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A strategic action fields perspective on organizational trust repair

Abstract

While the extant literature on organizational trust repair has considered the agency and trust repair actions of individual organizations, it has neglected repair following trust-damaging events affecting specific industries. Drawing on the theory of strategic action fields we ask two research questions: (1) How do reputational scandals involving a few transgressing firms affect trust in the whole institutional field? (2) Do the transgressing firms repair trust in the same way as the blameless ones in the same field? To answer these questions we investigated four cases of retail organizations that engaged in trust repair actions following a food safety scandal, two that were widely held to have transgressed, and two that were held to be relatively blameless. We compared the trust repair strategies of both groups, finding that even the blameless organizations felt compelled to act to repair trust. However, blameless organizations also sought to differentiate themselves from the transgressing ones by using specific strategies to restore trust.

Keywords: organizational trust, strategic action fields, trust breach, trust repair

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Introduction

‘We must all hang together or, assuredly, we will hang separately’.

Benjamin Franklin (1776)

How organizations deal with trust-damaging events has become a matter of widespread academic and practical concern (Barnett & Pollock, 2012). The extant literature on organizational trust repair has attempted to address this concern by highlighting the importance of trust in organizations and by analysing the repair strategies that seek to restore trust once breached. Most studies focus on trust breaches and trust repair actions by one organization without properly considering the implications of this trust breach for the whole field. In other words, the majority of literature adopts an individualistic perspective, assigning organizations with the agency to act independently of the field in which the trust-damaging event occurs (Bachmann, Gillespie, & Priem, 2015; Dirks, Lewicki, & Zaheer, 2009; Kramer & Lewicki, 2010). Yet, neo-institutional theory would suggest that there are severe constraints on organizations acting independently of competitors to restore trust, especially when events affect more than one firm in an industry and there are highly interdependent organizational fields, e.g. common supply chains and undifferentiated markets (Ketchen, Jnr & Hult, 2007; Spender, 1989). In such cases, Benjamin Franklin’s much-quoted aphorism about ‘hanging together’ is often applied.

We approached the empirical problem of trust repair from the perspectives of strategic action fields (Fligstein & McAdam, 2011). This led us to formulate two research questions
concerning organizational trust repair: (1) How do reputational scandals involving a few ‘guilty’ organizations affect trust in the whole institutional field? (2) Do the ‘guilty’ organizations repair trust in the same way as the ‘not-guilty’ organizations in the same field?

Our study seeks to contribute to the literature on organizational trust repair by examining whether ‘hanging together’ is a necessary collaborative strategy for restoring the field to its former state, or whether firms can rebuild trust by ‘remaining true to themselves’ and drawing on different trust repair strategies to distance themselves from the field. To do so, we analysed a major trust-damaging event associated with the actions of a small number of organizations in the food-retailing sector – the so-called 2013 horsemeat scandal. We examined the trust repair actions of two organizations, widely deemed to have transgressed, and compared and contrasted their strategies with two organizations that were generally held to be relatively blameless. Our findings indicate that the blameless organizations felt compelled to act to repair trust in the field of food retailing, but also sought to distance themselves from the transgressing ones by using different strategies to restore trust. This scandal therefore offered an interesting test case for our theorizing on organizational trust repair.

We begin by defining key concepts used in this study and the trust repair literature, exploring the ways in which the theory of strategic action fields may assist understanding the behaviour of organizations faced with a trust breach. Next, we outline the methods
of our study, followed by our findings. Finally, we discuss their relevance for the broader understanding of organizational trust repair.

Trust and trust repair

Trust remains an elusive and complex concept. However, four definitions stand out, judged by the number of citations the papers where these definitions were proposed received (as per Google Scholar at the time of writing) and by how often trust scholars use them in their research. These are the definitions developed by Morgan and Hunt (1994),
According to Moorman et al. (1993, p. 82), factors affecting trust in market research relationships include:  

- **Industrial relations**: The relationship between the researcher and the client. This includes the level of trust and confidence that the client has in the researcher.  
- **Organizational socialization**: The process by which individuals learn the norms and behaviors expected of them in a particular setting. This can influence trust in market research relationships.  
- **Integrity**: The researcher's commitment to ethical and professional standards.  
- **Personality**: The personal characteristics of the researcher, such as their level of empathy and compassion, can also affect trust in market research relationships.  
- **Marketing research companies**: The reputation and track record of the research company can influence trust.  

These factors provide a foundation for understanding how trust is developed in market research relationships.
trust is “a willingness to rely on an exchange partner in whom one has confidence”. Morgan and Hunt (1994, p. 23)
define trust as a trustor’s “confidence in an exchange partner's reliability and integrity”. In the context of organization studies, {ADDIN EN.CITE <EndNote><Cite AuthorYear="1" Author="Mayer" Year="1995" RecNum="11" Pages="712" DisplayText="Mayer et al. (1995, p. 712)" record="11"><foreign-keys><key app="EN" db-id="v5z9v90d3drz59e50eepsdxaxz2afwda00ar" timestamp="1292432505">11</key></foreign-keys><ref type="name">Journal Article"17</ref><contributors><authors><author>Mayer, Roger C.</author><author>Davis, James H.</author><author>Schoorman, F. David</author></authors></contributors><titles><title>An integrative Model of Organizational Trust</title><secondary-title>Academy of Management Review</secondary-title><titles><periodical><full-title>Academy of Management Review</full-title><pages>709-734</pages><volume>20</volume><number>3</number><keywords><keyword>INDUSTRIAL management</keyword>
define trust as “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party”. Similarly,

Trust repair: Theory and prior research

Research on trust has a rich background with seminal works dating to the 1960s (e.g. Deutsch, 1958; Erikson, 1965; Fox, 1966; Garfinkel, 1967; Goffman, 1963; Rotter, 1967). Theory and research on trust can be grouped into the following areas: antecedents of trust; processes of building trust; consequences of trust; and lack of trust, distrust, mistrust and repair (Lyon, Möllering, & Saunders, 2012; 2015). For example, prior research on trust, in this journal, explored various facets and roles of trust including: diagnosing trust (Hatzakis, 2009); trust as the mediator variable underlying the relationship between participative leadership and organizational commitment (Miao, Newman, Schwarz, & Xu, 2013); the moderating properties of trust (Squire, Cousins, & Brown, 2009); trust and its role in corporate reputation (Walsh, Mitchell, Jackson, &...
Beatty, 2009); downsides of developing trust (Thorgren & Wincent, 2011); the breakdown in the trust relationship (Woodward & Woodward, 2001); and relationship quality and trust (Schoefer & Diamantopoulos, 2009). However, while it is well known that trust is a dynamic phenomenon involving various acts: initial trust development, growth, maintenance, trust breakdown and repair (Rousseau, Sitkin, Burt, & Camerer, 1998), research on trust repair is a relatively under-explored and recent phenomenon.

Research on trust repair has become the focus of scholars from various business-related academic disciplines including organization studies (see Bachmann et al., 2015; Kramer & Lewicki, 2010 for review) and marketing (see author, 2017, for review). While insights into trust repair from one discipline might not travel well to other disciplines and across different levels of analysis (Bachmann, Gillespie, & Priem, 2015; Donaldson & Preston, 1995; Freeman, 1984; Gillespie & Dietz, 2009; Pirson & Malhotra, 2011), most of the theory and research is underpinned by similar logic and assumptions.

The first of these assumptions is that the literature on trust repair is replete with claims made about the benefits of trust for firms. From a firm’s perspective these typically include: competitive advantage, customers’ loyalty, commitment, cooperation and high turnover (e.g. Barney & Hansen, 1994; Moorman, Zaltman, & Deshpande, 1992; Morgan & Hunt, 1994; Sirdeshmukh, Singh, & Sabol, 2002; Tax, Brown, & Chandrashekaran, 1998); improvement in job satisfaction, increased job performance and employee commitment (Deluga, 1995; Dirks & Ferrin, 2001; Robinson, 1996); and reduction in transactional costs (Bromiley & Cummings, 1996; Uzzi, 1997; Williamson, 1993). These benefits may be lost when trust in an organization is lost, for example, through accounting frauds, deceit, incompetence, fatal avoidable accidents, exploitation of vulnerable people,
and massive compulsory job losses and bankruptcies (Bachmann et al., 2015; Gillespie & Dietz, 2009). The loss of trust is said to trigger negative effects including loss of competitive advantage, consumer and employee rage, disappointment, and reduced loyalty and commitment (Gargiulo & Ertug, 2006; Gillespie & Dietz, 2009; Kramer & Pittinsky, 2012).

The second assumption is that when trust is broken it needs to be repaired by the organization, which then opens doors to investigation into how best to repair trust after a transgression. The literature on trust repair examines a range of substantive and symbolic trust repair tactics used by organizations: apology; denial; promises; explanations; accounts; restructuring; penance; compensations; rules, policies and controls; cultural reforms; public inquiries; hostage posting and involvement/use of third parties (certification, memberships, affiliations and endorsements). These can, alone or in combination, lead to various degrees of trust recovery for stakeholders, such as employees and customers (e.g. Bachmann et al., 2015; Eberl et al., 2015; Fuoli, van de Weijer, & Paradis, 2017; Gillespie, Dietz, & Lockey, 2014; Kramer & Lewicki, 2010; Mueller et al., 2015; Spicer & Okhmatovskiy, 2015; Stevens et al., 2015; Xie & Peng, 2009; Yu, Yang, & Jing, 2017). Trust repair mechanisms that underpin trust repair actions and their effectiveness include: sense-making, relational approach, regulation and controls, ethical culture, transparency and transference (Bachmann et al., 2015; Dirks et al., 2009). A third assumption underpinning much of the organizational trust repair literature is that organizations are relatively uncoupled from organizational fields and national business systems, and that they usually possess significant agency to repair trust. Much of this literature neglects the impact of national and industrial logics, culture and scripts on organizational actions (Thornton et al., 2013), which is the domain of field theory in
management and organizational studies. This lack of consideration of the embeddedness of organizations in a broader institutional field, in our view, constitutes a major weakness of current trust repair research. We turn to the theory of strategic action fields to explain how institutional theory may throw innovative light on this trust repair.

**Strategic action fields as a theoretical frame for analysis**

In contrast to earlier versions of institutional theory that focused on ‘settled times’, the theory of strategic action fields, proposed by Fligstein and McAdam (2011), has greater potential to account for the period of change and upheaval. This approach has its origins in social movement studies and organizational theory, and draws on Giddens’ idea of structuration and Bourdieu’s accounts of habitus, field and capital. Strategic action fields are the units of collective action in society. Fligstein and McAdam defined them as ‘a meso-level social order where actors (who can be individual or collective) interact with knowledge of one another under a set of common understandings about the purposes of the field, the relationships in the field (including who has power and why), and the field’s rules’ (Fligstein & McAdam, 2011: 3). The concept of a strategic action field is in some ways similar to that of a sector, an organizational field, a network or a policy domain. The membership of a strategic action field is subjective rather than based on any objective criteria, and it is constructed on a situational basis. It may be the case that agents are normally seen as competitors, but when a crisis happens, they can form a new field. So, the emergence of a new issue can lead to the creation of a new strategic action field that transcends traditional field ‘fault lines’.

The theory of strategic action fields takes cognizance of the relative position that actors occupy in the field, and acknowledges that some actors may have more power than
others. Those with power and influence are referred to as incumbents, while the less powerful take the role of challengers. To assess their own position and the position of others, actors use interpretive frames, and when some make moves others make adjustments; hence strategic action fields are always in flux.

Fligstein (2001) defined strategic action as an attempt by social actors to create and maintain stable social worlds by securing the cooperation of others, and may include identities, coalitions and interests to control actors. Unlike other perspectives in new institutionalism that focus on routine and reproduction (Feldman, 2000; Feldman & Pentland, 2003; Feldman, 2016), strategic action fields arise together when new issues emerge (such as a scandal that threatens the trust in an industry and the organizations within it), which we define as the social appropriateness or desirability of the ideas and actions of an entity.

Strategic action field theory concerns itself with the notion of social skill, which allows actors to develop a cognitive capacity for interpreting people and the action frames within which they collectively mobilize. This social skill requires that actors have the ability to forego their self-interest and consider the interests of multiple groups in order to gain support for a shared understanding of an exogenous shock, a field rapture or the onset of contention. Under the conditions of uncertainty or crisis within a field, a new shared sense of power relations governing the field emerges. This state of uncertainty leads to skilled strategic action by actors, which involves building coalitions between either dominant groups (incumbents) or challenger groups. In such situations firms often feel compelled to become isomorphic to each other by acting in the same way to create a common front. These isomorphic tendencies, however, do not always sit comfortably
with actors’ simultaneous needs to differentiate themselves from others in the field, which our data illustrates. Before discussing our findings, we outline the methodology of our study.

**Methodology**

To address our research questions, we used a case study methodology (Yin, 2013), well suited for exploring what happened in a particular situation (Yin, 2013). This methodology helped us investigate in detail the dynamics of a trust repair process within a particular context and offered holistic explanations (Siggelkow, 2007; Yin, 2013). We conducted four in-depth case studies and constructed a detailed narrative of the trust repair processes of Tesco, Asda, Waitrose and Morrisons. These four cases were selected on the following grounds. Tesco and Asda were directly implicated in the horsemeat scandal, and we labelled them as transgressing organizations. Morrisons and Waitrose were indirectly implicated through spillover effects, and we labelled them as ‘blameless’ organizations. In addition, we also had rich documentary evidence pertaining to the trust repair efforts of these retailers. Overall, these four cases offered extensive potential for understanding and gaining insight into their organizational trust repair efforts.

**Empirical context**

We draw on a recent food safety scandal in the UK in which many food retailers were found guilty of selling mislabelled meat products. This mostly refers to beef-related products that were found to contain horsemeat, an anathema to British consumers who usually do not eat such meat. As a consequence, consumers lost trust not only in food retailers because of the deception in food labelling, but also in the health and safety protocols and retailers’ overly complex supply chains (BBC, 2013 a, b; Food Standards...
Agency, 2014; Harris Interactive, 2013a, b). For example, a survey commissioned by The Food Standards Agency (UK) and conducted by Harris Interactive (2013a) showed that 67% of those ‘who intended to buy less’ would do so because of lack of trust. There evidence suggests that the horsemeat scandal had an impact on all retailers: processed meat sales dropped significantly across the UK, there was a marked increase in the sale of vegetarian meals, and a larger than usual number of people turned to a vegetarian diet (Neville, 2013). Food safety tests were carried out across the sector and, although only some retailers were found to sell contaminated meat, the whole sector suffered the effects of the loss of trust. The research on negative spillovers (e.g. Votola & Unnava, 2006) might offer some explanation as to why all major UK retailers were ‘tarred by the same brush’. Like the reactions by employees following a breach of trust as theorized in Gillespie and Dietz’s (2009) study, the customers of UK retailers could be described as having suffered from hyper vigilance and paranoia.

Data collection

We collected publicly available data pertaining to the trust repair efforts of each studied retailer. Our aim was to identify all the organizations’ trust repair strategies and to create a factual timeline of trust repair because of its processual nature (Mohr, 1982, Langley, 1999). To this end, we searched for relevant information in UK newspapers and media sources spanning a one-year period. These included: The Guardian, Financial Times, The Telegraph and the BBC News. We also analysed the implicated retailers’ press releases and information pertaining to trust repair published on their websites, as well as reports on the scandal published by the Food Standards Agency (UK), the British Retail Consortium, Harris Interactive, Ipsos MORI, Kantar Worldpanel, and Which? These
documents enabled us to construct a rich and accurate description of organizations’ trust repair efforts. In addition, they enabled data triangulation.

Data analysis

We analysed the collected data in two stages. Stage 1, collected data were first organized chronologically into four narratives of trust recovery of each studied retailer (Appendices A–D). Stage 2, we used open coding (Charmaz, 2006, 2014; Glaser, 1978) that involved analysis of the narratives line-by-line and interpretation of each line of text. This enabled us to arrive at the meaning underpinning each fragment (line of text) of analysed data. Open coding enabled us to stay open to potentially new discoveries. In addition, our coding was also guided by trust repair strategies identified in prior trust repair literature (e.g. Bachmann et al., 2015; Gillespie & Dietz, 2009; Kramer & Lewicki, 2010).

To ensure rigour, we followed Lincoln and Guba’s (1985) trustworthiness criteria (i.e. credibility, transferability, dependability and confirmability). We read collected data multiple times, which ensured close familiarity with the content. To enable transferability, we described the empirical context in which trust damage and recovery took place. Also, an analytical diary, systematic data management with NVivo 10 and data triangulation were central to our analysis.

Findings

We found that after the horsemeat scandal both the transgressing (Tesco and Asda) and blameless retailers (Waitrose and Morrisons) felt compelled to act. Appendices A–D list key trust repair actions taken by the four studied retailers and show that all firms
engaged in these activities over similar time periods. Table 1 sums up these trust repair actions and provides a comparison.

*Insert Table 1 around here*

Transgressing organizations and trust repair

Our analysis of transgressing retailers’ trust repair actions enabled us to identify several activities used in an attempt to repair consumers’ trust. At the beginning of the horsemeat scandal transgressing retailers publicly acknowledged the incident, apologized for their wrongdoing and violation of social norms, and withdrew implicated products. Asda started with precautionary product recalls, while Tesco published an acknowledgement and customer apology in a full-page advert in several UK national newspapers. Similarly, an Asda spokeswoman stated that the company was sorry about the problem and any inconvenience caused to their customers. Both retailers engaged in divesting themselves of implicated meat suppliers or placing new requirements on these suppliers. For example, Tesco ended its contract with Silvercrest with immediate effect on the 30th of January, and with Comigel on the 11th of February. After these initial actions Tesco and Asda fully committed themselves to restoring customer confidence by investigating the causes of the scandal, and vowed to leave ‘no stone unturned’ in the scrutiny of their supply chains.

At the same time, the two transgressing firms engaged in ongoing product testing and frequently reported their findings. Once it became clear that the underpinning reasons for the scandal were retailers’ overly complex supply chains (involving many international suppliers and sub-suppliers), lack of appropriate traceability mechanisms
and shortfall in effective product testing procedures, the retailers announced their commitment to changing things. Their aim was to make their supply chains simpler, to use more local meat producers and to improve their control of suppliers and products. In addition, Tesco stated that they would set a new benchmark for the testing of products. Both retailers also encouraged communication with customers and other stakeholders in order to ensure transparency of their operations. To this end, Tesco opened their ‘black box’ pertaining to their meat processing. For example, they installed cameras in their meat production facilities to show what kind of meat goes into their products. In addition, they also launched a food news website (tescofoodnews.com) offering the public information, such as the number of tests performed and their results, the timeline of events related to the scandal and their promise to change operations.

*Blameless organizations and trust repair*

Interestingly, comparison of the trust repair actions of transgressing vis-à-vis blameless retailers shows that there was significant agency among blameless organizations to distance themselves and restore trust. We found that while blameless organizations shared some actions with transgressing retailers, mostly their actions differed. This could therefore be construed as a differentiation strategy that blameless firms pursued in order to distance themselves from transgressing retailers. This strategy played on the weaknesses of transgressing retailers (real and perceived by the public) and on increasing understanding of the underpinning causes of the scandal (e.g. overly complex supply chains; poor product testing and traceability of meat). For example, overly complex supply chains were at the heart of Tesco’s and Asda’s involvement in the scandal. So, both Morrisons and Waitrose tried to distance themselves by stressing their high product quality controls as well as the top class, uncomplicated and locally based nature
of their supply chains. Indeed, Morrisons pointed out multiple times that their supply chain is short, does not include ‘a middle man’ and involves their own farms (located in the UK) and abattoirs. For similar reasons, Morrisons and Waitrose stated their on-going commitment to high quality meat and support of UK farming (something the transgressing organizations were lacking). Their close familiarity and good relationship with local meat producers also played an important role in their attempt to distance themselves from transgressing firms. In addition to these trust repair actions both blameless retailers offered assurances to their customers that their products are correctly labelled and that they sell only 100% UK beef. Finally, Morrison’s and Waitrose reported an increase in their meat sales thereby implying that customers trust them and that they have correctly labelled products.

While these findings outline similar attempts by blameless retailers to differentiate themselves from transgressing retailers, we note that there were also slight differences in their approaches. On the one hand, to differentiate themselves from other retailers, Morrisons was especially focused on their expertise in meat production, their own short supply chain (ownership of meat producers and abattoirs) and the traditional knowledge of their staff selling meat. For example, three weeks into the scandal, Morrisons commissioned television commercials to show customers that: (1) they like to source meat from farmers they know; (2) they have a passion for traditional British meat and even have their own farms; (3) they only use British beef; (4) and the butchers in their stores are trained the traditional way. At the same time, Morrisons also made sure they reminded their customers about the main cause of the scandal – a complex meat supply chain. On the other hand, Waitrose placed their emphasis on the high quality of their meat and business conduct, which resonated with their premium market positioning and their
business orientations. They highlighted that buying cheap meat products poses a risk to consumers and that the welfare of animals and the quality of fresh and frozen meat is of the highest priority. They also emphasized how they have ‘always worked more closely with farmers than any other supermarket’ (BBC, 2013).

Interestingly, comparison of the actions of transgressing and blameless retailers reveals that while blameless organizations largely pursued a differentiation strategy to distance themselves from transgressing retailers, there is also some evidence that they worked together to rebuild customers’ trust. For example, they ‘closed ranks’ by signing a joint letter stating: (1) they could not accept a situation whereby customers’ trust could be compromised by fraudulent activity or even an international criminal conspiracy; and (2) they will do whatever to restore public confidence, and they are working around the clock to resolve the problem. Furthermore, they all engaged in precautionary product withdrawals and extensive product testing. Figure 1 distils our findings in a theoretical model.

Insert Figure 1 around here

Discussion

We sought answers to the following questions: (1) How do reputational scandals involving a few ‘guilty’ organizations affect trust in the whole institutional field? (2) Do the ‘guilty’ organizations repair trust in the same way as the ‘not-guilty’ organizations in the same field? In response to the first question we found that both the transgressing and the blameless organizations acted to repair trust in the field of food retailing, which runs counter-intuitive to the individualistic organizational trust repair literature (Bachmann et al., 2015; Dirks, Lewicki, & Zaheer, 2009; Kramer & Lewicki, 2010).
So how can this situation be explained? Why would someone who did not break trust feel that they have to repair it? Institutional theory offers some explanation with its rendering of the institutional field. Referring back to Fligstein and McAdam’s (2011: 3) words, we argue that both types of organizations operate within a strategic action field and ‘interact with knowledge of one another under a set of common understandings about the purposes of the field’. In times of crisis, both blameless and transgressing organizations, who in normal circumstances are competitors, feel their individual self-interests are best served by collective action to protect or defend their field (Riaz et al, 2015). An alternative to concerted strategic action is a possible demise of the field, hence Benjamin Franklin’s quote at the start of this paper is particularly relevant. ‘Hanging together’ requires that actors to have the ability to forego their self-interest and consider the interests of multiple groups in order to gain support for a shared understanding of the situation. But this understanding only occurs when an exogenous shock takes place and destabilizes the field – in our case the horsemeat scandal. In this respect our analysis points to the complexity and partial inter-dependency of organizations within the field, an area previously not studied by trust repair scholars.

In contrast to the extant literature on organizational trust repair, which focused on trust repair strategies by one organization, we considered the implications of this trust breach for the whole institutional field. This ‘hanging together’ phenomenon is one that trust repair researchers often overlook as they focus almost exclusively on the transgressors and their attempts to regain trust. In the institutional field, relatively blameless organizations endure spillover effects, whereby their trustworthiness suffers because of the actions/inactions of transgressing organizations. In our study the blameless retailers
engaged in trust repair activities because the scandal affected all retailers, blameless or otherwise, and left consumers unsure who to trust, as was evidenced by so many turning to vegetarianism (BBC, 2013b; Food Standards Agency, 2014).

In addressing our second research question we found that the actions taken by the blameless and the transgressing organizations had some similarities. We found that the two transgressing organizations – Tesco and ASDA – engaged in trust repair actions which resonate largely with the strategies discussed in prior literature on trust repair (Bachmann et al., 2015; Dietz & Gillespie, 2012; Dirks et al., 2009; Gillespie & Dietz, 2009; Kramer & Lewicki, 2010). For example, these organizations publicly acknowledged the incident and withdrew some products from the market. They also pursued product testing and communicated the results of the tests to their customers and the public. They also apologized and offered explanations, committed to reform of their internal control systems, and promised closer regulation of their supply chains (Bachmann et al., 2015; Gillespie & Dietz, 2009). Also, Tesco’s and Asda’s emphasized greater transparency of their processed. Moreover, we also identified a novel response not evident in existing literature on the topic. This response we labelled ‘downplaying the problem’. For example, one month into the scandal, Tesco downplayed the problem by issuing a statement that ‘the scandal has had minimal effect on their sales’. Similarly, Andy Clarke, Asda’s CEO, said: ‘It’s fair to say trust was dented. There was some marginal sales impact initially, but we’ve seen that recover. We are back to where we were’ (The Guardian, 2013). This strategy was pursued during and towards the end of the scandal. Our data suggest that this downplaying of the problem was used to reduce the importance of the mislabelling issue, to positively assure consumers and to signal to consumers that the issue was addressed. In a similar fashion to transgressing retailers, blameless retailers
engaged in precautionary product recalls, product testing, communication with customers, frequent reporting of negative product testing results, and showing understanding of the importance of their customers’ trust.

While sharing some common features with the transgressing firms, the actions by the blameless organizations also differed in two key respects. We found that the blameless organizations largely sought to distance themselves from the transgressing by using strategies to restore trust specific to them. Morrison’s predominantly pursued a differentiation strategy that stressed their traditional knowledge in meat production, relatively short and local meat supply chain and their full knowledge and good relationships with farmers. Waitrose’s trust repair strategy involved differentiation from other retailers based on their knowledge and full control of their supply chain and their premium market positioning.

Thus, we argue this need for organizations to act in concert to restore the trust in the field had to be balanced by the needs of blameless organizations to differentiate themselves from transgressing organizations. In this respect, the blameless organizations took advantage of the situation by laying claims to a degree of uniqueness. The blameless organizations could be seen to be using particular kinds of organizational stories (Deephouse, 1999, 2005), and selling a positive version of the story of how their organization dealt with external obstacles by acting consistently with their values. Yet, as Caza, Moss and Vough (2017) argue, being true to oneself involves dealing with multiple demands and identities, which suggests that firms will sometimes follow consistent actions, but at other times pursue divergent or differentiated approaches to restoring trust. Following the food contamination scandal discussed here, the blameless
organizations engaged in actions aimed at repairing trust, but also ensured that their actions differed from the trust repair strategies used by the transgressing organizations.

Although the use of multiple case studies instead of a single case study provides a stronger base for more generalizable theoretical insights (Eisenhardt & Graebner, 2007), our findings may not be generalizable in all industry contexts. As with all inductive theory building, generalizing the findings for other situations must be done with care. Nevertheless, we think that this study’s findings can be used for ‘naturalistic generalization’ (Stake, 1978) and are transferable to other similar contexts (Lincoln & Guba 1985). For example, it is fair to suggest that following the scandals in the car manufacturing industry (such as the VW emissions scandal or the Toyota faulty brakes scandal), many actors in the field came together to tighten up compliance with industry standards.

Field material


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