones: "All [hormone] products are approved by the Food and Drug Administration on the basis of very stringent tests for safety. There is no evidence of any human health problem from the use of these products." These spokespersons appeared to argue that because they had

adhered to socially endorsed and normative laws, programs, and regulations, they were innocent of wrong doing. Similar arguments have been found following organizational crises, in which spokespersons claimed that normative organizational practices constrained their actions and prevented them from doing wrong (Taylor and Bogdan, 1980; Cline and Cline, 1987).

Second, spokespersons commonly denied wrong doing by claiming that they were structurally decoupled from those responsible for controversial actions. A Little Wrangler spokesperson claimed that the overgrazed areas found by a state association during a tour of his ranch were not connected to his operation: "The grazed side was denuded, not by cattle, but because it was a major trail crossing leading from an adjacent staging area heavily used by hikers and horsemen." Cattle industry spokespersons also decoupled their organizations from controversies by blaming a "few bad apples" in the industry for inhumane treatment of cattle or blaming past ranchers for overgrazing. These references to structural decoupling may have been linked to denials because they neatly set up claims that "we didn't do it" by proposing that "others did it." Thus, organizational spokespersons used structural decoupling to split off legitimate parts of their organizations from parts responsible for the controversy (Higgins and Snyder, 1989) and make denials more logical and believable. In the same vein, organizational researchers reported that spokespersons successfully distanced their organizations from negative events by claiming that separate affinity groups (Elsbach and Sutton, 1992) or business interests (Pfeffer and Salancik, 1978) were responsible for controversial actions.

Denials linked to technical characteristics. Spokespersons also linked denials to technical practices in cattle ranching organizations. Thus, spokespersons often denied wrong doing because to commit such an act would be ineffective or inefficient. In response to criticisms over water use, for example, one industry spokesperson noted, "Despite what you keep hearing, irrigated pasture land is not central to the beef industry like it was 15 or 20 years ago. . . . Ranchers are moving away from it because it's not economical." Similarly, an Association Y spokesperson refuted animal cruelty charges by claiming, "People don't believe how many hundreds of pounds difference there can be just by the way you handle the cattle. Well, that's our income, if you were selling cattle by the pound, which is the way we sell cattle. So it's so important for us to handle cattle in the most humane way." In these instances, spokespersons may have believed that technical references would make their denials appear more logical and believable. Several studies have shown that similar logical and detailed references improved the adequacy of explanations of unpopular decisions (Folger, Rosenfield, and Robinson, 1983; Greenberg, 1990a).

Acknowledgments linked to institutional characteristics. In a third account prototype, spokespersons linked acknowledgments to several institutional characteristics. First, spokespersons commonly linked acknowledgments to institutional procedures. In many of these accounts,

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spokespersons claimed that controversial actions should be excused because they were "only following the rules," as in an Association X spokesperson's account of the hormone controversy: "One reason why the U.S. government has not been willing to certify to the Europeans that a given shipment of beef was from non-implanted animals is because it cannot be verified scientifically." In other cases, spokespersons used socially endorsed procedures to justify organizational actions because they led to positive outcomes: "We feel justified in continuing to graze in the [state park] because the [fire] chiefs have consistently recommended that grazing continue as an important complement to the Fire Plan, and they have repeatedly stated that grazing is the only practical way to limit the buildup of dangerous fuel levels in the park grasslands." Such accounts suggested that the organizations had made good-faith efforts to avoid negative outcomes by following sanctioned procedures. This rationale has been found in empirical studies, in which spokespersons claimed that controversial outcomes (i.e., poor patient care in a mental institution or unethical behavior in a marketing exercise) should be accepted because they were the result of following legitimated regulations or because no guidelines prohibited it (Taylor and Bogdan, 1980; Konovsky and Jaster, 1989).

Second, spokespersons linked acknowledgments to institutional structures that were associated with the controversies. As one informant put it, "In response to the hormone issue . . . I often promote a recently published and implemented program that our Feeder Council has created with the cooperation of the University of California. It is a beef quality certification program . . . [and] it is the only one with the monitoring and research aspect, conducted by the University of California." In these cases, spokespersons claimed their actions led to the implementation of legitimate structures that were actually beneficial and desirable to outside audiences. These types of normative structures have been shown to signal and symbolize legitimacy to outsiders (Scott, 1987; Fombrun and Shanley, 1990).

Third, spokespersons commonly linked acknowledgments to institutional goals in their accounts. Thus, association spokespersons claimed that the industry's large use of water was necessary to produce low-cost food and that water subsidies reduced costs to consumers and the general public. In another case, Beef Queen spokespersons claimed that the golf course they planned to build in a Significant Ecological Area was necessary to meet public demand. As one informant put it, "There is a public demand for another golf course in this area, and we are just meeting that demand." In these examples, spokespersons appeared to argue that the socially endorsed ends of their actions justified their more controversial means. President Reagan used this logic when he justified poor progress at the Iceland Arms Talks in order to stay true to his goals (Sutton and Kramer, 1990).

Finally, spokespersons from the California cattle industry routinely linked acknowledgments to structural decoupling to distance themselves from outcomes that could not be denied. Thus, a Beef Queen spokesperson decoupled her

organization from the degradation of a Significant Ecological Area in her explanations for developing it, "A variety of factors . . . in addition to our company's cattle operation have contributed to the Significant Ecological Area's decline—including the State Freeway and other development in the area." In these cases, references to structural decoupling may have made acknowledgments more believable because they provided evidence for the logical argument that others were partially responsible. This tactic was used by several parties following the Exxon Valdez oil spill, in which Exxon, the Coast Guard, and the governor of Alaska all blamed each other for slowing down the clean-up effort (Peak, 1990).

Acknowledgments linked to technical characteristics.

Finally, cattle industry spokespersons commonly linked acknowledgments to technical characteristics in their verbal accounts. Beef Queen spokespersons claimed that their cutting of oak trees and the development of the Significant Ecological Area were both good business decisions. As one informant put it, "If it is not economically viable for a company to continue to farm land, but it might be economically viable to build a planned community, a shopping center, or whatever, and if it's private property, as long as we follow all the rules and government procedures, it's something that we need to do." In another example, industry spokespersons justified the continued use of hormones in the U.S. because a "prohibition" system would not be practically or economically feasible: "In some countries that have banned the hormones, some producers have used them illegally. Controlling residues under a 'prohibition' system would require tremendous amounts of government resources and could actually increase the public health risk." Spokespersons may have linked these technical characteristics to acknowledgments because they believed their use of technical characteristics would reinforce their credibility as rational actors. In a similar way, Sutton and Callahan (1987: 427) demonstrated that some company spokespersons justified the controversial event of filing for Chapter 11 bankruptcy by defining it as a rational action that "permitted their organization to proceed in a direction that would have been impossible otherwise."

Discussion

The findings of Study 1 suggest (1) that organizational accounts may be defined by their content as well as their form and (2) that four common prototypes are strategically constructed from two primary forms and contents of accounts. As a result, this model expands models of verbal accounts and enhances theories of symbolic management. Further, these findings suggest that both form and content are important components of accounts and that both may thus play a role in the effectiveness of accounts. Previous models of the effectiveness of accounts have focused primarily on the usefulness of different forms of accounts, but not on the contents (Staw, McKechnie, and Puffer, 1983; Marcus and Goodman, 1991). To investigate the impact of both form and content on account effectiveness, I carried out a second inductive study in the California cattle industry. I examined the effects of the four account

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prototypes from Study 1 on audiences who were the primary targets of cattle industry spokespersons.

STUDY 2: THE EFFECTIVENESS OF ORGANIZATIONAL ACCOUNTS

Methods

Informants. In Study 1, I identified seven groups of people who had the ability to influence and reflect public perceptions of the cattle industry and who were the primary target of most organizational accounts following the eight controversial events. From these groups, I selected fifteen informants for Study 2, including (a) three newspaper or television reporters who covered the controversial events, (b) three environmental news writers from California newspapers, (c) two county politicians familiar with cattle ranching organizations in their counties, (d) two dietitians familiar with the beef industry, (e) two university researchers in environmental sciences, (f) two beef buyers for large supermarket chains, and (g) one high-school educator interested in health and environmental issues.

Data sources. All informants participated in a structured interview lasting 30–60 minutes. I first asked informants about their organizational roles and their involvement in issues affecting the California cattle industry over the last three years. I then presented informants with descriptions of the eight controversial events described in Table 2, above. I asked each informant only about those events in which they had a professional interest. I asked informants to describe the immediate impact of each event on the legitimacy of the California cattle industry and its organizations. Next, I presented informants with a list of 10–20 actual accounts given by cattle industry spokespersons in response to the event, which I had acquired in Study 1 and had categorized by their form and content. I asked informants to describe how and why the accounts affected their perceptions of the legitimacy of the California cattle industry and the organization in question. Informants did not know about the categorizations of the accounts. I obtained a total of 392 responses to 82 different accounts.

I also used mass-media publications as evidence of the effectiveness of accounts that followed the eight controversial events. The sources were the same as in Study 1. I obtained a total of 71 responses to 28 different accounts.

Data analysis. My data analysis followed an iterative approach, similar to that of Study 1, of traveling back and forth between the emerging theory and existing literature (Glaser and Strauss, 1967; Elsbach and Sutton, 1992). I analyzed informant interviews from the cattle industry as well as from members of interested audiences to determine the effectiveness of specific types of verbal accounts in improving organizational legitimacy in the California cattle industry. Based on previous research (Michener and Burt, 1971), I measured organizational legitimacy using both (1) perceptions of organizational normativity (i.e., the extent to which organizational behaviors are typical and acceptable) and (2) endorsement by organizational audiences. I recorded increased perceptions of legitimacy following an account

when informants reported that the organization appeared more normative and/or when informants said they would more highly endorse the organization. I searched for consistencies in the types of accounts that increased organizational legitimacy and similarities in the reasons informants gave for their changed perceptions of legitimacy. In addition, I searched mass-media publications for audience reactions to industry accounts that suggested perceptions of legitimacy had increased. Common signals of improved legitimacy from these publications were reports of increased endorsement for the organizations or industry. To aid in the theory-building process, I displayed evidence of improved legitimacy from different audience segments for each of the different account prototypes (Miles and Huberman, 1984). I reported evidence of increased legitimacy for a given audience segment when a majority of all responses to a given account prototype revealed increased endorsement or perceptions of normativity for the organization in question.

The Effectiveness of Organizational Verbal Accounts

Findings from Study 2, as well as evidence from extant literature, suggest variation in the effectiveness of different forms and contents of accounts in protecting organizational legitimacy. Acknowledging forms of accounts appeared more effective than denials, and contents of accounts that referred to institutional characteristics appeared more effective than those that referred to technical characteristics. In addition, Study 2 data revealed that combining acknowledging forms of accounts with references to institutional characteristics produced the most effective accounts. Evidence of the effectiveness of organizational accounts is summarized in Table 4 and discussed below.

Effectiveness of different forms of accounts. Forms of accounts that acknowledged the occurrence of controversial events appeared to be more effective in protecting organizational legitimacy than forms that denied the events. Informants noted that the former "acknowledged the problem" and "addressed the issue directly," while the latter were self-serving attempts to "skirt the issues" and "draw attention away from the real problems." As one informant noted in response to Beef Queen's claim that it hadn't done anything wrong in cutting down over 100 trees because it hadn't broken any laws: "Those actions were largely perceived as wrong—this is just a cop-out." Conversely, informants responded positively to Beef Queen's claims that its proposed development of a Significant Ecological Area "not only meets the community's needs, but preserves the environment." These informants noted that, "they have gone through a great deal to accommodate people's concerns about the environment."

There are several reasons why acknowledgments may have been effective in protecting organizational legitimacy. First, most cattle industry controversies involved scandals or product-safety crises that were perceived to be the result of deliberate organizational actions. The public's mistrust of large industries and the mass media's treatment of controversial events may have intensified this perception

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Table 4

Cross-Event Evidence of the Effectiveness of Accounts for Different Audiences*

Events	Form and content of accounts			
	Denial/ institutional characteristics	Denial/ technical characteristics	Acknowledgment/ institutional characteristics	Acknowledgment/ technical characteristics
Little Wrangler grazing in a state park	M		M, S	M
Beef Queen plans to develop Significant Ecological Area			M, P	P
Beef Queen cuts 100 oak trees	P	P	M	
Cattle King associated with dirty meat packing	B, M	B	B, D, M	
European ban on U.S. beef due to hormones	B, D	B	B, D	D
"Meat Stinks" TV ad citing animal cruelty in beef industry	M	B	B, M	
Earth Day statistics of 5000 gallons of water per pound of beef	D, M	D	D, E, M	E
United Nations report claiming 85 percent of the West is over-grazed	M	S	M	

* Extensive reports of increased legitimacy following accounts of a given form and content for a particular event were taken as evidence of the effectiveness of the accounts for a particular audience. Audiences are designated as follows: B = beef buyers, D = dietitians, E = science educators, M = media representatives, P = local politicians, and S = university scientists.

(Sethi, 1977). As a result, most cattle industry controversies were hard to deny (Miles, 1982). In addition, because these controversies were perceived to be moderately negative (i.e., no one died), acknowledgments had less severe consequences for cattle organizations and may have been expected by industry audiences. In cases like these, accommodative signals (i.e., acceptance of responsibility, admission of the existence of a problem, and actions to remedy the situation) have proved more effective than defensive signals (i.e., insistence that a problem does not exist and actions to resume normal operations) (Marcus and Goodman, 1991).

A second reason that acknowledgments may have enhanced legitimacy is because denying association with the controversy may have been perceived as evidence of management's lack of control (Sutton and Callahan, 1987). Several studies of impression management in annual reports have shown that, because managers are expected to be in control, promoting images of managerial control may be more important to legitimacy than denying poor performance (Staw, McKechnie, and Puffer, 1983; Bettman and Weitz, 1983; Salancik and Meindl, 1984).

Finally, acknowledgments of controversies may have been important to legitimacy because they allowed spokespersons to move beyond questions of involvement or association with controversies and thus allowed them to use more positive impression management. This accords with Sutton and Kramer's (1990) finding that, by acknowledging that things did not go well in the Iceland Arms Talks, President Reagan's spokespersons got past questions of association with the controversy and were able to use further

impression management to assign blame to others and enhance their own actions. Without the spokespersons' initial acknowledgment, attention could not have been turned away from the question of wrong doing, and later impression management may have been less effective. Based on the above arguments, I propose the following:

Proposition 1: Following moderately negative events, forms of accounts that acknowledge the events will be more effective in maintaining organizational legitimacy than forms of accounts that deny the events.

Effectiveness of different contents of accounts. Accounts that referred to widely institutionalized structures and procedures appeared to be more effective in protecting organizational legitimacy than those that referred to technical structures or procedures. Thus, most cattle industry audiences favored accounts that signaled legitimacy over accounts that signaled efficiency. In response to accounts of the hormone controversy, for example, several informants noted, "I have faith in the legitimacy of the government programs they are working with," and "I am impressed with their research affiliation with the University of California." In contrast, most cattle industry audiences reacted negatively to accounts that referred to the technical practices of organizations. Thus, most informants responded negatively to Beef Queen's rationalization that "if it's economically viable [to develop open range land], it's something we need to do." Similarly, all informants reported decreased perceptions of legitimacy for the cattle industry after hearing an explanation for hormone use in which spokespersons argued that enforcing a ban on hormones "would require tremendous amounts of government resources and could actually increase the public health risk [because people may be less vigilant about food safety]."

There are several reasons why accounts with references to widely institutionalized practices may have been effective in protecting organizational legitimacy. First, references to widely institutionalized structures and procedures signaled that the organization was normative, a characteristic that organizational theorists have proposed is often used to assess legitimacy (DiMaggio and Powell, 1983). Further, references to normative practices have been shown to protect organizational legitimacy when used in accounts of controversies that specifically violate institutional norms (Elsbach and Sutton, 1992). Thus, references to institutional practices may have been especially effective in the current study because all eight controversies were framed by the media and were perceived by most informants as violations of institutional norms.

Second, references to widely institutionalized structures and programs may have been a form of social proof that an organization was credible and rational. Cialdini (1984: 117) argued that social proof may powerfully influence people's perceptions of right and wrong and noted, "Usually, when a lot of people are doing something, it's [perceived as] the right thing to do." In this vein, a study by Folger et al. (1979) revealed that perceptions of fairness, following inequitable allocations of rewards, were improved if subjects were told that their peers thought the allocations to be equitable.

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Similarly, in organizational contexts, theorists have proposed that highlighting socially accepted standards of operation helps to "legitimate organizations with internal participants, stockholders, the public, and the state" and "demonstrate socially the fitness of an organization" (Meyer and Rowan, 1977: 351).

Finally, references to widely institutionalized structures and procedures may have influenced perceptions of legitimacy because they improved the adequacy of accounts by providing audiences with validating evidence to bolster the accounts. In support of this notion, Bies, Shapiro, and Cummings (1988) found that subordinates found their bosses' accounts of controversial decisions to be more adequate if they contained references to company norms, budget constraints, and formal company policies (i.e., institutionalized procedures) than if they contained references to subordinates' behaviors, political environments, or gave no reason. In turn, subordinates felt less anger, procedural injustice, and disapproval of their boss following adequate accounts.

In addition, there are several reasons why references to technical characteristics may have been ineffective at protecting organizational legitimacy. First, audiences may have perceived technical accounts to be self-serving rhetoric that put industry interests ahead of the welfare of the public. This perception may have resulted from the recent calls for social responsibility in the cattle industry (Rifkin, 1992), which weakened the connection between technical efficiency and organizational legitimacy (Sethi, 1977; Scott, 1991). Second, audiences may have found references to technical characteristics to be insufficient or inadequate explanations for organizational actions, especially actions that were perceived as violations of institutional norms. This conclusion is consistent with Shapiro (1991), who found that justifications for lying during a loan negotiation that were based on a rational decision to increase one's chances of making extra money were perceived as less adequate than excuses for lying based on forgetting. Moreover, the adequacy of these explanations was negatively associated with perceptions of injustice, disapproval, unforgiveness, and punitiveness. As Sethi (1977: 329) noted, "Traditional economic and legal criteria are necessary but not sufficient conditions of corporate legitimacy."

There were, however, two notable situations in which technical arguments worked as well as institutional arguments. First, in a few cases, respondents affiliated with the cattle industry appeared to perceive controversies as technical issues and thus found technical arguments convincing. In response to Cattle King's food-safety issue, for example, a beef buyer claimed that he knew Cattle King wouldn't violate food safety standards because "it wouldn't be efficient." Similarly, in response to Beef Queen's tree-clearing and land-development controversies, two local politicians cited "citizens' support" and "economic growth" as good arguments in Beef Queen's favor. In these cases, audience members who were affiliated with the spokespersons may have been more willing to accept traditional or technical reasons as normative. As Scott and

Lyman (1968: 52) put it, "vocabularies of accounts are likely to be routinized within cultures, subcultures, and groups, and some are likely to be exclusive to the circle in which they are employed." Thus, the reasonableness of an account may be best determined by those familiar with the account giver's work or industry. In this way, subjects may also be acting as "intuitive lawyers" (Bell and Tetlock, 1989: 110), by determining whether a reasonable person in a similar situation "could have done otherwise" (Hamilton, 1980: 770).

Second, in a few cases, respondents with expertise concerning the controversy were able to validate technical arguments as true. In response to the hormone issue, a beef buyer and a dietitian both verified that excessive hormone use would cause inspectors to reject cattle. In another case, a beef buyer verified that cattle were not treated cruelly by most ranchers. Finally, two environmental scientists verified that overgrazing was not in cattle ranchers' best interests. These findings may be due to the fact that audience members look for evidence that an account is normative and valid (Bies, Shapiro, and Cummings, 1988). Therefore, audience members who are more knowledgeable about an industry will be better able to validate accounts that refer to technical practices.

Overall, then, references to institutional characteristics may have been more effective in protecting organizational legitimacy than references to technical characteristics because the cattle organizations operated in institutional environments and because most informants were nonexperts in the cattle industry who perceived the organizations as having violated institutional norms. In these cases, references to institutional characteristics were viewed as less self-serving and provided more adequate evidence in support of accounts than references to technical characteristics. Based on the above arguments, I offer a second proposition about the effectiveness of accounts:

Proposition 2: Following moderately negative events perceived to violate institutional norms, accounts that contain references to widely institutionalized characteristics will be more effective in protecting organizational legitimacy with nonexpert audiences than accounts that contain references to technical characteristics.

Interaction of form and content. A final finding from Study 2 is that accounts that combined acknowledgments with references to widely institutionalized structures and procedures appeared to be the most effective accounts. Thus informants reported that Cattle King appeared to be making "good faith efforts" to address and correct its problems following its explanation of a food-safety incident: "We feel we have improved product quality for the customer. . . . Our commitment to our programs, like our Total Quality Control programs meets or exceeds U.S. Department of Agriculture guidelines." Informants felt that these types of accounts were both believable and specific enough to show that the organizations were sincere. As one informant put it, "They're not skirting the issue, and they're giving specifics about what they're doing."

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The effectiveness of these types of accounts may be due to the fact that believable accounts require both the sincerity that comes from acknowledgment and the adequacy that comes from references to institutional characteristics. As Greenberg, Bies, and Eskew (1991: 120) noted, "it is not enough to simply provide an explanation . . . the information must 'fit the facts' and have sufficient detail to be convincing. Moreover, the information must be communicated sincerely." This is similar to Greenberg's (1990b) findings that theft rates following companywide pay cuts were lowest in a plant where a highly elaborate and sincere explanation was given, compared with a plant where minimal information was given in a businesslike fashion or where no explanation was given. It appears that favorable impressions are gained by sincere (acknowledging) forms of accounts that, in turn, make supportive evidence (such as references to institutional structures and procedures) more believable. Based on the above evidence and arguments, I propose the following:

Proposition 3: Following moderately negative events perceived to violate institutional norms, accounts that both acknowledge the events and contain references to widely institutionalized structures or procedures will be more effective in protecting organizational legitimacy with nonexpert audiences than accounts that include only one of these elements.

Moving from Induction to Deduction: A Partial Test of the Model

The findings of the first two studies can be combined into an early model describing the construction and effectiveness of organizational verbal accounts. This model expands definitions of organizational accounts and enhances explanations of account effectiveness. Yet, for ideas to evolve, scholars must both develop new frameworks for expressing ideas and empirically validate those frameworks. Thus, the advancement of scientific theory depends on a continual cycling between inductive research aimed at building theory and deductive research aimed at testing theory (Cialdini, 1980). In an effort to promote this methodology and partially test my model of organizational accounts, I followed the qualitative theory building of Studies 1 and 2 with a quantitative and deductive experiment designed to test the effectiveness of different forms and contents of accounts in managing organizational legitimacy.

STUDY 3: A TEST OF ORGANIZATIONAL ACCOUNT EFFECTIVENESS

Methods

Legitimacy-scale construction. I used a pilot study to construct a scale to measure the dependent variable of organizational legitimacy in Study 3. Pilot-study subjects consisted of 60 engineering graduate students (15 female and 45 male, mean age of 25). All subjects had experience working in large organizations, and none had extensive experience in the cattle industry. Subjects rated the importance of twenty randomly ordered items (e.g., "The general public approves of the organization's operating procedures") to a cattle ranching organization's legitimacy. The 7-point response scale ranged from 1 = not at all

important, through 4 = moderately important, to 7 = very important. The 20 items in the questionnaire assessed two components of organizational legitimacy suggested by previous research: organizational endorsement—internal and external endorsement and organizational normativity—attributes that legitimate organizations should or do have (Michener and Burt, 1971).

Principal components analysis with varimax rotation of the 20 items revealed three interpretable orthogonal factors defined unambiguously by 11 items (i.e., four on factor 1, four on factor 2, and three on factor 3). Based on the results of the factor analysis, I constructed a legitimacy scale with questions based on each of the 11 items. In order to balance the number of questions related to each of the three legitimacy factors, I devised another question, similar to the three items that loaded on factor 3. Thus the scale consisted of four items tapping prescriptive normativity (attributes that a legitimate organization should have) that loaded onto factor 1, four items tapping internal endorsement (support by employees) that loaded onto factor 2, and three items tapping external endorsement (support by the general public) that loaded onto factor 3, plus an additional item that was devised to be similar to these three items. The legitimacy scale is shown in Appendix A.

Vignette study of the effectiveness of accounts.

Vignette-study subjects consisted of 68 executives from the electronics industry (63 male, 5 female), participating in a summer executive training program. Forty-two subjects were divided into four experimental groups, and 26 subjects were used as a control group. Average age of the subjects was 42.3 years, and none of the subjects had extensive expertise in the cattle industry. Subjects' written comments following the vignette suggested they represented highly educated U.S. beef consumers who were concerned with food safety, health, and environmental issues and who shared many of the concerns of the Study 2 informants. All subjects were asked to take on the role of consumers for the vignette study.

Four experimental groups were designed and differentiated by the order in which they received materials. The vignette study proceeded as follows for the experimental groups: (1) subjects read a hypothetical news story about a controversial event in the California cattle industry (i.e., a boycott of a supermarket because it sold beef raised with hormones), (2) subjects read one of four randomly assigned press releases, which gave an account of the event, (3) subjects rated the organization's legitimacy using a 12-item legitimacy scale, (4) subjects repeated steps 2 and 3 a total of four times, thus receiving all four press releases, (5) subjects reviewed all four press releases (i.e., accounts) and ranked them from "best response" to "worst response." The "best response" led to the most favorable impression of the organization. Subjects also wrote down their perceptions of the major messages conveyed in each press release.

The four press releases were given in one of four different orders. These orders distinguished the four different experimental groups: order A = [1, 2, 3, 4], order B = [2, 4,

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1, 3], order C = [3, 1, 4, 2], and order D = [4, 3, 2, 1]. The order of press releases was balanced across the experimental subjects, with eleven subjects receiving orders A, B, and C, and nine subjects receiving order D. A control group of 26 subjects received only the news story and rated the organization on the legitimacy scale. The news story and press releases are shown in Appendix B.

Independent variables. The independent variables in the study were the form of verbal accounts (acknowledgments or denials) and the content of the verbal accounts (references to institutional procedures or references to technical procedures). Thus, the study involved a 2×2 design, with the following four experimental conditions: (1) a denial with references to institutional procedures, (2) a denial with references to technical practices, (3) an acknowledgment with references to institutional procedures, and (4) an acknowledgment with references to technical practices.

Spokespersons from a major cattle industry association devised all of the verbal accounts in response to the hypothetical news story described above. These spokespersons devised five accounts based on each of the four types of accounts. Six independent raters, who were graduate students at a large U.S. university and who were not connected with the California cattle industry ranked the five accounts from best to worst. I tested interrater reliability using Cronbach's alpha (Pedhazur and Schmelkin, 1991), which showed an acceptable level of agreement across the six raters ($\alpha = .71$). I used the top-rated account in each category in each of the four press releases.

Dependent variables. I measured the dependent variable of organizational legitimacy using the 12-item legitimacy scale described above. In addition, I measured organizational legitimacy using a 1-item ranking scale, on which subjects ranked the four press releases according to their effectiveness in increasing perceptions of legitimacy of the organization in question.

Analysis. I performed a principal components factor analysis to determine the number of distinct indices measuring organizational legitimacy. In addition, I performed a manipulation check (i.e., *t*-test) between the control group and the experimental groups to determine if the press releases had a significant positive (or negative) effect on subjects' legitimacy ratings. I performed a two-way (account form \times account content) repeated-measures analysis of variance (ANOVA) (Glantz and Slinker, 1990) on the three indices of organizational legitimacy and on the overall legitimacy measure to determine if there were main or interaction effects of the four experimental conditions on perceptions of organizational legitimacy. I made Bonferroni follow-up comparisons (Pedhazur and Schmelkin, 1991) for all interaction effects. Finally, I performed a Friedman's two-way ANOVA by ranks (Siegel, 1956) on the account rankings as a second measure of the effectiveness of the accounts.

Results

Preliminary checks. As noted above, I asked subjects to describe the major messages they thought were being

conveyed in each press release. Subjects' comments consistently matched the intended form and content of each of the four account types. Informal discussion following the vignette confirmed these findings. Accounts intended to be acknowledgments were perceived as acknowledging, accounts intended to be denials were perceived as denying, and so forth. Thus, the four press releases appeared to be good examples of the four intended account types.

Factor analysis. Although the pilot study suggested three indices of organizational legitimacy, I performed factor analysis to clearly determine the number of dependent variables evident in this first use of the legitimacy scale. Principal components analysis with varimax rotation of the 12-item legitimacy scale revealed three interpretable orthogonal factors defined unambiguously by 10 items. I therefore constructed three indices of organizational legitimacy by taking the mean of the defining items from each factor. This resulted in three dependent variables measuring organizational legitimacy: external endorsement, internal endorsement, and prescriptive normativity. I constructed an additional measure of overall legitimacy by summing the three legitimacy indices.

Manipulation check and order effects. I carried out *t*-tests using a grand mean of legitimacy (i.e., a mean of the three indices of organizational legitimacy) between each of the treatment groups and the control group to determine the overall effectiveness of the press releases. These *t*-tests revealed that all four treatment groups (i.e., subjects who received press releases) rated the organization as significantly more legitimate than the control group (i.e., subjects who did not receive press releases). Thus, the press releases had an overall positive effect on perceptions of organizational legitimacy. In addition, analysis of variance for each of the three dependent variables showed no main or interaction effects for treatment order. This confirms the effectiveness of the balanced design in controlling for order effects.

Effects of forms and contents of accounts. Results of Study 2 provide empirical support for all three of the propositions about the effectiveness of the forms and contents of accounts suggested from Study 1. Table 5 reports the dependent variable means and *F*-ratios for the main and interaction effects of the form and content of accounts on the three indices of organizational legitimacy and on the overall legitimacy measure and reports the means and Friedman χ^2 statistics (Siegel, 1956) for the account rankings.

Proposition 1 predicted that acknowledgments would be more effective than denials in protecting organizational legitimacy. Two-way (form \times content) repeated-measures ANOVAs for the three legitimacy indices and an overall legitimacy measure revealed four significant main effects for account form: external endorsement ($F = 13.9, p < .01$), internal endorsement ($F = 7.41, p < .01$), prescriptive normativity ($F = 7.24, p < .01$), and overall legitimacy ($F = 12.80, p < .01$). In addition, Friedman's two-way ANOVA by ranks revealed a significant main effect for form ($\chi^2 =$

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Table 5

Effects of Account Construction on Organizational Legitimacy

Experimental conditions	Indices of organizational legitimacy				
	External endorsement	Internal endorsement	Prescriptive normativity	Overall legitimacy	Average ranking (1-4)
Form and content of accounts	Means				
Acknowledgments/institutional procedures	3.91	4.19	5.14	13.24	1.38
Denials/institutional procedures	3.33	3.84	4.39	11.56	2.36
Acknowledgments/technical procedures	3.26	3.71	4.04	11.01	2.91
Denials/technical procedures	2.95	3.45	4.07	10.47	3.38
Independent variables	Effects*				
Form	$F = 13.90^{**}$	$F = 7.41^{**}$	$F = 7.24^{**}$	12.80 ^{**}	$\chi^2 = 10.34^{**}$
Content	$F = 12.43^{**}$	$F = 9.66^{**}$	$F = 21.88^{**}$	16.54 ^{**}	$\chi^2 = 21.27^{**}$
Form \times content	$F = 1.68$	$F = .31$	$F = 12.39^{**}$	5.80 [*]	$\chi^2 = 56.84^{**}$

^{*} $p < .05$; ^{**} $p < 0.01$

* Effects for external endorsement, internal endorsement, prescriptive normativity, and overall legitimacy are from two-way, repeated measures ANOVAs. Effects for rankings are from Friedman's two-way ANOVA by ranks (Siegel, 1956).

10.34, $p < .01$). In all cases, acknowledgments led to higher legitimacy ratings than denials.

Informal discussion with subjects following the experiments confirmed these findings. Most subjects reported strong negative reactions to the press releases containing denials because of their "defensive" tone. They claimed that the company only seemed to care about its own reputation and was not "addressing the issues the public is concerned about." By contrast, most subjects agreed that press releases containing acknowledgments seemed more accommodating, less defensive, and more concerned with consumer needs and concerns than the other accounts.

Proposition 2 predicted that references to widely institutionalized structures and procedures would be more effective than references to technical structures or procedures in protecting legitimacy. Two-way (form \times content) repeated-measures ANOVAs for the three legitimacy indices and the overall measure revealed four significant main effects for account content: external endorsement ($F = 12.43$, $p < .01$), internal endorsement ($F = 9.66$, $p < .01$), prescriptive normativity ($F = 21.88$, $p < .01$), and overall legitimacy ($F = 16.54$, $p < .01$). In addition, Friedman's two-way ANOVA by ranks revealed a significant main effect for content ($\chi^2 = 21.27$, $p < .01$). In all cases, references to widely institutionalized procedures led to higher legitimacy ratings than references to technical procedures.

Informal discussion with subjects following the experiment also confirmed these findings. Subjects reacted positively to the "supportive evidence" contained in the press releases

referring to institutional procedures like following USDA and FDA guidelines. Conversely, most subjects felt that the press releases containing technical explanations were "self-serving" or "uncaring." Subjects said they preferred the accounts containing references to institutional procedures because these accounts provided "outside evidence" that the company was acting in a responsible and legitimate manner. Overall, subjects' preferences for specific contents of accounts were much stronger than their preferences for specific forms. These findings suggest that although the content of verbal accounts has been largely ignored by impression management theorists, it may play a crucial role in the effectiveness of accounts.

Finally, proposition 3 predicted that a combination of acknowledgments and references to widely institutionalized structures or procedures would be more effective than accounts that only contained one of these components. A two-way (form \times content) repeated measures ANOVAs for the four dependent variables revealed two significant form \times content interactions: prescriptive normativity ($F = 12.39$, $p < .01$), and overall legitimacy ($F = 5.80$, $p < .05$).

Follow-up Bonferroni comparisons for the prescriptive normativity and overall legitimacy interactions showed that the account combining acknowledgments and references to institutional procedures led to significantly higher prescriptive normativity ratings than all other accounts. For an error rate of .05, the Bonferroni inequality requires $\alpha = (.05 \text{ divided by } 6 \text{ comparisons}) = .0083$. Thus, I found significant rating differences between accounts combining acknowledgments with institutional procedures and those combining denials with institutional procedures for prescriptive normativity ($t = 4.82$, $p < .0083$) and overall legitimacy ($t = 5.03$, $p < .0083$); between accounts combining acknowledgments with institutional procedures and those combining denials with technical procedures for prescriptive normativity ($t = 7.03$, $p < .0083$) and overall legitimacy ($t = 8.30$, $p < .0083$); and between accounts combining acknowledgments with institutional procedures and those combining acknowledgments with technical procedures for prescriptive normativity ($t = 6.88$, $p < .0083$) and overall legitimacy ($t = 6.68$, $p < .0083$). There were no other significant differences between account types. Although prescriptive normativity was the only one of the three indices of organizational legitimacy to show a significant interaction, pilot-study results showed it to be significantly more important than the other two indices to an organization's legitimacy.

In addition, a Friedman's two-way ANOVA by ranks revealed an interaction for account rankings ($\chi^2 = 56.84$, $p < .01$). For this interaction, the account combining an acknowledgment with institutional procedures ($\bar{x} = 1.38$) was rated significantly higher than all other combinations including denials with institutional procedures ($\bar{x} = 2.36$), denials with technical procedures ($\bar{x} = 3.38$), and acknowledgments with technical procedures ($\bar{x} = 2.91$). Again, these findings support proposition 3, that accounts combining acknowledgments with references to widely institutionalized procedures are more effective than accounts with only one of these elements.

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Informal discussions following the experiment confirmed that subjects overwhelmingly preferred the press release that combined acknowledgments with references to institutionalized procedures. Subjects found it to be the most positive message overall and said it showed that the company was "genuinely concerned about its customers." Furthermore, subjects found the references to institutional procedures to be more convincing and legitimating in this account than in the account that combined institutional procedures with a denial. It appears that, in the latter account, the denial decreased the value of any evidence that accompanied it (i.e., the references to legitimate procedures). This finding fits with my earlier argument that acknowledgments make it easier for impression managers to get beyond the question of wrong doing or guilt and make later arguments more effective.

GENERAL DISCUSSION

This paper used three studies to explore the construction and effectiveness of organizational verbal accounts following controversial events. Findings suggest that accounts are constructed by linking two broad forms of accounts (acknowledgments or denials) with two broad types of account contents (references to institutionalized or technical organizational characteristics) and that accounts that combine acknowledging forms of accounts with references to widely institutionalized characteristics are the most effective in protecting organizational legitimacy. The construction of accounts is explained by spokespersons' attempts to provide logical, believable, and adequate explanations. The effectiveness of accounts is explained by audiences' perceptions of the type and severity of controversial actions, their expertise in the controversial area, and their expectations of organizational responses. Following moderately negative controversies, nonexpert audiences expect organizations to acknowledge the events and provide evidence that actions related to the controversy were performed in accordance with widely endorsed and normative practices.

These findings make several contributions to theories of organizational legitimacy and symbolic management. First, they provide a first step toward linking the contributions of impression management and institutional theories to produce a more complete model of the construction and effectiveness of verbal accounts. The findings of the three studies suggest that organizational spokespersons may use impression management tactics to influence organizational legitimacy and, in turn, that referring to organizational-level design features (such as organization structures and procedures) may support these impression management tactics. In this way, these findings refine the relationship between institutional and impression management theories that has been suggested in earlier work (Elsbach and Sutton, 1992).

In addition to linking these two theories, the findings presented here enrich both impression management and institutional theories by filling gaps in their discussions of the construction and effectiveness of symbolic management

tactics. First, the framework developed here enhances impression management theories by defining verbal accounts by their form and content. Further, it suggests that spokespersons may improve the effectiveness of their accounts in protecting organizational images by using specific links between forms of accounts and references to organizational characteristics. Thus, this research contributes to the recent but growing paradigm of organizational impression management (Salancik and Meindl, 1984; Sutton and Callahan, 1987; Marcus and Goodman, 1991). Second, the framework presented here enriches institutional theories by suggesting specific vehicles through which individuals may promote and reinforce institutional practices. Institutional researchers have only recently recognized the role that individuals may play in the institutionalization process (Covaleski and Dirsmith, 1988; Galaskiewicz, 1991). Yet, these researchers have not proposed specific and effective mechanisms that actors may strategically use to affect this process. To this end, the model presented here suggests that spokespersons' verbal accounts may be one of the vehicles through which institutional practices may be communicated, reinforced, or changed by individuals.

Finally, this research makes some practical contributions. First, the model presented here provides some useful suggestions about the most effective forms and contents to use in verbal accounts. Organizations may protect or even enhance their legitimacy following controversies that violate social norms if those controversies are followed by acknowledging accounts that refer to normative structures, procedures, or goals. In addition, this research suggests that organizations may proactively prepare for controversial actions by retaining and using institutionalized structures and procedures in their everyday operations. These institutionalized practices may then be referred to in accounts of future organizational crises. The well-constructed account, it appears, may be mightier than the average blow to organizational legitimacy.

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APPENDIX A: Legitimacy Scale Questionnaire

Subjects were asked to rank how likely they felt it was that each of the following statements was true of the cattle ranching organization "Star Cattle" described in the hypothetical news story. The ratings were on a

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7-point scale, on which 1 = "not at all likely," 4 = "moderately likely," and 7 = "very likely."

- (1) The general public approves of the organization's operating procedures.
- (2) The organization follows government regulations for operating procedures in the cattle industry.
- (3) Workers support the organization's operating decisions.
- (4) Most of the organization's employees would recommend working for the organization to their friends.
- (5) Most of the general public would approve of the organization if asked their opinion.
- (6) The organization is committed to meeting cattle industry standards in its production operations.
- (7) Most employees would continue working for this organization even if they could get a job with any other organization in the cattle industry.
- (8) The organization is concerned with meeting acceptable standards for environmental protection, food safety, and animal welfare.
- (9) The organization is viewed by business writers as one of the top firms in the cattle industry.
- (10) The organization's leaders believe in "playing by the rules" and following accepted operating guidelines.
- (11) The organization has one of the lowest rates of employee turnover in the cattle industry.
- (12) Most consumers in the general public approve of the organization's operating practices.

APPENDIX B: Vignette Study Materials

News Story

Activists Call for Star Cattle Boycott. (Marigold, Ca.) The giant cattle and feedlot producer, Star Cattle, is experiencing opposition from local activists. Last Thursday, over 200 demonstrators picketed 10 Foodtown supermarkets in the Bay Area, urging consumers not to buy their beef since it was produced with the use of antibiotics and hormones in Star Cattle feedlots. Foodtown is one of the largest supermarkets in Northern California and receives over 50 percent of its beef products from Star Cattle, according to Star Cattle Distribution Manager, Ken Price.

Beef Bill Blocked. Consumers are angry because Star Cattle and the powerful cattle lobby were able to block the latest efforts to ban most hormone and antibiotic use in U.S. feedlots. The "Beef Bill," as it is referred to, would have imposed strict regulations on the use of drugs in cattle, allowing ranchers only a few antibiotics to prevent "travel fever" among cattle. The bill would have banned all hormone use in cattle. Congressman Joe Swank (D-Sacramento), sponsored the bill and notes that "The European Community has banned imports of U.S. beef for 3 years now, due to the widespread use of hormones in U.S. feedlots, it's time we listened to what they're saying." Swank echoes many consumers' fears when he comments that "there is still much disagreement in the scientific community over the safety of hormones, and until everyone agrees they're safe, I believe they should be banned."

The use of antibiotics has also been controversial in the cattle industry. Scientists claim that if humans get salmonella from beef that was treated with antibiotics, (i.e., due to improper cooking or handling of raw meat), the strains of salmonella they contract may be resistant to treatment by antibiotics. In 1988, several people became very ill, and one person died of resistant strains of salmonella after handling beef that was treated with antibiotics. These episodes caused many beef producers to cut down or quit using antibiotics. However, Jeremy Rifkin, of the Beyond Beef Coalition (a coalition pushing to reduce beef consumption for environmental and health reasons), notes that the use of antibiotics in feedlots is still widespread.

Buyer Beware. Picketers at the Center Street Foodtown were hoping that other beef producers would put pressure on Star Cattle to discontinue their use of hormones or antibiotics. One of the picketers, Patty Thompson, noted that "we're calling for a boycott of all Foodtown beef, because we can't tell which beef came from Star Cattle and which did not. Some of the beef may have come from producers who do not use hormones or antibiotics. . . . we're hoping those producers will be angry enough about the boycott of their beef, due to Star Cattle's practices, to pressure Star Cattle to stop using the drugs."

Star Cattle spokespersons could not be reached for comment. Activist Marty Black, of the Bay Area Consumer Advocates, said, "That response is typical." Black complained that Star Cattle seems to be out of touch with the public and only takes action when they are coerced. "They only took action to protect animal welfare after they were reprimanded by the FDA for crowding in cattle trucks . . . they will probably only take action on hormones and antibiotics after consumers quit buying their products." Black, along with other picketers, noted that other feedlots have made attempts to internally regulate their drug use, but they have seen no evidence that Star Cattle has done anything to assure consumers that their products are safe for consumption.

Press Releases

Press Release 1: form = denial, content = institutional procedures:

In response to yesterday's protests at Foodtown Supermarkets, we at Star Cattle wish to reassure consumers about the safety of our beef products. There is nothing wrong with our beef from hormone or antibiotic treated cattle because we have an internal quality program, monitored by the State Feeder Council and the University of California, Davis to insure that all product is safe. At Star Cattle, we have always been concerned with food safety and consumer needs. "Our Experience is your Guarantee."

Press Release 2: form = denial, content = technical procedures:

In response to yesterday's protests at Foodtown Supermarkets, we at Star Cattle wish to reassure consumers about the safety of our beef products. There is no problem with the safety of our meat because unsafe levels of hormones would result in rejection by beef inspectors. It would not be in our best interest to lose the value of those cattle because of high residue levels. At Star Cattle, we have always been concerned with food safety and consumer needs. "Our Experience is your Guarantee."

Press Release 3: form = acknowledging, content = institutional procedures:

In response to yesterday's protests at Foodtown Supermarkets, we at Star Cattle wish to reassure consumers about the safety of our beef products. Hormones and antibiotics are only used to protect the health of cattle and improve weight gain of lean meat, and they are only given under the guidelines of the USDA and a California Feeder Council Program monitored by the University of California, Davis. At Star Cattle, we have always been concerned with food safety and consumer needs. "Our Experience is your Guarantee."

Press Release 4: form = acknowledging, content = technical procedures:

In response to yesterday's protests at Foodtown Supermarkets, we at Star Cattle wish to reassure consumers about the safety of our beef products. We use drugs only to improve the health of our livestock because proper use improves the drug's effectiveness, reduces our costs, and assures the wholesomeness of our product. At Star Cattle, we have always been concerned with food safety and consumer needs. "Our Experience is your Guarantee."