ABSTRACT

Title of Dissertation:	THE BENEFITS AND BURDENS OF HIGH REPUTATION DURING DISRUPTIONS: THE ROLE OF MEDIA REPUTATION, ORGANIZATIONAL IDENTIFICATION, AND DISRUPTION TYPE
	Anastasiya Zavyalova, Doctor of Philosophy, 2012
Directed By:	Professor Rhonda K. Reger Department of Management & Organization

Organizational researchers are increasingly interested in the role of social approval assets, such as reputation and celebrity, for financial success of organizations. In this three-essay dissertation I examine the role of these assets when an organization is involved in negative disruptive events.

In Essay 1, I introduce four media generated organizational types: celebrity, infamous, peripheral, and unfamiliar organizations and develop a theoretical framework and propositions that examine how stakeholder decisions whether or not to transact with an organization after disruptions depend on the type of organization under examination.

In Essay 2, I argue theoretically and find empirically that stakeholder reactions to disruptions depend on the level of organizational identification. On a sample of on-campus murders in U.S. colleges and universities in 2001-2009, I find that universities receive fewer applications after murders, and this effect is stronger for ranked universities. Additionally, percentage of alumni donating to schools increases after on-campus murders, but only in ranked universities. I test the robustness of these findings using different operationalizations of disruptions and stakeholder groups. The results indicate that reputation is a liability during disruptions when stakeholders under examination have low levels of organizational identification and reputation is a buffer for reactions by high-identification stakeholders.

In Essay 3, I argue that the amplifying role of organizational reputation is due to differences in news coverage of disruptions in high-reputation compared to low-reputation organizations. The results of empirical analysis of news coverage of 106 on-campus murders indicate that even after controlling for the characteristics of the event, disruptions in high-reputation organizations receive more coverage. I further examine this finding using content analysis of articles that covered four pairs of similar murders that took place in ranked vs. non-ranked universities. I find that not only do disruptions in high-reputation organizations receive more news coverage, but the coverage is more in-depth and the name of a high-reputation organization is more likely to appear in the article title.

Taken together, the findings advance research on the role of media reputation, reputation, and organizational identification for organizations experiencing negative disruptions.

THE BENEFITS AND BURDENS OF HIGH REPUTATION DURING
DISRUPTIONS: THE ROLE OF MEDIA REPUTATION, ORGANIZATIONAL
IDENTIFICATION, AND DISRUPTION TYPE

By

Anastasiya Zavyalova

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Advisory Committee:

Professor Rhonda K. Reger, Chair
Professor David A. Kirsch
Professor Michael D. Pfarrer
Professor Violina P. Rindova
Professor David M. Waguespack
Professor Linda Steiner

Dedication

for my Mom

Посвещается

моей Маме, чья сила, любовь и поддержка всегда будут

моим эталоном совершенства

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CHAPTER 1: INTRODUCTION

Organizational researchers have been increasingly interested in the role of social approval assets, such as reputation and celebrity, for the financial success and survival of organizations (Deephouse & Suchman, 2008; Fombrun & Shanley, 1990; Rao, 1994; Rindova, Pollock, & Hayward, 2006). Information intermediaries, such as news media and rankings agencies, are among the most influential sources of information that affect social approval of an organization and ultimately stakeholders' decision whether to purchase its products or services (Deephouse, 2000; Pfarrer, Pollock, & Rindova, 2010; Rindova et al., 2006). Ranking highly in such lists as *Fortune 500* or *America's Most Admired Companies* and being covered positively in the news helps organizations accumulate social approval among stakeholders, which becomes a valuable asset and a source of competitive advantage (Fombrun, 1996; Rindova & Fombrun, 1999).

One of the important instances when organizations rely on the accumulated social approval among stakeholders is during negative disruptive events, or unexpected events with negative financial, physical, or emotional consequences for organizational stakeholders (Desai, 2011). However, organizational researchers have only started to investigate the role of social approval of organizations for stakeholders' reactions to disruptive events. While organizations invest in reputation and impression management, we still know little about whether such investments are helpful in overcoming negative stakeholder reactions after disruptive events.

The purpose of this dissertation is twofold. First, I aim to develop a theoretical framework and propositions that provide insights into the role of media reputation of organizations for stakeholder reactions to disruptive events. Second, I provide theoretical

arguments and examine empirically that high levels of organizational reputation have different connotations for different stakeholder groups. Specifically, the level of identification with an organization involved in a disruptive event may alter stakeholder interpretations of news coverage about the negative event and result in different reactions. Thus, being highly reputable may not help all organizations during disruptions.

In Essay 1, a theoretical essay, I develop a typology of four organizational archetypes generated through news coverage of organizations—celebrity, infamous, peripheral, and unfamiliar organizations—and argue that the amount and tenor (or framing of an issue as positive or negative (Pollock & Rindova, 2003) of news coverage of organizations affect stakeholder familiarly with the organization and evoke positive or negative emotional responses. These evoked emotions, in turn, affect how stakeholders interpret the disruptive event and how they ultimately react to it. The core argument of the theoretical propositions developed in this essay is that stakeholder reactions to the news about disruptive events in an organization depend on stakeholder familiarity with the organization and different emotions evoked by the name of the organization. I base my propositions on research in mass communications and social psychology and argue that under certain conditions, consistent media representation of an organization over time may affect people's perceptions about the organization and that these perceptions affect their interpretation of subsequent events in the organization and reactions to them. This study extends research on media reputation and celebrity by highlighting underlying differences between positive and negative emotions and developing a more nuanced typology of organizations based on news media coverage about them. I note, however, that stakeholders' interpretations of the disruptive event may not only be a function of

prior media reputation, but they may also depend on differences in stakeholders' relation to the organization, which I examine in Essay 2.

In Essay 2, I hypothesize and test empirically how the role of a specific social approval asset, organizational reputation, varies with the levels of organizational identification among organizational stakeholders in light of disruptive events. I note that the findings of recent studies on the role of organizational reputation in light of disruptions have been inconsistent: some suggest that high reputation attenuates the negative effect of disruptions on stakeholders' decision to transact with the organization, while others find that high levels of organizational reputation may be a liability in light of disruptions. I argue that one of the reasons for these inconsistencies is assumed homogeneity among organizational stakeholders in terms of their relations with the organization. Specifically, I explore how stakeholders' organizational identification influences the way they interpret the role of organizational reputation following disruptions. I test developed hypotheses in the context of on-campus murders in U.S. universities in 2001-2009. The results indicate that disruptions are associated with fewer transactions by low-identification stakeholders and only highly reputable organizations experience this effect. The findings are opposite for high-identification stakeholders: this group increases levels of transactions with highly reputable organizations after disruptions. This study provides a promising resolution to the inconsistencies found in prior research by suggesting an important variable that affects stakeholders' reactions to negative events and extends research on social approval assets by examining the differences in the value of intangible assets derived by stakeholders with varying levels of organizational identification.

In Essay 3, I empirically examine the mechanisms behind the results found in Essay 2—that the reason for the buffering and amplifying effects of organizational reputation in light of disruptive events is due to increased attention of the news media to disruptions in high-reputation organizations. While prior organizational studies have provided empirical evidence that media coverage of organizations is consequential for organizational outcomes, there have been no empirical investigations focusing on the role of organizational reputation for media coverage of disruptions (with an exception of a study by Rhee & Haunschild, 2006 where the authors present theoretical arguments for such a relationship). The purpose of Essay 3 is to investigate the role of organizational reputation for news media's coverage of disruptions in organizations, above and beyond the characteristics of disruptions themselves. I investigate this question on the same sample of on-campus murders that took place in U.S. universities in 2001-2009 used in Essay 2. First, I conduct a quantitative analysis that examines the role of organizational reputation for the amount of coverage of disruptions. The findings indicate that disruptions in high-reputation organizations are more likely to be covered, even when controlling for the severity and egregiousness of the disruptions. Second, I compare the content of news articles of similar murders that took place in high- vs. low-reputation universities using four matched pairs of universities. The findings provide further evidence that disruptions in high-reputation organizations receive more coverage than similar disruptions in organizations that do not possess this asset. Additionally, the names of high-reputation organizations are more likely to be mentioned in the title of the article and news coverage of disruptions in these organizations consists of more in-depth stories,

which provides an additional explanation for the amplifying effect of organizational reputation during disruptions.

Taken together, the three essays investigate the role of social approval assets generated through such information intermediaries as news media and ranking agencies. Specifically, I provide theoretical arguments to suggest that organizational reputation and stakeholder identification interact in more nuanced ways than has been considered in organizational theory. For instance, while prior research has examined the positive returns to celebrity organizations during disruptions, the theoretical arguments developed here examine other types of news media-generated organizations, and suggest that, in some cases, staying away from the media spotlight may be a beneficial strategy. I also theoretically argue and find empirical evidence that social approval of organizations and high levels of organizational reputation may have a different effect on stakeholders with varying levels of organizational identification and being highly reputable may not always benefit organizations that experience disruptions. Organizational identification, in turn, affects stakeholders' interpretation of and reactions to negative disruptions in organizations. Finally, I find two mechanisms for differential reactions to disruptions in high- and low-reputation organizations: the amount and depth of news coverage is higher and the name of the organization is more prominent in the news coverage of disruptions in high-reputation organizations.

CHAPTER 2: ESSAY 1

THE GOOD, THE BAD, AND THE UNKNOWN: THE ROLE OF MEDIA REPUTATION DURING DISRUPTIONS

Abstract

I examine the effect of media reputation of organizations prior to a disruptive event on stakeholders' decision to transact with an organization after the event. The essay focuses on the interplay of two aspects of news coverage of organizations: the amount and tenor of coverage and their relation to stakeholder familiarity with and emotional attitude towards a focal organization prior to disruptions. A description of typology of organizational archetypes generated by news media—celebrity, infamous, peripheral, and unfamiliar organizations—is followed by propositions that examine how each of the four archetypes is affected by disruptions. Relying on research in mass communications, social psychology, and organization studies I suggest that being covered by the news media is not always beneficial, and during disruptions may negatively affect organizations.

Media reputation—defined as an overall evaluation of the organization presented in the media (Deephouse, 2000)—is one of the social approval assets of organizations. By disseminating information about organizations news media—printed press, online publications, television, and radio—shape public perceptions about organizations and ultimately affect their financial success (Deephouse, 2000; Pollock & Rindova, 2003; Rao, 1994). After an organization experiences a disruptive event—defined here as unexpected event with negative consequences for organizational stakeholders (Desai, 2011)—stakeholder reactions to the event will partly depend on prior news coverage of the organization. However, organizational researchers have only started to investigate the role of media reputation of organizations on stakeholders' reactions to disruptive events and focused on the role of celebrity organizations—organizations that "attract a high level of public attention and generate positive emotional responses from stakeholder audiences" (Rindova et al., 2006: 51). I contribute to research on media reputation by developing a typology of four organizational archetypes generated through news coverage of organizations—celebrity, infamous, peripheral, and unfamiliar organizations —and argue that the amount and tenor (or framing of an issue as positive or negative (Pollock & Rindova, 2003) of news coverage of organizations affect stakeholder familiarly with the organization, emotional responses associated with the organization, and ultimately stakeholder interpretations of and reactions to disruptive events.

To develop theoretical propositions presented in this paper, I make a number of simplifying assumptions. First, I focus on external organizational stakeholders— stakeholders that define organization's external environment (Atkinson, Waterhouse, & Wells, 1997), such as current or potential customers of the product or service, potential

employees, or community in which the organization operates. I do not differentiate among each stakeholder groups and do not explore the differences in their relations with the organization in the theorizing; rather, the essay should be interpreted as focusing on any one of the groups of external stakeholders that have similar relations with the organization. I also assume that external stakeholders have discretion not to transact with a focal organization and can choose to transact with another organization. Second, I do not distinguish among the effects of different types of news sources (i.e. radio, television, newspapers, or internet) on stakeholder perceptions about the organization. Third, I assume that disruptions in organizations are of similar type. Fourth, I hold constant the heterogeneity of industries in which organizations operate. I relax each of these assumptions and explore possible extensions of developed theoretical propositions in the Discussion section of this essay.

External organizational stakeholders partly form their perceptions about organizations through exposure to information about the organization in various news media outlets (Bandura, 2001). By providing information about organizations and their actions, news media creates vicarious experiences, or makes available representations of experiences of others and the effects those experiences produce (Bandura, 2001). This news media-generated reality becomes one of the bases for stakeholders' perceptions about and support for organizations and forms media reputation of organizations. Thus, news media coverage is consequential for the formation of external stakeholders' perceptions about organizations and their future supportive transactions with the organization (Fombrun & Shanley, 1990).

While some transactions may be negative in their consequences for the

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organization's success—boycotts, negative word-of-mouth, decisions not to purchase organization's products or services—the theoretical propositions developed in this essay focus around positive and supportive transactions. I define supportive transactions as those transactions by organizational stakeholders that positively affect the life of the organization. Examples of supportive transactions include purchase of products and services, purchase of stock, "liking" a product in social media, and public defense of an organization, and positive word-of-mouth.

Stakeholders' engagement in supportive transactions with the organization decreases if the focal organization faces a disruptive event. Such negative events as "industrial disasters, airline crashes, toxic spills, and other catastrophes" (Desai, 2011: 264) lower social perceptions about the organization. We expect that our food and products will not contain hazardous materials, that our schools will be safe to attend, and that airplanes will land (Coombs, 2012). Once public, the knowledge about a disruptive event violates stakeholders' expectations about appropriate organizational conduct (Scott, 1995). After stakeholders' expectations are violated by a negative event, their trust is betrayed because the social contract between them and the organization has been broken (Burgoon & Lepoire, 1993; Morrison & Robinson, 1997; Rindova et al., 2006).

Recent organizational research suggests that stakeholders' reactions to a disruptive event are partly influenced by the emotional responses associated with the organization. The evoked emotions, in turn, are affected by the way news media report about the organization—the amount and tenor of news media coverage of the organization (Deephouse, 2000; Pollock & Rindova, 2003; Rao, 1994; Rindova & Fombrun, 1999). For instance, Pfarrer and colleagues find that compared to non-celebrity

firms celebrity firms—defined as firms with large amounts of positive news coverage—

are buffered from negative market reactions following negative earnings surprises

(Pfarrer et al., 2010). Pfarrer and colleagues, however, looked at stakeholder reactions to

negative organizational actions in celebrity and high reputation organizations, and did not

explicitly examine the effect of disruptive events on organizations with varying types of

media reputation. The question arises: what is the effect of prior media reputation of

organizations for stakeholder reactions to disruptive events?

The purpose of this study is to examine the role the media reputation of

organizations plays for stakeholders' willingness to transact with the organization after a

negative, disruptive event. The core argument of the theoretical propositions developed in

this essay is that stakeholder reactions to the news about disruptive events in an

organization depend on stakeholder familiarity with the organization and different

emotional responses associated with the name of the organization. I base my propositions

on two research streams. The first research stream, research in mass communications,

argues that the news media affect social perceptions about the importance of events. The

second research stream is in social psychology and decision making, which suggests that

people's judgments about an entity are affected by their prior beliefs and attitudes to the

entity (Lingle & Ostrom, 1979; Loken, 1984 as cited in (Fiske & Taylor, 1991; Hastie &

Dawes, 2001). I develop a typology of organizational characteristics generated by news

media based on research in social psychology that argues that once people form an

attitude about an entity, that attitude organizes subsequent judgments (Lingle & Ostrom,

1979; Loken, 1984 as cited in (Fiske & Taylor, 1991). I further develop theoretical

propositions on how stakeholders react to disruptions in the four different types of

organizations.

This essay makes two main contributions to extant organizational research. First, I contribute to research on media reputation by highlighting the differences between positive and negative emotions. These two types of emotions, I argue, generate different emotional responses among organizational stakeholders, and thus should be treated as two separate types of media coverage. Relying on the interplay between stakeholder familiarity with an organization and emotional responses associated with the name of the organization, I develop a more nuanced typology of media reputations than simply considering organizational celebrity. Second, I contribute to research on organizational disruptions by examining how different types of media reputation—celebrity, infamous, peripheral, and unfamiliar—alter stakeholders' attention to and interpretation of disruptive events. The typology of media reputations provides a lens through which future studies can investigate why some organizations may experience more severe consequences following disruptive events.

The development of theoretical arguments proceeds as follows: first, I highlight theoretical arguments and empirical findings from mass communications research on determinants of newsworthy events and the effects of news media on social perceptions. I then summarize organizational studies on media reputation and emphasize how it may differ from other social approval assets. I proceed to introduce the typology of media reputations, and develop theoretical propositions that explain stakeholder reactions to disruptions in organizations of each type. I conclude the essay with discussion of contributions of the study, its limitations, and directions for future research.

THEORETICAL BACKGROUND

What Makes the News?

Not all events, individuals, or organizations are covered by the news media; some are deemed more newsworthy than others. Over the last four decades mass communications researchers have studied the criteria of "newsworthy" events and characteristics that determine the likelihood that an event will be covered by news media. This literature suggests that the likelihood that an event will make it to the news depends on the characteristics of the event itself, the context in which the event took place, and the influence of the organization or the person involved in the event on news media representatives.

The mass communications literature on the criteria of newsworthiness suggests that seven characteristics of the event itself affect the likelihood of a story to be covered by news media (Galtung & Ruge, 1965; Katz, 1987; Lee, 2008; McCarthy, McPhail, & Smith, 1996; Peterson, 1979). First, *prominence* of the person, the nation, or the organization involved in the story makes it more newsworthy because elite objects are well-known and well-recognized by different audiences (Galtung & Ruge, 1965; Rindova, Williamson, Petkova, & Sever, 2005).[1] Second, stories that cover *local* events, rather than events that happened in other countries (Gant & Dimmick, 2000; Peterson, 1979) are more newsworthy. Third, the larger the magnitude of the *consequences* of the event (e.g. the more people it affects) the higher the probability that it will become news (Galtung & Ruge, 1965; McCarthy et al., 1996). Fourth, *unexpectedness or deviance* of

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[1] While Galtung and Ruge (1965) used the term "elitism" as a criterion of newsworthiness, a similar construct—prominence—already exists in management literature (Pfarrer et al., 2010; Rindova et al., 2006), which is why I use the latter term in this essay.

the event is a good predictor of its newsworthiness (Katz, 1987; McCarthy et al., 1996; Peterson, 1979). Fifth, the story has to have happened *recently* to be newsworthy (Gant & Dimmick, 2000). Sixth, the amount of *conflict* associated with an event increases the likelihood of it making the news (Peterson, 1979). Seventh, *personalization* or association of an event with a particular person as a reason for the occurrence increases newsworthiness of the event (Peterson, 1979). In its extreme, the coverage of newsworthy events can result in "a picture of the world's events characterized by erratic, dramatic, and uncomplicated surprises, by negative or conflictual events involving elite nations and persons" (Peterson, 1979: 124).

Besides the characteristics of the event itself, the context of the coverage determines whether the event is likely to make it to the news. Specifically, if the event is a continuation of an ongoing story, it is more likely to be reported on. A report of one unexpected or negative event, for instance, may trigger reports of other similar stories that add to the original report (Breen, 1997). Such waves of news stories are called "attention cycles–sudden ascendance of an issue from previous obscurity to a sustained prominence (indexed by the number of stories, by column inches, or by minutes and seconds of a telecast) that dominates the news for a period of time before once again fading from media attention" (McCarthy et al., 1996: 481). In addition, other competing news stories are an important contextual factor because journalists have limited time and resources and thus must make choices about which stories are more newsworthy. While these attributes of newsworthiness were tested before people had a 24/7 access to information, psychological mechanisms that explain the selection of newsworthy events, such as salience and attention, remain the same (Fiske & Taylor, 1991). Thus, it is not

only the characteristics of the event or organization itself, but also the context of the concurrent media reports that determines newsworthiness of the story.

Organizations can also take an active role in managing their coverage in news media. Geographical location of the organization, for instance, makes it more likely for journalists to report on events that take place in local organizations. Additionally, journalists develop relationships with leaders in organizations located close to news media offices (Westphal & Deephouse, 2011). Organizations also may choose to issue information subsidies that provide information about organizational actions to the journalists and the public (Gant & Dimmick, 2000; Zavyalova, Pfarrer, Reger, & Shapiro, 2012). It should be noted that journalists take into account the search costs when looking for the news (Gant & Dimmick, 2000). Thus reporting on organizations that are located close to the news agency or organizations that provide readily available information about their actions helps save on search costs.

This review of literature on newsworthiness of events and people in general can be extrapolated into the organizational context. First, actions taken by well-known organizations are likely to be publicized more. The names of well-known organizations are recognized by stakeholders, and journalists are more likely to report on prominent organizations than on organizations unfamiliar to the audience. Second, negative actions committed by organizational actors or negative events in organizations are more likely to be covered in the news than positive actions. While coverage of negative events is common in the general media, articles with negative content are found rarely in the business media or in the business sections of newspapers.[2] Several empirical studies

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[2] This preference to cover negative stories and the presence of positivity bias in the business press may be partly attributed to the impression management tactics taken by business organizations and close

found a large positive skew in articles covering business organizations (Deephouse, 2000;

Fombrun & Shanley, 1990; Pfarrer et al., 2010; Zavyalova et al., 2012). The prevalence

of news coverage of business organizations positive in emotional tenor suggests that

negative events in organizations are particularly likely to stand out in the minds of the

audience. Third, organizational actions or events with widespread consequences for

organizational stakeholders have a higher chance of making it to the news. For instance,

accidents in organizations that affect a large number of stakeholders (Zyglidopoulos,

2001) or scandals in organizations that have a high level of influence on shareholders and

customers (Jonsson, Greve, & Fujiwara-Greve, 2009) are by definition more

consequential, resulting in higher interest from organizational stakeholders and higher

probability that such events will be covered in the news than less consequential events.

Lastly, those organizations that regularly issue information subsidies such as press

releases have a higher probability to be covered in the news because of the ease with

which journalists can obtain information about them. Once a story about a certain

organizational action makes it to the news, the provided information partly affects

external stakeholders' perceptions about the organization. The change in perceptions, in

turn, may lead to stakeholders' change in behavior toward the organization.

News Coverage and Social Perceptions

Research in mass communications suggests that the news media— printed press,

online publications, television, and radio—affect social perceptions about importance of

issues and partly shape interpretations of events and entities covered in the news. One of

the theories from mass communications, agenda-setting theory, explains that the news

relationships between journalists and business leaders mentioned earlier and partly to the audience of the
business press (i.e. business professionals) who have a pro-business bias.

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media set the agenda for public discourse by selecting which stories to report on and which elements of the stories to highlight (Carroll & McCombs, 2003; McCombs & Reynolds, 2009; McCombs & Shaw, 1972). In his seminal work on the role of media in society Lippmann suggested that people base their judgments about the world on the information presented in the media above and beyond the information they obtain from direct experience (Lippmann, 1922). By informing the public about issues, the media create vicarious environment that informs our perceptions and ultimately future actions. While Lippmann did not explicitly use the words "agenda-setting" in his early thesis, his work served as a basis for agenda-setting theory (McCombs & Shaw, 1972). The main argument of agenda-setting theory is congruent with Lippmann's thesis: "Through their day-to-day selection and display of the news, journalists focus our attention and influence our perceptions of the most important issues" (McCombs & Reynolds, 2009: 1). The authors found that issues covered in the media during political campaigns were also perceived as the most important by the people exposed to media coverage (McCombs & Shaw, 1972). By selecting and covering important issues, the news media may not necessarily determine what the public thinks about those issues, but they do set the agenda and influence what issues the public deems important to discuss.

Another theory from mass communications research that explores the effects of media on perceptions of reality is cultivation theory. According to cultivation theory, consistent representation of an issue over a long period of time can cultivate certain attitudes toward the issue. Gerbner and Gross argued that in the absence of direct personal experience with an issue, prolonged exposure to consistent messages in mass media can affect people's sense of what is going on in the world (1976). More

specifically, the "cultivation hypothesis" suggested that "those who spend more time watching television are more likely to perceive the real world in ways that reflect the most common and recurrent messages of the world of fictional television" (Morgan & Shanahan, 2010: 337). One of the most prevalent lines of query to test cultivation theory has revolved around the role of media in portrayal of crime and public perceptions about it. This set of studies found that the more people were exposed to crime dramas on television the more they became concerned about crimes in the real world (Gerbner & Gross, 1976; Holbrook & Hill, 2005). The hypothesized cognitive mechanism behind the cultivation effects is the availability heuristic—"a cognitive shortcut used by decision makers that utilizes the ease with which knowledge can be retrieved from memory as a means of assessing the likelihood that future events are likely to occur, reducing the use of in-depth analysis" (Hayibor & Wasieleski, 2009: 152; Kahneman & Tversky, 1973). Shrum suggested that the availability heuristic may be an explanation for the finding that heavy television viewers' "recall" of events is similar to the representation of the events on television (Shrum, 1995). While the empirical tests of the cultivation theory have been focusing on the effects of television, the psychological underpinnings of the findings can be extrapolated to other media, including newspapers, internet, and radio (Niederdeppe, Fowler, Goldstein, & Pribble, 2010).

Media Reputation and Social Approval

Building on the work in mass communications research, I suggest that two elements of news coverage of organizations—amount and tenor of coverage—affect external stakeholders' familiarity with and emotional responses evoked by the name of

the organization.[3] These overall social perceptions influenced by media coverage become the building blocks of media reputation of organizations (Deephouse, 2000). The key similarity between media reputation and other social approval assets—such as reputation or status—is that media reputation is a subset of intangible assets of the organization and it resides in the social perceptions of stakeholders. Media reputation, however, differs from other social approval assets. Whereas general organizational reputation is derived through social perceptions about the ability of the organization to provide value to stakeholders (Rindova et al., 2006) based on evaluations of personal experiences and knowledge about experiences of others, media reputation is derived through social perceptions based on the amount of coverage and emotional tenor of portrayal of the organization in the news. Whereas status is derived from the centrality of organization's position in the network of actors (Deephouse & Suchman, 2008; Rindova et al., 2006), media reputation is derived from the amount and the content of media coverage about the organization, regardless of its centrality in the network of other organizations. Thus, media reputation of an organization lies within the social perceptions of the stakeholders and in their interpretations of the meaning of the news media reports about the organization. Unlike other social approval assets, media reputation is more malleable and can be updated as stories about organizations make it to the news. Because, as describe above, organizations may affect news coverage about them by issuing information subsidies in the form or press releases, changing media reputation represents a short-term strategic orientation; changing reputation or status, on the other hand, requires a long-

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[3] It is important to note that to be influenced by media reports on certain issues people do not have to be directly exposed to the messages in the media. Direct contact and discussions with friends and colleagues who have read, heard, or watched a specific story provide an opportunity for second-order or indirect media effects (Potter, 2011). Thus, media influence is not limited only to those who were exposed to the message directly. People can experience indirect media effects.

term investment and dedication from the organization.

Organizational scholars have investigated the effect of media coverage on stakeholders' perceptions about organizations. These studies have hypothesized and found that news media help focus organizational stakeholders' attention on specific attributes and actions of organizations and shape their perceptions and judgments about the organization (Deephouse, 2000; Hayward, Rindova, & Pollock, 2004; Rindova et al., 2005; Westphal & Deephouse, 2011). By covering the actions of selected organizations news media inform the public of organizational actions that they deem to be newsworthy. To illustrate the magnitude of this selectivity, press releases are issued weekly by thousands of organizations, but such business outlets as *Business Week* or *Fortune* cover only a fraction of organizations in a typical issue. With varying amount and tenor of coverage in the portrayal of selected organizations, news media personify a focal organization and cast it as a hero, a celebrity, a villain, or a minor player. Media coverage, in turn, shapes social perception about the fundamental nature of the organization. Stakeholders partly base their judgments about organizations on the information from the news media. By portraying vicarious experiences beyond stakeholders' direct interactions with the organization, the media influence stakeholders' perceptions and attitudes about organizations (Bandura, 2001).

Social attitudes generated by news media, in turn, affect stakeholders' actions toward the organization (Kim & Hunter, 1993) and ultimately financial success and survival of organizations (Rao, 1994). A number of management researchers have theorized about the role of media for increasing the prominence of organizations in the eyes of their stakeholders and thus affecting the financial wellbeing of organizations

(Deephouse, 2000; Pollock & Rindova, 2003; Rao, 1994; Rindova et al., 2005).

Investigating the effects of media coverage on financial performance of commercial banks, Deephouse found that favorable media coverage was associated with higher market share and higher return on assets. The proposed rationale for the empirically found association was that favorable news coverage of an organization can be viewed as a strategic resource that may increase the value of the organization (Deephouse, 2000). Large amount of media coverage of organizations in the early auto industry in the U.S. has been hypothesized to increase the prominence of auto manufacturers and ultimately to legitimize the industry and increase the chances of survival of the early auto firms (Rao, 1994). Higher amounts of coverage has also been found to provide legitimacy to firms during initial public offering (Pollock & Rindova, 2003). Overall, prior organizational studies found that the amount and tenor of media coverage of organizations influence their prominence in the eyes of stakeholders and affect financial success of organizations.

More recently, organizational scholars have started opening the "black box" of media coverage, investigating empirically how organizations and their members take an active role in affecting the amount and tenor of coverage. Kennedy examined the effect of firm-issued information subsidies on media mentions of firms in a nascent industry (Kennedy, 2008). He found empirical support that news media were more likely to mention those firms in the computer workstation market who issued more press releases in the early stages of the industry. This coverage, in turn, predicted survival of the firms. Similarly, public relations efforts taken by firms were found to affect firms' visibility in news media (Kiousis, Popescu, & Mitrook, 2007). Zavyalova and her colleagues found

that firm-issued information subsidies affected the way toy firms were covered in the news after product recalls (Zavyalova et al., 2012). Westphal and Deephouse provided more empirical evidence to suggest that journalists' report about organizations are influenced, in part, by executives of those organizations (Westphal & Deephouse, 2011). Taken together, these studies suggest that news agencies are not independent information intermediaries, but rather active participants in the organizational field that can be affected by organizations.

In sum, the research from mass communications and organizational sudies has gathered empirical evidence supporting the idea that, under certain conditions, news coverage of issues may influence people's perceptions about them. By doing so, news media create a vicarious experience that becomes one of the bases for human actions (Bandura, 2001). Organizational theorists have proposed that organizations can take an active role in influencing the way news media portray them. This news coverage about organizations, in turn, affects external stakeholders' decisions regarding transactions with organizations.

DEVELOPMENT OF THEORETICAL PROPOSITIONS

Although prior organizational research has looked at the effect of amount and tenor of news coverage of organizations on stakeholders' decisions to transact with the organization (Deephouse, 2000; Pfarrer et al., 2010; Pollock & Rindova, 2003), this work has not investigated the fundamental differences between positive and negative emotional tenor of coverage. As a result, in the empirical analyses these studies relied on the Janis-Fadner coefficient of imbalance (Janis & Fadner, 1943) to measure favorability of news coverage. This measure, however, has two limitations. The coefficient is calculated as

follows:

$$Tenor = (P^2 - PN)/V^2 \text{ if } P > N; 0 \text{ if}$$
$$P = N, \text{ and } (PN - N^2)/V^2 \text{ if } N > P),$$

where P is the number of positive articles about a firm, N is the number of negative

articles about it, and V is the total volume of articles about it, including articles that are

neutral in tenor. The use of the JF coefficient is problematic for two reasons. First, the

coefficient does not differentiate between different profiles of media coverage. It is equal

to zero when an organization is covered by an equal amount of positive and negative

articles or when an organization is covered only by articles neutral in tenor. Articles with

divergent emotional content, however, do not generate the same emotional responses

from audiences as articles that do not contain emotional words. Additionally, the JF

coefficient equally weights positive and negative media coverage. Empirical assignment

of equal weights to measures of positive and negative media coverage, however, is

inconsistent with research in psychology that has established that positive and negative

emotions lie on two different continua (Fiske & Taylor, 1991). First, negative emotions

are more complex. People are more elaborate when listing the number of negative

emotions they may feel than the number of positive emotions (Rozin & Royzman, 2001).

As Tolstoy famously noted in his opening line of *Anna Karenina*, "All happy families are

alike; each unhappy family is unhappy in its own way." Second, we perceive negative

information as more diagnostic about an individual or an entity we evaluate, particularly

when we evaluate the individual's moral character (Mishina, Block, & Mannor, 2011,

2012; Skowronski & Carlston, 1987). Because people generally expect positive outcomes

(Fiske & Taylor, 1991; Regan, Snyder, & Kassin, 1995), negative information is more

salient and memorable as it violates prior expectations. This is especially true for

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negative business news because of the previously mentioned positive bias in business

press. Retrieval of negative information, due to its saliency and memorability, is easier

and it affects human decision making with more likelihood than positive information

(Hastie & Dawes, 2001). Third, people in negative emotional states tend to be more

judicious during their decision making, searching for more information, evaluating

options more carefully, and relying less on heuristics (Frank, 1988; Seo & Barrett, 2007).

Fourth, the literature on human emotions suggest that negative information is as much as

five times more salient than positive information (Richey, Koenigs, Richey, & Fortin,

1975), which creates the negativity bias—or propensity to give more weight to negative

stimuli than to positive stimuli when evaluating a target (Richey et al., 1975). Thus,

negative and positive emotions are two theoretically different constructs that evoke

different decision making schemas and processes, and thus, should be studied as separate

attributes of news coverage. Previous organizational studies, however, have not taken

into account the effect of prior positive and negative news coverage of organizations on

stakeholders' reactions to disruptive events.

I address the inconsistencies in prior theorizing of media effects and empirical

measures of news coverage by presenting the typology of media reputations of

organizations that takes into account the differences between the amount as well as the

emotional tenor of news coverage. I argue that the amount of news coverage affects

stakeholder familiarity with the organization, while the emotional tenor of news coverage

evokes different emotions associated with the name of the organization. Subsequent

reactions to information about disruptive events in organizations whose name is not

recognized may be evaluated differently than the same information about familiar and

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well-known organizations. Research in psychology, for instance, suggests that the way people evaluate targets depends on two aspects: 1) their familiarity with the targets and 2) the tenor of information about them (i.e. positive vs. negative) (Hastie & Dawes, 2001). As mentioned above, positive and negative tenor of information about the target are two distinct emotions that have varying effects on how people form judgments about the target after receiving additional, negative, information about it (Fiske & Taylor, 1991). As prior research has shown, once people form an attitude (positive or negative) about an entity, that attitude organizes subsequent judgments (Lingle & Ostrom, 1979; Loken, 1984 as cited in (Fiske & Taylor, 1991). Thus to understand how stakeholders would react to disruptions in organizations, one should take into account which archetype the media reputation of an organization corresponds to.

Celebrity Organizations

In the seminal work on firm celebrity, Rindova and colleagues develop the construct of celebrity firms, or those firms that "attract a high level of public attention and generate positive emotional responses from stakeholder audiences" (Rindova et al., 2006). By taking nonconforming actions, or actions outside of accepted norms of the industry, celebrity organizations become attractive targets for creation of dramatic narratives about them (Rindova et al., 2006). The type of the actions determines whether the firm experiences positive or negative responses by the audience. The media play a key role in shaping firm celebrity by selecting which firms to report on and how to report on their actions. By increasing the amount of coverage about organizations as well as by evoking positive emotional responses from the audiences, the news media do not simply report on celebrity firms, but rather, proactively create celebrity firms by personifying

them and making them protagonists of the stories (Rindova et al., 2006). Such

organizations as Apple and Google are examples of celebrity organizations that are

covered through positive portrayal of their leadership and non-conforming actions.

Infamous Organizations

In their work on firm celebrity, Rindova and her colleagues mention that some

firms may be infamous—or "attract significant public attention with negative emotional

responses" (2006: 51). To date, however, no research has explored the ramification of

this type of news coverage for stakeholder reactions to negative disruptions. This is an

important type of organizations to consider because many organizations experience

highly negative publicity at some point during their lifespan. Organizations may generate

negative publicity in two ways. Organizations may experience large amount of negative

media coverage due to their direct involvement in a large-scale wrongdoing—negative

disruption that place their stakeholders at risk (Zavyalova et al., 2012)—such as the BP

oil spill or a fatal accident by a Costa Concordia cruise ship. The other reason

organizations may experience negative publicity is due to their involvement in a series of

negative disruptive events, such as sales of products with negative side effects by Phillip

Morris. By personifying infamous organizations and emphasizing their negative actions,

the news media create antagonists of their narratives evoking negative emotional

responses from stakeholders.

Peripheral Organizations

Peripheral organizations are those organizations whose coverage is neutral in

tenor and who are thus covered less frequently by the news media than celebrity

organizations. The media portray peripheral organizations in neutral terms, without

developing their character and identity, personifying the organization, or using emotions when covering them. Peripheral organizations are not covered with the use of the elements of a dramatic narrative, rather media reports primarily on the financial facts and mundane actions about the organization. Much like peripheral actors in a dramatic narrative, the names of peripheral organizations are recognized by stakeholders, but public evaluation of their character is rarely made because of lack of information. While the names of such organizations as Danaher or Cargill appear frequently in the media, media reports have few characteristics of a dramatic narrative, they rarely personify the organizations, nor do they use emotional language to describe organizational actions. Based on media reports of undramatized facts about organizational life, such as financial statements and organizational changes, the names of peripheral organizations do not evoke emotional responses among stakeholders.

Unfamiliar Organizations

I define unfamiliar organizations as organizations with low name recognition by stakeholders because these organizations do not attract public attention and are not widely covered by the media. If the news media do not cover organizational actions the level of familiarity with the organization among stakeholders who do not have a direct contact with the organization is low. There are thousands of companies and organizations that are mentioned in the media every year, which results in audience information overload. As the review of mass communications research on newsworthiness suggests, for an audience to be familiar with the name of a specific organization, it has to be mentioned often in the media. Organizations can be unfamiliar either because it is a strategic choice of the organization to stay away from the media spotlight or because

journalists do not find organizational actions newsworthy. In either case, unfamiliar organizations are those organizations about whom stakeholders are not aware and whose level of familiarity among organizational stakeholders is low.

This typology of organizational archetypes generated through news coverage emphasizes that stakeholder perceptions about organizations vary in terms of their familiarity with the organization and evoked emotional states. These prior perceptions about organizations, in turn, affect stakeholder interpretations of disruptive events and severity of stakeholder reactions to the disruptive events, the point I develop next.

STAKEHOLDER REACTIONS TO ORGANIZATIONAL DISRUPTIONS

Organizational disruptions—or events that are "difficult to foresee and whose impacts on organizations are potentially inimical" (Desai, 2011)—taint the name of the organization and violate stakeholders' expectations about appropriate organizational conduct. Such disruptions as boycotts, stock market crashes, and industrial accidents reduce social approval of organizations (Fombrun, 1996; Mishina, Dykes, Block, & Pollock, 2010; Pfarrer, DeCelles, Smith, & Taylor, 2008) and have been found to have a negative impact on stakeholders' willingness to dedicate financial resources to and transact with the organization (King & Soule, 2007; Rhee & Haunschild, 2006; Schnietz & Epstein, 2005; Zyglidopoulos, 2001). These decisions, in turn, are associated with the organization's success and survival.

A stream of organizational research has examined the effects of media coverage of negative disruptions in organizations on stakeholder perceptions and behaviors toward the organization. In the context of auto recalls, for instance, Rhee and Haunschild found that severe product recalls by highly reputable firms were associated with lower market

share (Rhee & Haunschild, 2006). The authors theorized that higher media attention to product recalls in reputable firms was one of the mechanisms through which the market gathered information about recalls and made decisions about purchasing the products (Rhee & Haunschild, 2006). Similarly, Jonsson and colleagues found that a deviant act by one insurance firm resulted in stakeholders' withdrawal of transactions with mutual fund subsidiaries of similar insurance firms (Jonsson et al., 2009). The authors theorized that widespread media accounts of the deviant act affected stakeholders' reactions toward the firm and the industry. Investigating the effect of industrial accidents on firms' reputational scores Zyglidopoulos provided theoretical arguments that the amount of attention the media paid to the event influenced the magnitude of reputational loss after an accident (2001). Overall, these studies provided theoretical arguments about the role of media in affecting stakeholder evaluation of disruptive events in organizations and decisions about future transactions with organizations.

Because people usually have positive expectations about the future (Cacioppo & Gardner, 1999; Fiske & Taylor, 1991; Parducci, 1968; Regan et al., 1995) media coverage of unexpected disruptive events invokes negative reactions from stakeholders and lower social approval of organizations. Once stakeholders' expectations are violated by a negative event, they may feel that their trust has been betrayed and that the social contract between them and the organization has been broken (Morrison & Robinson, 1997; Rousseau, 1989). Disruptions may thus have a negative impact on stakeholders' perceptions about the organization and lead to withdrawal from transactions with the organization. Overall, the consensus in organization research is that organizations that are subject to disruptions lose stakeholders' approval (Pfarrer et al., 2008; Suchman, 1995;

Zyglidopoulos, 2001), which manifests itself in forms of social penalties, such as boycotts (King & Soule, 2007), and financial penalties, such as withdrawal from transactions with the organizations (Jonsson et al., 2009).

The consensus in organizational research that disruptive events result in loss of stakeholder approval has been recently challenged to suggest that the effect of disruptions is not uniform for all organizations. Organizational scholars have found that the amount of social disapproval and financial damage caused by the disruption depends on stakeholder's prior perceptions about the organization (Jonsson et al., 2009; Pfarrer et al., 2010; Rhee & Haunschild, 2006; Schnietz & Epstein, 2005). Combining research in mass communications and organization theory, Pfarrer and colleagues found that firm celebrity—an intangible asset that firms build by attracting "a high level of public attention and generat[ing] positive emotional responses from stakeholder audiences" (Rindova et al., 2006: 51)—buffered firms from financial losses following negative earnings surprises. This finding indicates that prior news coverage about organizations affects stakeholders' reactions to disruptive events.

Organizational studies, however, assume that media coverage of non-celebrity organizations is homogenous and prior work does not investigate stakeholder reactions to disruptive events in celebrity organizations vs. organizations with various amount and tenor of media coverage. Additionally, as I discussed above, the empirical measure of celebrity used in the study—the JF coefficient—is inconsistent with research on emotions. I thus use the typology of organizations develop in this study to build theoretical propositions that more fully examine the effects of disruptive events on the four organizational archetypes.

The main arguments on which I base my theorizing is that stakeholders'

interpretation of a disruptive event and their subsequent decisions whether to transact

with the organization depend on the level of familiarity with the organization and the

emotional state evoked by the mentions of the organization in the news media. The two

dimensions of stakeholders' attitude to the organization—familiarity and emotional

state—correspond to the two attributes of news coverage about organizations—amount

and tenor of coverage. Specifically, higher amount of news coverage about organizations

is associated with higher levels of familiarity with the name of the organization while the

prevalence of positive or negative emotional tenor in news coverage about an

organization evokes positive or negative emotions. The level of familiarity and type of

emotions evoked by the name of the organization, in turn, affect how stakeholders

interpret information about disruptions and what decisions they make regarding future

transactions with the organization.

Disruptions in Celebrity Organizations

Names of celebrity organizations evoke positive emotional states among

stakeholders, which in turn may lead to stakeholders ignoring negative information about

disruptions in celebrity organizations. People tend to pay more attention to affect-

congruent information (Forgas, 1995). When positive emotions are evoked by the name

of the organization, negative information about disruptions is incongruent with the

already evoked emotional response and is likely to be ignored. When stakeholders learn

about disruptions in celebrity organizations, the new negative information about

disruptive events may be ignored because it is inconsistent with the positive emotions

evoked through prior news coverage (Ross & Nisbett, 1991). When in a positive

emotional state, people tend to make decisions based on heuristics—or mental

shortcuts—rather than be analytical and attend to details about a new piece of

information (Eagly & Chaiken, 1992). Additionally, any cues discrepant from the already

formed judgment about an entity create cognitive dissonance and thus receive less

attention (Festinger, 1957). The theoretical work on firm celebrity has been recently

tested empirically, to examine the role that celebrity plays in light of negative events

(Pfarrer et al., 2010). Pfarrer and colleagues find that celebrity firms are buffered from

financial losses following negative earnings surprises, thus indicating that celebrity could

be a valuable asset, particularly in light of organizational disruptions. This buffering

effect, the authors argue, may be due to stakeholders' general positive interpretive frame

that celebrity generates among the audiences. Overall, because of initial positive

emotions evoked by the name of a celebrity organization, stakeholders tend to ignore or

downplay the importance of negative news about disruptions in celebrity organizations.

Disruptions in Infamous Organizations

Infamous organizations evoke negative emotional responses from stakeholders by

the mere mention of their name. When in a negative affective state, people tend to pay

more attention to negative information and information that is congruent with their

current mood (Forgas, 1995). Additionally, when negative emotions are evoked people

are more careful during their decision making process (Seo, Goldfarb, & Barrett, 2010)

and pay more attention to details about newly presented information, rather than to the

big picture (Gasper & Clore, 2002). Once stakeholders create negative associations with

an entity, such as an infamous organization, they tend to react negatively to the entity

(Hastie & Dawes, 2001). Overall, compared to celebrity organizations, names of

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infamous organizations lead to more careful and analytical processing of information about disruptions, more attention to the details about the negative disruptive event, and less cognitive dissonance created by the new information about negative disruptions. Thus I propose:

> *Proposition 1: All else being equal, stakeholders withdraw more transactions from infamous organizations that have engaged in a disruptive event than celebrity organizations that have engaged in a disruptive event.*

Disruptions in Peripheral Organizations

When the news about a peripheral organization engaging in a negative disruptive event becomes public, stakeholders will evaluate the organization based on this negative news. Because, by definition, prior news coverage of the peripheral organization is not rich in emotional content, the new negative information about a disruption will constitute the base of the future emotional evoked by the name of the peripheral organization. Particularly, as research in decision making suggests, when we do not have strong attitudes towards an object, our judgments are largely based on the "current state, which includes fragments (memory traces) of our past experience; these fragments are biased by what we now believe (or feel) to be true to an extent much greater than we know consciously" (Hastie & Dawes, 2001). Compared to celebrity organizations, stakeholder attitudes to peripheral organizations are either neutral or slightly positive. This is because of the "mere exposure effect", which suggests that people tend to like objects they are not familiar with, even such objects as nonsense words or Chinese ideographs,, the more they encounter them (Bornstein, 1989; Zajonc, 1968). The mere exposure effect was incorporated to research in psychology from word frequency research, where individuals

exposed to nonsense words and syllables rated more frequently appearing stimuli as more pleasant (Johnson, Thomson, & Frincke, 1960). In the same vein, mere exposure to names of peripheral organizations in the news, may generate slightly positive affect towards them. However, this attitude is less positive than to celebrity organizations that experience higher levels of positive news coverage, and less negative than towards infamous organizations that experience higher levels of negative news coverage. Thus the news about a disruptive event in a peripheral organization is more likely to form a more negative judgment about the peripheral organization relative to celebrity organization, yet less negative judgment about the peripheral organization than infamous organization. Thus I propose:

> *Proposition 2: All else being equal, stakeholders withdraw more transactions from peripheral organizations that have engaged in a disruptive event than celebrity organizations that have engaged in a disruptive event.*
>
> *Proposition 3: All else being equal, stakeholders withdraw fewer transactions from peripheral organizations that have engaged in a disruptive event than infamous organizations that have engaged in a disruptive event.*

Disruptions in Unfamiliar Organizations

When the media report about a disruption in an unfamiliar organization, not only does the name of the organization not evoke any emotional responses, but it is also not recognized by stakeholders because of lack of prior news coverage. Stakeholders may not attend to the media coverage about a negative disruption because of the lack of familiarity with the name of the organization. Subsequently, because the low level of familiarity about this type of organizations, stakeholders may not be as diligent about

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reading the news articles about unfamiliar organizations (Forgas & Fiedler, 1996).

Furthermore, the lack of attention during initial reading of news articles about disruptions

in unfamiliar organizations may increase name recognition of the organization among

stakeholders. The increased recall of the name of the organization, in turn may result in

higher levels of transactions with the organization in the future as their names will

become more familiar after the news coverage of disruptions. For instance, a marketing

study found that negative book reviews resulted in increased sales of the books written by

unknown authors, while negative reviews of well-known authors lead to drop in sales

(Berger, Sorensen, & Rasmussen, 2010).

Relative to celebrity organizations, whose names evoke positive emotional

responses (Pfarrer et al., 2010), fast processing of information (Fiske & Taylor, 1991),

and, at times, disregard for mood-incongruent information (Forgas, 1995), the news about

disruptions in unfamiliar organizations is more damaging for the latter group of

organizations. Relative to infamous organizations, on the other hand, disruptions in

unfamiliar organizations attract less attention and are processed with less care. Relative to

peripheral organizations, on the other hand, stakeholder reactions to disruptions in

unfamiliar organizations are less negative. This is because stakeholder familiarity with

peripheral organizations is higher than with unfamiliar organizations and the level of

emotional responses evoked by the name of the organizations, although slightly positive,

is low. In this case, stakeholders' interpretation of the negative news about a disruptive

event may be based on a recognition heuristic. This heuristic suggests that, when

presented a choice of two, people tend to "infer that the recognized object has the higher

value with respect to the criterion" (Goldstein & Gigerenzer, 2002). Additionally, a more

familiar object is judged to have a higher value with respect to the criterion than a less familiar object (Honda, Abe, Matsuka, & Yamagishi, 2011). Thus when exposed to the news about disruptions in more familiar peripheral organizations compared to unfamiliar organizations, stakeholders may be more likely to "recall" that the negative disruption took place in a peripheral, rather than unfamiliar organization, because of higher familiarity with the name of a peripheral organization. Thus, I propose:

Proposition 4: All else being equal, stakeholders withdraw more transactions from unfamiliar organizations that have engaged in a disruptive event than celebrity organizations that have engaged in a disruptive event.

Proposition 5: All else being equal, stakeholders withdraw fewer transactions from unfamiliar organizations that have engaged in a disruptive event than infamous organizations that have engaged in a disruptive event.

Proposition 6: All else being equal, stakeholders withdraw fewer transactions from unfamiliar organizations that have engaged in a disruptive event than peripheral organizations that have engaged in a disruptive event.

CONCLUSION

Theoretical Contributions

In this essay I aimed to answer calls for further exploration of the role of news coverage of organizations and more in-depth theorizing about organizational types resulting from varying news coverage (Fombrun & Shanley, 1990; Rindova et al., 2006). While prior research in this area has only investigated the role of firm celebrity in light of negative events (Pfarrer et al., 2010), this study extends this line of inquiry by examining the role of peripheral, unfamiliar, and infamous organizations. By exploring the role of

audiences' familiarity and their emotional attitude to the focal organization, I developed propositions that compare how all four types of organizations are affected by disruptions.

The theory developed in this paper contributes to research on the role of media reputation during organizational disruptions. First, I contribute to research on media reputation and firm celebrity (Deephouse, 2000; Pfarrer et al., 2010; Rindova et al., 2006) by exploring the differences between the amount of positive and negative news coverage. While prior studies have either neglected the role of negative media coverage or used empirical measures that treat positive and negative coverage as equally important, I rely on research in psychology and decision making and suggest that the type of emotional responses evoked by the organization's name have different effects on stakeholders' attention to and interpretation of disruptive events. By introducing the constructs of unfamiliar, peripheral, and infamous organizations, I extend research on firm celebrity, which has explored the theoretical and practical implications of large volumes of positive media coverage for a firm (i.e. "firm celebrity"), but has been silent about how other types of news coverage of organizations may alter social perceptions and affect stakeholders' decision to transact with organizations following a disruption. Additionally, relying on research in psychology I propose that staying away from media spotlight (i.e. being an unfamiliar organization) may provide a buffer during disruptions.

The typology and theoretical propositions developed in this essay contribute to research on organizational disruptions. Whereas recent organizational studies have only begun to explore the role of social approval assets during negative disruptions in organizations (Jonsson et al., 2009; Pfarrer et al., 2010; Rhee & Haunschild, 2006), the role of media-generated organizational reputation has not been explored for organizations

with low levels of familiarity as well as for organizations with negative media coverage. The introduced typology provides more nuanced theorizing about the role of media reputation during disruptions.

Directions for Future Research

The simplifying assumptions made to develop the typology of media reputation and to examine the effect of disruptions on the four types of organizations provide an opportunity for a number of venues for future research. First, I did not examine the differences in reactions to disruption by different groups of stakeholders (i.e. investors, customers, suppliers, and the public at large). It is possible, for instance, that while customers may react negatively to disruptive events, investors may interpret the same disruption as a necessary strategic action that increases shareholders' wealth. The type of transactions between an organization and the stakeholder group in question would be a partial determinant of reactions to various disruptions. It may be the case that different stakeholder groups interpret similar information about disruptions differently.

Additionally, I have not investigated a possibility of different reactions to disruptive events among stakeholders within a particular stakeholder group. For instance, individuals who feel personal attachment to and involvement with an organization may be less affected by the negative news coverage about the disruption in the organization and have a more detailed picture of the story through other sources of information. The level of organizational identification (Ashforth & Mael, 1989) may also affect how stakeholders interpret the disruption and whether they justify the event or condemn the organization for it. Personally involved stakeholders may be more diligent in understanding the circumstances of the disruptive event and obtain detailed news media

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accounts about the event before making a final decision whether to withdraw transactions from the organization or not.

While I did not examine the heterogeneity of different news media sources regarding their effectiveness to evoke emotional responses among stakeholders, it is likely that some sources are deemed more credible than others and thus are more persuasive and trustworthy in their portrayal of organizations. With the increase in reliance of stakeholders on blogs, organizational websites, and social media as sources of information about organizations, investigations about the differential effects of newspapers, television, radio shows, or social media on stakeholder perceptions may be an informative venue for organizational studies.

Another possible extension of the study is in exploring how stakeholder reactions to disruptions in organizations may be affected by the type of the disruptive event. In this essay I have not discussed the role of firm responsibility for the disruption attributed to it by the public or the consequences of the disruptive event for organizational stakeholders. It is possible that the role of media coverage of the organization prior to a disruption is less pronounced when the disruption was due to irresponsible organizational actions or if the disruption resulted in large-scale negative consequences.

The role of the contextual factors may also impact the proposed relationships between disruptions and stakeholder reactions towards organizations with different types of media reputation. For instance, the role of news coverage of and social attitudes toward the industry in which a focal organization operates may alter the proposed relationships. It is possible that the propositions developed in the study are not applicable

to firms in industries that are viewed especially negatively by the public (i.e. tobacco, alcohol or firearms).

Lastly, whereas I focused on extreme values of positive or negative emotional responses associated with the name of an organization, I have ignored more complex forms of organizations, those organizations that may experience relatively equal amounts of positive and negative publicity. Much like in drama where complex characters undergo development throughout a narrative (Hoffman & Murphy, 2005), complex organizations may generate a range of emotional responses. For instance, Wal-Mart may evoke positive responses when the media covers its cheap prices for prescription medication or its policy to encourage suppliers produce environmentally friendly products; the company may evoke negative responses when the media covers its treatment of employees. Explicating stakeholder reactions to disruptions in such organizations relative to the four types described in this essay may provide a fruitful opportunity for future research. I encourage future studies to build on the developed propositions and to explore their boundaries.

CHAPTER 3: ESSAY 2

THE ROLE OF ORGANIZATIONAL IDENTIFICATION AND REPUTATION FOLLOWING DISRUPTIONS

Abstract

The findings of recent studies on the role of organizational reputation in light of disruptions have been inconsistent: some suggest that high reputation attenuates the negative effect of disruptions on stakeholders' decision to transact with the organization, while others find an amplifying effect. I address these inconsistencies by exploring how stakeholders' organizational identification influences the way they interpret the role of organizational reputation following disruptions. The results of empirical analyses in the context of on-campus murders in U.S. universities in 2001-2009 indicate that disruptions are associated with fewer transactions by low-identification stakeholders and only highly reputable organizations experience this effect. The findings are opposite for high-identification stakeholders: this group increases levels of transactions with highly reputable organizations after disruptions. This study provides a promising resolution to the inconsistencies found in prior research by suggesting an important variable that affects stakeholders' reactions to negative events and extends theory on organizational reputation by examining the differences in the value of this intangible asset derived by different stakeholder groups.

Organizational disruptions – or events that are "difficult to foresee and whose impact on organizations is potentially inimical" (Desai, 2011) – taint the name of the organization and violate stakeholders' expectations about appropriate organizational conduct. We expect that our food and products will not contain hazardous materials, that our schools will be safe to attend, and that airplanes will land (Coombs, 2012). Such disruptions as boycotts, stock market crashes, and industrial accidents reduce social approval of organizations (Fombrun, 1996; Mishina et al., 2010; Pfarrer et al., 2008) and have been found to have a negative impact on stakeholders' willingness to dedicate financial resources to and transact with the organization (King & Soule, 2007; Rhee & Haunschild, 2006; Schnietz & Epstein, 2005; Zyglidopoulos, 2001). These decisions, in turn, are associated with the organization's success and survival.

Recent studies extend the research on disruptive events in organizations by suggesting that the effect of disruptions on stakeholder's willingness to transact with organizations in the future is not homogenous (Jonsson et al., 2009; Pfarrer et al., 2010; Rhee & Haunschild, 2006; Schnietz & Epstein, 2005; Wade, Porac, Pollock, & Graffin, 2006). Specifically, the amount of future transactions depends on organizational reputation—or public recognition and perceived social approval of the organization's ability to create value relative to its competitors (Barnett, Jermier, & Lafferty, 2006; Deephouse, 2000; Pfarrer et al., 2010; Rindova et al., 2005). However, theory and empirical findings have been mixed. Some studies have found that highly reputable organizations are buffered from financial penalties in light of disruptions, supporting the notion that high reputation provides a cushion that attenuates the negative impact of disruptions on the level of stakeholders' transactions with the organization (Fombrun,

1996; Love & Kraatz, 2009; Pfarrer et al., 2010). In contrast, other researchers have argued and found empirically that high reputation exacerbates the amount of financial damage experienced after a disruption (Rhee & Haunschild, 2006; Wade et al., 2006). Thus the theoretical and empirical question remains unresolved: why in some cases does high organizational reputation serve as a buffer, attenuating the negative impact of disruptions on the level of transactions between the organization and its stakeholders, and in other cases it amplifies the magnitude of transaction withdrawal after the negative event?

The goal of this paper is to suggest a theoretically substantiated resolution to the conflicting findings. Specifically, I explicate a particularly promising contingency under which the role of organizational reputation after a disruption may vary. I argue that the inconsistencies of prior studies are due to implied homogeneity of organizational stakeholders in the meaning they derive from high organizational reputation. Specifically, building on research in social psychology and organization theory, I develop theoretical arguments to explain how organizational reputation is likely to be viewed differently by stakeholder groups who vary in terms of their identification with the organization.

Prior research on organizational identification, defined as the sense of cognitive connection between an individual and an organization and perceive oneness with an organization (Ashforth & Mael, 1989; Dutton, Dukerich, & Harquail, 1994), suggests that the level of identification with an organization affects stakeholders' actions. Research on organizational identification suggests that individuals identify with organizations to categorize their social selves in social interaction (Rao, Monin, & Durand, 2003). Identification with an organization creates a cognitive link between the individual and

organization and alters individual perceptions about and attitudes toward the organization (Rao et al., 2003). Individuals who identify closely with an organization perceive that the future and the well-being of the organization is connected to their own identity (Ashforth & Mael, 1989).

Theory suggests that when an organization is facing social disapproval after a disruption stakeholders who closely identify with the organization will perceive such an event as a threat to personal identity and will actively engage in supporting the organization to repair public perceptions about it (Bartel, 2001; Elsbach & Kramer, 1996; Fombrun & van Riel, 2004). This research suggests that different stakeholders' relations with and attitudes toward the organization determine how they perceive disruptive events that take place within the organization. High levels of organizational identification are thus consequential for the actions that individuals take towards the organization (Bartel, 2001). However, this important characteristic of organizational stakeholders has not been investigated in the literature on the role of reputation in light of organizational disruptions.

I test the developed theory in the context of murders that took place on campuses of U.S. colleges and universities in 2001-2009. As hypothesized, the empirical analyses indicate that low-identification stakeholders engage in fewer transactions with organizations after disruptions. Interestingly, this relationship is more likely to be observed in *highly reputable* organizations. Stakeholders with high levels of identification, on the other hand, do not engage in more transactions with organizations, and increase the number of transactions with *highly reputable* organizations following disruptions. This study contributes to research on the role of reputation in light of

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disruptions by exploring how the level of stakeholders' identification with the organization affects their interpretation of the value of high reputation and thus the ability of reputation to buffer organizations in light of negative events.

The rest of the paper proceeds as follows. First, I discuss prior studies that have examined the role of organizational reputation in light of disruptions to highlight the puzzling contradiction this study addresses. I then argue that the inconsistent findings of prior research are due to the varying interpretations of reputation by stakeholders with different levels of identification with the organization. I proceed to explore how reputation may alter the decision to transact with an organization that has experienced a negative event by stakeholders with different levels of organizational identification. I describe the large-scale longitudinal sample and discuss methodology employed to test the developed hypotheses. I also present robustness checks using alternative operationalizations of disruptions as well as the dependent variable. I conclude with a discussion of findings and propose directions for future studies.

<div align="center">THEORY AND HYPOTHESES</div>

The Role of Organizational Reputation in Light of Disruptions

Disruptive events violate stakeholders' expectations about appropriate organizational conduct. Because people usually have positive expectations about the future (Cacioppo & Gardner, 1999; Fiske & Taylor, 1991; Parducci, 1968; Regan et al., 1995) unexpected disruptive events invoke negative reactions from stakeholders and lower social approval of organizations. Such events as "industrial disasters, airline crashes, toxic spills, and other catastrophes" (Desai, 2011) disturb the life of the organization. Once stakeholders' expectations are violated by a negative event, they may

feel that their trust has been betrayed and that the social contract between them and the

organization has been broken (Morrison & Robinson, 1997). Disruptions may thus have a

negative impact on stakeholders' perceptions about the organization and lead to

withdrawal from transactions with the organization. Overall, the early consensus in

organization research is that organizations that are subject to disruptions lose

stakeholders' approval (Pfarrer et al., 2008; Suchman, 1995; Zyglidopoulos, 2001),

which manifests itself in forms of social penalties, such as boycotts (King & Soule,

2007), and financial penalties, such as withdrawal from transactions with the

organizations (Jonsson et al., 2009).

 This consensus has been recently challenged to suggest that the effect of

disruptions is not uniform for all organizations. Organizational scholars have found that

the amount of social disapproval and financial damage caused by the disruption depends

on the reputation of the organization (Jonsson & Buhr, 2011; Pfarrer et al., 2010; Rhee &

Haunschild, 2006; Schnietz & Epstein, 2005). Most studies in the organizational

reputation literature have concluded that being highly reputable, usually measured by

being ranked highly by such bodies as *Fortune* magazine's America's Most Admired

Companies, Best Companies to Work For, and *U.S. News and World Report*, signals to

stakeholders an organization's ability to create value for its stakeholders better than

competitors (Cheah, Chan, & Chieng, 2007; Pfarrer et al., 2010; Roberts & Dowling,

2002). Thus, organizational reputation is usually viewed as an intangible asset that results

in higher levels of transactions and better financial performance (Deephouse, 2000; Rao,

1994; Rindova et al., 2005). High levels of organizational reputation are not only

indicative of the tangible resources that the organization can employ to mitigate the

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detrimental effects of disruptions, but also of the intangible assets that it has accumulated.

Thus, the theoretical consensus in the literature is that organizational reputation affects stakeholders' reactions to the disruption and their decisions whether to transact with an organization whose name has been associated with a negative event. However, the nature of that effect is contested and the findings of empirical studies on the role of reputation in light of organizational disruptions have been contradictory. On one hand, reputation is associated with smaller financial damage due to withdrawal from transactions when an organization experiences negative events. For instance, highly reputable firms suffered a smaller drop in cumulative abnormal returns following negative earning surprises as compared to organizations with lower levels of reputation (Pfarrer et al., 2010 2010). Similarly, highly reputable firms did not experience a fall in cumulative abnormal returns following Seattle's World Trade Organization failure in 1999, while firms that did not possess this asset suffered financially (Schnietz & Epstein, 2005). In the same vein, in the study of 100 America's Most Admired companies, Love and Kraatz found that highly reputable firms experienced lower drop in reputational scores following downsizing. The authors argue that the reason for this effect is that stakeholders tend to give "the benefit of the doubt" to organizations that are known for "good behavior" (Love & Kraatz, 2009: 321). Overall, these studies indicate that high reputation can be a buffer in light of negative events, attenuating the negative impact of disruptions on stakeholders' decision to transact with the organization.

On the other hand, researchers have argued and found empirically that high reputation may amplify the negative financial impact caused by a disruptive event. For example, U.S. automakers with high levels of reputation suffered larger market penalties

in terms of market share, following severe automotive recalls (Rhee & Haunschild, 2006). Similar results were obtained by Wade and coauthors who found empirical evidence that highly reputable CEOs received lower compensation when the company was not performing well financially compared to all other CEOs (Wade et al., 2006). Overall, the second set of studies suggests that high reputation may inflate social expectations about the future actions of the organization. Highly reputable are expected to meet stakeholders' expectations about appropriate behaviors and produce products of superior quality (Rhee & Haunschild, 2006). Overall, when a highly reputable organization experiences a disruption, the violation of stakeholders' expectations is greater than if an organization with lower reputation experiences a similar disruption. Thus, the level of withdrawal from transactions is contingent on the severity of expectations violations, which in turn depend on the reputation of the organization.

Organizational Identification

I propose that an important reason for the inconsistent findings regarding the role of organization reputation in light of disruptions is the implicit assumption that organizational reputation connotes a similar meaning for all stakeholders. Research suggests that the way people interpret new information about the target depends on their prior attitudes towards the target (Ahluwalia, Burnkrant, & Unnava, 2000; Berger et al., 2010; Edwards & Smith, 1996). For instance, consumers who have prior positive attitudes towards the brand are more likely to counterargue negative information about the brand (Ahluwalia et al., 2000). Additionally, new information that disconfirms prior beliefs about a target is subjected to more scrutiny than information that is consistent with prior beliefs (Edwards & Smith, 1996). Based on this research, stakeholder groups with

different attitudes toward the organization perceive and interpret information about organizational actions and events within the organization in different ways (Heil & Robertson, 1991; Lange, Lee, & Dai, 2011; Maurer, Bansal, & Crossan, 2011; Pfarrer et al., 2008). However, empirical studies that investigate the effect of organizational disruptions on social approval and stakeholders' decision to transact with the organization have not explored how stakeholders' relations with the organization may alter their perceptions about disruptions. Investigating how organizational identification affects stakeholders' decisions to transact with an organization that has experienced a disruption may help understand when high reputation helps organizations and when it hurts them.

Organizational identification is a specific form of social identification that helps individuals define themselves through their connection with an organization (Mael & Ashforth, 1992). Organizational identification creates a cognitive link between an individual and an organization (Dutton et al., 1994; Mael & Ashforth, 1992) and reflects the degree to which an individual perceives oneness with an organization (Ashforth & Mael, 1989). Individuals with strong levels of organizational identification incorporate central and distinctive organizational characteristics into their self-definition (Dutton et al., 1994). By borrowing organizational characteristics to define self in social interactions individuals increase self esteem and reduce uncertainty about who they are (Bartel, 2001; Hogg & Terry, 2000). When the cognitive link between an organization and self-concept is strong, the identity of an organization becomes a central and salient part of and the basis for self-definition (Dutton et al., 1994; Kramer, 1991). For example, consumers who identify with Apple® may view themselves as possessing characteristics they

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associate with Apple® such as "cool," young and modern. A person does not have to be a member of the organization to identify with it. Rather, organizational identification is a "perceptual cognitive construct," and to identify with an organization an individual "needs only perceive him- or herself as psychologically intertwined with the fate of the group" (Ashforth & Mael, 1989: 21). The attributes and characteristics of organizational identity become intertwined with personal identity, whether the individual is formally a member of the organization or not. Thus, organizational identification serves as a self-categorization mechanism during social interactions (Rao et al., 2003).

The level of organizational identification is consequential for individual attitudes and behaviors towards the organization. Ashforth and Mael argue that high levels of organizational identification are associated with support for the organization (Ashforth & Mael, 1989). Members of an organization with high levels of organizational identification exert more work effort and cooperate closer with each other (Bartel, 2001). The feeling of belonging to an organization affects people's interpretation of social stimuli regarding the organization. For instance, Hastorf and Cantrils' study showed that when students from Princeton and Dartmouth were asked to keep track of the number of infractions in a football game, their results were biased by favoring their own alma mater (Hastorf & Cantril, 1954). Close identification is associated with supportive behaviors, including individuals acting as ambassadors of the organization (Fombrun & van Riel, 2004). Fombrun and van Riel suggest that the more customers identify with an organization, the more likely they are to engage in supportive behaviors toward the organization (2004: 97 as quoted in (Hong & Yang, 2009). People with high levels of organizational identification have been found to exert citizenship behaviors and make biased judgment

in favor of the organization they identify with (Ashforth, Harrison, & Corley, 2008). Overall, organizational identification influences individuals' behaviors toward the organization.

Because different stakeholder groups have different degrees of affiliation with an organization (Scott & Lane, 2000) and derive different levels of self identity through organizational identification (Ashforth & Mael, 1989), their interpretation of and reaction to the news about a disruption in the organization will depend on their association with the organization. Much like a hostile media effect—or "tendency of partisans on a controversial issue to see news coverage of that issue as biased in favor of the other side" (Gunther & Liebhart, 2006; Vallone, Ross, & Lepper, 1985)—I argue, that organizational identification may alter the way the same message is interpreted by different stakeholders. Below I develop hypotheses based on theoretical arguments that explain why the same disruption may affect the levels of transactions by different stakeholders in different ways and how organizational identification affects stakeholders' interpretation of organizational reputation. I focus on two types of stakeholders—those who have low and high levels of organizational identification.

Low-identification stakeholders. After a disruption, individuals with low levels of organizational identification are likely to interpret disruptions as diagnostic of the organization (Skowronski & Carlston, 1987) and withdraw their financial support and transactions. Because the self-identity of stakeholders with low levels of organizational identification is not tightly connected with the organization, it is easy for them to withdraw from future transactions with the organization. If one's definition of self is not derived from the identification with an organization, disruptions experienced by the

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organization may deter such individuals and lead them to seek transactions with other, similar, organizations that have not experienced the disruption. Additionally, the number of disruptions experienced by an organization affects the likelihood that stakeholders with low organizational identification will decrease transactions with the organization. For example, empirical studies suggest that the greater the number of disruptions the more likely are stakeholders to disapprove of the organizational actions and stop buying its products (Freedman, Kearney, & Lederman, 2009, 2011; Rhee & Haunschild, 2006). This theorizing leads to the conclusion that low-identification stakeholders are likely to be deterred from transacting with an organization with an increase in the number of disruptions it experiences. Thus, I propose a baseline hypothesis:

Hypothesis 1: The higher the magnitude of disruptions, the lower the level of

transactions by low-identification stakeholders.

Organizational reputation influences whether the media report on disruptions in these organizations. News organizations rely on certain criteria to determine which events to cover (Katz, 1987; Lee, 2008; McCarthy et al., 1996). Among other characteristics the unexpectedness of the event as well as involvement of an elite or notorious figure increase the likelihood that the event will be viewed as newsworthy (McCarthy et al., 1996; Peterson, 1979; Rindova et al., 2006). Because highly reputable organizations are known for meeting and exceeding stakeholders' expectations, disruptions in such organizations will be viewed as unexpected and interpreted as violations of social expectations (Pfarrer et al., 2008). Relatedly, highly reputable organizations are familiar to the public, which attracts more attention to the reports on actions of such actors and increases the likelihood that disruptions in high-reputation organization will make it to

the news (McCarthy et al., 1996; Peterson, 1979). Lastly, organizations with high reputation enjoy higher "social esteem and special, unearned (i.e. non-merit-based) benefits known as privileges, which are granted to and enjoyed by high-status actors in a social system" (Washington & Zajac, 2005: 284), disruptions in such organizations may be viewed as more salient and "newsworthy" (Jonsson & Buhr, 2011; Rhee & Haunschild, 2006; Rindova et al., 2006).

The media reports on disruptions in highly reputable organizations affect stakeholders' perceptions about and their actions toward the organization. When exposed to such news coverage, stakeholders with low levels of organizational identification are more likely to be influenced by the media reports. This is because direct personal experience of these stakeholders with an organization is limited (relative to high-identification stakeholders) and they are more likely to rely on vicarious experiences to make decisions (Bandura, 2001). Additionally, because of low familiarity with and connectedness to the organization, low-identification stakeholders may interpret disruptions in highly reputable organizations as diagnostic events that signal negative information about the organization as a whole (Skowronski & Carlston, 1987). This interpretation of the disruptive event, in turn, leads to perceptions that other highly reputable organizations that have not experienced disruptions are more attractive (Pfarrer et al., 2010). Thus low-identification stakeholders are likely to withdraw transactions from highly reputable organizations following disruptions. Thus I hypothesize:

> *Hypothesis 2: High-reputation organizations are more likely to experience the*
>
> *negative relationship between the magnitude of disruptions and the level of*

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transactions by low-identification stakeholders, than organizations that do not

possess this asset.

High-identification stakeholders. High levels of organizational identification
alter the way stakeholders perceive the value of organizational reputation and act toward
the organization. Because disruptions reveal negative information about an organization
stakeholders who are closely connected to the organization try to justify the negative
event (Elsbach & Kramer, 1996), support and defend the organization (Ashforth et al.,
2008) in order to protect their personal identity. Prior research has found that when an
organization is faced with a disruption, individuals who closely identify with the
organization attempt to justify the negative event and reframe the negative information
about the organization (Elsbach & Kramer, 1996; Kovoor-Misra, 2009; Nag, Corley, &
Gioia, 2007). High levels of identification are associated with continuous support of an
organization, even when the provided information suggests that the organization may be
failing (Haslam et al., 2006). The biases towards the organization by stakeholders with
high levels of identification are likely to increase the level of supportive behaviors after a
disruption.

If leaving an organization and separating the definition of self from the
identification with the organization is difficult to do, individuals engage in
reinterpretation of the negative event by either justifying it, making it sound acceptable,
or taking actions which will lead to correction of the situation and to desired changes
(Turner, 1975). In light of a disruption, the threat to an organization may be interpreted
as a personal threat, which may threaten the desired self-consistency among individuals
(Ashforth et al., 2008). Because individuals need to preserve a positive self-concept

(Weick, 1995), those stakeholders who identify closely with an organization will take cognitive efforts to justify the negative event and to preserve cohesiveness of self-identity through identification with the organization. Overall, stakeholders with high levels of organizational identification take cognitive and material efforts to decrease the detrimental effect of the disruption to the organization (and thus to self-perceptions) and to preserve the integrity of the organization and self (Bartel, 2001). Thus, I propose the second baseline hypothesis:

> *Hypothesis 3: The higher the magnitude of disruptions the higher the level of transactions by high-identification stakeholders.*

The role of organizational reputation in light of a disruption has different connotations for stakeholders with high levels of organizational identification. High reputation does not only affect the magnitude of violations of stakeholders' expectations about the organization and their decisions to engage in transactions, as discussed in the previous section, but it also affects the value that stakeholders derive from being associated with the organization. Identifying with a highly reputable organization may be a source of increased self-esteem, which leads to higher perceived connection with the organization and alters stakeholders' interpretations of the organizational actions (Bartel, 2001). Organizations with high reputation are more attractive for individuals' self-identification. Organizations that are more prominent, as compared to their competitors, are more likely to help enhance their members' self-esteem. For individuals who identify closely with such organizations, higher reputation of the organization is a source of personal prestige that is enhanced through conferring positive qualities of an organization to the individual, thus attaining the goal of self-enhancement (Bhattacharya, Rao, &

Glynn, 1995; Fuller et al., 2006; Kjaergaard, Morsing, & Ravasi, 2011; Mael & Ashforth, 1992; Smidts, Pruyn, & van Riel, 2001). When a highly reputable organization experiences a disruption and high levels of negative coverage in the media stakeholders with high levels of organizational identification are likely to perceive such disruptions as threats to personal identity and engage in supportive behavior. The need to restore consistency between the individuals' perceptions of who they are will lead to more support of the organizations with high organizational reputation. Thus I hypothesize:

Hypothesis 4: High-reputation organizations are more likely to experience the positive relationship between the magnitude of disruptions and the level of transactions by high-identification stakeholders, than are organizations that do not possess this asset.

DATA AND METHODS

I test the developed hypotheses on a comprehensive sample of U.S. colleges and universities that granted a four-year degree or higher in 2001-2009. I chose this setting for two reasons: first, examining U.S. universities allows me to investigate the impact of organizational disruptions on constituent groups with different levels of organizational identification. According to past research, university students and graduates closely identify with their alma mater and being a graduate of the school becomes a part of an individual's self-identity (Mael, 1988). Secondly, information about the levels of organizational reputation is easily accessible to the general public, which allows me to investigate the impact of negative events on organizations whose stakeholders are aware of the relative standing of a specific organization relative to other peer organizations. I

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chose the timeframe because it is the most recent longitudinal data on murders in U.S. universities.

Sample Construction

I constructed the initial sample by using data from the National Center for Education Statistics (NCES, www.nces.ed.gov), which seeks to comprehensively compile information on all U.S. colleges and universities. I concentrated on all U.S. colleges and universities that grant a four-year degree or higher because in the broadest interpretations they compete for the same pool of candidates. This search resulted in 2,907 schools that constitute a broad organizational field. The unit of analysis is a school-year.

Variables

Dependent variables. Because I hypothesize about the effects of disruptions on the number of transactions by two stakeholder groups with different levels of organizational identification, I follow prior research (Ahluwalia et al., 2000) and use two dependent variables in the models. I measure *the level of transactions by stakeholders with low levels of organizational identification* as the number of applicants to a given school in a given year. Because applicants have not yet attended the school their level of identification, on average, is low. For the most part, they have not spent time in this institution and their identity is not connected to the identity of the school at the time of the application. An average high school graduate applies to five to eight institutions (www.collegeboard.org), which signals low levels of identification with any one school. I collected the data on the number of applications received by each U.S. university during the period of the study from NCES.

The measure of *the level of transactions by stakeholders with high levels of organizational identification* is the percentage of university alumni who made monetary donations to the school in a given year multiplied by 100 and logged. Because university alumni spent years at the organization, their identities are closely connected with the identity of the school (Mael & Ashforth, 1992). Additionally, percentage of alumni who donate to the schools is an appropriate measure of transactions by stakeholders with high levels of identification because organization tenure impacts levels of organizational identification (Barker & Tompkins, 1994) and because alumni cannot detach their identity from the school they attended.

I have obtained information on the percentage of alumni participating in donations to their alma mater from the Council for Aid to Education (CAE). CAE is a national non-profit organization and "is the nation's sole source of empirical data on private giving to education, through the annual Voluntary Support of Education (VSE) survey and its Data Miner interactive database" (www.cae.org). CAE annually surveys all U.S. universities and colleges and provides information on percentage of alumni donating to the school for all survey respondents on an annual basis. This survey has been conducted for over forty years and "consistently captur[es] about 85 percent of the total voluntary support to colleges and universities in the United States (www.cae.org). Both dependent variables are measured in year *(t+1)*.[4]

Independent variables. To measure the primary independent variable of interest, the number of disruptions, I turned to the Office of Postsecondary Education (OPE)

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[4] To ensure that the reported results are not explained by the differences between applicants and alumni in perceived personal threat after murders, I use alternative operationalizations of the dependent variables described in the Robustness Checks of the essay.

within the U.S. Department of Education. OPE "formulates federal postsecondary education policy and administers programs that address critical national needs in support of [their] mission to increase access to quality postsecondary education" (www2.ope.gov). Among other statistics, OPE collects information on crimes committed on campuses of U.S. colleges and universities. I measure *the magnitude of disruptions* as a weighted sum of 1) all murders committed on campus of a given school in a given year and 2) a decay measure that assigns a weight of $1/n$ for each year after the disruption (Darr, Argote, & Epple, 1995; Pfarrer et al., 2010).[5] Murders on campuses are an appropriate measure of disruptions because they are unexpected exogenous events that violate social expectations that school campuses should be safe to attend (Fox & Savage, 2009). The occurrence of the murder does not depend on time-invariant characteristics of the school. Additionally, in my sample murders are not highly correlated with other criminal activities on campus, which provides further support to the notion that they are random and exogenous disruptive events. Murders are negatively publicized in the media and are likely to affect the social identity of alumni as well as decisions of future students to apply to the school. The decay measure is used to account for the decay of social memory of the disruption (Darr et al., 1995), as they are rare events and not easily forgotten. During the nine-year period of the study 149 murders took place in U.S. colleges and universities.

I measure *organizational reputation* as the overall university rankings in a certification contest published by *U.S. News and World Reports* each year. This publication is closely monitored by school administrators (Martins, 2005), potential

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[5] I also use a non-decayed measure of disruptions in the Robustness Checks section. The results remain substantively unchanged.

students (Sauder & Lancaster, 2006) and alumni (Dichev, 1999) and is one of the most

prominent and comprehensive rankings of U.S. Universities (Rindova & Fombrun, 1999;

Rindova et al., 2005). Rankings of organizations in certifications contests are an

appropriate measure of organizational reputation because they provide a comparison of

peer organizations on relevant criteria (Basdeo, Smith, Grimm, Rindova, & Derfus, 2006;

Pfarrer et al., 2010; Rao, 1994; Rindova et al., 2005). This information, in turn, is

considered during decision making and ultimate choices of organization with which to

transact (Griffith & Rask, 2007).When constituents are not engaged in direct contact with

an organization, rank ordering of similar organizations helps reduce uncertainty about

any specific organization (Wade et al., 2006). Lastly, rankings in certification contests

have been used as a measure of organizational reputation in past research (Basdeo et al.,

2006; Fombrun & Shanley, 1990; Mishina et al., 2010; Pfarrer et al., 2010; Rhee &

Haunschild, 2006; Rindova et al., 2005).

   Control variables. I control for the *overall level of criminal activity* in the school

by including the sum of all crimes, other than murders, that took place on the campus of

the university (e.g. rapes, robberies, thefts, etc.). I also control for *admissions*

requirements, measured as a categorical variable ranging from 1 to 10. This variable is

generated based on the 75th percentile of SAT scores in math and, if the SAT scores were

not available, ACT composite scores. Schools which have placed high in NCAA

basketball or football championships are prone to receiving higher media coverage,

which can lead to increased applications (Wagner, 2011). To account for this, I include

two dummy variables for top 25 basketball and *top 25 football teams* in a given season. I

collected the historical data on NCAA championship rankings from the Entertainment

and Sports Programming Network (ESPN, www.espn.go.com). Because the level of alumni participation depends on the solicitation efforts of a focal university, I control for *the number of solicited alumni.* This information was obtained from the VSE survey mentioned above. Following prior research on school rankings (Sauder & Lancaster, 2006), I control for *the total price of attendance*, measured as the total price of tuition, fees, room and board for out-of-state students, *the number of faculty* at the school, and the *number of enrolled* students. Information on school characteristics was collected from NCES. Lastly, to account for time invariant unobserved variables as well as changes in the industry over time, I include *school and year fixed effects* in the analyses.

RESULTS

Supplementing the original sample with the data from other sources described above resulted in a smaller final sample of schools included in the analyses. The final number of the subsample of schools used to predict applications is 1,554 while the number of schools used to predict percentage of donating alumni is 1,024. The variable with the most missing values which contributed to the smaller second subsample is percentage of donating alumni. While the CAE survey accounts for approximately "85 percent of voluntary support to colleges and universities in the United States" (www.cae.org), schools respond to the survey on a voluntary basis.

I present the summary statistics and correlations among the variables of the entire sample in Tables 1-2. Additionally, I split the sample into four subsamples and present summary statistics for each subsample in Tables 3-6. The four subsamples are: the subsample used to predict the number of applicants for a) top 126, as ranked by *USNWR* and b) not top 126 schools, the subsample used to predict percentage of donating alumni

for a) top 126 and b) not top 126 schools. I chose 126 as a cutoff point, because rankings

below this value were not published by the *USNWR* during the period of the study. Using

a binary variable that distinguishes ranked and non-ranked universities provides an

opportunity to include all universities in the sample, instead of focusing just on the

ranked ones. Additionally, the binary measure of reputation allows me to explicate the

differences in dynamics among organizations that are prominent in the eyes of the

stakeholders and those that are not prominent, because codification of relative

organizational standing becomes a social fact that shapes stakeholder perceptions (Anand

& Peterson, 2000; Anand & Watson, 2004). As can be seen from Tables 1-6, correlations

between some variables are over 0.50, which may present a concern for multicollinearity

in the data. To address this issue, I computed Variance Inflation Factors (VIF) after

estimating the number of applications and percentage of donating alumni for schools

ranked as top 126 and schools not ranked as top 126. The highest mean VIF in all four

cases was 2.45, which is below the threshold of 10, indicating that multicollinearity is not

a concern in this study (Greene, 2003). To ensure that the coefficient estimates are

unbiased and consistent I employ a fixed-effects estimation when predicting both

dependent variables (Wooldridge, 2002).

To test Hypotheses 1 and 2, that predicted the number of applicants, I employ

fixed-effects Poisson regression usually used when the dependent variable of interest is a

count variable. To test Hypotheses 3 and 4, that predicted the percentage of donating

alumni, I employed OLS estimations with school and year fixed effects and robust

standard errors. Because the second dependent variable—percentage of donating

alumni—is a variable that ranges from 0 to 100, I considered using a two-sided Tobit

regression developed for estimations with truncated dependent variables. However, because the dependent variable of interest is not highly censored (i.e. there are no large numbers of zeros or ones) and plausible values of the dependent variable are not eliminated (Greene, 2003) and because Tobit models are not designed for fixed-effects estimations, I chose to use a fixed-effects OLS estimation with robust standard errors.

The results of the analyses are reported in Tables 7 and 8. As can be seen from Table 7, Model 2, the number of disruptions negatively predicts the level of transactions with low-identification stakeholders ($\beta = -0.0033$, $p < 0.001$). Thus Hypothesis 1 is supported. The analyses suggest that one additional murder decreases the number of applications by approximately 0.33 percent. To test Hypothesis 2, which proposes that the negative impact of disruptions on levels of transactions by low-identification stakeholders is more likely to be observed among organizations with high reputation, I split the sample into those schools who ranked in top 126 in the *USNWR* in a given year (Table 7, Models 3 and 4) and those who did not (Table 7, Models 5 and 6). As can be seen from Table 7, more reputable schools are more likely to experience a decline in the number of applications if a murder took place on their campus ($\beta = -0.0021$, $p < 0.001$) as opposed to less reputable schools ($\beta = 0.0002$, $p > 0.10$). To test whether the difference in coefficients is statistically significant, I interacted the decayed murder variable with the dummy variable of USNWR ranking. As can be seen from Table 7 Model 7, the interaction variable is negative and significant ($\beta = -0.0181$, $p < 0.001$, indicating that the effect of murders on the number of applications is more negative for ranked universities. Thus I find support for Hypothesis 2.

The results of the test of Hypothesis 3 are reported in Table 8, Model 2. The analyses suggest that murders have a positive and significant effect on percentage of donating alumni ($\beta = 0.0006$, $p < 0.001$). Thus Hypothesis 3 is supported. The tests of Hypothesis 4 are reported in Table 8, Models 3-7. While the effect of murders on the percentage of alumni who donate to their alma mater is positive and significant for high-reputation schools ($\beta = 0.0005$, $p < 0.001$), it is not significant for not high-reputation schools ($\beta = 0.0031$, $p > 0.10$), providing preliminary support for Hypothesis 4. The test of the difference in coefficients is presented in Table 8 Model 7. The interaction coefficient of decayed murder and USNWR rank is not significant; suggesting that the effect of murders on ranked and not ranked schools does not significantly differ. These results indicate that if a high-reputation school experiences a murder, the percentage of alumni who will donate to the school next year will increase by approximately 0.05 percent; a school with 300,000 alumni can expect 150 more alumni to donate in the year following the disruption.

<div align="center">

ROBUSTNESS CHECKS

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Operationalization of Stakeholder Transactions

The results of the presented empirical tests for Hypotheses 3 and 4 indicate that the percentage of alumni donating to universities after murder increases. To test whether the increased alumni participation is also associated with higher amount of funds donated by the alumni, I regressed the same set of predictor variables as those used to test Hypotheses 3 and 4 on the logged dollar amount of total alumni giving. The results of the tests are presented in Table 9. As can be seen from Table 9, dollar amount of alumni donation increases after a murder only in ranked universities, which provides further

support for a buffering effect of organizational reputation in light of disruptions for reactions by high-identification stakeholders.

The main alternative explanation to the reported findings is that applicants and alumni experience varying degrees of concern about on-campus murders. While applicants could interpret such disruption as a threat to future personal safety, alumni may not be as concerned about this issue. Besides, the use of a decayed measure of disruptions may reflect social memory about the disruption and may not accurately depict the effect of any specific disruption on stakeholder reactions. To ensure that the reported results remain robust to the alternative explanation and specification of the main independent variable, I conducted additional analyses with a different set of measures of the dependent variables. I investigated the effect of disruptions on the number of alumni donors who did not receive a degree from the university (stakeholders with low levels of organizational identification) and the number of alumni donors who received a degree from the university (stakeholders with high levels of organizational identification). The results of these analyses are presented in Tables 10-11. I used non-decayed measure of disruptions in the analyses mentioned above.

As can be seen from Table 10, Model 2 the number of non-degree alumni donors decreases with an additional on-campus murder (β = -0.0953, p < 0.001). Models 4 and 6 in Table 10 indicate that the increase occurs in both ranked and not ranked universities. However, as seen in Table 10, Model 7 the decrease in non-degree alumni donors is statistically higher in ranked universities (β = -0.1793, p < 0.001). These results provide further support for Hypotheses 1 and 2 and suggest that low-identification stakeholders withdraw support from organizations that experience disruptions and they do so more in

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highly reputable organizations. Thus, high reputation is a liability in light of disruptive events when the reactions under consideration are those by low-identification stakeholders.

The results of the analyses predicting the number of alumni donors who received a graduate or undergraduate degree from the university (high-identification stakeholders) are presented in Table 11. The findings presented in Table 11, Model 2 are opposite of Hypothesis 3: the number of transactions by high-identification stakeholders decreases with the increase in disruptive events (β = -0.0552, p < 0.001). However, this decrease remains significant only for low-reputation organizations, and is not present among high-reputation organizations. As Model 7 in Table 11 shows, the difference in coefficients is statistically significant. These results suggest that reputation serves as a buffer in light of disruptive events when the reactions under consideration are those by high-identification stakeholders.

Type of Disruption

The type of disruption may also affect the results presented in this study. While I have shown that stakeholder reactions to a disruptive event depend on the organizational identification, it is also important to note that the essay focused on only one type of disruption: unexpected and random event, where the responsibility of the organization is low. It is, however, theoretically and practically important to investigate the effect of different disruptive events on reactions of stakeholders with high and low levels of organizational identification.

I propose that classifying disruptive events by the degree of organizational responsibility (Coombs, 2007) and the type of the violation (Mishina et al., 2011) can

provide further information on the differences of stakeholder reactions to disruptions and the variations in the role of organizational reputation. Specifically, prior research on disruptions has provided theoretical arguments for the amplifying role of organizational responsibility: the more responsible the organization is perceived to be, the higher the transactional penalties by organizational stakeholders (Coombs, 2007). Additionally, the type of the violation associated with the disruption may alter stakeholder reactions. Borrowing from Mishina and colleagues (Mishina et al., 2011) I propose that disruptions can vary in terms of violation of competency or violation of integrity. Competency violations are those disruptions that signal organizational inability to perform and provide quality products or services up to the expected standards. Integrity violations are those disruptions that signal discrepancies between organizational and stakeholder expected values and goals (Mishina et al., 2011).

Figure 1 illustrates the typology of the disruptive events based on the level of organizational responsibility and the type of violation as well as the variables used in the context of this study to measure the four types of disruptions. I measure the first type of disruptions, competency violations with low levels of organizational responsibility as on-campus murders. The effect of this type of disruptions on reaction of the two stakeholder groups has been the focus of this study.

NCAA rule violations. I measure the second type of disruptions, integrity violations with high levels of organizational responsibility, as the sum of legislative references used in the description of the NCAA major rules violated by a focal university in a given year. I obtained this information from the NCAA Legislative Services Database (https://web1.ncaa.org/LSDBi/exec/miSearch), which contains detailed

descriptions of all NCAA rule infractions by member universities. NCAA rule violations represent integrity, rather than competency violations, because they break the goals and morals that guide conduct in this professional organization. Such violations also indicate high levels of organizational responsibility because the universities are aware of the NCAA rules and such violations are deliberate irresponsible actions taken by the organization.

Fulmer Cup points. I measure the third type of disruptions, integrity violations with low levels of organizational responsibility as the number of Fulmer Cup points accumulated by a given university in a given year. Fulmer Cup is an "award" given to a Division I NCAA football team for having the highest number of legal violations committed by the players on the roster of the team. The scoring system was started by a blogger Orson Swindle, on the blog "Every Day Should Be Saturday" and was named after the University of Tennessee football coach, Phillip Fulmer, under whose leadership twenty football players were arrested for criminal activities (www.everydayshouldbesaturday.com). The Fulmer Cup scoring system includes such "rewards" as 4 points for rape or grand larceny, 3 points for car theft or assault, and 2 points for drug possession or DUI charge (http://www.everydayshouldbesaturday.com/2006/02/24/fulmer-cup-scoring-further-clarification/). The Fulmer Cup points represent integrity violation because they are awarded for immoral and illegal activities contrary to the established goals of the organization. Additionally, such violations have a low level of organizational responsibility because individual organizational members commit such acts; they are not committed or sanctioned by the organization.

Five-point drop in USNWR ranking. I measure the fourth type of disruption, competency violation with high levels of organizational responsibility, as a five-point drop in university *US News and World Report* rankings.[6] Drop in rankings represents competency violation because lower rankings are associated with organizational inability to deliver the value expected by its stakeholders. Such drops are largely a responsibility of the organization rather than random events that cannot be attributed to the organizational strategic choices.

Results of the robustness checks. To test whether the type of the disruption alters the results found in this study, I regressed the set of controls and each of the three additional measures of disruptions on the number of non-degreed and degreed alumni donors in a subsequent years. The results of the analyses are presented in Tables 12 and 13. Models 1-6 in each table show the results of analyses conducted on a subsample of universities that are members of NCAA, because only NCAA members are at risk of violating NCAA rules and accumulating Fulmer Cup points. Models 7-9 in Tables 12 and 13 show the results of analyses conducted on a subsample of universities that were ranked by the *USNWR*, as they are the only universities at risk of experiencing a drop in rankings.

As can be seen from Table 12 and 13, Models 1-3, the effect of integrity violations with high levels of organizational responsibility, measure as the number of legislative references used in NCAA rule infractions, indicate that low-identification stakeholders decrease their support after such a disruption (β = -0.0092, p < 0.001) and the effect is marginally stronger for high-reputation organizations (β = -0.0022, p < 0.10);

[6] I also used a three-point drop as a robustness check, the results with this alternative specification remain unchanged.

high-identification stakeholders, on the other hand, increase their support ($\beta = 0.0026$, p

< 0.001) especially in high-reputation organizations ($\beta = 0.0081$, p < 0.001). These

results are similar to those found in this study.

The picture is different for integrity violations with low levels of organizational

responsibility. While both stakeholders with low and high levels of organizational

identification increase their support to the organizations whose football players were

involved in criminal activities ($\beta = 0.0101$, p < 0.001; $\beta = 0.0025$, p < 0.001), such

support is stronger among high-reputation universities from low-identification

stakeholders ($\beta = 0.0030$, p < 0.001) and weaker among high-reputation universities from

high-identification stakeholders ($\beta = -0.0073$, p < 0.001). These results suggest that after

disruptions that involve integrity violations and low levels of organizational

responsibility high reputation may serve as a buffer among low-identification

stakeholders, and as a liability among high-identification stakeholders.

Lastly, the effect of competency violation with high levels of organizational

responsibility on stakeholder transactions is similar for both stakeholder groups. Both

low- and high-identification stakeholders increase their support after a five-point drop in

USNWR rankings, but the increased support is smaller among high-reputation

universities. These results suggest that when the disruption under investigation is a

competency violation with high levels of organizational responsibility high-reputation

may be a liability regardless of the levels of organizational identification. I would caution

to interpret the results of the robustness checks with care as they do not address issues of

endogeneity of disruptions and are used to illustrate possible variations in the types of

disruptions and changes in the role of reputation (buffer or liability) based on the type of disruption.

DISCUSSION

This essay makes two theoretical contributions. First, it contributes to research on organizational disruptions by addressing recent calls to investigate how the same types of negative events affect organizations in different ways (Jonsson et al., 2009). The findings of this study extend prior research that has examined how a firm's reputation alters the magnitude of financial damage associated with disruptions (Pfarrer et al., 2010; Rhee & Haunschild, 2006). By examining how organizational identification impacts stakeholders' attitudes and behaviors toward the organization with which they identify, I developed theoretical arguments that explain why different stakeholders interpret the same negative event in different ways. The results indicate that low-identification stakeholders are more likely to withdraw transactions with an increase in the number of disruptions in an organization. This relationship is more likely to occur in highly reputable organizations. The results are opposite for transactions by high-identification stakeholders: they increase the number of transactions with highly reputable organizations, but not with low-reputation organizations. These findings suggest that stakeholders' reactions to organizational disruptions are not uniform, as has been assumed in previous studies on organizational disruptions.

The second theoretical contribution of this paper is to research on organizational reputation. By relaxing the assumption that all stakeholders interpret the role of organizational reputation in light of disruptions in the same way, I investigated how the value derived from organizational reputation varies for stakeholders with high and low

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levels of organizational identification. I find that the ability of an organization's reputation to provide a buffer from the negative impact of disruptions on the levels of stakeholder transactions depends on stakeholders' organizational identification. Focusing on organizational identification as a characteristic that affects the way stakeholders interpret the role of organizational reputation in light of disruptions allowed me to utilize research in psychology and social cognition to reconcile inconsistent findings in previous research. Specifically, in order to fully understand what role organizational reputation plays in light of disruptions and how it effects stakeholders' decision to transact with an organization, it is necessary to take into account the cognitive processes that affect the interpretation of the negative event and the type of relations a particular stakeholder group has with the organization (Rindova & Fombrun, 1999). While high organizational reputation may increase expectations of stakeholders with low levels of organizational identification and decrease the number of transactions after the expectations have been violated by disruptions, it may also serve as a source of increased self-esteem through organizational identification thus increasing support by stakeholders with high levels of organizational identification.

Contributions to Practice

The findings of this study have several practical implications. Because levels of organizational identification are consequential for the value of organizational reputation derived by different stakeholder groups in light of organizational disruptions and for stakeholders' decisions regarding future transactions with organizations, managers may want to develop strategies to increase organizational identification among different stakeholder groups. To protect themselves from constituent penalties after negative

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events, highly reputable organizations may want to establish closer ties with their members and engage in strategies that increase stakeholders' organizational identification. One example of such strategies would be facilitation of establishment of fan clubs, similar to Ducati and Harley fans in the auto industry (Marchi, Giachetti, & de Gennaro, 2011; Prykop & Heitmann, 2006). Another way to increase organizational identification could be through sales of logoed merchandise, as organizational research suggests that external portrayal of belonging to a specific group increases internally established cognitive connection with the group (Cialdini et al., 1976). Such strategies may help organizations attenuate the negative financial impact of disruptions.

In addition, the results of the study suggest that managers should be cognizant of reactions to organizational disruptions by different stakeholder groups when managing negative events and crisis-like situations. Although communicating with stakeholders during disruptions is a necessary strategy for successful recovery (Coombs, 2012; Pfarrer et al., 2008), impression management efforts should be balanced among different stakeholder groups and should take into account how stakeholders interpret the disruptive events and react to them. Carefully selecting the groups that have to be attended to following a disruption will inform the selection of media outlets for communicating with stakeholders and may help firms be more effective in managing social approval.

Directions for Future Research

This study generates questions that provide opportunities for fruitful investigations in the area of social approval assets. Specifically, while focusing on one industry allowed me to explicate firm-specific outcomes associated with disruptions, it is possible that the same disruptions are perceived differently in different industries. The

nature of the products or services provided by firms in specific industries as well as the information available to stakeholders about the industry may lead to different dynamics in other settings (Aldrich & Fiol, 1994). Future studies are needed to explore the boundaries of generalizability of these findings to other contexts.

Additionally, because I assumed that stakeholders with high and low levels of organizational identification are exposed to similar information about disruptive events, I have not examined the effects that media coverage of the event has on the two stakeholder groups. The surprising finding during reported robustness checks of an increase in the number of applications when organizations with low reputations experienced disruptions could be due to increased stakeholder awareness about the school associated with increased media coverage about the negative event. It is plausible that mentions of the school in the media make the name of the school more recognizable in the minds of the future applicants (Wagner, 2011). Additionally, it is possible that the way the media frame the disruptions will generate different interpretations and thus different decisions regarding future transactions (Jonsson & Buhr, 2011; Jonsson et al., 2009). One could speculate that in the instances when the media reports blame the organization for the disruption, stakeholders with low levels of identification will be more likely to withdraw transactions, while in cases of lower levels of organizational responsibility for the disruption, the levels of withdrawal will be lower. Further, the effects of media coverage about the disruption on stakeholders with high levels of identification may lead to different dynamics than those found in this essay. Specifically, in light of high levels of negative coverage about the organization and its defamation in the public eye, this stakeholder group may decide to withdraw transactions from

organizations after disruptions. Future research could delineate the effects of media coverage of the disruptive event on the decisions to transact by two different stakeholder groups.

Further, the examinations of the effects of one type of disruption on stakeholders' decisions to transact provided a clean setting to test reactions of different stakeholder groups to the same negative event. While the typology of disruptions and the measures used to operationalize the proposed four types of disruptions can be improved, these results shed light on the intricacies of stakeholder reactions to disruptive events depending on their levels of organizational identification and the type of disruption under investigation. The findings presented in the study could be extended by focusing on the influence of various types of organizational disruptions in terms of their consequences for organizational stakeholders or their proximity to the emphasized attributes of organizational reputation. It is possible that regardless of whether the disruption represents an integrity or competency violation, if the consequences of the disruption are severe, the organization may be punished more by its stakeholders. For instance, such integrity violations as financial fraud arguably result in less severe consequences, stockholders' financial losses, than such competency violations as sale of defective products that may cause death of customers. It is also likely that disruptions in the area where an organization built a high reputation are more unexpected and salient and thus result in higher levels of transaction withdrawals than disruptions in the less emphasized areas. For instance, auto recalls by Toyota, a manufacturer known for high reliability of its vehicles, are more unexpected than similar recalls by Ford, which may result in higher levels of transactional losses for Toyota. Thus, alternative ways to classify disruptions is

by the severity of consequences, rather than type of violation, and by their proximity to the well-known and highly emphasized aspects of organizational reputation.

Lastly, while I theorized about organizational reputation as a perceptual construct, I measured reputation as a binary variable indicated whether an organization's name was mentioned among organizational rankings in certification contests, which has been argued to reflect only one aspect of reputation—prominence (Lange et al., 2011; Mishina et al., 2010), leaving out the second aspect—perceived quality (Rindova et al., 2005). Whereas using a binary measure of reputation allowed me to investigate the dynamics between disruptions and stakeholder transaction for all organizations in the industry, not just the highly prominent ones, it is important for future research to investigate the role of perceived quality of organizations in light of disruptions and whether stakeholders' interpretation of disruptions vary based on this attribute. An interesting extension of the study would be to compare reactions of stakeholders with different levels of organizational identification to disruptions by firms with high prominence but different levels of perceived quality.

Conclusion

This study provides a theoretical explanation for the inconsistent findings in the literature on the role of organizational reputation in light of organizational disruptions by considering the role of organizational identification among different stakeholder groups. The results support the hypotheses that high reputation exacerbates the negative impact of disruptions on the levels of transactions, when investigating how negative events affect stakeholders with low levels of organizational identification. The findings are the opposite for stakeholders with high levels of identification: this group of stakeholders

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engages in more transactions when a highly reputable organization with which they identify is involved in a disruptive event. Overall, the analyses presented in the paper suggest that organizational identification is a key construct that affects how stakeholders derive the value from organizational reputation and ultimately how they react to negative disruptive events in organizations with different reputation levels.

TABLE 1

Descriptive Statistics for the Full Sample

	Variable	Obs.	Mean	Std. Dev.	Min.	Max.
1	Alumni Participation, logged (t+1)	10,303	0.14	0.09	0.00	0.69
2	Applicants (t+1)	20,038	3,135.22	5,377.44	0.00	55,694.00
3	Murders, decayed	22,304	0.01	0.27	0.00	32.00
4	Other Crimes, in 100's	23,494	0.14	0.28	0.00	5.62
5	USNWR Ranked	37,791	0.03	0.16	0.00	1.00
6	Admissions Test 75th Perceptile	37,791	8.26	2.85	1.00	10.00
7	Alumni, solicited	10,406	42,548.79	59,042.72	0.00	948,290.00
8	NCAA Top 25 Football	37,791	0.01	0.08	0.00	1.00
9	NCAA Top 25 Basketball	37,791	0.01	0.09	0.00	1.00
10	Total Price of Attendance, in $10,000's	18,617	2.60	0.99	0.00	5.83
11	Faculty, in 1,000's	19,430	0.23	0.48	0.00	6.40
12	Enrolled Students, in 10,000's	22,430	0.68	1.05	0.00	19.59

TABLE 2

Correlations for the Full Sample

Variable	1	2	3	4	5	6	7	8	9	10	11
1 Alumni Participation, logged (t+1)	1.00										
2 Applicants (t+1)	-0.13	1.00									
3 Murders, decayed	-0.02	0.09	1.00								
4 Other Crimes, in 100's	-0.10	0.67	0.08	1.00							
5 USNWR Ranked	0.06	0.60	0.08	0.46	1.00						
6 Admissions Test 75th Perceptile	0.35	0.00	0.00	-0.10	0.06	1.00					
7 Alumni, solicited	-0.14	0.74	0.09	0.62	0.51	0.16	1.00				
8 NCAA Top 25 Football	-0.01	0.27	0.12	0.25	0.25	0.01	0.34	1.00			
9 NCAA Top 25 Basketball	0.00	0.27	0.03	0.26	0.25	0.01	0.29	0.20	1.00		
10 Total Price of Attendance, in $10,000's	0.35	0.28	0.01	0.17	0.29	0.02	0.09	0.04	0.06	1.00	
11 Faculty, in 1,000's	-0.09	0.77	0.10	0.66	0.60	0.01	0.83	0.39	0.36	0.19	1.00
12 Enrolled Students, in 10,000's	-0.26	0.79	0.11	0.65	0.44	-0.07	0.80	0.36	0.30	0.10	0.76

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TABLE 3

Descriptive Statistics and Correlations for a Subsample Used to Predict Applications, Ranked Universities

	N	Mean	SD	Min	Max	1	2	3	4	5	6	7	8
1 Applicants (t+1)	712	18380.07	9970.22	849.00	55694.00	1.00							
2 Murders, decayed	712	0.14	1.42	0.00	32.00	0.03	1.00						
3 Other Crimes, in 100's	712	0.78	0.63	0.01	5.62	0.32	0.00	1.00					
4 Admissions Test 75th Perceptile	712	9.14	1.01	6.00	10.00	0.14	-0.01	0.08	1.00				
5 NCAA Top 25 Football	712	0.16	0.37	0.00	1.00	0.09	0.14	0.11	-0.09	1.00			
6 NCAA Top 25 Basketball	712	0.15	0.36	0.00	1.00	0.08	-0.01	0.11	-0.02	0.12	1.00		
7 Total Price of Attendance, in $10,000's	712	3.69	0.94	1.17	5.50	0.18	-0.05	-0.05	0.42	-0.23	-0.15	1.00	
8 Faculty, in 1,000's	712	1.72	1.13	0.11	6.40	0.48	0.04	0.40	0.28	0.23	0.19	0.07	1.00
9 Enrolled Students, in 10,000's	712	3.00	1.93	0.00	8.48	0.54	0.10	0.29	-0.27	0.36	0.24	-0.41	0.46

TABLE 4

Descriptive Statistics and Correlations for a Subsample Used to Predict Applications, Non-Ranked Universities

Variable	Obs.	Mean	Std. Dev.	Min.	Max.	1	2	3	4	5	6	7	8
1 Applicants (t+1)	9653	3231.99	4175.98	0.00	52980.00	1.00							
2 Murders, decayed	9653	0.01	0.12	0.00	5.00	0.14	1.00						
3 Other Crimes, in 100's	9653	0.17	0.26	0.00	3.38	0.61	0.16	1.00					
4 Admissions Test 75th Perceptile	9653	5.66	2.99	1.00	10.00	0.06	-0.01	-0.02	1.00				
5 NCAA Top 25 Football	9653	0.01	0.09	0.00	1.00	0.20	0.06	0.23	0.05	1.00			
6 NCAA Top 25 Basketball	9653	0.01	0.09	0.00	1.00	0.16	0.07	0.19	0.06	0.21	1.00		
7 Total Price of Attendance, in $10,000's	9653	2.63	0.88	0.33	5.67	0.09	-0.01	-0.02	0.22	-0.02	0.01	1.00	
8 Faculty, in 1,000's	9653	0.23	0.35	0.00	3.97	0.70	0.16	0.66	0.06	0.37	0.30	-0.05	1.00
9 Enrolled Students, in 10,000's	9653	0.76	0.94	0.00	9.71	0.82	0.17	0.66	-0.01	0.31	0.22	-0.09	0.84

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TABLE 5

Descriptive Statistics and Correlations for a Subsample Used to Predict Percentage of Donating Alumni, Ranked Universities

Variable	Obs.	Mean	Std. Dev.	Min.	Max.	1	2	3	4	5	6
1 Alumni Participation, logged (t+1)	812	0.16	0.07	0.03	0.39	1.00					
2 Murders, decayed	812	0.13	1.33	0.00	32.00	-0.04	1.00				
3 Other Crimes, in 100's	812	0.80	0.67	0.01	5.62	-0.04	0.00	1.00			
4 Admissions Test 75th Perceptile	812	9.25	0.98	6.00	10.00	0.38	-0.03	0.10	1.00		
5 Alumni, solicited	812	137600.60	92286.23	0.00	461347.00	-0.21	0.04	0.39	0.01	1.00	
6 NCAA Top 25 Football	812	0.15	0.36	0.00	1.00	-0.04	0.13	0.08	-0.11	0.28	1.00
7 NCAA Top 25 Basketball	812	0.15	0.36	0.00	1.00	0.04	-0.01	0.11	-0.03	0.19	0.11

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TABLE 6

Descriptive Statistics and Correlations for a Subsample Used to Predict Percentage of Donating Alumni, Non-Ranked Universities

Variable	Obs.	Mean	Std. Dev.	Min.	Max.	1	2	3	4	5	6
1 Alumni Participation, logged (t+1)	6481	0.13	0.09	0.00	0.69	1.00					
2 Murders, decayed	6481	0.02	0.12	0.00	3.00	-0.06	1.00				
3 Other Crimes, in 100's	6481	0.23	0.30	0.00	4.44	-0.20	0.17	1.00			
4 Admissions Test 75th Perceptile	6481	6.30	2.78	1.00	10.00	0.39	-0.03	-0.04	1.00		
5 Alumni, solicited	6481	31599.33	39507.82	0.00	448782.00	-0.23	0.15	0.56	0.02	1.00	
6 NCAA Top 25 Football	6481	0.01	0.11	0.00	1.00	-0.03	0.07	0.20	0.04	0.30	1.00
7 NCAA Top 25 Basketball	6481	0.01	0.12	0.00	1.00	-0.02	0.08	0.19	0.06	0.24	0.18

TABLE 7

Results of a Fixed-Effects Poisson Regression Predicting Number of Applications

	Model 1: All	Model 2: All	Model 3: Ranked	Model 4: Ranked	Model 5: Not Ranked	Model 6: Not Ranked	Model 7: All
USNWR Ranked	0.0001	0.0002					0.0027 **
Other Crimes, in 100's	0.0182 ***	0.0183 ***	0.0120 ***	0.0123 ***	0.0228 ***	0.0228 ***	0.0183 ***
Total Price of Attendance, in $10,000's	-0.0137 ***	-0.0135 ***	-0.0543 ***	-0.0543 ***	0.0440 ***	0.0440 ***	-0.0136 ***
Admissions Test 75th Perceptile	-0.0029 ***	-0.0029 ***	0.0088 ***	0.0087 ***	-0.0046 ***	-0.0046 ***	-0.0029 ***
Faculty, in 1,000's	-0.0024 **	-0.0023 **	-0.0116 ***	-0.0115 ***	-0.0273 ***	-0.0272 ***	-0.0019 *
Enrolled Students, in 10,000's	0.0584 ***	0.0583 ***	0.0090 ***	0.0091 ***	0.0775 ***	0.0775 ***	0.0590 ***
NCAA Top 25 Football	0.0039 ***	0.0046 ***	0.0143 ***	0.0148 ***	-0.0114 ***	-0.0114 ***	0.0049 ***
NCAA Top 25 Basketball	0.0172 ***	0.0171 ***	-0.0020 +	-0.0021 +	0.0157 ***	0.0157 ***	0.0172 ***
Murders, decayed		-0.0033 ***		-0.0021 ***		0.0002	0.0139 ***
Murders, decayed x USNWR Ranked							-0.0181 ***
Year Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Degrees of Freedom	16	17	15	16	15	16	18
Wald Chi-Sq.	1038567	1038782	231710	231793	738853	738854	1039109
Observations	9999	9999	705	705	9262	9262	9999

[+] p < 0.10, [*] p < 0.05, [**] p < 0.01, [***] p < 0.001

TABLE 8

Results of a Fixed-Effects OLS Regression Predicting Percentage of Donating Alumni

	Model 1: All	Model 2: All	Model 3: Ranked	Model 4: Ranked	Model 5: Not Ranked	Model 6: Not Ranked	Model 7: All
USNWR Ranked	0.0055 *	0.0055 *					0.0058 *
Admissions Test 75th Perceptile	0.0006	0.0006	-0.0027	-0.0026	0.0006	0.0006	0.0006
Alumni, solicited	0.0000 **	0.0000 **	0.0000	0.0000	0.0000 ***	0.0000 **	0.0000 **
NCAA Top 25 Football	0.0013	0.0012	-0.0051 *	-0.0052 *	0.0098 **	0.0099 **	0.0012
NCAA Top 25 Basketball	-0.0001	-0.0001	0.0029	0.0029	-0.0033	-0.0032	-0.0001
Murders, decayed		0.0006 **		0.0005 ***		0.0031	0.0035
Murders, decayed x USNWR Ranked							-0.0030
Constant	0.1466 ***	0.1466 ***	0.1889 ***	0.1887 ***	0.1071 ***	0.1071 ***	0.1465 ***
Year Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes
R-Sq.	0.1884	0.1885	0.2207	0.2216	0.1896	0.1897	0.1886
Degrees of Freedom	13	14	12	13	12	13	15
Observations	7293	7293	812	812	6481	6481	7293

[+] p < 0.10, [*] p < 0.05, [**] p < 0.01, [***] p < 0.001

TABLE 9

Results of a Fixed-Effects OLS Regression Predicting Total Alumni Giving

	Model 1: All	Model 2: All	Model 3: Ranked	Model 4: Ranked	Model 5: Not Ranked	Model 6: Not Ranked	Model 7: All
Other Crimes	0.0400	0.0397	-0.0190	-0.0197	0.0598	0.0599	0.0396
USNWR Ranked	-0.0141	-0.0145					-0.0131
Admissions Test 75th Perceptile	-0.0144	-0.0144	-0.0163	-0.0161	-0.0147	-0.0147	-0.0144
Alumni, solicited	0.0000	0.0000	0.0000	0.0000	0.0000 +	0.0000 +	0.0000
NCAA Top 25 Football	-0.0095	-0.0101	-0.0118	-0.0125	-0.0015	-0.0014	-0.0100
NCAA Top 25 Basketball	0.0311	0.0312	-0.0218	-0.0218	0.0855	0.0857	0.0312
Murders, decayed		0.0042		0.0033 *		0.0111	0.0169
Murders, decayed x USNWR Ranked							-0.0133
Constant	14.313 ***	14.3131 ***	16.7998 ***	16.7986 ***	13.9909 ***	13.9909 ***	14.313 ***
Year Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes
R-Sq.	0.0744	0.0744	0.2413	0.2414	0.065	0.065	0.0744
Degrees of Freedom	13	14	12	13	12	13	15
Observations	6,369	6,369	731	731	5,638	5,638	6,369

[+] $p < 0.10$, [*] $p < 0.05$, [**] $p < 0.01$, [***] $p < 0.001$

TABLE 10

Results of a Fixed-Effects Poisson Regression Predicting Number of Alumni Donors without a Degree from the University

	Model 1: All	Model 2: All	Model 3: Ranked	Model 4: Ranked	Model 5: Not Ranked	Model 6: Not Ranked	Model 7: All
USNWR Ranked	0.1355 ***	0.1208 ***					0.1250 ***
Other Crimes, in 100's	-0.0294 ***	-0.0359 ***	-0.0624 ***	-0.0696 ***	0.0908 ***	0.0457 ***	-0.0364 ***
Admissions Test 75th Perceptile	0.0153 ***	0.0151 ***	0.0968 ***	0.1013 ***	0.0094 ***	0.0091 ***	0.0153 ***
Non-Degree Alumni, solicited	0.0000 ***	0.0000 ***	0.0000 *	0.0000	0.0000 ***	0.0000 ***	0.0000 ***
NCAA Top 25 Football	-0.1124 ***	-0.1115 ***	-0.2009 ***	-0.2006 ***	0.2491 ***	0.2393 ***	-0.1126 ***
NCAA Top 25 Basketball	-0.0200 ***	-0.0157 ***	-0.0506 ***	-0.0488 ***	0.0167 +	0.0135	-0.0162 ***
Murders		-0.0953 ***		-0.3117 ***		-0.1213 ***	-0.0583 ***
Murders x USNWR Ranked							-0.1793 ***
Year Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Degrees of Freedom	14	15	13	14	13	14	16
Wald Chi-Sq.	5117	5365	4957	5529	4862	5101	5517
Observations	2760	2760	420	420	2330	2330	2760

[+] $p < 0.10$, [*] $p < 0.05$, [**] $p < 0.01$, [***] $p < 0.001$

TABLE 11

Results of a Fixed-Effects Poisson Regression Predicting Number of Alumni Donors with a Degree from the University

	Model 1: All	Model 2: All	Model 3: Ranked	Model 4: Ranked	Model 5: Not Ranked	Model 6: Not Ranked	Model 7: All
USNWR Ranked	0.0085 ***	-0.0012					-0.0045 ***
Other Crimes, in 100's	-0.0302 ***	-0.0317 ***	-0.0063 ***	-0.0063 ***	-0.0729 ***	-0.0838 ***	-0.0311 ***
Admissions Test 75th Perceptile	0.0109 ***	0.0107 ***	0.0118 ***	0.0118 ***	0.0135 ***	0.0124 ***	0.0105 ***
Degree Alumni, solicited	0.0000 ***	0.0000 ***	0.0000 ***	0.0000 ***	0.0000 ***	0.0000 ***	0.0000 ***
NCAA Top 25 Football	0.0060 ***	0.0056 ***	-0.0239 ***	-0.0239 ***	0.0671 ***	0.0642 ***	0.0056 ***
NCAA Top 25 Basketball	-0.0084 ***	-0.0087 ***	-0.0055 ***	-0.0055 ***	-0.0143 ***	-0.0197 ***	-0.0095 ***
Murders		-0.0552 ***		0.0002		-0.1125 ***	-0.0767 ***
Murders x USNWR Ranked							0.0738 ***
Year Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Degrees of Freedom	14	15	13	14	13	14	16
Wald Chi-Sq.	17116	18933	7401	7401	16611	20709	19552
Observations	3027	3027	470	470	2549	2549	3027

[+] $p < 0.10$, [*] $p < 0.05$, [**] $p < 0.01$, [***] $p < 0.001$

TABLE 12

Results of a Fixed-Effects Poisson Regression Predicting Number of Alumni Donors without a Degree from the University

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9
Other Crimes	-0.0411 ***	-0.0365 ***	-0.0366 ***	-0.0411 ***	-0.0630 ***	-0.0600 ***	-0.0321 ***	-0.0423 ***	-0.0454 ***
USNWR Ranked	0.1133 ***	0.1235 ***	0.1242 ***	0.1133 ***	0.0533 *	0.0501 +			
Admissions Test 75th Perceptile	0.0148 ***	0.0152 ***	0.0151 ***	0.0148 ***	0.0512 ***	0.0513 ***	0.0179 ***	0.1304 ***	0.1297 ***
Non-Degree Alumni, solicited	0.0000 ***	0.0000 ***	0.0000 ***	0.0000 ***	0.0000 ***	0.0000 ***	0.0000 ***	0.0000 +	0.0000
NCAA Top 25 Football	-0.1207 ***	-0.1173 ***	-0.1166 ***	-0.1207 ***	-0.1002 ***	-0.0982 ***	-0.0914 ***	-0.1959 ***	-0.1961 ***
NCAA Top 25 Basketball	-0.0211 ***	-0.0229 ***	-0.0224 ***	-0.0211 ***	-0.0277 ***	-0.0272 ***	-0.0124 **	-0.0519 ***	-0.0502 ***
Number of Legislative References		-0.0092 ***	-0.0078 ***						
Number of Legislative References x USNWR Ranked			-0.0022 +						
Fulmer Points					0.0101 ***	0.0085 ***			
Fulmer Points x USNWR Ranked						0.0030 *			
USNWR Top 50							0.1505 ***	0.1491 ***	0.1527 ***
Drop in Rankings, 5 points								0.0168 **	0.0241 ***
Drop in Rankings,5 points x USNWR Top 50									-0.3557 ***
Year Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Wald Chi-Sq.	4456.52	4749.29	4753.34	4456.52	1612.06	1616.91	4621.73	4809.85	4874.46
Degrees of Freedom	14	15	16	14	10	11	14	15	16
Observations	2,460	2,460	2,460	2,460	1,144	1,144	2,760	393	393

[+] $p < 0.10$, [*] $p < 0.05$, [**] $p < 0.01$, [***] $p < 0.001$

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TABLE 13

Results of a Fixed-Effects Poisson Regression Predicting Number of Alumni Donors with a Degree from the University

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9
Other Crimes	-0.0297 ***	-0.0314 ***	-0.0314 ***	-0.0297 ***	-0.0028 +	-0.0094 ***	-0.0295 ***	-0.0051 ***	-0.0042 ***
USNWR Ranked	0.0067 ***	0.0042 ***	0.0013	0.0067 ***	0.1775 ***	0.1818 ***			
Admissions Test 75th Perceptile	0.0126 ***	0.0126 ***	0.0124 ***	0.0126 ***	0.0218 ***	0.0209 ***	0.0112 ***	0.0212 ***	0.0213 ***
Degree Alumni, solicited	0.0000 ***	0.0000 ***	0.0000 ***	0.0000 ***	0.0000 ***	0.0000 ***	0.0000 ***	0.0000 ***	0.0000 ***
NCAA Top 25 Football	0.0062 ***	0.0070 ***	0.0051 ***	0.0062 ***	-0.0291 ***	-0.0282 ***	0.0046 ***	-0.0367 ***	-0.0370 ***
NCAA Top 25 Basketball	-0.0088 ***	-0.0082 ***	-0.0102 ***	-0.0088 ***	-0.0263 ***	-0.0288 ***	-0.0094 ***	-0.0079 ***	-0.0073 ***
Number of Legislative References		0.0026 ***	-0.0022 ***						
Number of Legislative References x USNWR Ranked			0.0081 ***						
Fulmer Points					0.0025 ***	0.0066 ***			
Fulmer Points x USNWR Ranked						-0.0073 ***			
USNWR Top 50							0.0795 ***	0.1132 ***	0.1165 ***
Drop in Rankings, 5 points								0.0251 ***	0.0319 ***
Drop in Rankings,5 points x USNWR Top 50									-0.0509 ***
Year Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Wald Chi-Sq.	16074.69	16599.41	17866.98	16074.69	6160.51	6847.56	18453.71	10188.47	10308.30
Degrees of Freedom	14	15	16	14	10	11	14	15	16
Observations	2,622	2,622	2,622	2,622	1,240	1,240	3,027	437	437

[+] p < 0.10, [*] p < 0.05, [**] p < 0.01, [***] p < 0.001

FIGURE 1

Typology and Examples of Organizational Disruptions

	Low Level of Organizational Responsibility	**High Level of Organizational Responsibility**
Competency Violation	On-campus murder	Drop in rankings
Integrity Violation	Fulmer Cup	NCAA infractions

CHAPTER 4: ESSAY 3

REPUTATION AND MEDIA COVERAGE OF DISRUPTIVE EVENTS

Abstract

The purpose of this essay is to investigate the differences in the amount and the content of media coverage of negative disruptive events in low- and high-reputation organizations. The results of quantitative analysis conducted on a sample of 106 on-campus murders in U.S. universities indicate that disruptions in high-reputation organizations receive more news coverage. Further examination of news coverage of disruptions in four matched pairs of universities illustrates that the name of an organization is more likely to be mentioned in the title of the article and the victim is more likely to be portrayed positively in the coverage of disruptions in high-reputation organizations compared to low-reputation organizations.

In Essay 2, I proposed and tested one possible explanation why organizational reputation may have benefits and why it may be a burden when an organization experiences a disruptive event. I argued and found that when studying reactions of stakeholders with low levels of organizational identification, reputation can be a burden, because social expectations about the conduct of high-reputation organizations are high. Thus, violations of social expectations are stronger when a disruptive event takes place in high-reputation organizations than in low-reputation organizations. For high-identification stakeholders, on the other hand, reputation can have its benefits, protecting the organization from transactional losses by this stakeholder group. I argued that this was due to higher levels of vicarious self-enhancement and personal prestige derived from affiliation with high-reputation organizations than with low-reputation organizations. I also argued that the reason for the buffering and amplifying effects of organizational reputation in light of disruptive events is due to increased attention of the news media to disruptions in high-reputation organizations. I have not, however, provided empirical evidence to support this claim.

Prior organizational studies have provided empirical evidence that media coverage of organizations is consequential for organizational outcomes. Jonsson and Buhr, for instance, found that the number of negative articles published about fees in Swedish mutual funds industry was associated with a decrease in financial net flows to mutual funds with high fees (Jonsson & Buhr, 2011). In the context of an early U.S. auto industry, coverage of racing contests in the auto magazine *The Horseless Age* was associated with higher probability of survival of auto makers (Rao, 1994). Similarly, Pollock and Rindova investigated and found a legitimating effect of information provided

in major newspapers, trade journals, and magazines on investors' behavior when evaluating IPO's (Pollock & Rindova, 2003). Despite these and other studies on the role of media for organizational outcomes, there have been no empirical investigations about the role of organizational reputation for media coverage of disruptions (one exception is a study by Rhee & Haunschild, 2006 where the authors present theoretical arguments for such relationship).

The purpose of this essay is to investigate the role organizational reputation for the choices of news media regarding which disruptions to cover and how to cover them, above and beyond the characteristics of disruptions themselves. I investigate this question on the sample of on-campus murders that took place in U.S. universities in 2001-2009, which was used in Essay 2. I specifically focus on the differences between the amount and content of news coverage of otherwise similar disruptions that took place in ranked vs. non-ranked universities. The empirical investigation of the difference in news coverage of ranked and non-ranked universities is thus focused on exploring the differences between organizations with different levels of the prominence aspect of reputation (Rindova et al., 2006).

I conduct the investigation in two steps. First, I conduct a quantitative analysis investigating the role of organizational reputation for the amount of coverage of disruptions. The findings indicate that more severe disruptions, or murders with higher number of victims, are more likely to be covered in the news. The results also show that more egregious disruptions, or particularly cruel murders, are more likely to make it to the news. Lastly, and importantly for this Essay, disruptions in high-reputation organizations are more likely to be covered, even when controlling for the severity and

egregiousness of the disruptions. Second, I conduct a more in-depth analysis of the news coverage, comparing the content of national news articles of similar murders that took place in high- vs. low-reputation universities. The results indicate that the name of the university is more likely to appear in the title of the article and the news coverage is more positive about the victims and more negative about the suspect when the reported disruptions took place in ranked vs. non-ranked universities.

STUDY 1: AMOUNT OF NEWS COVERAGE OF DISRUPTIONS IN LOW- AND HIGH-REPUTATION ORGANIZATIONS

As found in Essay 2, organizational reputation amplifies withdrawal from transactions by low-identification stakeholders, or serves as a liability, and amplifies supportive actions from high-identification stakeholders, or serves as a buffer. I argued that this is due to increased coverage of disruptions in highly reputable organizations in news media. In this study I aim to test this claim empirically.

Magnitude of the Disruptive Event

Journalism research suggests that news media are more likely to report on stories with severe consequences. Disruptive events with more severe consequences are more unusual and salient and are thus more likely to be attended to by the audiences. For instance, Peterson argued that for a story to become news it has to reach a certain "threshold" or "make a 'big enough splash'" for it to be newsworthy (Peterson, 1979: 119). Similarly, when studying biases in media coverage of protests, McCarthy and co-authors found that one of the criteria for newsworthiness was how consequential the event was, or how big of an impact it made (McCarthy et al., 1996). Similar arguments have been recently applied to organizational context. For instance, a recent study found

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that the larger the number of recalled toys, which has a potential to affect more children, the lower the tenor of media coverage about the firm that was engaged in a recall (Zavyalova et al., 2012). Overall, disruptive events that are more consequential and have a higher chance to make it of the news. Thus, I hypothesize,

> *Hypothesis 1: The higher the magnitude of the disruptive event the larger the news coverage of the event.*

Deviance of the Event

Besides the consequences of the disruptive event, the nature of the event affects the amount of coverage the event receives in the news media. Events more extraordinary, rare, and unusual in nature are more likely to become news (Galtung & Ruge, 1965). For instance, even though violent crimes constitute about 20 percent of official crime rate, about 70 percent of news about crimes cover violent crimes (Katz, 1987). Additionally, deviant events, or events that can be characterized with "novelty, oddity, [or] unusualness" among other characteristics, influence how much the event is covered (Lee, 2008). In similar vein, in their review of studies on selection criteria in the news, Gant and Dimmick found that novelty and oddity affect whether the event will be reported on (Gant & Dimmick, 2000). I apply similar reasoning to organizational context. Disruptive events in organizations that are particularly deviant, unusual, or odd, are more newsworthy and thus are more likely to be covered in the news. Thus I hypothesize:

> *Hypothesis 2: The more deviant the disruptive event the larger the news coverage of the event.*

Organizational Reputation

Besides the characteristics of the event itself, the characteristics of the person or organizational involved in the event are consequential for the amount of coverage it receives. For the purpose of this dissertation, I specifically focus on the role of organizational reputation for the amount of coverage of disruptions in the news. I argue that disruptions in high-reputation organizations are more likely to make it to the news for two reasons. First, organizations with high reputation are more likely to be entities of high levels of identification among stakeholders (Bhattacharya et al., 1995; Kjaergaard et al., 2011; Mael & Ashforth, 1992), just like elite people are more readily available to serve as objects of identification (Galtung & Ruge, 1965). Additionally, notorious people, such as famous actors, are more likely to be covered in the news (McCarthy et al., 1996). Thus the news media are more likely to report on disruptions in high reputation organizations, as the audience is more likely to attend to such stories. Second, because high reputation connotes not just prominence of an organization, but also positive public perceptions about its ability to create value (Rindova et al., 2005), disruptive events in high-reputation organizations violate social expectations about organizational prior conduct. Such violations, in turn, are more likely to attract public's attention due to their unexpectedness. Overall, all else being equal, disruptions in high reputation organizations are more newsworthy. Thus I hypothesize:

> *Hypothesis 3: Holding characteristics of the event constant, disruptive events in high-reputation organizations receive a larger amount of news coverage than disruptive events in low-reputation organizations.*

DATA AND METHODS

To test the hypotheses developed in this essay, I used the sample of 106 on-campus murders described in Essay 2. These data were collected from the Office of Postsecondary Educations. Among other statistics, this agency collects information on campus safety in U.S. universities, including murders. I needed to collect descriptive information about on-campus murders as well as the amount of news coverage each murder received. As I already had the information about which universities experienced murders in which years, to find out the exact date of each murder, I started an exploratory search in Lexis-Nexis database for the entire year when the murder took place. I used the following search terms for each murder: "school name" AND "kill*" OR "murder*." In the instances when a school name could be abbreviated (i.e. "UVA" instead of "University of Virginia") I used both terms with an "OR" separator. I also limited the subject of the search to "murder" and "manslaughter." Lastly, I restricted the search to U.S. sources. If this search did not result in any articles, an undergraduate research assistant conducted online search to find information about murders. Of 106 murders that took place in U.S. universities, 86 received some news coverage. Table 1 contains descriptive information about each of the 86 murders. I used the information in the articles and online publications to find out the exact date of the murder and basic information about the circumstances under which the murder took place.

Variables

Amount of news coverage. I measure the amount of new coverage about each murder as a number of a) articles published in top 50 national newspapers, b) articles published in local newspapers, and c) segments in TV shows dedicated to the event. I

also summed all three variables in the analysis. To obtain this information, I used the date of the murder, obtained from the initial Lexis-Nexis search, and conducted three separate Lexis-Nexis searches, using the same search terms described above, in the following sources 1) top 50 U.S. newspapers 2) local newspapers published in the state where the university is located, and 3) TV news shows transcripts. Each search was limited to one year after the date of the murder. These searches resulted in 1,595 articles published in top 50 U.S. newspapers, 2,189 articles published in local newspapers, and 1,222 TV news show transcripts.

Under my supervision three trained undergraduate research assistants read every article from the original search results and kept only those articles that described the on-campus murders under investigation. For instance, some articles in the initial search described a murder that took place off-campus and the victim was taken to the university hospital. In other instances, an article described a university theatre production of a murder mystery. All such articles were deleted from subsequent analyses. After eliminating irrelevant articles from the initial search results, the final sample of articles used in the analyses was 745 articles in top 50 U.S. newspapers, 1,041 articles in local newspapers, and 735 TV news show transcripts. These variables were used to measure the amount of news coverage.

Magnitude of the disruptive event. The magnitude of the disruptive event was measured as a sum of all victims in the on-campus murder. This information was obtained from the Office of Postsecondary Education within the U.S. Department of Education (www2.ope.gov).

Deviance of the disruptive event. To measure how unusual or deviant the

disruptive event was, as well as to collect other descriptive information about each event,

I read articles about the 86 murders for which some news coverage was found and

created a binary variable equal to one if the murder was particularly egregious and zero

otherwise. For instance, such murders as the one at the California State University –

Sacramento, where a student was beaten to death with a baseball bat or a murder at

Western Kentucky University, where a student was raped, stabbed, and then lit on fire

were coded as egregious. Four murders were coded as particularly egregious, two of

which took place in ranked universities, and two—in a non-ranked universities.

Organizational reputation. I measure organizational reputation as a binary

variable equal to one if a university was ranked by the *USNWR* in the year when a murder

took place, and zero otherwise. I chose to dichotomize the variable because of my

primary interest in the prominence of the organization's name for the news coverage of

disruptive events. Whereas universities with lower rank may be less prominent than

universities with higher rank, the benefits of being ranked vs. not being ranked are more

significant than being ranked lower than peers. This is because codification of

organization's standing relative to its peers in the rankings reports makes organizational

name known to its stakeholders whereas the names of unranked organizations remain

unknown.

Control variables. Using the information from the articles published about the

murders, an undergraduate research assistant and I coded additional descriptive

information about each event. I created the following categories about the murders: 1)

victim's occupation was coded as a binary variables equal to one if one of the victims

was a student and zero otherwise, 2) victim's age was coded as the average age of all victims of an incident. I also control for the number of murders that took place at a given school prior to the focal murder. This variable is left-censored as the information about past murders goes back only to year 2001. I also include year dummies in some models. The descriptive statistics and correlations among variables are presented in Table 2.

DATA ANALYSIS

Reputation and News Coverage of Disruptions

To answer the first question proposed in the study, whether organizational reputation matters for media coverage of disruptions in organizations above and beyond the characteristics of the event, I used the descriptive information from Table 1 as well as the data on news coverage of the murders in national, local, and TV news. I regressed the binary variable of organizational reputation and combinations of the descriptive variables about the murder on each of the four measures of news coverage. The results of a Poisson regression are presented in Table 3.

As can be seen from Table 3, murders with more victims were more likely to be covered in each news source independently as well as in all the news sources combined. This finding supports Hypothesis 1, which states that the higher the magnitude of the disruptive event, the more news coverage it receives. To test Hypothesis 2, which states that the more deviant the event, the more news overage it receives, I regressed the binary variable of egregious murders on each of the four dependent variables. Again, in all four cases the coefficient is positive and significant, which provides support for Hypothesis 2. Lastly, to test Hypothesis 3, which states that disruptive events in high-reputation organizations receive higher amount of news coverage than similar events in low-

reputation organizations, I included a dummy variable of organizational reputation. As can be seen from Table 3, murders in ranked universities are associated with higher amount of news coverage, even after controlling for the characteristics of the event itself.[7]

The finding that disruptions in high-reputation organizations are more likely to be publicized, even after controlling for details of the event itself, is consistent with mass communications research discussed in Essay 2 and indicates that the magnitude of a disruption as well as its negativity contribute to the likelihood that it will be covered in the news (Katz, 1987; McCarthy et al., 1996; Peterson, 1979). Higher news media's attention to disruptions in high-reputation organizations provides empirical evidence to some organizational studies that only theorized about the liability of high reputation (Rhee & Haunschild, 2006). Lower levels of attention to low-reputation organizations from news media suggest that having lower reputation and staying out of the media spotlight may be beneficial, when disruptive events take place in a low-reputation organization. Although conducted on a small sample of disruptive events, the analyses shed some light on the reasons why the findings in Essay 2 are particularly likely to be seen in high-reputation organizations.

STUDY 2: CONTENT OF NEWS COVERAGE OF DISRUPTIONS IN LOW- AND HIGH-REPUTATION ORGANIZATIONS

In the previous section, I tested and found that disruptive events in high-reputation organizations receive more news coverage. This finding, however, does not

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[7] The 2007 shooting at Virginia Polytechnic Institute was a highly publicized event. To ensure that the results are not attributed mainly to this shooting, I conducted the same analyses without the Virginia Tech shooting in the sample. The results remained unchanged.

explain *how* the news coverage of disruptive events varies between low- and high-reputation organizations. It is possible that the reason for the amplifying effect of organizational reputation in increase of support from high-identification stakeholders and decrease of support from low-identification stakeholders is not due only to the *amount* of news coverage of the event, but also to systematic differences in the *content* of coverage of events in low- vs. high-reputation organizations.

In this section, I investigate whether there is a systematic difference in the content of coverage of otherwise similar disruptive events, on-campus murders, between low- and high-reputation organizations. I focus on the difference in coverage in national newspapers, rather than local newspapers, as local coverage may differ based on regional reporting norms, rather than on differences in the events covered.

I started by using the descriptive information from Table 1 to find comparative cases. I read descriptions of all murders in ranked universities and looked for similar murders in a non-ranked university. I searched based on the circumstances of the murder, description of the victim, and type of murder (i.e. shooting, stabbing, etc.), and availability of articles published about the murder in top 50 national newspapers. First, of 18 murders that took place in ranked universities in 2001-2009, three did not receive any coverage and five were not covered in top 50 national newspapers, these were eliminated from further consideration for comparative case studies. Second, I read articles describing the remaining eight murders. Having a description of the circumstances of the murders, I proceeded to read articles about murders in non-ranked universities that have similar circumstances. Four murders in ranked universities could be matched with similar murders in non-ranked universities. A 2007 murder of a University of Washington—

Seattle female employee was similar in circumstances with a 2002 murder of a female employee at Eckerd College. A 2007 murder at New York University that resulted from a dispute between a boyfriend and a girlfriend was similar to a murder at Fairleigh Dickinson University in 2002. A 2009 murder of a University of Connecticut football player was similar to a murder of a football player at the University of Memphis in 2007. Lastly, a gruesome murder of a graduate female student assistant at Yale in 2009 was similar to another gruesome murder at Western Kentucky University in 2003. These eight cases are used to compare the content of news coverage of murders in ranked vs. non-ranked universities.

The eight cases were covered in 107 articles in national newspapers, which were used to analyze the content of national news coverage of the murders. Using the Weber protocol for content analysis (Weber, 1990) as recommended by Duriau et al. (Duriau, Reger, & Pfarrer, 2007), I extracted statements in each article published about each of the eight cases in national newspapers according to the following categories, which emerged from the initial reading of the articles: 1) elements of the article—date an article was published, page of the article, article title; 2) elements of the crime—statement with description of the crime, statements describing the victim(s), statements describing the suspect(s), statements about the capture and punishment of the suspect; and 3) response from the school—actions taken by the school, statements from university officials. A trained undergraduate research assistant, who has experience in content analysis and currently works at a news station, copied the statements from each article and pasted them in a table according to these categories.

I then carefully read and coded each element of the article in the table created by the assistant. Specifically, I assigned the content of each statement into more fine-grained categories. For instance, the initial category "title of the article" was coded by two variables: whether the title contains such words as "murder," "death," or "slaughter" and whether the name of the school appears in the title. The initial category "actions taken by the school" was broken into more fine-grained categories of types of actions, such as improved lighting, provision of counseling services, sending out e-mail alerts, etc. Similar fine-grained coding was conducted for all elements in all articles. If statements that belong to any category were used in the article, such category was coded as one and zero otherwise. Consistent with a grounded theorizing approach (Glaser & Strauss, 1967), I added additional categories if new statements could not be assigned to existing categories. The initial categories as well as the final list of corresponding fine-grained categories that emerged from the coding of the content are listed in Table 4. The final summary coding of the news media coverage about the eight comparative case murders is presented in Table 5.

Comparing the content of articles published in national newspapers about the four pairs of cases, I found three similarities that are worth noting. First, as I found in the first section of the essay, similar murders in ranked schools receive more news coverage. Even in the cases where the circumstances of the murders were similar, ranked universities received more coverage. Second, with an exception of the fourth pair, where the victims were not students, the name of the ranked university is more likely to appear in the title of the article than the name of a non-ranked university. Third, with an exception of the fourth pair, the stories about victims in ranked universities presented

more in-depth personalization of the victims and contained more positive statements about the victims than in non-ranked universities. These findings provide further explanation for the amplifying effect of organizational reputation found in Essay 2. Specifically, not only is organizational reputation associated with higher amount of news coverage about disruptions, but it also increases the chances that the name of the organization will be mentioned in the headlines and provides the base for more in-depth stories about disruptions, including more positive portrayal of the victims. This might suggest that the positive reputation of the university generalizes to the organization's students, coloring the media's portrayal of the events. However, by focusing on the positive characteristics of the victims at high reputation organizations, audiences may view the disruption more negatively in high-reputation organizations than in low-reputation organizations. The findings of Study 2, while admittedly exploratory, suggest that in addition to the differences in the amount of news coverage of disruptions in low- vs. high-reputation organizations, the content of news coverage of disruptions differs as well. This finding suggests that not only do high-reputation organizations receive more coverage when they experience disruptions, but their names are more salient in the news.

DISCUSSION

In this essay I aimed to shed light on the mechanisms behind the amplifying effect of organizational reputation for withdrawal from transactions by low-identification stakeholders after disruptions and increase in transactions by high-identification stakeholders after disruptions. While I theorized in Essay 2 that the mechanism behind this finding could be attributed to the differences in news coverage about disruptions in low- vs. high-reputation organizations, in this essay I tested the prediction empirically.

The findings of a quantitative study suggest that even after controlling for the characteristics of the event, disruptions in high-reputation organizations receive more news coverage. Further comparison of eight cases revealed similar patterns, both in terms of quantity of coverage and content of coverage. On-campus murders in ranked universities receive more news coverage than otherwise comparable on-campus murders in non-ranked universities. Additionally, the name of the university is more likely to be mentioned in the title of the article for ranked universities, and the victim is more likely to be portrayed positively, which provides further explanation for the amplifying role of organizational reputation during disruptive events.

Whereas this study sheds light on the reasons why high reputation may be a burden to organizations during disruptions, it has a number of limitations which should be addressed in the future. First, future studies should use larger samples to examine the differences in news coverage of disruptions in low- and high-reputation organizations. Second, I have not taken into account organizational responses after disruptions. It is possible that impression management and crisis management tactics used by organizations immediately after disruptions affect the amount of news coverage and its content. Lastly, future research should investigate how stakeholders' attribution of responsibility varies for similar disruptions in low- vs. high-reputation organizations and whether these dynamics affect news coverage of negative disruptive events. It may be that disruptions in high-reputation organizations invite more discourse among stakeholders from both sides: those accusing the organization of being irresponsible and those defending the organization (Brooks, Highhouse, Russell, & Mohr, 2003). These

differences in guilt attribution, in turn, may affect the amount of news coverage of

disruptions.

CHAPTER 5: CONCLUSION

In this three-essay dissertation I examined the role of social approval bestowed on organizations for stakeholders' reactions to negative disruptive events in organizations. While organizational researchers have been increasingly interested in the role of social approval assets, such as organizational reputation, and their role in light of organizational crises and wrongdoing, the findings have been limited and, at times, inconsistent. I contribute to this research by examining how stakeholder reactions to negative disruptions vary based on prior levels of media reputation and the level of organizational reputation, organizational identification, and type of disruption.

Theoretical Contributions

The first theoretical contribution of the dissertation is in building on research on the role of media reputation of organizations that have not taken into account the differences in positive and negative emotions for decision making, which manifested itself in the use of an empirical measure that combines the two types of emotions into one measure, the JF coefficient (Deephouse, 2000; Pfarrer et al., 2010; Pollock & Rindova, 2003). I address this issue by examining the role of amount as well as positive and negative tenor of news coverage of organizations and the corresponding role of stakeholder familiarity with organizations and emotions evoked by the name of the organization. I develop a more nuanced typology of organizations generated through media coverage—celebrity, infamous, peripheral, and unfamiliar. Relying on research in social psychology, I develop theoretical arguments that provide an explanation why reactions of stakeholders to disruptive events are not uniform, but rather dependent on emotional responses evoked by the name of the organization. I argue that stakeholders'

interpretation of disruptive events in an organization depend on these emotional

responses. The developed propositions suggest that staying away from the spotlight (i.e.

being unfamiliar) may provide a buffer during disruptions.

The second contribution of the dissertation is in finding a potential resolution to

the inconsistent findings of buffering or exacerbating effects of organizational reputation.

While some studies provided empirical evidence to suggest that high levels of social

approval and reputation provide a stock of social capital and thus buffer organizations

from negative reactions after disruptive events (Love & Kraatz, 2009; Pfarrer et al., 2010;

Schnietz & Epstein, 2005), others argued and found that high reputation might be a

liability as it increases social expectations about appropriate conduct by highly reputable

organizations (Rhee & Haunschild, 2006). I argue that these inconsistencies are partly

due to the different levels of organizational identification among stakeholders. While for

stakeholders with low levels of organizational identification high reputation may be a

source of elevated expectations, for stakeholders with high levels of organizational

identification high reputation is a source of vicarious self-enhancement and increased

self-esteem (Dutton et al., 1994; Fuller et al., 2006). This, in turn, affects stakeholder

reactions to disruptions in organizations. I test developed hypotheses in the context of on-

campus murders in U.S. universities in 2001-2009. The results indicate that disruptions

are associated with fewer transactions by low-identification stakeholders and only highly

reputable organizations experience this effect. The findings are opposite for high-

identification stakeholders: this group increases levels of transactions with highly

reputable organizations after disruptions.

The third contribution of the study is in the developed typology of organizational

disruptions based on the level of organizational responsibility and the type of violation associated with the disruption—integrity vs. character. While I do not explicate theoretical differences in stakeholder reactions to the selected four types of disruptions, I suspect that a more promising typology of disruptions is not in the type of violation, but the severity of the consequences resulting from the violations.

The fourth contribution of the dissertation is in testing empirically the mechanism through which organizational reputation amplifies stakeholder reactions to disruptive events. While I argued in Essay 2 that disruptions in highly reputable organizations are more likely to make it to the news, in Essay 3 I provide empirical evidence to support this argument. The analysis suggests that, even after controlling for the characteristics of the event itself, disruptions in highly reputable organizations receive more coverage. This finding was supported further in the detailed analyses of news coverage of four matched pairs of otherwise similar murders. Additional finding of this study was that the names of high-reputation organizations are more likely to appear in the article title, which provides another explanation for the amplifying effect of organizational reputation.

Taken together, this three-essay dissertation contributes to research on the role of social approval assets, such as media reputation and organizational reputation, during negative disruptive events in organizations. The key argument of the dissertation is that this role is more nuanced than previously thought. Stakeholder reactions to disruptive events depend on their familiarity with the organization and emotional responses shaped by the amount and emotional tenor of news coverage of organizations prior to disruptions. Interpretation of the news about disruptions and the value derived from high reputation, in turn, depend on the levels of organizational identification. These findings

open a new and exciting venue for future organizational studies on the role of social approval assets during negative disruptions.

Directions for Future Research

I hope that this dissertation opens new and promising research opportunities in the area of social approval assets during disruptions. First, whereas in Essay 1 I focused on extreme values and one-sided types of media reputation—celebrity and infamous organizations—I did not develop more complex forms of organizations, those organizations that may experience relatively equal amounts of positive and negative publicity. Nor did I explain how interpretations of news coverage that generates these organizational types changes depending on stakeholders' organizational identification. For instance, organizational celebrity may be formed by large amount of positive publicity; however, some stakeholders may dislike such organizations and have high levels of disidentification, defining themselves as non-members of a celebrity organization. Reactions of these stakeholders to disruptions, in turn, will depend on how big of a role organizational disidentification plays in their presentation of selves in social interactions.

Second, another promising extension of this dissertation is in exploring how stakeholder reactions to disruptions in organizations may be affected by the type of the disruptive event. I have presented a typology of disruptive events in Essay 2 and suggested that disruptions may be categorized in terms of the level of organizational responsibility and the type of violations (competency vs. integrity). While this typology was not the main focus of the dissertation it may shed further light on the inconsistent findings about the role of organizational reputation during disruptions. Yet I have not

explored the underlying theoretical mechanisms that may explain variations in stakeholder reactions to different types of disruptions. I have also not taken into account the interplay between the type of violation associated with a disruption and the severity of consequences resulting from the violation. It may be that the type of violation is less indicative of how stakeholders react to disruptions relative to the severity of its consequences. It is possible that highly negative stakeholder reactions depend on whether the disruption was intentional and which type of violation it represented. For instance, product recalls can be considered competency violations, and if they result in deaths of customers the perceived severity of the disruption is much higher than if it is an integrity violation, as in a case of white collar crime, which results in financial losses, arguably a less severe consequence. I would encourage future studies to investigate the importance of the interplay between the type of disruption, level of organizational responsibility, and the consequences associated with the disruption for the ability of social approval assets to buffer an organization from negative stakeholder reactions.

Third, more in-depth studies on larger samples that investigate reactions to disruptive events by low- and high-identification stakeholders are needed to understand the role of organizational reputation for stakeholders' reactions. While I focused on the differences in the amount and content of news coverage of disruptions in low- vs. high-reputation organizations, I did not explore the differences in sensemaking that occurs among stakeholders with different levels of organizational identification with low- and high-reputation organizations. It is possible that high reputation may generate both, stakeholder accounts that blame the organization for the disruption and accounts that justify the disruption, whereas low-reputation organizations may not have such variance

in stakeholder reactions and interpretations. These interpretations, in turn, may affect the probability and the type of responsive actions taken by the organization after the disruptive event. To fully understand the dynamics that take place between the organization, the media, and stakeholders after disruptive events, future studies should examine the interdependencies between organizational identification, organizational reputation, news coverage of disruptive events, stakeholder interpretation of disruptions, and organizational responses to disruptions.

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TABLE 1

Description of On-Campus Murders

N	School Name	State	Murder Date	Victim's Name	Victim's Occupation	Victim's Age	Suspect's Name	Suspect's Occupation	Suspect's Age	Type of Murder	Place of Murder
1	Benedict College	South Carolina	1/15/2001	Philip Lee Jr.	Student	20	5 Suspects- Lamel Sims, Maurice Sanders, Lucius Staten, Dushun Staten, and Shakeem Keith Wilson		Sims-19, Sanders-, Staten- 24, Staten- 21, Wilson- 19	Shooting	School Parking Lot
2	Gallaudet University	District of Columbia	2/3/2001	Benjamin Varner	Student	19	Joseph Mesa Jr	Student-Freshman	21	Stabbing	In Dorm Hall
3	Murray State University	Kentucky	3/29/2001	Newborn Infant		Few hours old	Angelita Turner	Student	19	asphyxiated	Dorm Room
4	Elizabeth City State University	North Carolina	4/29/2001	Aaron Simpson		22	Richard Lloyd Baxter		20	shooting	outside
5	Pacific Lutheran University	Washington	5/17/2001	James D. Holloway	music professor and renowned organist	40	Donald D. Cowan		55	Shooting	Outside Residence Hall
6	University of Portland	Oregon	5/29/2001	Kate Johnson	Student	21	Deniz Aydiner		32	Strangled	Dorm Room
7	Indiana University of Pennsylvania- Main Campus	Pennsylvania	6/15/2001	Jamar Burns	Student	21	Harold Lephart		25	Stabbing	A ditch a block away from the gate of the university
8	Purdue University- Main Campus	Indiana	8/3/2001	2 Victims- Yeunkyung Woo and Hyo Kyung Woo	Yeunkyung-Doctoral Student, Hyo Kyung-	Yeunkyung-31, Hyo Kyung-29	Zhan Yin	Graduate Student	27	died from blunt force trauma and incised wounds	Student Apartment
9	Troy University	Alabama	9/3/2001	Brandi Hobson	student	17	Jonathan Antwan Rumph		18	manual strangulation with blunt force injury	dorm room
10	Grambling State University	Louisiana	9/13/2001	Sam Washington III	freshman student	17-18	Mario Spivey			shooting	
11	The University of Texas at Austin	Texas	10/6/2001		Student	17	Ubaldo Lozano Medina and Miriam Elizabeth Solis		Medina-19, Solis-18	Victim was run over by suspects	Off-Campus; in Plano, Texas; victim's hometown
12	Alcorn State University	Missisippi	10/8/2001	JeKelcy Lee Johnson	student	20		four people were being held for questioning		shooting	outside
13	Davenport University	Michigan	12/14/2001	Alison Leigh Nelson	master's student	25			26		off-campus apartments
14	Appalachian School of Law	Virginia	1/16/2002	3 Victims-Anthony Sutin, Thomas Blackwell, Angela Denise Dales	Sutin-Dean of the School, Blackwell-Professor, Dales-Former staffer turned student	Sutin-42, Blackwell-41, Dales- 33	Peter Odighizuwa	Just flunked out of the Law School	43	Shooting	Main Campus Building

TABLE 1 continued

15	Broward College	Florida	1/18/2002	Moriah Ann Pierce	Student	20	Michael Holness		23	Shooting-Murder Suicide	Between two buildings
16	Arizona State University	Arizona	1/18/2002	Andrew Tucker	Student	19	Jessika Erin Osborne		18	drug overdose administered by another	dorm room
17	Catawba College	North Carolina	1/25/2002	Darris Morris	Student /Football Player	21	6 Suspects- Ricardo Battle, Terrence Austin, Morris Lee Brannon, Karl Anthony Wilson, Corey Peterson and Isaac Lamon Brazeal.	All three were students at Livingstone College	Battle, 19, Austin, 19, Brannon, 20, Wilson, 19, Peterson- , and Brazeal, 19	Shooting	At a party outside a house on campus
18	Southern University and A & M College	Louisiana	3/9/2002	Maximilian Johnson	student	19				shooting	dorm room
19	Eckerd College	Florida	3/25/2002	Darlene P. Harmon	Maintenance worker	44	Marcus M. Days	Heavy Equipment- Operator	54	Shooting	parking lot outside Henderson House dorm
20	Fairleigh Dickinson University- Metropolitan Campus	New Jersey	4/14/2002	Tiffany Bratton	Student	18	Novis Parker	Student at the Felician College campus in Rutherford	19	Strangled	Dorm- Hamilton- Twombly Hall
21	Colorado College	Colorado	4/26/2002	Jocelyn Sandberg	employed by The Colorado College as an operations manager for KRCC radio station	40				Stabbing	Outside Armstrong Hall on campus
22	University of Massachusetts Amherst	Massachusetts	6/11/2002	Newborn Infant		Few hours old	Jennifer Paluseo	Student	19	Dumped baby in a trashcan	Her dormitory
23	North Carolina State University at Raleigh	North Carolina	10/13/2002	Lili Wang	Graduate Engineering Student	31	Richard Borrelli Anderson	Graduate Engineering Student	49	Shooting	Outdoor Tennis Courts near the Gym
24	Clarion University of Pennsylvania	Pennsylvania	10/21/2002	no name	baby	0	Karen Danielle Mako	Student	19	homicide	Dorm Room
25	University of Arizona	Arizona	10/28/2002	3 Victims- Robin Rogers, Barbara Monroe, and Cheryl McGaffic	All were instructors of the Suspect	Rogers- 50, Monroe- 45, and McGaffic-44	Robert Flores Jr	Failing Nursing Student	41	Shooting	In Class
26	SUNY College at Buffalo	New York	3/14/2003	no name	baby	0	Colleen Smith	student	22	suffocation	outside a dorm
27	Boise State University	Idaho	3/15/2003	Cameron Davis	Student	23	Vincent Craig Olsen	Student	21	Shooting	At a party in East Boise
28	Western Kentucky University	Kentucky	5/4/2003	Katie Autry	Student	18	2 Suspects- Stephen Soules, 20, and Lucas Goodrum, 21		Soules-20, Goodrum-21	Raped, Stabbed and was lit on fire	Dorm Room

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TABLE 1 continued

29	Case Western Reserve University	Ohio	5/9/2003	Norman Wallace	MBA Student	30	Biswanath Halder	Graduate Student	65	Shooting	In School's Business Building
30	Central State University	Ohio	5/23/2003	Jeffery Wise	Student	18	Randale Z. Imes	Student	18	Fistfight, victim suffered blunt force trauma to head and neck	Fight started inside Resident Hall and finished outside
31	Daytona State College	Florida	10/22/2003	Miriam Nina Fernandez	night student	24	Marcos Torres		37	shooting, murder/suicide	outside
32	Norfolk State University	Virginia	11/3/2003	Marcus W. McGee Jr		18	Antonio D. Robinson		26	Shooting	School Parking Lot outside a Student hub on campus
33	University of Missouri-Columbia	Missouri	11/16/2003	Charlie Blondis	Student	20	Taron Crawford		22	Shooting	House Party outside in North Columbia
34	Maharishi University of Management	Iowa	1/3/2004	Levi Butler	Student	19	Shuvender Sem	Student	24	Stabbing	Dining Hall
35	University of Florida	Florida	1/4/2004	Sudheer Reddy Satti	Graduate Student- From India		Praveen Kumar Vedam	Former UF Student		Stabbing	On-Campus Apartment
36	Benedictine University	Illinois	1/20/2004	Norman Miller	Student at College of DuPage	18	Brian W. Hall	Student/Football Player at College of DuPage	18	Shooting	On-Campus Apartment complex that was privately owned
37	Virginia Commonwealth University (VCU)-2004	Virginia	4/11/2004	Jose Andujar	Student at Virginia State University	21	Keyon Lamont Starling			Shooting	Parking Garage
38	University of North Carolina-Wilmington	North Carolina	5/4/2004	Jessica Lee Faulkner	Student	18	Curtis Dixon	Student	21	Autopsy said death due to strangulation	Cornerstone Hall- On Campus Dorm
39	Florida Institute of Technology	Florida	5/6/2004	Royce McCain	FIT Security Guard	63				Shooting	On Campus sidewalk
40	University of Louisiana at Lafayette	Louisiana	5/7/2004	Ting Chen	Student at school; from China		Hai Ming Luo	Student at school; from China		Stabbing	Body found in University's Conference Center
41	University of Maryland-Baltimore County	Maryland	6/29/2004	Jessica Soto Perez	Doctorate Student from Puerto Rico	26	Joehan Saiter	Husband of the victim/Worked for a security company	31	Shooting	School Parking Lot
42	Butler University	Indiana	9/24/2004	James Davis	Police Officer	31	Kahdir Al Khattab		26	Shooting	Outside Basketball arena, which is on-campus
43	University of North Carolina at Chapel Hill	North Carolina	11/29/2004	Shennel McCrimon McKendall	healthcare system employee, office support assistant	37	Randy Leverne McKendall		34	shooting	parking lot

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TABLE 1 continued

44	Texas Southern University	Texas	12/4/2004	Ashley Sloan	Student	20				Shooting	
45	University of Missouri-Columbia	Missouri	1/7/2005	Jeong Hyok Im	Semi-retired professor	72				Stabbing	Body found in trunk of car in campus parking garage
46	Baldwin-Wallace College	Ohio	1/16/2005	Brent Jones	Student	21	Adam Gaydos	student	20	hard punch inflicted brain damage	dorm hallway
47	Edward Waters College	Florida	4/29/2005	Johnathan Glenn	Student	18	2 Suspects-Kenell Coleman and Jermell Campbell		Both are 20	Shooting	Street between dorms (considered off-campus)
48	Virginia Commonwealth University (VCU)-2005	Virginia	9/5/2005	Taylor Marie Behl	Student	17	Benjamin Fawley	amateur photographer	38	erotic asphyxia-body was found after so long that it is impossible to determine how exactly she died	Off-Campus
49	University of Saint Mary of the Lake	Illinois	9/15/2005	Matthew Molnar-28; Jared Cheek-23	both were studying at the Illinois seminary for the Archdiocese of Kansas City in Kansas	Matthew Molnar-28; Jared Cheek-23	Robert Spaulding	seminarian, student	27		
50	Stevenson University	Maryland	10/4/2005	Unnamed; victim was an infant		days old	Danielle Eboni Riley	Student	21	head trauma, asphyxiation and environmental exposure	Baby born in dorm bathroom and killed there; body was later found in a drain near suspect's parents house
51	Tennessee State University	Tennessee	10/31/2005	Ji Hong Peng	food delivery driver and law student in Japan	37	Gabriel L. Massengale, Joseph T. Ferrell, Curtis Dewayne Grigsby, Anthony J. Patton, and Ronnie Cortez Akins	not students	Gabriel L. Massengale, 30, Joseph T. Ferrell, 20, and Curtis Dewayne Grigsby, 18; Anthony J. Patton, 15, and Ronnie Cortez Akins, 17	shooting	outside dorms
52	Charleston Southern University	South Carolina	11/8/2005	Grant Ringenberg	Student/Pitcher on Baseball team	18	Dan Thomas Davis III	Student	18	Beating	Outside School Dorm

TABLE 1 continued

#	School	State	Date	Victim	Victim Status	Victim Age	Perpetrator	Perpetrator Status	Perp Age	Method	Location
53	University of South Florida-Main Campus	Florida	2/9/2006	Ronald Stem	Master's Degree Student	57	4 Suspects-Najee Hunter, Morgan Tyler Nelson, Rashad Taylor, and an Unamed Minor	Taylor, Nelson and Unnamed Minor-High School Student, Hunter-	Taylor- 17, Nelson- 16, Hunter- 18, Minor- 14	Shooting	Parking Lot of On-Campus Apartment
54	Shepherd University	West Virginia	9/2/2006	Logan P. Pennington and Benjamin M. Pennington	Both were Students	Logan-26, Benjamin-24		Father of Victims		Shooting	Campus Parking Lot
55	Virginia Wesleyan College	Virginia	10/11/2006		Unarmed Security Guard	57				Stabbing	Body was found in Boyd Dining Center
56	Eastern Michigan University	Michigan	12/16/2006	Laura Dickinson	Student	22	Orange Taylor III	Student	20	Raped and smothered her	Dorm Room
57	Tennessee Temple University	Tennessee	2/27/2007	Victim was a infant		Recently born	Baby's mother, Name	Student	19	asphyxiation	Dorm Room
58	Norfolk State University	Virginia	3/31/2007	Sean Williams	Student	18	Terrance Allen Ross	Student	18	Stabbing	Dormitory
59	UW-Seattle	Washington	4/2/2007	Rebecca Jane Griego	program coordinator in the Department of Urban Design & Planning	26	Jonathan Rowan		41	Shooting	Gould Hall-School Building
60	Virginia Polytechnic Institute and State University	Virginia	4/16/2007	32 victims- Ross Abdallah Alameddine, Christopher James "Jamie" Bishop, Brian Bluhm, Ryan Clark, Austin Cloyd, Jocelyne Couture-Nowak, Daniel Perez Cueva, Kevin Granata, Mathew Gregory Gwaltney, Caitlin Hammaren, Jeremy Herbstritt, Rachael Elizabeth Hill, Emily Jane Hilscher, Jarrett Lane, Matt La Porte, Henry J. Lee, Liviu Librescu, G.V. Loganathan, Partahi Lumbantoruan, Lauren McCain, Daniel O'Neil, Juan Ortiz, Minal Panchal, Erin Peterson, Michael Pohle, Julia Pryde, Mary Karen Read, Reema Samaha, Waleed Mohammed Shaalan, Leslie Sherman, Maxine Turner, Nicole White	Shaalan, Panchal, Ortiz, O'Neil, Lumbantoruan, Herbstritt and Gwaltney were Graduate Students. Novak was a instructor at VT. Librescu and Loganathan were both professors at VT. The rest of the victims were students.	Alameddine-20, Bishop-25, Bluhm-25, Clark 22, Cloyd- 18, Novak-N/A, Cueva-21, Granata-46, Gwaltney-24, Hammaren-19, Herbstritt-27, Hill-18, Hilscher-19, Lane-22, Matt La Porte-N/A, Henry J. Lee- N/A, Librescu-76, Loganathan- 51, Lumbantoruan-34 ,McCain- 20, O'Neil-22, Ortiz-26, Panchal-26, Peterson-18, Pohle- 23,Pryde- 23, Read-19, Samaha-18, Shaalan- 32, Sherman-N/A, Maxine Turner-N/A, White-20	Cho Seung-Hui	Student	24	Shooting	Dorm Hall and Classroms
61	New York University	New York	8/3/2007	Boitumelo McCallum	Student at Mills College in California	20	Michael Cordero		23	Suffocation	Faculty Housing
62	University of Arizona	Arizona	9/5/2007	Mia Henderson	Student	18	Galareka Harrison	Student	18	Stabbing	Dorm Room
63	Mercyhurst College	Pennsylvania	9/20/2007	no name	baby	0	Teri Rhodes	student	18	suffocation	Dorm Room
64	Delaware State University	Delaware	9/21/2007	Shalita Middleton	Student	17	Loyer D. Braden	Was a student at the time of indictment and was later dismissed	18	Shooting	Campus Mall

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TABLE 1 continued

65	University of Memphis	Tennessee	9/30/2007	Taylor Bradford	Student-Football Player	21	3 Suspects-DaeShawn Tate, Victor Trezevant, and Courtney Washington	- But all three were not Memphis Students	Tate and Trezevant- 21; and Washington-22	Shooting	After he was shot, he tried to get away in his car but crashed into a tree on campus
66	University of Alabama 2007	Alabama	10/8/2007	Kayla Fanaei	Student	20				Shooting	elementary school parking lot
67	Rowan University	New Jersey	10/27/2007	Donnie Farrell	Student	19				Beating	On road that is part of campus driveway
68	Lousiana State University and Agricultural	Louisiana	12/13/2007	Chandrasekhar Reddy Komma and Kiran Kumar Allam	Both were International PHD Students	Allam- 33, Komma-31	Devin Parker		22	Shooting	Off-Campus Apt Housing
69	California State University-Monterey Bay	California	12/21/2007	Christopher Roper		40	Macheel Roper	39	Student	Stabbing	Campus Student Housing
70	Northern Illinois University	Illinois	2/14/2008	5 Victims- Gayle Dubowski, Catalina Garcia, Julianna Gehant, Ryanne Mace, and Daniel Parmenter	All were Students	Dubowski, Garcia, and Parmenter- 20, Gehant- 32, Mace 19,	Steve Kazmierczak		27	Shooting	Ocean Science Classroom
71	Mississippi State University	Mississippi	3/7/2008	Andreas Galanis	Student	28	Bobby Batiste	Student	28		Dorm Room
72	Indiana University-Purdue University-Fort Wayne	Indiana	4/18/2008	Liette N. Martinez	Student	22	Tina L. Morris	- But, Suspect is Mother of One of the Roommates	36	Stabbing	Dorm Room
73	SUNY College of Technology at Delhi	New York	4/27/2008	Tyshawn Bierria	Student	22	4 Suspects: Jack Daniel Boampong, William Dorsey Jr., Raymond Brightman, and Olanrewaju Ogunwuyi	Boampong is a student, the other three suspects are from NYC	Boampong-19; Dorsey Jr-22; Brightman and Ogunwuyi- 21	Stabbing	Outside Dorm Room
74	University of Central Arkansas	Arkansas	10/26/2008	2 Victims- Ryan Henderson and Chavares Block	Both were Students	Henderson- 18, Block-19	Kawin Brockman, Kelcey Perry, Mario Toney, Brandon Wade		Brockman and Perry-19,Toney and Wade- 20	Drive-By Shooting	Outside Residence Hall
75	Virginia Polytechnic Institute and State University	Virginia	1/21/2009	Xin Yang	International Graduate Student	22	Haiyang Zhu	International Graduate Student	26	Decapitation	Graduate Student Center
76	Northwest Florida State College	Florida	4/10/2009	Curtis Brown	Worker at Coca-Cola Bottling Company	38	Thomas Ford McCoy Jr	Started own bottling company	42	Shooting	Near Vending Machine on campus
77	Ohio University-Main Campus	Ohio	4/28/2009	Eric Hansen	student	20	James Tyler Wagers	student	19	fell from dorm window	dorm

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TABLE 1 continued

78	Wesleyan University	Connecticut	5/6/2009	Johanna Justin-Jinich	Student	21	Stephen P. Morgan	29		Shooting	bookstore cafe just off campus
79	Harvard	Massachusetts	5/18/2009	Justin Cosby- who was a drug dealer to students at Harvard	Student	21	3 Suspects- Jason Aquino, Blayn Jiggetts, Jabrai Jordan Copney	Unknown, but not students at Harvard	Copney- 20, Aquino- 23, Jiggetts- 19	Gunshot Wound	Kirkland House- undergraduate house
80	Tennessee State University	Tennessee	9/8/2009	Nathaniel Adefope	poultry plant manager	60	Jarrod M Phillps	Goat Farm Temporary Employee	23	Beating and Stabbing	a storage building at the poultry plant.
81	University of California- Irvine	California	9/13/2009	Rebecca Benedict	Graduated from UC- Irvine in 2004	30	Brian Hughes Benedict	Graduate Student	35	Shooting	On Campus Apartment
82	Yale	Connecticut	9/14/2009	Annie Le	Graduate Student	24	Raymond Clarke III	Lab Tech	26	Traumatic Asphyxiation	Research Building
83	University of Connecticut	Connecticut	10/18/2009	Jasper Howard	Student/Football Player	20	John Lomax III	Specifically- but not a student at UCONN	21	Stabbing	outside the school student union
84	California State University- Sacramento	California	10/21/2009	Scott Gregory Hawkins	Student	23	Quran Jones	Student	19	Beaten to death with a baseball bat	In Dorm Room- 5 person suite
85	Liberty University	Virginia	11/29/2009	Cassandra Morton		23					wooded area near campus
86	SUNY at Binghamton	New York	12/4/2009	Richard Antoun	Professor of Anthropology (Emeritus)	77	Abdulsalam al Zahrani	Graduate Student	46	Stabbing	Professor's Office

TABLE 2

Descriptive Statistics and Correlations

	Variable	Obs	Mean	Std. Dev.	Min	Max	1	2	3	4	5	6	7	8	9
1	Articles in Top 50 National Newspapers	106	7.03	28.31	0	277	1.00								
2	Articles in Local Newspapers	106	9.82	20.67	0	133	0.69	1.00							
3	TV Show Segments	106	6.93	26.48	0	190	0.70	0.63	1.00						
4	Total News Coverage	106	23.78	67.08	0	574	0.91	0.85	0.89	1.00					
5	USNWR Ranked	106	0.17	0.38	0	1	0.28	0.34	0.35	0.36	1.00				
6	Murders	106	1.41	3.04	1	32	0.94	0.60	0.62	0.83	0.22	1.00			
7	Egregious Murders	86	0.05	0.21	0	1	0.14	0.50	0.43	0.39	0.20	-0.03	1.00		
8	Average Age of the Victim(s)	84	24.86	14.64	0	77	0.00	-0.07	-0.02	-0.03	0.09	0.02	-0.05	1.00	
9	Victim was a Student	86	0.67	0.47	0	1	0.11	0.20	0.16	0.17	-0.02	0.08	0.16	-0.28	1.00
10	Previous Murders	106	0.39	3.12	0	32	-0.01	0.32	0.13	0.15	0.27	-0.02	0.48	-0.01	0.08

TABLE 3

Results of a Poisson Regression Predicting Amount of News Coverage

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
	Artciles in Top 50 U.S. Newspapers	Artciles in Top 50 U.S. Newspapers	Artciles in Top 50 U.S. Newspapers	Articles in Local Newspapers	Articles in Local Newspapers	Articles in Local Newspapers	Segments in TV Shows	Segments in TV Shows	Segments in TV Shows	Total Articles and TV Show Segments	Total Articles and TV Show Segments	Total Articles and TV Show Segments
USNWR Ranked	1.7081 ***	0.7566 ***	0.3976 ***	1.0704 ***	0.7820 ***	0.4636 ***	1.8658 ***	1.4347 ***	1.1538 ***	1.4573 ***	0.9637 ***	0.6748 ***
Murders		0.1218 ***	0.1223 ***		0.0818 ***	0.0753 ***		0.0870 ***	0.0862 ***		0.0976 ***	0.0941 ***
Egregious Murders			1.9838 ***			1.7026 ***			2.4115 ***			2.0214 ***
Average Age of the Victim(s)			-0.0003			-0.0106 **			0.0061			-0.0043 +
Victim was a Student			0.1495			0.4311 ***			1.0810 ***			0.4738 ***
Previous Murders			-0.0550 ***			0.0015			-0.0353 ***			-0.0199 ***
Constant	1.3122 ***	2.2707 ***	1.1845 ***	1.9459 ***	2.4376 ***	1.889 ***	2.6593 ***	1.3214 ***	0.0253	3.2189 ***	3.215 ***	2.3372 ***
Year Dummies	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No
Degrees of Freedom	9	10	6	9	10	6	9	10	6	9	10	6
Wald Chi-Sq.	918.6	1,818	1,773	420.6	740.8	1,020	1,233	1,645	1,809	1,994	3,606	4,283
Observations	106	106	84	106	106	84	106	106	84	106	106	84

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TABLE 4

Categories Used to Code Content of Articles about the Selected Cases

Initial Categories	Subsequent Categories
article number	number of articles in national newspapers
article date	
article page	first five pages of a section
article title	use of words "murder", "slain"," death" in title
	school name in title
statements about the crime	
statements about the victim	mentions of victim's race
	mentions if victime was an international student
	mentions of others injured
	positive, netral, negative statements about the victim
statements about the offender(s)	positive, netral, negative statements about the suspect(s)
	mentions of prior suspecious behavior by the suspect
punishment	suspect captured or arrested
	suspect sentenced=1, released=2, indicted=3, admitted guilt=4
statements from university officials	school statements-reinforce positive
	school statements-sympathy, tragedy
	school statements-investigate
	schools tatements-relief that suspects are camptured
	schools statements-safe campus, not responsible, could happen anywhere
actions taken by the school	school actions-e-mail alerts
	school actions-more security officers
	school actions-more lighting
	school actions-suspend students where murder took place
	school actions-review safety standards

TABLE 5

Summary of Article Content on the Selected Murder Cases

School Name	New York Univesity	Fairleigh Dickinson University	University of Connecticut	University of Memphis	Yale University	Western Kentucky University	University of Washington-Seattle	Eckerd College
Number of Articles in National	27	2	12	8	35	17	4	2
similarity between cases	boyfriend/girlfried	boyfriend/girlfried	death of a football player	death of a football player	gruesome murder of a female	gruesome murder of a female	murder of a female employee	murder of a female employee
usnwr_d126=1	1	0	1	0	1	0	1	0
page first 5=1	8	0	5	4	13	7	2	2
murder, slain, death in title	22	2	7	5	27	8	2	2
school name in title	17	0	8	0	26	0	0	2
victim black=1, asian=2, white=3, indian=4	1,3				2			
victim international=1	1							
other injured			1					
positive about victim=3, neutral=2, negative=1	pos-12	neu-1	pos-2		neu-2, pos-8	neu-1		pos-1, neu-1, neg-1
positive about suspect=3, neutral=2, negative=1	neg-8; neu-2		neu-2	neu-2	neg-12, neu-6, pos-3	neu-1		pos-2
prior suspect behavior=1	4				3		1	1
suspect captured=1	8	1	12	6	12	5		2
suspect sentenced=1, released=2, indicted=3, admitted guilt=4	indicted-1	admitted guilt-1		indicted-1		sentenced-5, charged-7,plead not guilty-1, admitted guilt- 3		plead not guilty-1
school statements-reinforce positive		1						
school statements-sympathy, tragedy			1			1		
schools tatements-relief that suspects are camptured			1					
schools statements-safe campus, not responsible, could happen anywhere		1			3			
school actions-review safety standards		1						
school actions-counseling services								1

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