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### Journal

ORGANIZATION SCIENCE, 9(1)

### ISSN

1047-7039

### Authors

Elsbach, KD  
Sutton, RI  
Principe, KE

### Publication Date

1998

### DOI

10.1287/orsc.9.1.68

Peer reviewed



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Management: A Study of Hospital Billing**

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*Organization Science*, Volume 9, Issue 1 (Jan. - Feb., 1998), 68-86.

Stable URL:

<http://links.jstor.org/sici?sici=1047-7039%28199801%2F02%299%3A1%3C68%3AAECTAI%3E2.0.CO%3B2-E>

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# Averting Expected Challenges Through Anticipatory Impression Management: A Study of Hospital Billing

Kimberly D. Elsbach • Robert I. Sutton • Kristine E. Principe  
*Graduate School of Management, University of California, Davis, California 95616*  
*Department of Industrial Engineering and Engineering Management, Stanford University,*  
*Stanford, California 94305*  
*Department of Economics, Emory University, Atlanta, Georgia 30322*

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**T**his article addresses a critical, but under-researched area in impression management. Focusing on anticipatory responses, the article provides insight into the way organizations proactively respond to their environments. Using the highly charged issues of hospital billing, the authors creatively investigate stakeholder management, providing the field with new analyses and data.

*Bart Victor*

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## **Abstract**

Existing theory and research on organizational impression management focuses on how spokespersons use remedial tactics, following image-threatening events, to put their organization in the best possible light. By contrast, little theory or research has considered how organizations use impression management tactics to avert undesirable responses to upcoming events. This paper uses a qualitative and inductive study of billing procedures at three large hospitals to develop theory about how organization members use impression management tactics to fend off specific, expected challenges to organizational practices that are ambiguously negative. We found that hospitals use anticipatory impression management tactics to: (1) distract, diminish, or overwhelm patients' attention to hospital charges; and (2) to induce emotions that lead patients to simplify their information processing of those charges. Hospitals appear to use such anticipatory obfuscations both to fend off patients' initial challenges and to prevent their existing challenges from escalating. We discuss these findings in terms of their contributions to theories of symbolic management, social influence, and routine service encounters.

*(Organizational Impression Management; Obfuscation; Hospital Bills)*

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Organizational impression management refers to any action purposefully designed and carried out to influence an audience's perceptions of an organization. Organizational

images are the character and demeanor organizations attempt to project to these audiences (Dutton and Dukerich 1991). Research suggests that organizations may use impression management to maintain the support of external and internal audiences who are critical to their effectiveness and survival, such as customers, employees, or stockholders (Pfeffer and Salancik 1978). Organizations carry out impression management through a variety of means, including annual reports, mass media publicity, special organizational programs, and even office design, to promote a broad array of desired and beneficial corporate images, ranging from competence and legitimacy to intimidation and toughness (Staw et al. 1983, Marcus and Goodman 1991, Weigelt and Camerer 1988).

Despite the apparent breadth of findings about impression management tactics, goals, and settings, most research in this area focuses on organizations' use of remedial forms of impression management to repair or enhance external organizational images (i.e., images directed toward external audiences) following widely publicized controversies. Remedial impression management tactics are tailored communications or actions that explicitly respond to isolated, image-threatening events (Schlenker 1980). Recent studies have shown, for example, that people use remedial tactics most commonly to enhance external attributions of corporate legitimacy

or competence (Sutton and Callahan 1987, Elsbach and Sutton 1992). Such attributions are indicated by external audiences' support and endorsement of the organization (Pfeffer and Salancik 1978). Research also suggests that remedial accounts or explanations (i.e., defenses of innocence, excuses, or justifications) are the most commonly used remedial tactics (Staw et al. 1983, Elsbach 1994). Finally, researchers have shown that effective remedial explanations appear to reduce audiences' scrutiny of controversial events by satisfying their cognitive search for "informational cues" that support the organization's accounts (Bies et al. 1988, p. 385; Dutton and Dukerich 1991). Together, these findings provide a relatively elaborate picture of the forms, uses, and effects of remedial impression management by organizations.

By contrast, we know much less about if and how organizations project images to prevent crises or controversies (Tedeschi and Melburg 1984). As Pfeffer (1981, p. 36) laments in describing research on the use of anticipatory forms of symbolic action, "There have been virtually no empirical studies on the effects of such symbolic [acts] on quieting demands and ensuring continued support or at least quiescence from others. . . ." This lack of research is surprising, given the apparent benefits of such proactive forms of impression management. Researchers have found, for example, that the earlier explanatory accounts are given, the more effective they are in "ameliorating negative responses [to organizational events], including anger, perceptions of injustice, and retaliatory behavior" (Sitkin and Bies 1993, p. 362). Researchers have also found that remedial tactics may backfire if they are viewed as insincere (Benoit 1995, Marcus and Goodman 1991) and that maintaining a favorable public image by using remedial tactics may be quite costly (Sutton and Galunic 1996). As a result, managers may find it desirable and efficient to use preemptive forms of impression management to avoid both damaging images and confrontational reactions from audiences.

The sparse existing research that does examine preemptive forms of organizational impression management has focused on how organizations or their members protect their general reputations by offering accounts of a future event. Most of this research suggests that organizations or their members use preemptive explanations, disclaimers, or excuses (e.g., "we are constrained by extenuating circumstances") to attenuate their responsibility for potential failures, or to minimize the perceived negativity of a future event (Sitkin and Bies 1993, Shapiro and Bies 1994, Snyder et al. 1983). Related research on organizational justice (Greenberg et al. 1991) and organizational trust (Brockner and Siegel 1996) also suggests

that communications about the rationality and consistency of decision procedures may serve as a form of preemptive impression management to promote organizational images of fairness and trust prior to an unpleasant decision outcome (i.e., announcements about corporate layoffs).

These types of proactive accounts appear to be designed for the same purpose as remedial accounts (i.e., to account for an event that is widely perceived as negative), and appear to operate in the same manner as remedial accounts (i.e., by providing evidence that excuses or justifies the organization's and its members' future actions) (see Snyder et al. 1983, for a review). They also appear to be carried out in the same context as remedial accounts (i.e., in special press releases, announcements, or public relations campaigns). As Higgins and Snyder (1989, p. 77) describe:

When an upcoming action (e.g., building a nuclear waste dump) is seen as controversial, the responsible organization is likely to take anticipatory measures to protect its image and to promote its control over the ultimate outcome. One might begin to see press releases detailing the benefits of the project for the local economy . . . and reassuring the public that the organization has an overriding concern for the environment.

Yet, there is little empirical research that considers how organizations may use preemptive impression management to affect specific audience behaviors associated with routine organizational events that are ambiguously negative (for exceptions, see Browning and Folger 1994, Greenberg et al. 1991). In particular, researchers have not examined organizations' use of impression management to prevent anticipated audience challenges (e.g., anticipated reputational challenges, confrontational behaviors, intense scrutiny) following commonly experienced events that are sometimes perceived as negative (e.g., receipt of a bill that is higher than expected, purchase of a product that is defective). These forms of anticipatory impression management may have practical benefits to organizations that are routinely involved in potentially controversial practices (i.e., cigarette companies) (Rosenblatt 1994).

We define anticipatory organizational impression management as tactics that organizations use to influence audiences' general perceptions or specific behaviors associated with upcoming events. Anticipatory tactics may be used to project both positive and negative images to either avert negative perceptions and behavior, or to encourage positive perceptions and behavior. As long as organizational images are projected and used to influence anticipated events, they may be considered forms of anticipatory impression management.

Based on this definition, our above review suggests that a complete conceptual and practical model of anticipatory organizational impression management should include descriptions of tactics used both to protect general audience perceptions and to influence specific audience behaviors. In addition, it should describe tactics used prior to events that are widely perceived as negative or clearly linked to an organization, and events that are more ambiguously negative. Finally, it should discuss the range of ways in which anticipatory tactics are communicated, and how these tactics affect audiences differently than do remedial tactics. Such a model should help fill the gaps we identified in general models of symbolic processes in organizations, as well as in more specific models of organizational impression management.

To address these conceptual and practical issues, we describe a working framework of anticipatory organizational impression management induced from a qualitative study of routine hospital billing practices. This framework focuses on one aspect of anticipatory impression management: the use of anticipatory tactics to prevent specific undesirable behaviors by target audiences in situations where organizational actions are ambiguously negative. We focus on this aspect because, as noted above, our reading of the impression management literature suggests that the use of anticipatory tactics in such contexts has been neglected by researchers, although they appear useful in averting controversy.

Following the logic of induction, we first describe our methods, and then explicate this framework.

## Methods

### Preliminary Investigation

Our interest in anticipatory organizational impression management was sparked by reading mass media reports published from 1992 to 1994 about patient complaints of hospital billing. These reports suggested that hospital billing procedures were "the leading cause of the public's dissatisfaction with hospitals . . ." (Johnson 1992, p. 26). Several factors contributed to such dissatisfaction. Newspapers, magazines, and television reports fueled skepticism about hospital billing by describing accounts of widespread excessive charges, errors in charges, and charges for unnecessary services (Sternberg 1993). A recent U.S. House of Representative's Energy and Commerce subcommittee investigation of a major hospital chain's pricing policies further fueled public skepticism (Nemes 1993). Private and public insurers began to encourage patients to question charges on their bills, and increased the number of charges they would not cover (Teegardin 1993a,b). In addition, many insurance plans

required patients to pay 20 percent of hospital costs. Thus, while studies showed that the majority of hospital bills were correct, media reports created a situation where patients were suspicious of their bills, and, for many, receiving a bill was potentially (but not necessarily) a negative event (Teegardin 1993a).

Our preliminary reading also suggested that patients responded to these events by increasingly challenging hospital charges, and demanding formal audits of their bills (Hudson 1992). The auditing of patients' bills is a painstaking and expensive task that requires a full-time nurse auditor (employed by the hospital) to check every item on the bill against hospital documentation. Subsequently, many hospitals implemented billing procedures and customer service policies designed to present organizational images that would stave off patient questions and audit requests. Some for-profit hospitals, for example, began to advertise discount campaigns to reduce the perception that they were "price gougers" (Nemes 1993). Similarly, some public hospitals started to educate patients about the costs of under-reimbursement of indigent care by Medicare and Medicaid to justify increasing hospital rates to privately insured patients (Johnson 1992). Finally, some hospitals attempted to create the impression that they offered competitive prices by pricing recognizable items (e.g., room rates and common drugs) in line with other hospitals in the market, while charging more for equipment and supplies which are less identifiable (Nemes 1993).

These trends suggest that U.S. hospitals may have used their billing procedures and related communications to promote organizational images of credibility and fairness with patients. These images appeared to be designed to avert patients' scrutiny of, skepticism about, and challenges to hospital charges, rather than to respond to challenges that had already arisen, as is the case with most remedial tactics. In addition, the tactics used to form these images appeared to be carried out through routine service encounters (Coyne 1989), rather than through public relations campaigns or communications (which have been the focus of most previous impression management research). These preliminary indications encouraged us to further examine hospital billing procedures as a context for understanding pre-emptive forms of organizational impression management.

### Research Setting

We studied the business office and financial services departments of three large, urban hospitals in the U.S. Each hospital had experienced a sharp increase in challenges to hospital charges after a series of local newspaper articles cited outrageously priced medications and a wide

variance in charges for similarly priced items between hospitals in their area. These reports appeared approximately six months prior to our study, and stated the following.

Analysis of charges from every acute-care hospital in [the state] unearthed a confusing and inconsistent world in which charges vary by thousands of dollars for the same procedures, where hospitals you'd expect to be the most expensive aren't, and where charges have only a tenuous relationship to the cost of providing the care.

The report also provided detailed information about how to question or challenge hospital charges, and gave one woman's testimonial that challenging charges leads to reductions in one's bill, i.e., "I think we need to start questioning everything. . . . I don't think we need to blindly pay the charges."

In response to these reports, officials from all three hospitals included in this study confirmed a trend of increased questions and challenges to hospital charges over the last year. The average number of billing questions and audits reported by the three hospitals during this study are included in Table 1. Informants from all three hospitals also reported that their hospital had recently changed its billing practices to deal with the increased questions and challenges.

*Hospitals.* All three hospitals included in this study were large, not-for-profit organizations. We chose not-for-profit hospitals because (1) they are the most common

type of hospital in the U.S. and in the state where this study was conducted and, (2) we anticipated patients would expect lower charges at not-for-profits than at for-profit hospitals, and would be more likely to challenge charges they considered out-of-line. According to a recent newspaper investigation on health care costs, the hospitals included in this study charged similar prices, and charged among the highest prices for not-for-profit hospitals in their area (an average of over \$2,000 more per visit than the lowest-priced hospital in the area). Table 1 shows statistics for the three hospitals included in this study. We refer to them by the pseudonyms Hilltop Hospital, Charity Hospital, and City Hospital.

**Informants**

*Hospital Employees.* We chose the first set of informants for this study based on their involvement in either: (1) developing policies for preparing, presenting, and explaining hospital bills, or (2) actually preparing, presenting, or explaining hospital bills. Our preliminary investigation suggested that these people had the most knowledge of and involvement with presenting organizational images through billing procedures. Based on our first interview with each hospital's chief financial officer, we identified all positions connected to billing procedures, and interviewed at least one informant in each position. For each hospital, the informants included: (1) the chief financial officer, (2) the director of the financial services area, (3) the manager of the customer services

**Table 1 Hospital Statistics**

Hospital	Number of Beds	Patients per Year*	Average Charge**	Reported Questions per week	Reported Audits per week
Hilltop Hospital maternity, oncology, surgery, emergency, behavioral services	455	100,000	\$7,900	80-100	25
Charity Hospital cardiology, heart surgery transplant surgery, neurosurgery, neurology oncology, orthopedics	604	90,000	\$7,800	140	5-10
City Hospital orthopedics, open heart surgery, emergency, lung and heart disease, maternity.	533	100,000	\$7,600	150	5-10

\*Patients per year includes total patients served through both inpatient and outpatient services.

\*\*Average charge based on charges for 15 common illnesses as reported to Medicare in 1992.

area related to billing, (4) three billing customer service representatives, (5) a nurse auditor in charge of auditing challenged bills. We also interviewed two department managers from Hilltop Hospital who entered hospital charges and answered questions associated with billing audits, and a patient advocate from Charity Hospital who acted as a third-party advocate for patients with questions or complaints about services or charges.

*Hospital Patients.* We also interviewed 15 patients who had been treated at one or more of the three hospitals within the past two years, and had paid at least a portion of their bills (six from Charity, six from Hilltop, and three from City Hospital). We solicited patients from an electronic bulletin board, and paid them \$20 for the interview.

### Data Sources

*Interviews.* To minimize demand effects, we started our interviews with both hospital representatives and patients with very broad, open-ended questions, and let the interviewee determine the direction of our inquiry.

We first conducted 60-minute interviews with the chief financial officer and director of financial services to get an overview of the processes their hospital used to present and explain hospital bills to patients. We asked these informants about (1) trends in patient questions and challenges to bills; (2) standard procedures for fending off challenges and stopping challenges from escalating; and, (3) major changes in hospital billing procedures over the last year. We then interviewed the manager of customer service and three customer service representatives over a four- to six-hour period, during which we observed each informant (see customer service observation below). We asked these informants to describe: (1) the major types of questions and complaints they received from patients; (2) how they handled patient questions and complaints, including the images they tried to project about the hospital; (3) how the presentation of the bill contributed to or prevented patient questions and complaints; (4) trends in patient questions and complaints; and (5) suggestions for changes that would reduce patient questions and complaints. We also interviewed nurse auditors, patient advocates, and department managers about their involvement in dealing with billing audits. We asked them to describe how they handled audits, the trends in the quantity and quality of audits, and how the presentation and explanation of bills contributed to patient requests for audits. We transcribed all interviews.

We also conducted 30-minute interviews with all 15 hospital patients. We asked patients to describe their experience with the hospital billing office, to recall what images they formed of the hospital billing office after receiving their bill and after asking questions (when

applicable), and to remember how they felt and behaved because of images they formed of the billing office and hospital. At this point, we had already developed a preliminary model of anticipatory impression management tactics used by hospitals. We were using this second set of interviews to develop more specific ideas about patients' responses to those tactics. All interviews were tape-recorded and transcribed.

*Customer Service Observation.* One of us sat with, talked to, and observed customer service representatives from each of the hospitals during normal working hours. At each hospital we observed three customer service representatives for four to six hours on separate days. All customer service representatives worked in cubicles situated in a large office space and interacted with patients primarily by phone. We also observed face-to-face customer service interactions at Charity Hospital. In a typical patient interaction, the representative answered questions about a hospital bill, while viewing it on a computer screen. The screen displayed the patient's account, and contained notes summarizing past interactions. While the number of calls per day varied across hospitals, all hospital informants reported an average of 10 to 15 calls per day involving questions or challenges to hospital charges.

*Records Data.* We collected several sources of records data to provide information about the presentation and explanation of hospital charges. We asked hospital business office managers (i.e., those who have the most experience with bills and billing challenges) to provide a representative sample of patient bills that were associated with typical questions, challenges, or audit requests. Each hospital presented us with ten sample bills. From each patient informant, we also collected copies of hospital bills and other correspondence with the hospital, such as letters they had sent to the hospital. Next, we collected transcriptions of customer service representatives' comments that were typed into the patient's file during phone conversations with patients about these bills. Finally, we collected copies of patient correspondence that accompanied their complaints or challenges to these bills. These bills and comments revealed the types of items customers challenge, how hospital employees attempted to prevent questions altogether, and how they prevented initial questions from becoming formal challenges. Charity Hospital also provided us with ten responses to audit requests, examples of three computer-generated letters sent out with bills, and ten letters from patients requesting audits. City Hospital provided us with three computer-generated letters sent out with bills and four letters from patients requesting audits. Hospital officials deleted all personal information from these records.

### Data Analyses

Our analysis involved several iterations of qualitatively analyzing the data, and comparing findings to extant literature (Eisenhardt 1989, Huberman and Miles 1994): The first and third authors examined and openly discussed trends in the qualitative data, grouped data into similar categories, and compared these categorizations to the emerging theory, as well as to extant research. The sequence of this iterative analysis is discussed below.

*Early Iterations.* Early iterations focused on determining each hospital's tactics (if any) for making bills more acceptable to patients and reducing questions and challenges of them. This early analysis suggested that the hospitals used several forms of communication, including their presentation of bills, letters to patients accompanying bills, customer service responses to questions, and customer service correspondence with patients, to promote organizational images of legitimacy, friendliness, and in some cases, intimidation. For example, interviews with customer service representatives revealed that the format of bills at two of the hospitals had recently been changed so that it more closely resembled other bills (i.e., credit card bills), or insurance statements. This was done to promote the perception that the hospital was a legitimate business, like any other, and that charges were correspondingly legitimate. Most of the messages included in bills, letters, and customer service interactions were standardized and promoted by top hospital administrators. In short, the hospital billing departments and their personnel were acting as spokespersons for each hospital and managing their organization's image with external constituents.

Our data also showed that some billing practices were designed to convey specific dispositional attributes of the hospitals (i.e., friendly, intimidating, generous). For example, several hospital informants noted that the language used in billing statements was intentionally designed to "scare patients into paying quickly." Hospital informants also suggested that these effects were achieved by showing that the hospital was in a position of power (i.e., by affecting audiences' perceptions of the hospital), so that it could more easily and quickly derive favorable outcomes (i.e., collect payment from patients). In turn, patient informants indicated that in many cases, their perceptions about the hospital and its probable actions, rather than its actual actions, led them to accept bills and discontinue challenges of charges. Thus, although informants rarely stated explicitly that they were engaging in or reacting to impression management, hospital representative's descriptions of the ways they used billing procedures to gain quick payment from patients,

and patient's descriptions of the ways the hospitals' apparent demeanor affected their payment of bills, indicate that organizational impression management was used, and was the cause, at least in part, of patients' reactions and behaviors.

*Middle Iterations.* We then focused on determining the organizational images that were imparted by all hospital billing communications. We also sought to discover if hospitals promoted more than one type of organizational impression, and if there were sequences of images used at each hospital. Through several iterations of comparing data to existing literature, we discovered that, in addition to using a few remedial tactics, such as justifications and excuses, to respond to patient questions (Tedeschi 1981), hospitals used several impression management tactics that were designed to avert specific anticipated controversies. For example, two of the hospitals designed their bills to make commonly-used items look "normally-priced," to enhance the legitimacy of the hospital and discourage patient questions. Interviews with hospital informants indicated that these images were not designed to respond to specific patient questions and challenges, but to prevent them. Interviews with patients also confirmed that these images were received and that they affected patients' willingness to instigate or escalate billing challenges.

*Later Iterations.* In later iterations, we identified two primary events that hospitals attempted to avert through anticipatory impression management: (1) initial questions by patients, and (2) requests for billing audits by patients. These events were most likely to result in reductions in patients' bills, and represented costs to the hospitals in the form of hiring nursing and billing personnel to respond to questions and audit bills. The first and third authors grouped examples of anticipatory impression management tactics from all interview, observation, and records data into categories based on the organizational images they were used to project. Based on this analysis, we developed a typology of four organizational images that were signaled to prevent initial questions and audit requests (i.e., accommodation, legitimation, intimidation, and bureaucracy). The categories were based on 280 instances of anticipatory impression management reported by hospital informants, and 73 reports of anticipatory images and their effects reported by patients. These instances of impression management represented communications from all three hospitals, and were gathered from all types of data (i.e., bills, letters, audits, observations, and interviews). Every informant provided some evidence of anticipatory impression management by one of the hospitals. In defining the strength of evidence for a tactic's use or effects, we devised two general rules of



thumb: (1) strong evidence was indicated if all informants and at least half of all records data reported this tactic or effect; and (2) moderate evidence was indicated if at least half of all informants and some records data reported this tactic or effect.

We also noted the context in which hospitals presented images to patients (i.e., if this was an initial encounter with a patient through the presentation of the bill, or a secondary encounter associated with a billing question or audit request). We determined if hospitals used different impression management tactics when they were attempting to prevent billing audits than when they were attempting to prevent initial questions. We then looked at the data again (i.e., we regrouped impression management statements based on both their form and the context in which they occurred) to determine the major images conveyed in each type of billing interaction between patients and hospitals.

Finally, we looked at the intended and reported outcomes of these anticipatory tactics. Based on previous work on the effects of impression management tactics (Jones and Pittman 1982, Elsbach and Sutton 1992), we focused our examination on the cognitive (e.g., attention to events) and emotional effects of each tactic. Together, the above iterations produced a framework of anticipatory impression management by organizations.

## Anticipatory Impression Management by Hospitals

Our analysis indicates that hospitals designed their bills and billing procedures to promote organizational images for fending off specific anticipated controversies. In particular, hospitals promoted organizational images to either: (1) avert initial challenges to hospital charges; or (2) to prevent patients from escalating initial questions into requests for formal audits of their bills.

Our analysis also provides evidence about the operation of these tactics and their effects on audience members. Tactics for averting initial challenges appeared to work by promoting organizational images that diminished patients' attention to all charges and maintained their existing positive moods. These images were signaled through the presentation of initial bills and subsequent correspondence. Tactics for averting audit requests appeared to work by promoting organizational images that distracted or overwhelmed patients' attention, and induced negative emotions specifically associated with escalating their challenges. These images were signaled through bills, correspondence, and customer service interactions with patients.

At first glance, these anticipatory tactics may appear

similar to previously identified impression management tactics meant to minimize negative reactions to upcoming events. As noted earlier, organizations have been shown to employ "tactical and assertive" impression management (Tedeschi and Melburg 1984, p. 37), such as preemptive accounts or enhancements, to prime audiences to downplay potential controversies and to attenuate image damage (Sitkin and Bies 1993, Shapiro and Bies 1994). Similarly, individual-level research shows that people may employ anticipatory self-presentations to prime audiences for upcoming events so that specific behaviors are more expected and less likely to produce negative attributions (Jones and Pittman 1982). Individuals may use self-handicapping attributions (e.g., "I didn't have time to study for this exam") to provide an excuse for future failures (Arkin and Sheppard 1989), disclaimers (e.g., "I know this is against the rules, but . . .") to protect themselves from criticism associated with a planned controversial event (Hewitt and Stokes 1975), anticipatory ingratiation to provide themselves with a positive halo in preparation for future offenses (Wayne and Ferris 1990), or communicate procedural justice to promote the impression that future decisions will be fair and that the decision-makers are trustworthy (Brockner and Siegel 1996).

Yet, the anticipatory impression management tactics we observed appeared conceptually distinct from these tactics in several ways. First, rather than providing a ready-made explanation for future events that were already under scrutiny, the tactics we observed appeared to prevent audience members from attending, altogether, to upcoming events. Tactics such as disclaimers, self-handicapping, and preemptive explanations draw attention to an upcoming event, while the anticipatory tactics we identified dampened, distracted, or overwhelmed audiences' attention toward anticipated controversies. In addition, rather than preventing general, negative attributions, as do most self-presentation tactics, the anticipatory tactics we identified appeared to be used to avert specific, anticipated behaviors (i.e., asking questions or requesting audits). Finally, these anticipatory impression management tactics are distinct from previously-studied impression management tactics because they were carried out through routine service encounters (i.e., routine billing practices), rather than through special interactions or communication programs designed to be used only in a crisis (Marcus and Goodman 1991, Elsbach and Sutton 1992). These tactics are a distinct and largely unstudied form of organizational impression management.

Table 2 describes each of the anticipatory impression management tactics we observed at the three hospitals, including our conclusions about their intended emotional

**Table 2** Observed Anticipatory Impression Management Tactics

Organizational Images Sought	Tactics	Emotions Sought	Attention Sought	Example
Images for Averting Initial Challenges				Presentation of bill to avert initial questions
Accommodating	favors/positive self-characterizations	liking/happiness	diminished	"[Hilltop Hospital] is pleased to provide you with an itemization of charges you incurred during your hospital visit. [Hilltop Hospital] bills your insurance company as a courtesy to you."
Legitimate	institutional conformity	acceptance/contentment	diminished	"One thing we do not have is an aspirin cost \$1.50. We try to make all generic items like Tylenol or Maalox cost close to market value. . . . we try to make all generic items that patients may recognize cost less."
Images for Averting Escalation of Challenges				Customer Service actions to avert audits
Intimidating	threats	fear	distracted	"Patients are informed that audits of bills can go either way. Some charges may not have been posted and were inadvertently left off the bill. If there are charges that should be added we add them. We've had lots of patients come in on the short end of the stick."
Bureaucratic	bureaucratic roadblocks	frustration	overwhelmed	"I'm supposed to take steps to prevent patients from going up the ladder with complaints. I'm not allowed to give out administrators' phone numbers. I just connect them with another representative."

(e.g., happiness, fear, frustration) and attentional (i.e., distracted, overwhelmed, inattentive) effects. Table 3 reports specific examples of the intended and reported outcomes of each tactic. Finally, Table 4 reports cross-site evidence of the use and effects of these anticipatory impression management tactics. This evidence is denoted by its data source (i.e., bills, letters, interviews, observations), and by its strength (i.e., used by most informants, or used by some informants). This evidence and its implications for theories of organizational impression management are explicated below.

**Tactics for Averting Initial Conflicts**

Our analysis suggests that the hospitals studied designed initial bills and accompanying correspondence to present the organizational images of accommodation and legitimacy. These images were designed to avert initial

questions and challenges by maintaining patients' positive emotions and diminishing their overall attention to hospital charges. Consequently, patients may have engaged in simplified information processing regarding their bill to avoid uncovering evidence that would disturb their positive mood (Isen et al. 1982; Isen and Means 1983). Patients may have also mindlessly accepted charges because they appeared normal and legitimate (Ashforth and Fried 1988). A discussion of these tactics follows.

*Accommodation.* Accommodating or "ingratiating" images induce emotions of liking and goodwill in target audiences (Gardner and Martinko 1988, Liden and Mitchell 1988). Accommodating acts such as showing empathy or doing favors instill liking and goodwill among target persons because they imply that impression managers are similar to or fond of targets (Cialdini 1984).

**Table 3** Intended and Reported Outcomes of Anticipatory Impression Management

Image Sought	Intended Outcomes	Reported Outcomes
<i>Accommodating</i>	<u>Attentional</u> "it's more important that patients recognize charges than doctors"	"very few patients challenge charges" "I recognized things right away"
	<u>Emotional</u> "we try to make [patients] feel better about charges" "we do what we can to please them"	"they are satisfied" "I thought [the informative bill] was nice"
Legitimate	<u>Attentional</u> "make items that patients may recognize cost less" "try to associate costs with their experience in the hospital"	"this bill prevents patients from asking questions" "I didn't notice any \$5.00 Band-Aids. It looked legit" "it was itemized, so they must have used it"
	<u>Emotional</u> "validate our charges and put them at ease" "help justify our costs"	"the normal bill satisfies most of them" "its like, yeah this is what I expected to see"
<i>Intimidating</i>	<u>Attentional</u> "let them know they are responsible"	"if they are concerned, they will [pay the bill]" "I was very concerned"
	<u>Emotional</u> "makes them anxious, and makes them mad" "scare [patients] to death so they call and make sure their insurance pays"	"I thought [the threat] was harsh, but I paid" "makes some patients scared and they pay"
<i>Bureaucratic</i>	<u>Attentional</u> "You have to make them understand this is hospital policy . . . there's nothing I can do."	"I was trying to pay attention to it, but eventually I just gave up. . . . I was worn down"
	<u>Emotional</u> "I say charges are normal and customary. I don't try to explain individual charges, I just say that over and over until they get tired of hearing it."	"I felt kind of helpless, I wanted to do something but I didn't know what to do."

In turn, researchers have suggested that such positive moods lead people to engage in simplified information processing to avoid uncovering evidence that may alter their positive mood (Isen and Means 1983; Isen et al. 1982). In addition, positive moods affect people's attention. Positive moods are more common and expected, and are associated with less cognitive activity than negative moods (Schwarz 1990). Positive stimuli may also prime individuals to attend to only positive aspects of subsequent information (Isen and Shalcker 1982, Bower and Cohen 1982).

These emotional and attentional effects may cause people to be less vigilant when they feel good (Janis 1989, Isen and Means 1983), and lead people "to say yes to the requests of someone they know and like" (Cialdini 1984, p. 163). By promoting accommodating images, organizations may promote liking and goodwill in target audiences, reduce the comprehensiveness of their information processing, and prime them to view subsequent requests in a positive light. Targets of accommodating images may

then accept organizational actions more readily and with less scrutiny.

Hilltop Hospital used accommodating images extensively in presenting its hospital bills. Informants suggested that these images were designed to facilitate patients' acceptance of their bills and reduce their questions or challenges. Hilltop Hospital presented accommodating images most often by *highlighting favors* they performed for patients and by presenting *self-characterizations* of the hospital as caring and friendly. For example, Hilltop provided extra services for patients, such as automatically billing their insurance company. This favor was noted on every bill:

[Hilltop] Hospital bills your insurance company as a courtesy to you.

Hilltop also provided its patients with extensive information about itemized charges on their bills and used common terms instead of technical terms for most drugs

**Table 4 Cross-Site Evidence of Anticipatory Impression Management Use and Effects\***

Organizational Image Sought	Hilltop Hospital	Charity Hospital	City Hospital
Images to avert			
Initial Questions			
Accommodation			
Use	<b>B, i</b> (favors)		
Effects	<b>p</b> (satisfied, paid bill)		
Legitimation			
Use	<b>B, I</b> (instit conformity)	<b>B, I, I</b> (instit conformity)	<b>B, i</b> (instit conformity)
Effects	<b>P</b> (not aroused, paid bill)	<b>p</b> (felt comfortable, paid bill)	<b>p</b> (not aroused, paid bill)
Images to avert			
Billing Audits			
Intimidation			
Use		<b>L, o, I</b> (threats)	<b>C, I, o</b> (threats)
Effects		<b>p, L</b> (scared, paid bill)	<b>p</b> (anxious, stopped audit)
Bureaucracy			
Use		<b>I</b> (roadblocks)	<b>I, O</b> (roadblocks)
Effects		<b>P</b> (worn down, stopped audit)	<b>p</b> (gave up, stopped audit)

\***B, b** = strong or moderate evidence from hospital bills, **L, I** = billing letters, **O, o** = customer service observation, **I, i** = interviews, **C, c** = hospital/patient correspondence, **P, p** = patient comments.

Strong evidence was indicated when all informants and half of all records data reported this tactic or effect. Moderate evidence was indicated when at least half of informants and some records data reported this tactic or effect.

Most prevalent expression of impression management shown in parentheses.

and supplies. These types of actions, while seemingly ordinary, were designed and promoted as favors to patients. One Hilltop informant noted:

We provide common names of items to help patients understand their bills. . . . It's more important for patients to understand than the doctors.

The front of every bill also stated:

Hilltop Hospital is pleased to provide an itemization of charges incurred during your hospital visit.

Finally, Hilltop characterized itself as caring and helpful by routinely sending patients questionnaires with their bills that exclaimed:

Your opinion is important to us! Our mission is to provide quality service to our patients.

Providing extra information or easy-to-understand itemizations for patients conveyed the impression that hospitals were willing to expend effort to clarify charges. Billing office representatives from Hilltop reported that this billing format showed patients that they "cared" and made them more "comfortable" with their bills. Such accommodating behavior may have maintained or enhanced patients' positive emotions, and decreased their vigilance

in examining their bills (Cialdini 1984). As one Hilltop informant noted:

We have changed many of the names of items on bills to help patients recognize them and feel better about their bill. We want the bills to get paid. . . . For example, we used to just put the term "drugs" down for all pharmaceuticals. Patients would see a high-priced drug and wonder what it was that cost so much. Now we list every drug by name and the amount of the drug. Patients know what they got and can now confirm it on the bill.

Similarly, a second customer service representative reported,

People are suspicious to begin with. A lot of this has to do with managed care getting people to question charges. They are also a lot more knowledgeable about their bills. . . . So, we try to make the bills easy to understand so they can see what they were charged for. For example, we now add the name of specialists, like Pathologists, on the bill under "Pro Fee," so they know which doctor did the service. This was always done for ER doctors, but we now do it for specialists too.

In response, several patient informants who had been at other hospitals noted that Hilltop's bills appeared more customer-oriented, and felt the extra information was "nice." One said:

One thing I noticed right away about the bill was that they called things by common names. Like “epi-foam” was the name on the can, and that’s what was on the bill. They didn’t use the medical name, which some other hospitals do. I could look at that and know what it was. I thought that was nice.

Another patient suggested that she was less likely to scrutinize charges because she felt the hospital was accommodating to patients:

The fact that they say [on the bill] “thank you for your patronage” and the amount of information they give you, and that they tell you you’re going to be billed separately by anesthesiology, you notice that. That makes a difference, and you’re less likely to pursue things just because you’re ticked off.

These comments suggest that the accommodating images presented by Hilltop may have reduced patients’ scrutiny of their bills because they felt the hospital had expended effort on their behalf. In a similar vein, research on routine service encounters suggests that customers’ satisfaction with a service interaction increases when they feel the service provider exerted effort on their behalf, regardless of the quality of service (Mohr and Bitner 1995).

*Legitimation.* Images of competence or endorsements from respected others (i.e., legitimacy) may induce emotions of deference, or even awe, in target audiences (Jones and Pittman 1982). Researchers have also shown that legitimating explanations of negative events (i.e., explanations that lead to endorsement and judgments of rationality and responsibility) are more likely to elicit positive emotions in audiences than explanations that lower legitimating attributions (Weiner et al. 1987). Images of legitimacy may also affect an audience’s attention to events by reducing the salience of those events. Events that are viewed as legitimate are less likely to be perceived as unusual or uncommon, and thus, noticeable (Fiske and Taylor 1991). Legitimating cues may also reduce audiences’ scrutiny of associated information because it appears “normal” and, in turn, increases the probability that they will mindlessly comply in a well-practiced way (Ashforth and Fried 1988). Long-standing legitimacy may even afford an organization “idiosyncrasy credits” (i.e., permission to violate norms as an isolated incident), allowing it to occasionally engage in questionable behavior and further protect it from scrutiny when it does so (Hollander 1958).

We found that hospitals commonly promoted anticipatory images of legitimacy through the presentation of their bills. Informants again indicated that these images were used to “facilitate patient acceptance” of charges and prevent initial questions from occurring altogether. The most common method of signaling legitimacy was by *conformance to institutional norms*.

Institutional theorists have proposed that conforming to widely-accepted and normative practices signals organizational legitimacy to outside audiences because it suggests that the organization is rational and is endorsed by institutional audiences (Meyer and Rowan 1977, DiMaggio and Powell 1983). Theorists have also suggested that organizations displaying normative and widely accepted structures and procedures may be considered legitimate regardless of their actual practices or performance (Meyer and Rowan 1977). The practices of organizations that conform to institutional norms may then appear less salient and more acceptable because they become “taken for granted” (Scott 1987). As a result, audiences may reduce their scrutiny of such organizations’ practices (Fiske and Taylor 1991).

Accordingly, we found that all three hospitals attempted to reduce patients’ overall scrutiny of their bills by making common and recognizable items on the bill appear reasonably priced. A City Hospital informant reported:

One thing we do is not have an aspirin cost \$1.50. We try to make all generic items like Tylenol or Maalox cost closer to market value. We have a formula for computing the cost of items, and if we applied that formula to aspirin it would cost \$1.50 per tablet, and a bottle of Maalox would cost well over the \$5.00 it costs at a local pharmacy. That’s just asking for trouble. So we try to make all generic items that patients may recognize cost less.

Similarly, a Hilltop informant noted:

We use the same UB92 format for patient bills as we use for the bills that are sent to the insurance company. I think this helps justify cost because it says it was the same as what was sent to your insurance company and this is a copy for your records.

These tactics not only justify the cost of commonly recognized items, but also imply that the hospital and its billing office are legitimate and that all charges can be trusted. As one patient recalled:

I looked through my bill for things like \$5.00 Band-Aids. It all looked legit. I guess with a surgery, you have no idea what stuff they’re really using. If it got itemized, I figured they must have used it.

Similarly, a patient at Hilltop noted that she didn’t question most items, although some were unknown to her, because most of them were recognizable. As she put it:

If I had looked at the bill and not been able to tell what most of the stuff was, I may have questioned the bill. Like, I have no idea what that item is [pointing to an item on the bill]. But, I didn’t even consider questioning the bill since I could tell what 90% of the stuff on there was.

A second way that hospitals used institutional conformity was by designing their bills to provide just enough technical information to make patients comfortable with their charges, but not enough so that they could identify suspicious charges. Informants reported that these bills were designed to minimize patient questions. Customer service representatives from both Charity and City Hospitals reported that their bills had been recently changed to provide only a summary of charges, rather than a full itemization. As one City informant remarked:

Sending the full itemized bill was not worth it because it generated a lot of questions. Patients questioned a lot of things they recognized like blankets and aspirin. The new bill gives them enough information so that they know they received the right bill.

Similarly, a Charity informant noted:

Patients need just a summary, not all that itemized information. It's like when you get your credit card bill. You don't want to know that you bought lipstick and hairspray at Wal-Mart, you just want to know the total you spent at each store so that you can justify the bill.

In response, several patient informants said that they didn't scrutinize their bills because the summary charges seemed reasonable. One City patient said:

I have some bills that are just summaries of charges, and I would never call [to ask questions] on those because I have no idea what they've included or not included in there, and I guess I'm not curious enough to ask. . . . I never really noticed anything. I mean they break it down in the different areas and you know you've got your pharmacy, you've got your surgical stuff.

Nevertheless, many patients also predicted that they would have looked more closely at their bills and questioned charges if itemized information was given. One City Hospital patient normally checked everything on itemized bills received from other hospitals and often questioned suspicious charges. Yet, when asked why he didn't question charges from City Hospital, he recalled:

I guess at [City Hospital], since we didn't get the itemized bill it reduced my willingness to check charges, and I didn't call about any of the charges because of that.

In sum, hospitals used normative, recognizable, and technically adequate labels for items to legitimize their charges and avert patient challenges. They also referred to organizational procedures to signal legitimacy (e.g., technical guidelines and formal accounting procedures), which represent a form of anticipatory impression management not available to individuals.

*Summary of Initial Tactics.* Hospitals appeared to use the initial anticipatory tactics of accommodation and legitimation to maintain low-level attention and positive

emotions because, at this point, attention was not already focused on the bill, and patients' emotional arousal was low. Under these conditions, patients were most likely to mindlessly pay their bills and feel good about it. Researchers have similarly shown that well-practiced behaviors, like paying bills, may become routinized to the point that individuals mindlessly carry them out regardless of context, and that such mindlessness is more likely if people do not receive interruptions or cues that are attention-getting (Langer 1989, Kitayama and Burnstein 1988).

### **Tactics for Averting the Escalation of Conflicts**

We noted earlier that a great deal of impression management research and theory suggests that, following organizational challenges, remedial tactics like justifications, excuses, and apologies will be used for, and be effective in, promoting images of legitimacy, fairness, and accommodation (Elsbach 1994, Marcus and Goodman 1991). In support of this research, we found that all three hospitals responded to patients' initial challenges with legitimating justifications and accommodating apologies that directed attention to the problem at hand and provided convincing evidence to back up explanations. Yet, we also found that all three hospitals gave patients information that was *not* intended as a remedial response to specific questions, but was designed solely to prevent a second, more costly, controversy. Much like the obfuscation tactics used to prevent audiences from focusing blame on the President in the Iran-Contra hearings (Browning and Folger 1994), this information served primarily to promote organizational images that discouraged patients from escalating or continuing their current challenges, without actually responding to their challenges. Hospitals used anticipatory impression management following initial questions to prevent requests for formal audits of their bills. Hospitals may have focused on averting these requests, rather than on merely responding to the initial questions, because performing billing audits is a time-consuming and expensive service.

Our analysis shows that, following patients' initial questions, hospitals presented anticipatory organizational images of (1) intimidation, and (2) bureaucracy to specifically prevent those initial questions from escalating into audit requests. In contrast to anticipatory legitimacy and accommodation, which were designed to reduce attention to charges and promote positive emotions, these images were used to distract or overwhelm patients' attention to hospital charges and induce negative emotions associated with the escalation of initial challenges.

Patients' emotional and attentional responses to these tactics were also qualitatively different from responses to

our initial anticipatory tactics, as well as distinct from responses to common remedial tactics (e.g., excuses or justifications). Following these remedial or anticipatory tactics, audiences typically report positive feelings and recall paying no special attention to their bills (Elsbach 1994, Bies et al. 1988, Shapiro 1991). In contrast, following tactics used to present intimidating or bureaucratic images, patients responded with negative feelings like fear and helplessness, and recall being distracted or overwhelmed in their attention to charges. These feelings and perceptions may have led patients to quickly pay their bills to eliminate a pressing issue and the source of the negative emotions, instead of requesting a billing audit (Taylor 1991).

*Intimidation.* Intimidating images induce emotions of fear and inhibition in target persons (Jones and Pittman 1982). In response, targets of intimidation may engage in behaviors aimed at countering the source of their fear (Leventhal 1970). When intimidating images induce high levels of anxiety, people may carry out “wham! get rid of distress” actions that increase risk-taking and narrow their information search to those items that will dispel fear quickly (Janis 1989, Staw et al. 1981). In addition, intimidating images may become the focus of attention and distract attention from peripheral cues because they are unexpected and unusual (Fiske and Taylor 1991, Janis 1989). Such distraction from relevant information decreases a person’s ability to form counter-arguments and increases the persuasiveness of arguments directed towards them (Osterhouse and Brock 1970).

The hospitals we studied primarily presented anticipatory, intimidating images by delivering *threats* to patients when they requested audits. These threats did not respond to patients’ billing questions. Rather, they were designed to immediately direct patients’ attention away from individual charges on their bills and toward the negative consequences of requesting an audit or not paying quickly. Researchers have shown that such threats from highly credible sources induce fear in target persons, and increase their compliance to requests, as a means of fear reduction (Sternthal and Craig 1974, Hewgill and Miller 1965).

Both Charity Hospital and City Hospital, for example, routinely told patients that audit requests could actually increase their final bill. These threats were clearly given to discourage patients from proceeding with the audit. An informant explained:

When a patient requests an audit of their bill, they are informed that the audit could go either way. Some charges may not have been posted and were inadvertently left off the bill. If there are charges that should be added we add them. We let them know we’ve had a few patients come in on the short end of the stick.

City Hospital informants also noted that they were likely to send bills to a collection specialist “a little earlier than at most hospitals” to prompt patients to pay. The threat of a collection specialist was commonly used to deter audit requests from patients with delinquent bills. One City Hospital informant claimed:

Sometimes patients want an audit after their insurance has paid their portion and I’m calling them to get payment. But I know that’s just a stall tactic. So I say we can have that audited, but I still need payment today or I’ll have to send you to collections. So I have to get a little stern with them. Because the bottom line is that we want payment today.

This tactic was used on a City Hospital patient when she questioned items on a bill that was late. This patient was a student at the same university that ran City Hospital. Because of this association between the hospital and the university, the hospital had the power to delay her registration for university classes. She recalled that, shortly after questioning her bill:

I got another bill with this letter that said I had to pay this bill in full, otherwise I wouldn’t be registered for school this semester. It was definitely intimidating because it was the beginning of August and I was very concerned I wouldn’t be able to register.

Similarly, a Charity patient noted:

I called the Business Office and asked about a \$400 bill I received. And they just faxed me a copy of my bill saying this was my portion. I said I had never received anything like that, and she said, I don’t care, you have three days to pay it or we will continue to pursue the collection and ruin your credit. . . . So I scrambled to pay it because I was intimidated.

In sum, these types of threats signaled that the hospital had means to punish patients who requested audits and did not pay promptly. Although the hospitals had not actually taken any action, such threats induced fear in patients and focused their attention away from scrutinizing charges and toward paying their bill to alleviate their negative feelings.

*Bureaucracy.* A second anticipatory impression hospitals used to avert the escalation of challenges was bureaucracy. Organizational images of bureaucratic red tape may lead to feelings of frustration in people who feel they are helpless in achieving a desired goal (Lazarus 1991). Researchers have shown that obstacles to goal attainment, such as bureaucracy and complexity, commonly produce negative emotions of helplessness and resignation (Weiner 1982). Researchers have also suggested that, when confronted with overwhelming impediments to their goals, individuals will give up or disengage efforts

to attend to that goal (Carver and Scheier 1990). Similarly, individuals who encounter bureaucratic organizations may discontinue attempts to influence the organization, or achieve a desired goal, to escape the frustration of their present course of action and the effort of attending to their goals.

The hospitals in this study promoted anticipatory, bureaucratic images by presenting *bureaucratic roadblocks* to patients who questioned their bill or challenged charges. These roadblocks were not responses to specific questions, but detours that prevented patients from getting information that may have escalated their questions. Hospitals appear to use these tactics to convey the impression that the hospital can thwart patients' challenges to charges and prevent them from escalating.

Charity Hospital representatives, for example, claimed that they tried not to send itemized bills to patients who questioned charges because "patients can't understand them and they cause more questions." Instead, informants claimed that they just said the charges were "normal and customary," and tried to get patients to call their insurance companies about charges that were not covered. One representative noted:

I'll tell them to go after their insurance company if they are dissatisfied because my hands are tied.

In another example, a City Hospital representative stated that part of her job was to prevent patients from "moving up the ladder with questions." To keep patients from talking to administrators and escalating challenges, she often routed patients to other customer service representatives. She explained:

I'm supposed to take steps to prevent patients from going up the ladder with complaints. I'm not allowed to give out administrators' phone numbers. I just connect them with another representative.

Finally, a Hilltop Hospital informant reported that she tried not to explain or justify, but repeatedly cited hospital policy instead:

I say charges are normal and customary. I don't try to explain individual charges. I just say that over and over until they get tired of hearing it.

Patients from all three hospitals concurred that they were often flooded with bureaucratic responses when they asked about charges. Frustrated, many patients claimed they discontinued their questions, and simply paid their bills. One City patient reported:

I tried to talk about it [the bill] with the billing office, and I said I don't understand these charges. They weren't helpful, they were reading the insurance policy to me, and I said, well I've

read it, and they said then you should have understood that this says customary charges. To all my questions they would open the insurance policy and read from it. So they sort of skirted the issue completely, as far as explaining charges. They were very bureaucratic. There was a young woman there, and she kind of made me feel like I was bothering her. I think I stopped asking after a couple of questions. I felt kind of helpless. I wanted to do something, but I didn't know what to do. So I decided I better start paying \$100 a month just in case.

Similarly, one Charity patient recalled:

I get the feeling that they don't want hassles, things are supposed to be more or less straightforward. If somebody calls in, that's what they don't want. One has to be really persistent to get around that. I was trying to pay attention to it, but eventually I just sort of gave up. I thought, okay, I'm going to have to pay them. I can't reconcile what the charges are, but I was worn down.

Finally, one Hilltop patient summed up her feelings in dealing with the billing office:

You know it wasn't going to make any difference. You know you could beat your head against the wall some more, but in the long run it really wasn't going to make a big difference. So you just pay.

These bureaucratic roadblocks signaled that patients' efforts to change their bills would be fruitless. These tactics were most similar to those used to provide "plausible deniability" for the President during the Iran-Contra hearings (Browning and Folger 1994). Government officials avoided keeping a written record or details about the operation and suggested that those connected to the Iran-Contra affair may have been "incompetent," to confuse and overwhelm those examining the case. In a similar study, Clarke (1989) described how the involvement of 11 local, state, and federal agencies in the cleanup of a toxic chemical spill overwhelmed the public's and the press' ability to get information about the health risks resulting from the spill. In both these cases, the bureaucratic tactics included references to legitimate organizational characteristics (i.e., standard organizational procedures) to improve their believability. In this manner, these tactics were similar to those hospitals used to promote impressions of institutional conformity.

*Summary of Follow-up Tactics.* To avert the escalation of challenges, hospitals may have used anticipatory tactics designed to induce negative rather than positive emotions, and distract or overwhelm rather than diminish attention, because attention was already focused on the bill at this point, and patients may have already acquired a negative mood. Accordingly, hospitals chose anticipatory tactics that redirected patients' attention to a more pressing matter, or overwhelmed their ability to continue



attending to their bill. Strong, negative emotions also provided a signal to patients that action needed to be taken (pay the bill) to alleviate their negative moods, and that this action was more important than any other (Taylor 1991, Janis 1989, Staw et al. 1981).

## Discussion

We have developed a grounded model of anticipatory organizational impression management in the hospital billing context. Following Weick's (1992) approach to theory building as "knowledge growth by extension," we use this relatively full explanation of impression management in this specific context to set the stage for more general (and more tentative) inferences about the impression management process in other settings.

Based on our analysis of hospital billing procedures, we propose that organizations may use routine communications with external audiences to project images designed to fend off anticipated conflicts. To avert initial challenges associated with upcoming events, organizations may use anticipatory tactics that maintain or induce positive emotions, and that diminish audiences' attention to the events. We identified two anticipatory organizational images that achieve this goal: accommodation and legitimacy. To avert the escalation of existing challenges, organizations may use anticipatory tactics that induce negative emotions associated with escalation of the controversy, and that distract or overwhelm audiences' attention to the controversy. We identified two anticipatory organizational images that achieve this goal: intimidation and bureaucracy. This model contributes to the theory and practice of organizational impression management in several ways.

### Theoretical Contributions

First, our model of anticipatory organizational impression management expands current conceptions of organizational impression management and more general models of symbolic acts in organizations. As noted in our introduction, current frameworks of organizational impression management describe either remedial tactics, such as excuses and justifications, or anticipatory tactics, such as self-handicapping and disclaimers, that draw attention to current or potential controversies by attempting to explain them (Higgins and Snyder 1989, Snyder et al. 1983). In addition, these tactics primarily affect audiences by enhancing positive feelings about the impression managers and enhancing their images of legitimacy, credibility, fairness, or trust (Elsbach 1994, Bies et al. 1988, Brockner and Siegel 1996). By contrast, our framework suggests that organizations and their members may use impression management tactics that *prevent* potential

controversies or challenges by distracting, overwhelming, or diminishing attention to an upcoming event, and inducing emotions that prompt mindless compliance with organizational requests. In these ways, our findings suggest that anticipatory tactics provide evidence of a newly defined form of organizational impression management that might be called *anticipatory obfuscation*. Such tactics are predicted by Pfeffer's (1981) theories of symbolic management, but have rarely been examined.

Our findings also expand more specific models of anticipatory organizational impression management by clarifying how, when, and why different forms of anticipatory organizational impression management may be used. These distinctions are summarized in Table 5.

As shown in Table 5, most preexisting research on anticipatory impression management may be described as falling in the categories of anticipatory excuses or anticipatory justifications (Snyder et al. 1983). Some common forms of anticipatory excuses include self-handicapping (claims that the organization was impaired by factors outside its control), consensus-raising (claims that most typical organizations would have performed similarly), and idiosyncrasy claims (claims that this was a special case that is not indicative of the organization's normal performance). Common forms of anticipatory justifications include moral justifications (claims that the ends justify the means), reframing of the standard (claims that the performance evaluations were unfair), and derogation of the evaluator (claims that the evaluation was wrong). These forms of anticipatory excuses and justifications are identical to remedial excuses and justifications in their goals, motivations, and modes of operation. For example, anticipatory self-handicapping (Snyder et al. 1983) and remedial claims of "extenuating circumstances" (Schlenker 1980) both provide claims that, due to factors outside its control, the organization (or person) in question had reduced competence at the time of the negative event and, thus, should not be held accountable for the event. For an organization, such claims are typically included in special press releases or media reports, either before or after the negative event (Higgins and Snyder 1989).

By contrast, the anticipatory obfuscation tactics we identified appear distinct from remedial tactics in their modes of operation. As noted throughout the paper, these tactics operate more similarly to proactive forms of self-presentation (Jones and Pittman 1982) than to excuses or justifications. Further, the conditions under which they are most likely to be used, as well as their intended outcomes, appear distinct from those of previously defined accounts. Our findings suggest that organizations and their members are most likely to use anticipatory obfuscation tactics when it is unclear that an organizational

**Table 5** Forms of Anticipatory Organizational Impression Management

	Anticipatory Excuses	Anticipatory Justifications	Anticipatory Obfuscation*
Goals	Attenuate perceptions that an organization is responsible for a negative event that is currently under scrutiny.	Attenuate perceptions that an organizational event, that is currently under scrutiny, is in fact, negative.	Avert specific, anticipated conflicts with audience members by reducing their attention to a future event and encouraging them to engage in mindless, routine behaviors.
When Used	When an organization may be linked to an event that is clearly perceived as negative.	When an organization is clearly linked to an event that may be viewed as negative.	When an organization's actions are ambiguously negative, but important to audiences that may take action against it.
How Used	Press releases, media reports, special announcements	Press releases, media reports, special announcements	Everyday business communications
Common Forms	Self-handicapping, consensus raising, idiosyncrasy claims	Moral justification, reframing of standard derogation of evaluator	Accommodation, legitimation, intimidation, bureaucracy

\*Based on results of the present study

event will be negative, or when it is unclear that the organization will be held responsible for an event that is negative. In these circumstances, anticipatory excuses or justifications would admit either that the future event is likely to be negative or that they are likely to be responsible: both of which are worse circumstances than the current ambiguity. Therefore, when a future organizational event is ambiguously negative, the organization will attempt to maintain ambiguity by minimizing audiences' scrutiny of the event so that audience members do not assign negativity to the event or blame to the organization. These findings suggest that impression managers are attuned to the relative likelihood that an image threat will occur, and are capable of tailoring anticipatory tactics to fit the perceived situation.

As a third, and related theoretical contribution, our framework describes some specific ways in which organizational impression management may evolve over time. Researchers have recently proposed that organizational impression management may change over the course of a controversy to meet evolving audiences' demands (Ginzel et al. 1992). Theorists have also proposed that early stages of impression management cycles may include anticipatory tactics (Sutton and Kramer 1990). Our findings support these frameworks by showing how anticipatory tactics may be used both as an initial tactic to avert attention from probable controversies, as well as a follow-up tactic to prevent existing challenges from escalating. Our findings also build on these frameworks by describing how impression management tactics may be tailored to influence audiences over the course of a controversy. Anticipatory impression management tactics

may evolve from those designed to diminish attention to those designed to distract or overwhelm attention in response to audience attentiveness.

Fourth, our framework describes some anticipatory impression management tactics that may be uniquely available to organizations. Both images of bureaucracy gained through the use of roadblocks, and images of legitimacy gained through conformance to institutional norms derive their credibility from organizational characteristics. In contrast, individuals may find it difficult to present themselves as bureaucratic roadblocks or institutional norms. Such organizational tactics enlarge organizational typologies of impression management (Jones and Pittman 1982, Elsbach 1994).

In a similar respect, our findings suggest that routine, organizational service encounters may be an effective context for carrying out impression management that is uniquely available to organizations. Using routine communications, such as billing letters, to promote anticipatory images may be more efficient than the special public relations programs typically used for impression management.

Finally, our findings suggest that "role theory" perspectives of service encounters (Mohr and Bitner 1995, Bitner et al. 1994, Solomon et al. 1985) may be enhanced by linking them to theories of organizational impression management. Role theories suggest that an audience's favorable perceptions of a service provider, regardless of the service quality, may affect their satisfaction with the service. For example, perceptions of high service effort (Mohr and Bitner 1995) and expected role behavior (Solomon et al. 1985) have been shown to enhance

customer satisfaction by meeting or exceeding customers' expectations of service personnel and preventing them from engaging in cognitive evaluation of the encounter.

Anticipatory organizational impression management may be used to influence customers' perceptions of service encounters. Our data show, for example, that service providers can use their connection to the organization to encourage customer perceptions that service providers are legitimate and that their actions are institutionally normative. Customers may be less likely to scrutinize service encounters if they feel the service provider is constrained by the policies of the organization. Our findings also suggest that specific behaviors, such as paying a bill, may be influenced through service interactions. In addition to improving customers' satisfaction with a service provider, it may be possible to use anticipatory impression management to change customers' future interactions with the organization (i.e., decrease their future scrutiny of service encounters).

### Practical Contributions

Our model of anticipatory organizational impression management provides some insights for managers. First, it suggests that organizations may use anticipatory images to influence audiences in the same ways that people use self-presentations to influence others (Kipnis and Schmidt 1985). Researchers have found that self-presentations, such as ingratiation and self-promotion, are commonly used by people to gain desired outcomes from more powerful others (Kipnis et al. 1980). These studies also suggest that self-presentations are most effective when they are subtle and not perceived as insincere. Similarly, we found that hospitals initially promoted anticipatory images that dampened attention and maintained a low level of emotional arousal. These anticipatory tactics may constitute a subtle form of organizational influence to gain desired responses from customers and other audiences.

Second, our findings suggest that anticipatory impression management may help organizations avoid the need for more public and risky forms of impression management. Organizations commonly respond to widely-publicized controversies with remedial tactics, such as excuses and justifications (Marcus and Goodman 1991). Yet, these defensive responses are often viewed as self-serving, and have been shown to be less effective in protecting organizational images than more accommodating responses (Elsbach 1994). Using anticipatory impression management tactics may eliminate the need for such defensive tactics and backlash from disapproving audiences. The fact that these tactics may be communicated through routine service encounters also makes them a low-cost alternative to remedial tactics.

Third, our findings suggest that negative images can be

beneficial to organizations. Specifically, images of intimidation and bureaucracy may help organizations avoid the escalation of controversies and gain quick compliance from target audiences. In general, these findings show that organizations need not actually engage in harmful acts toward an audience member to gain desired responses. They need only send the impression that they are capable of such acts to be effective. These findings fit with research done at the individual level, which has shown that intimidating images may be used to gain subordinates' compliance with bosses' requests (Kipnis et al. 1980), to get debtors to pay bills (Sutton 1991), and to get criminal suspects to confess (Rafaeli and Sutton 1991). Our findings about bureaucratic images also show some potential benefits of signaling an organization's limited competence (i.e., bureaucratic images may discourage challenges because people feel the organization cannot easily deal with the challenge). These findings fit with recent impression management research, suggesting that individuals may broadcast their limitations for performing work, or not work to their fullest potential, to avoid being assigned additional work (Becker and Martin 1995).

Finally, our findings suggest some unsavory consequences of anticipatory impression management. These data suggest that organizations may use anticipatory impression management to avoid accountability and responsibility for their actions. Impression managers employing the tactics described in this paper may divert attention from illegitimate or immoral actions, and elude public calls for accountability for those actions. Organizations whose daily operations are open to attack, like tobacco companies, may find such tactics to be especially attractive methods of avoiding public scrutiny (Rosenblatt 1994). Spokespersons may use anticipatory impression management tactics in more insidious ways than they do remedial tactics, which at least allow audiences to evaluate the credibility of accounts or explanations.

### Acknowledgments

We wish to thank Charlie Galunic and Gary Alan Fine for their help in developing this paper. This paper was prepared while the second author was a Fellow at the Center for Advanced Study in the Behavioral Sciences, and the third author was a Fellow at the Emory University Center for Ethics in Public Policy and the Professions. We are grateful for the assistance provided by Hewlett-Packard and the National Science Foundation (SBR-9022192).

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Accepted by Bart Victor; received August 1, 1995. This paper has been with the authors for two revisions.