The Importance of Apologizing for Organizational Transgressions:

Lessons from the 2008 Maple Leaf Meat Recall

by

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Abstract

In August of 2008, Maple Leaf Foods, Canada's largest meat processor / distributor, initiated a nation-wide recall following reports of contaminated products. On the day of the recall, Maple Leaf's CEO issued a video message, accepting responsibility for the outbreak and apologizing to those who had been hurt. This study investigated how Maple Leaf's apology affected consumer forgiveness, as well as their perception of the CEO's level of transformational leadership (TFL). Our results suggest that a complete apology, in fact, consists of two components: contrition and restoration.

Contrition predicted psychological forgiveness in a relationship partially mediated by TFL and the level of blame. The effects of restoration on forgiveness were fully mediated by TFL. Restoration was a direct predictor of purchasing Maple Leaf products after the recall. The effects of contrition were fully mediated by psychological forgiveness. These results provide direct empirical support that leaders finding themselves in similar situations stand to benefit from offering a complete apology during an organizational crisis.

Submitted August 17th, 2009

Why Strong Leaders Must Know When to Apologize for their

Organization's Transgression: Lessons from the 2008 Maple Leaf Meat Recall

Introduction

Earning and maintaining the trust of consumers is vital for the well being of any commercial organization. This is particularly true in areas where the products provided by an organization can have direct impacts on the health or safety of individuals, such as in the food industry. There have been a number of recent high profile cases involving food contamination including two salmonella cases in the US; one involving spinach in 2006 and another involving tomatoes in 2008 (Superville, 2009). Countless consumers around the world were also shocked to find out about the melamine which had been added in numerous Chinese-manufactured dairy products, including Cadbury chocolate (DeLaurentis, 2009). In Canada, there were several cases of listeria contamination in 2008, first in processed meat products sold across the country and then in cheese produced in Quebec. The incidence of contaminated food outbreaks in the U.S. has more than tripled over the past 20 years, from an average of 100 cases in the early 1990's to over 350 cases last year (Superville, 2009). Each incident represents a serious organizational crisis for the producers and distributors involved.

An organizational crisis can be thought of as an event that causes a sudden disruption in the organization's ability to function effectively (Flynn, 2009). Large companies who experience crises, such as Johnson & Johnson's Tylenol recall or Mattel's lead paint scandal., lose an estimated 15-25% of their market value in the hours and days immediately following the crisis according to some

experts (Flynn, 2009). Although organizational crises can take on a number of forms, those that affect the relationship between an organization and its customers usually entail some breach in the relationship. Such breaches have recently been described as involving a transgression that disrupts the positive states that constituted the relationship and cause negative states to arise (Dirks, Lewicki & Zaheer, 2009). This description is quite similar to Flynn's (2009) description of an organizational crisis, which also entails a disruption of a previously well-functioning process or relationship.

In the food manufacturing business having to recall products because they have made consumers ill can have catastrophic consequences for an organization. When this happens, organizations must act immediately to prevent any further contamination, solve the problem as quickly as possible in order to resume production activities, and attempt to salvage its relationship with consumers. How a company behaves in challenging times such as these can often determine whether it will be able to weather the crisis or not. Though the threat of litigation often drives organizations to deny involvement or responsibility, there is increasing evidence that this may not, in fact, be the best course of action, since it fails to address a critical factor: the breach of trust between consumers and the organization (Kiger, 2004).

As the public face of the organization, the CEO plays a key role in shaping and communicating the organization's response. The purpose of the present study was to examine the effectiveness of CEO Michael McCain's apology in repairing

a broken relationship with consumers, following the highly publicized 2008 Maple Leaf Foods recall.

What is an Apology?

Interpersonal relationships are an incredibly complex matter. They involve a dynamic system of interactions, which taken together make up the relationship. Every interaction we take part in gives us new information about the person or group we are dealing with. We base our expectations of people on how we have seen them behave in the past. Thus, when someone acts in a way that harms us, we are wary about interacting with the person in the future because this person is clearly capable of hurting us and may do so again. This notion of using past behavior to guide our future interactions has a very simple name: trust. More specifically, trust involves accepting a certain level of vulnerability to another person or group (Mayer, Davis & Schoorman, 1995; Rousseau, Sitkin, Burt, & Camerer, 1998). As such, when someone acts in a way that threatens our well being, our willingness to accept vulnerability to that person (trust) is reduced. Trust is the cornerstone on which all interpersonal interactions rest.

All human interactions are governed by various levels of rules, including our own personal values as well as the norms and regulations of the various social groups we belong to. With the incredible number of interactions that make up our social lives, it is inevitable that we sometimes break one of these rules. Because the relationships rely on these rules for structure, any break in them results in a break in the relationship. For example, one of the implied rules that govern friendships in general is that something told in confidence will not be repeated.

The relationship is seriously shaken when this rule is broken, since the person whose confidence has been broken can not know if the rule will be followed in the future or broken again. Because we are social creatures who have historically relied heavily on interpersonal relationships for survival., we have developed mechanisms to mend broken relationships.

Although there are several ways to go about repairing a broken relationship, one of the most basic yet most effective is the apology. We are socialized from a young age to offer an apology when we have wronged someone. As easy as it is to say sorry, it is more difficult to define precisely what it means. Lazare (2004) describes the apology process as paradoxical in nature, because it is so simple and straightforward, yet immensely complex at the same time. The deceptively simple appearance of an apology has resulted in common misuses of the term. An apology serves as a first step towards mending a broken relationship (Kim, Ferrin, Cooper & Dirks, 2004; Lazare, 2004). It signals regret and the violating party's intention not to repeat the action again (Kim, Dirks, Cooper, & Ferrin, 2006). This expression of remorse and of valuing the relationship makes it easier for victims of transgression to foster a positive appraisal of the transgressor (Gunderson & Ferrarri, 2008). Thus, a successful apology serves to reduce a victim's wariness about being in a vulnerable position again, based on the transgressor's pledge not to let the transgression happen again. The ultimate goal is to restore the broken trust in the relationship. However, unless the apology is communicated properly, it is often difficult to know what, exactly, it means. When a person who is late returning a phone call says "I'm sorry", it is difficult to

know whether that person is expressing remorse for the tardiness, is pledging not to let it happen in the future, or both. All too often, apologies are made and accepted at a superficial level that fails to communicate all the information necessary in restoring the broken trust.

The act of apologizing can appear to be deceptively simple. Though almost everyone has a clear notion of what an apology consists of, there is a lack of general consensus on the matter. Accepting responsibility for the transgression is central to most definitions. Other components such as expressing remorse, offering an explanation, offering restoration and a plan of action to prevent future transgressions, are included in some definitions but not others (Barling, Turner, Dezan & Carroll, 2008; Kampf, 2008; Lazare, 2004). Although apologies can take various forms - Lazare (2004) even makes the point that an apology can be nonverbal - it is essential that researchers on the topic come to an agreement of what constitutes an apology, so that findings from research on apologies can be better integrated. Many behaviours, such as offering an explanation for the transgression, may help repair the breached relationship, without necessarily being a part of the apology in itself. Barling et al. (2008) found support for a model of a complete apology that consists of 5 correlated but distinct dimensions, based on previous research concerning the components of an apology (i.e.: Hodgins & Liebeskind, 2003; Kim et al., 2004; Kellerman, 2006). This conceptualization represents the components that are most commonly included in definitions of complete apologies and it has received good empirical support

(Barling et al., 2008). According to this conceptualization, a complete apology consists of:

1) Accepting responsibility for the transgression

2) Admitting damage was done

3) Expressing remorse

4) Offering compensation for the harm caused

5) Suggesting a plan of action to prevent future transgressions

(Barling et al., 2008)

Though these components may seem obvious at first, it becomes apparent upon further reflection that there are many contexts in which it can be difficult to address all of them successfully. Nonetheless, being aware of each component can help someone make their apology more complete and thus more effective. I relied on this model in the current study, thereby defining an apology as a statement, made in the hope of repairing a broken relationship, which communicates the five components proposed by Barling et al. (2008).

Apologies and Relationship Repair

The lack of consensus on the definition of an apology is largely due to the variety of different contexts within which an apology can be used. One major problem in research on apologies, and on relationship repair in general., is that most of the work tends to take place in relative isolation from other research on similar topics (Dirks, Lewicki & Zaheer, 2009). Research efforts tend to use different theoretical approaches, define the problem differently, or focus on situations in which different factors of the relationship require repair, making it

difficult to develop a unifying framework within which to understand the various findings (Dirks, Lewicki & Zaheer, 2009). If research on apologies is to be useful, efforts must be made to fit each new piece of information into an overall framework of relationship repair. In an attempt to guide research in a more integrated direction, Dirks, Lewicki & Zaheer (2009) described three different types of theoretical perspectives through which relationship repair can occur: attributional., social equilibrium and structural. The attributional perspective focuses mainly on the victim's perceptions of the transgressor. From this point of view, a transgression provides the victim with information which results in negative inferences about the offender's character and intentions (Dirks, Lewicki & Zaheer, 2009). Thus, relationship repair must focus on providing information to the victim that will change these inferences (Dirks, Lewicki & Zaheer, 2009). From the social equilibrium perspective, a transgression disrupts the relative social standing of the parties involved, resulting in social imbalance (Dirks, Lewicki & Zaheer, 2009). Relationship repair thus occurs by reestablishing the social balance and norms that governed the relationship prior to the offense, often through the use of various rituals such as apologies, penance or punishment (Goffman, 1967; cited in Ren & Gray, 2009). Unlike the first two perspectives, which focused on the personal and social aspects of the relationship breach, the structural perspective focuses on the contextual factors that caused the breach (Dirks et al., 2009). Thus, this approach to relationship repair aims to change environmental or structural factors that encourage transgressions so that the risk

of future transgressions is reduced, thereby making future behavior more predictable and sustaining a restoration of trust (Dirks et al., 2009).

Apologies can be used to repair relationships in both the attributional and social equilibrium framework. The attributional framework can provide a good understanding of the cognitive intra-personal processes underlying relationship repair, while the social-equilibrium framework is better suited to understanding the social or interpersonal processes involved. From the attributional perspective, an apology serves to communicate information about the offender that can offset the damaging inferences resulting from the offense. Thus, by apologizing, the offender is communicating their realization of the pain they have caused, their remorse for it, and their intention not to do it again. In the social equilibrium framework, an apology serves to restore an imbalance by lowering the status of the offender, and raising the status of the victim (Dirks et al., 2009). Thus, apologies can serve to restore a sense of personal value in the victim, or place them in a position of power over the offender (to forgive or not to forgive) (Lazare, 2004).

In the case of Maple Leaf, relationship repair is probably best understood within the attributional perspective. The offense (selling contaminated meat) resulted in a breached provider-consumer relationship, because it sent a negative message t consumers about the safety and quality of the products distributed by the organization. Thus, offering a public apology was meant to communicate the idea that the sale of contaminated products did not reflect Maple Leaf's true character or intentions. Admitting and accepting responsibility for its

shortcomings communicated a sense of the organization's honesty and integrity to consumers. Demonstrating a clear understanding of how victims were hurt and expressing remorse showed that the organization cares about the safety of consumers and shares common values with them. By outlining a plan of action, the organization provided consumers with positive information about its future intentions with regards to ensuring food safety.

From a social-balance perspective, it could be argued that the apology itself served to restore some of the balance that existed prior to the offense. This balance can be restored through the company's loss of status due to public shame, reduced income, decreased shareholder confidence, etc. Conversely, the consumers gained status in the relationship because they were in a position of relative power (i.e.: the power to purchase Maple Leaf products or not). Although the recall no doubt resulted in a certain shifting of the social-balance, the most important implication for Maple Leaf, as an organization, was whether consumers would forgive it, and purchase their products again. The distribution of contaminated meat resulted in a very serious outbreak that caused a number of deaths. Maple Leaf's survival hinged on being able to convince its customers that the outbreak did not reflect the true nature of its operations. As such, the primary forces at work here had to do more with the perceptions of individuals regarding Maple Leaf than it did with social balance.

Understanding the constitution of the relationship is essential when attempting to repair it, since such factors as trust or forgiveness may operate differently depending on this constitution (Dirks, et al., 2009). When an

organization is viewed as a cohesive, homogeneous group, the attributional processes underlying the framework described above tend to function more as they would for individuals than they would for organizations (Hamilton & Sherman, 1996). However, if an organization appears to be a fragmented collection of entities that operate in relative disconnection, it is more difficult to foster attributions that hold for the collective. In the case currently under study, the CEO of the organization appeared as the "face" of the organization. In his initial statement, he referred to Maple Leaf as a unified group consisting of over 23,000 employees (see apology transcript in methods section). Though Maple Leaf is the largest meat processor/distributor in Canada, it is reasonable to expect that consumers viewed it as a single, cohesive entity, represented in public by a single individual, its leader. It thus follows that consumer's attributions of Maple Leaf will depend largely on their attributions of the leader who has represented Maple Leaf publicly throughout the crisis.

The exact nature of the contract in the Maple Leaf – consumer relationship is somewhat unclear. A relational contract involves social norms and expectations, while a transactional contract, which entails the common economic definition of a contract, does not rely on these (Dirks et al., 2009). Thus, relational contracts tend to involve a build up of trust and reciprocity over time, while transactional contracts usually involve short term exchanges with pre-determined obligations (Dirks al., 2009). In the case currently under study, both types of contract appear to play a role in the relationship. Certainly, the relationship between any retailer and its consumers is a transactional one, based on a fair and

predictable exchange of goods for currency. However, this immediate relationship occurs within a larger context created by the relational experience people have with the organization. The confidence people have in the safety of their food depends the most on their confidence in the food *manufacturer* (de Jonge, Van Tripp, Van Der Lans, Renes & Frewer, 2008). This confidence in the manufacturer, an expectation based on trust which is built up over time, is thus critical to the transactional relationship between the consumer and the manufacturer. Inter-organizational relationships tend to rely on transactional contracts while inter-personal relationships are based more on relational contracts (Dirks et al., 2009). It should thus not be too surprising that in the present case, involving an organization-person relationship, both types of contracts are present.

This study on the restoration of psychological forgiveness through apologiesc focuses on the relational aspect of the social contract. However, I also investigated the impact of the apology on purchasing behaviour, which is the transaction involved in the relationship. When dealing with relationship restoration, it is important to keep in mind the dynamic nature of the relationship's composition and central underlying contract. This study investigates one of the "grey zones" in the framework put forth by Dirks et al. (2009) by attempting to understand how an apology can restore both the relational and transactional contracts that underlie the relationship between retailers and their consumers. Rather than focusing on a single facet of relationship repair, this study recognizes that different levels of relationship repair can co-exist and as

such aims to understand the effects of an apology on both cognitive (forgiveness) and behavioural (purchasing) outcomes.

While there can be no question that apologizing plays an important role in relationship repair following a transgression, these effects can take a wide range of shapes. One of the ways it helps restore a relationship is by fostering more positive perceptions of the transgressor in the victim. While an offense sends a strong negative message to the victim about the offender's values and behaviours, apologizing can help send a message to the victim that the offender does in fact have a code of values similar to theirs and that the hurtful behaviour will not be repeated in the future. When apologies are offered from a respectful, sincere source, they foster perceptions of the fairness of the offending party, which can go a long way in restoring positive appraisals in terms of relationship repair (De Cremer & Schouten, 2008). Following a transgression, apologizing has also been linked to increased liking for the transgressor (Goei et al., 2007).

However, it is important to remember that apologizing is not a universal fix (Coombs & Holladay, 2008). For example, research has suggested that while apologies may be effective in addressing competence-based offenses, denial of responsibility may be more effective than apologizing with integrity-based offenses (Kim et al., 2004; Ferrin, Kim, Cooper & Dirks, 2007). This stems largely from the fact that competence- and integrity-based offenses communicate very different information about the offender to the victims. While the end result may be the same if a nurse makes a mistake giving an injection, it tells the victim

a very different thing about the nurse if she did this because she lacked proper training or because she was simply too negligent to check the labels.

Though there has been no shortage in the media of highly-publicized examples of organizations lying, cheating and consciously endangering consumers, shareholders and employees (Enron, Tyco, WorldCom, Merryl Lynch, Madoff Investments, etc.), situations where an organization sincerely apologizes for its shortcomings and pledges not to let it happen again are much scarcer (Brodkin, 2007). Nonetheless, there has been an increase of examples in the literature supporting the effectiveness of an apology in restoring someone's trust in a vast number of settings ranging from medical errors (see Kiger, 2004; Sack, 2008) to situations where a company's product results in harm for the consumer (Tischler, 2003). Of course, an apology is only effective when it is perceived as being both sincere and complete. All too often, people and organizations offer an apology but fail to accept responsibility (Tischler, 2003; Brodkin, 2007). Such apologies often consist of something along the lines of "we regret the tragic events…" falling short of actually accepting responsibility for the wrongdoing. These "apologies" are likely ineffective since they fail to signal to the victims that placing their trust in the transgressor will not result in harm (again). On a weekly basis, most major newspapers report a number of public apologies, made by politicians who have misused funds, radio hosts who have made offensive comments or celebrities caught misbehaving. However, these statements usually fail to convey the necessary components of a complete apology.

One example of effective apologizing is lawn-mower and snow-blower manufacturer Toro, who must deal with numerous cases of consumers who have been injured (at times quite severely) by one of their products. The company stopped litigating cases brought against it by consumers in 1991 and has replaced the usual legal procedure with a more mediated approach, which always involves an apology, regardless of where the fault lies (Tischler, 2003). This process has been a much more effective resolution technique for Toro who has not been taken to trial since 1995. The claims brought against it are now often resolved on the first day of mediation or shortly thereafter according to Drew Bryers, the company's corporate product-integrity manager (Tischler, 2003). Though this is an anecdotal example, it nonetheless supports the idea that using a more human approach after trust has been broken is the most effective method a person or organization can use.

Fear of litigation or other forms of liability nonetheless have an important influence on peoples' reticence to go on record and accept responsibility (Butcher, 2006; Coombs & Holladay, 2008). Though some laws are changing to allow people or organizations to apologize for their transgressions without the fear that their apology will come back to haunt them in the courtroom, the dominant perception within the legal community seems to be that apologies should be avoided since they are akin to a confession (Keeva, 2004). This issue is particularly important in the United States, where medical malpractice suits have become a very lucrative business. Though doctors may feel that an apology would be appropriate, they are often under pressure not to do this from the hospital's

administration, "risk management" personnel, or from their own malpractice insurance carriers (Butcher, 2006). Though individuals and organizations finding themselves at fault should have a clear understanding of the legal implications of the statements they make, they should nonetheless remember that there are also other ramifications than simply legal ones. Successfully avoiding litigation may not be enough to save a company if it is not able to preserve its reputation with consumers. Accepting responsibility for causing harm signals one's fault, but it also sends a message about one's trustworthiness, since it takes integrity and honesty to do this. Leaders who apologize in fact reinforce their followers' trust in them (Barling et al., 2008, Kim et al., 2004). Thus, people and organizations may stand to benefit from publicly accepting responsibility for their wrongdoing.

Barling et al. (2008) tested their model using leader-follower relationships within an organization. The present study, on the other hand, explored the effectiveness of a complete apology in the context of a consumer-organization relationship. This context differs from interpersonal apologies on a number of dimensions. For example, the physical and psychological distance between the parties is much greater. Also, due to this distance, communicating the apology becomes difficult since it must reach as many people as possible, yet remain as personal as possible. Third, the victims do not really know the organization and thus gauging the sincerity of the apology can be difficult. The legal and financial stakes involved for an organization can also be substantial. Though the contexts of an apology can vary widely, the underlying components of the apology can

reasonably be expected to transcend these contexts, each of them playing an integral role in restoring the relationship.

The apology offered by Maple Leaf could be expected to help repair the relationship by demonstrating to consumers that the organization had integrity and honesty, and that they were doing everything in their power to prevent any further infection. I expected the apology to predict forgiveness both directly and through its effects on perceptions of transformational leadership. Specifically, I expected the apology to be associated with increased levels of perceived transformational leadership, which would in turn increase perceptions of Maple Leaf as a trustworthy organization, which would help foster forgiveness in consumers.

Trust

In general., apologies are meant to address issues of broken trust. Trust consists of one's intention to accept vulnerability to another party, based on positive expectations of the intentions or behaviour of that party (Mayer et al., 1995; Rousseau et al., 1998). Trust is a self-preservation mechanism that has evolved throughout our history. It is basically a decision about whether or not a certain level of vulnerability to a person or entity will threaten our well-being. Trust is a particularly interesting phenomenon since it is the foundation on which every interpersonal relationship rests. Though an individual can enter a relationship despite not trusting the other party, they behave in a way contingent on this knowledge and thus take precautions to safeguard their well-being. While trust has been of interest to philosophers, psychologists and managers for a long

time, scientific investigation of the role it plays in relationship repair is only beginning to emerge (Kim, Dirks & Cooper, 2009).

Although trust plays a role in every type of human interaction, one of the areas that has received the most attention in recent work is the role it plays in organizations. In fact, trust is one of the most studied constructs in contemporary organizational literature (Bunker, Alban & Lewicki, 2004). Employee trust in leaders has been of primary interest to researchers and has been linked with a number of important outcomes, including job-performance, organizational citizenship behaviours, organizational commitment and job satisfaction (see meta-analytic review by Dirks & Ferrin, 2002). Trust also plays an important role in various types of interpersonal relationships occurring within and across levels of organizations, and between organizations (Burke , Sims, Lazzara & Salas, 2007). Trust plays an important role in the effective functioning of any organization.

Purchasing food from a provider entails accepting vulnerability to that company in the sense that consumers must trust that the company will take the necessary means to ensure their well-being. This trust breaks down whenever something happens that casts doubt on the manufacturer's ability to provide a safe product. Consumers will not resume their relationship with the organization unless their previously held expectations that the products do not threaten their well-being can be re-instated

While substantial progress has been made in the conceptualization of trust, there has been some difficulty establishing a reliable scale for use in research (Davis, Schoorman, Mayer & Tan, 2000; Mayer & Davis, 1999; Mayer & Gavin,

2005). I thus chose to focus on forgiveness as a manifestation of trust restoration. In the case of Maple Leaf, consumer forgiveness involved accepting their apology for the offense and accepting to resume a relationship that involves some level of vulnerability to the company, based on the company's expressed intention to prevent the reoccurrence of such an offense in the future. Although most research on trustworthiness has focused on its role in predicting trust, I propose that it should also predict forgiveness, since trustworthiness sends a signal to the victim about how likely another party is to safeguard their well-being based on ability, benevolence and integrity (Mayer et al., 1995).

Trustworthiness

An individual's decision to place themselves in a position of vulnerability to another party depends on a number of factors. Of particular significance, given the emphasis I am placing on the role of the victim's perception of the aggressor here, is how worthy of trust this other party is. A review of the literature on trustworthiness led Mayer et al. (1995) to identify 3 components of trustworthiness that each contribute a unique perspective about the trustee and yet provide a parsimonious framework within which to understand this complex variable. These components are *ability*, *benevolence* and *integrity*. This conceptualization has since become the dominant way in which trustworthiness has been approached in the literature and has been used in most discussions of antecedents of trust in organizational literature (Burke et al., 2007). Ability refers to a party's skills or competencies which allow it to ensure the well-being of the trustor. Benevolence refers to this party's perceived willingness to do things that

ensure the trustor's well-being. Finally, integrity entails that the party adheres to a set of principles and values that are acceptable to the trustor (Mayer et al., 1995). Together, these three components represent the perceived trustworthiness of another party, a precursor to an individual's willingness to trust that party. In the proposed model, a party's perceived trustworthiness affects the other party's level of trust, which in turn affects this party's willingness to take a risk in the relationship (e.g., be in a vulnerable position) (Mayer et al., 1995). The outcome of this risk taking in turn feeds back into the perceived trustworthiness of the other party. Thus, trustworthiness is an appraisal that consists of expectations based on past observations. When an offense calls one or several components of trustworthiness into question, trust can be repaired by restoring these dimensions of trustworthiness (Mayer et al., 1995). This model has received widespread empirical support in the organizational literature (Mayer & Davis, 1999; Caldwell & Hayes, 2007; Colquitt, Scott & Lepine, 2009). The development of a model for trust-repair that separates trust from its antecedents (perceived trustworthiness) and consequences (willingness to take a risk in the relationship) has had a considerable impact on our understanding of the restoration of trust, especially in organizational contexts. In one field quasi-experiment, the development of an improved performance appraisal system within an organization was demonstrated to increased employees' trust in management via its effect on the perceived trustworthiness of management (Mayer & Davis, 1999).

In the current study, I was interested in understanding relationship repair in the case of Maple Leaf as it applies to the model for trust developed by Mayer

et al. (1995). However, rather than focusing on the prediction of trust, I focused on forgiveness as the final outcome in the model. I thus expected that the apology offered by Michael McCain would affect Maple Leaf's perceived trustworthiness both directly and via its effects on the public's perception of the CEO as a transformational leader. Trustworthiness was in turn expected to predict psychological forgiveness and, in turn, purchasing of Maple Leaf products. Again, this process is consistent with the attributional perspective described in Dirks et al.'s (2009) framework for relationship repair. My focus is on how the apology restores positive perceptions of the offending party, in this case Maple Leaf.

Forgiveness

When an individual or entity who held our trust behaves in a way that threatens our well-being and thus breaks this trust, we are faced with the decision of whether or not to make ourselves vulnerable to the transgressor again. In everyday terms, we are faced with a decision to forgive the offender or not. The benefit of forgiveness is the restoration of a social relationship, as well as any benefit this relationship may have provided (Koutsos, Wertheim & Kornblum, 2008). Thus, forgiveness is of central importance in relationship repair, since it signals a victim's willingness to mend the broken relationship.

Like the concept of an apology, forgiveness is a concept that we often invoke, without necessarily understanding how to define it. While the definitions of forgiveness vary widely, they tend to contain some element of relinquishing anger or any desire for revenge, moving to restore the broken relationship and accepting to trust (i.e.: vulnerability to) the transgressor (Aquino, Tripp & Bies,

2006; McCullough, Bono & Root, 1997). In this case, individuals must choose whether placing themselves in a position that is vulnerable to Maple Leaf's food quality as a consumer is likely to cause them harm in the future.

In the current study, forgiveness was defined both behaviourally and psychologically. In behavioural terms, forgiveness involves accepting to place oneself in a situation of vulnerability to the offender again, following a transgression. In this case, *behavioural forgiveness* will refer to whether consumers have purchased Maple Leaf products since the recall. *Psychological forgiveness*, on the other hand, does not necessarily involve any behavioural manifestation. Rather, it refers to accepting a transgressor's apology, no longer viewing the transgressor as a threat to personal well-being, and not harboring any ill-will towards the transgressor. Previous researchers have made similar distinctions. For example, Aquino et al. (2006) drew a distinction between forgiveness and reconciliation. Forgiveness was described as relinquishing anger, resentment, and the desire to seek revenge against the transgressor while reconciliation referred to extending acts of goodwill towards the offender (Aquino et al., 2006). When applied to the current research setting, their definition of forgiveness closely resembles what I operationally define as psychological forgiveness. Reconciliation, with its implied action, logically translates into what I have labeled behavioural forgiveness. I will be treating these as two separate forgiveness variables. I expected psychological forgiveness to predict behavioural forgiveness.

Nature of the Offense

Given the range of our daily interpersonal interactions, it is not surprising that the transgressions that occur within these can vary widely. The same offense (i.e.: being late for a meeting) can be caused by a number of factors (a previous meeting that stretched on, traffic, a lack of conscientiousness, a perception of the meeting as unimportant, etc). The nature of the offense thus plays an important role in determining what a transgression tells the victim about the offender. Different types of offense can result in different types of relationship breakdowns and as such, may require different strategies for repair (Ren & Gray, 2009).

Statements made by the offender after a relationship has been broken tend to convey messages aimed at restoring trust in the offender. However, these statements do not operate in a vacuum. The perceived nature of the offense will shape how any statement aimed towards relationship repair is interpreted by the victim (Ferrin et al., 2007). Research on relationship repair has increasingly recognized the underlying attributional processes involved (Gillepsie & Dietz, 2009; Kim et al., 2004). Taking a similar approach in this study, relationship repair is framed in terms of restoring positive perceptions of the transgressor, based on the framework outlined by Dirks et al. (2009). As such, the causal attributions that victims make about the nature of the offense are expected to have a serious influence on the effectiveness of the apology.

There are several ways in which the nature of an offense can vary. One prime example is offenses that are due to a lack of competence (i.e.: the transgressor lacked the competence to ensure the victim's well-being) as opposed

to offenses that are due to a lack of integrity (i.e.: the transgressor does not adhere to a set of principles that acceptably ensures the victim's well-being) (Kim et al., 2004). An offense that results from a lack of competence sends a very different message to a victim than an offense resulting from a lack of integrity does. Kim et al. (2004) suggest that this likely results from differences in how people process positive and negative information about another party's competence and integrity. An interesting review by Snyder & Stukas (1999) notes past findings that negative information about morals or integrity are accepted by perceivers as more diagnostic than positive information, while positive information about behaviours is considered more diagnostic than negative information (Martijn, Spears, Van der Plight & Jakobs, 1992). Thus, while a single breach of trust due to incompetence (i.e.: handing in an erroneous report due to a lack of ability) may not make you appear unworthy of trust, a single integrity-related breach (i.e.: knowingly submitting an erroneous report because one does not care about the outcome) sends a message that you should not be trusted in the future.

This phenomenon likely stems from what Reeder & Brewer (1979) refer to as hierarchichally restrictive schemas. Based on these schemas, "being at one end of a continuum for a given attribute will restrict one's behaviour, whereas being at the other end of that continuum will not" (Kim et al., 2004, p. 106). Thus, a person with low ability is not expected to have a high level of performance, but a person with a high level of ability can have a high level of performance or may exhibit low performance, due to a wide range of factors. Thus, a single example of a lack of competence does not necessarily tell the perceiver much about the

person's general competence level, but an example of a high level of competence does, since someone low in competence could not have acted in this way. Conversely, a person with a high level of integrity would not be expected to behave in an immoral way, but a person with a low level of integrity may act in moral or immoral ways, again depending on a number of factors. In this case then, a single example of moral behaviour tells others less than does a single example of immoral behaviour. The nature of the offense is of substantial relevance to trust repair in broken relationships, since competence and integrity represent two of the three main components of trustworthiness (Mayer et al., 1995; Kim et al., 2006).

In the context of apologies, this distinction can prove to be quite important. For example, Kim et al (2004) found that when an offense was due to a lack of competence, apologizing for the offense was an effective relationship repair strategy but when offenses were due to a lack of integrity, denial of responsibility was a better repair strategy than apologizing. Subsequent research has also demonstrated that apologies involving external causal attributions may result in better relationship repair when offenses are integrity-based, while an apology that accepts more blame may be better when dealing with a competence-based offense (Kim et al., 2006). These findings have interesting implications for the case at hand. As previously discussed, organizations tend to avoid apologizing for their wrongdoing. What makes the case of Maple Leaf so interesting was its immediate acceptance of responsibility and public apology. However, according Kim et al's (2004) findings, if consumers perceive the offense as being due to a lack of integrity, then apologizing may not result in optimal relationship repair.

Thus, I was curious to see how perceptions of the nature of the offense as due to a lack of competence or integrity would influence the effectiveness of Maple Leaf's apology in obtaining forgiveness from consumers. I expected that the apology may be more effective in fostering forgiveness in individuals who perceived the offense as competence-base rather than integrity-based. However, it should be noted that past studies involving the nature of the transgression (Kim et al., 2004; Kim et al., 2006) involved experimental manipulations of the nature of the offense. As such, it is unclear whether respondents would be able to make as clear a distinction between the two sources.

Transformational Leadership

Because apologies represent an admission of fault and accepting responsibility for a given offense, another important concern people have with apologizing is the fear of losing face. This can be particularly threatening to leaders in organizational contexts where maintaining an appearance of control and authority tend to be very important. Despite the fact that they know they were at fault, leaders may avoid apologizing for fear that an ensuing perception of weakness may overshadow the attempt at relationship repair. Contrary to these dated beliefs though, leaders who behave in a responsible and ethical way send a positive message to followers and thereby reinforce their position as leader. As Tucker, Turner, Barling, Reid & Elving (2006) note, some of the most influential recent books on apologies make the point that high quality leadership entails apologizing for wrongdoing (Blanchard & McBride, 2003; Lazare, 2004). Rather than denying their involvement in the wrongdoing, good leaders demonstrate a

strong sense of values by apologizing for their misdeed, accepting responsibility for them, expressing remorse for the harm they have caused, attempting to make amends and taking the necessary measures to prevent the reoccurrence of the offense (Tucker et al., 2006).

In terms of high-quality leadership styles, the notion of transformational leadership (TFL) continues to dominate the literature. As the name implies, this type of leadership goes beyond merely supervising and distributing rewards or punishment, to a level where the leader becomes an agent for positive change within followers. TFL has generally been described as consisting of four dimensions: *idealized influence* (leading by example by doing what is right), *inspirational motivation* (communicating a vision of the future that involves surpassing current limits of performance), *intellectual stimulation* (pushing people to find new ways of solving problems) and *individualized consideration* (treating people as individuals, demonstrating compassion and recognizing achievements) (Bass, 1990; Kelloway & Barling, 2000). TFL has been linked to a wide range of outcomes, including increased job-satisfaction (Hater & Bass, 1988), work performance (see Lowe, Koreck & Sivasusbrnabiam, 1996), affective commitment to the organization (Barling, Weber & Kelloway, 1996) and organizational performance (Kelloway & Barling, 2000). In an interesting study using structural equation modeling, TFL was shown to affect organizational citizenship behaviours via its effects on perceived procedural justice and trust (Pillai, Schriesheim & William, 1999).

For a leader, being perceived as transformational is thus very important. While TFL has been the subject of a vast amount of research since the early 1990's, very little is known about the role it plays in the context of apologies. However, there seems to be clear overlap between TFL and apologies. TFL involves acting based on ethical values, a great degree of compassion, sincere communication and creating a vision for the future. These are all essential to a successful apology. When a leader accepts responsibility for his faults, communicates remorse and understanding, and sets forth a plan to prevent reoccurrence of the offense, he is behaving in the way a transformational leader would. Thus, one would expect leaders who apologize to be perceived as possessing transformational characteristics. What little research exists on the matter seems to support this notion. In a series of studies involving one field study and two related vignette follow-ups, leaders who apologized for their mistakes tended to be perceived as more transformational (Tucker et al., 2006). The authors suggested that when leaders apologize for having wronged someone, they are perceived by their victims as putting their own self-interests aside in favor of restoring the relationship, thereby embodying the dimensions of TFL described above (Tucker et al., 2006). This effect was even observed when referees in a junior hockey league apologized for making a wrong decision during a game. This is a prime example of the type of context where apologizing could legitimately be expected to result in negative perceptions. However, it seems that even hockey coaches respect someone who is able to honestly recognize their mistakes and apologize for them. These findings were replicated in two vignette

studies involving mistakes made by a manager. Again, leaders who apologized were rated as significantly more transformational than those who did not (Tucker et al., 2006).

I hope to contribute to this emerging body of research by investigating what role perceptions of TFL may have played in the repair of the relationship between Maple Leaf and its consumers. In the current context, Maple Leaf's apology was delivered by its CEO, who in effect became the face of Maple Leaf. Although he delivered the apology personally, Michael McCain, like most organizational leaders, is the source of Maple Leaf's direction and symbolizes the conduct of the organization as a whole (Smircich & Morgan, 1982). Michael McCain appeared alone in video announcements in order to apologize to the Canadian public and accept responsibility for the organization's shortcomings. Because most Canadians did not know who McCain was prior to these events, their perception of him, as a person and, more particularly, as a leader, stem in large part from the behaviour they observed during the recall. Given this study's focus on the role apologies play in restoring positive attributions about the perpetrator, how consumers perceived Michael McCain is of critical importance here. As the public face of Maple Leaf throughout the listeria crisis, his words and actions represented the organization as a whole and were important determinants of how the public would perceive it. To the best of my knowledge, no other study has attempted to link the perceptions of an organization's leader to forgiveness of the organization. However, this issue is of central importance to the repair of relationships between organizations and individuals because the leaders often

represent the organization publicly. Further, this has implications for who should deliver an organization's apology. If perceptions of the leader in turn affect consumer forgiveness, then the use of a spokesperson to offer an apology may in fact reduce its effectiveness, since the representative's perceived connection to the organization is much weaker than that of a leader's and, therefore, is less effective in restoring positive attributions of the offending organization. In the case of Maple Leaf, the act of apologizing may have fostered positive attributions regarding its leader, which in turn would have increased the perception of Maple Leaf as a trustworthy organization and thus increased the likelihood of consumers forgiving the organization.

The Case of Maple Leaf

In June of 2008, public health officials in Ontario, Canada noticed there had been more cases of listeria reported than usual (CBC, 2008). However, this was not originally a cause for too much concern. By mid-July, the investigation into the listeria cases ramped up as another case was reported in an Ontario nursing home. On August 5th, 2008, Health Canada tests showed sandwich meat in a nursing home was contaminated with listeria. On August 12th, officials contacted Maple Leaf Foods (Maple Leaf) to let them know that a formal investigation involving their products had been launched. The following day, Maple Leaf sent written notification to distributors to let them know about the investigation and instructed them to quarantine the products in question. On August 16th, Maple Leaf was informed that samples of one of its products had tested positive for listeria. The following day, Maple Leaf voluntarily recalled

these products. Immediately, the value of Maple Leaf's stock began to plummet. On August 25th, tests conducted by Public Health Canada definitely linked the listeriosis outbreak with meat products produced at Maple Leaf's plant. Later that day, Maple Leaf CEO Michael McCain issued a public apology, accepting full responsibility for the outbreak and announcing the recall of all 220 products produced at the Toronto plant where the contamination originated. At this point, 8 people had already died as a result of the listeria infection. Because listeria takes time to manifest itself in its victims, the fallout from the contamination continued to come to light for weeks following the initial recall. By the time Michael McCain issued a second public apology statement, this time informing people that the source of contamination had been traced to slicing machines which had been disposed of, the confirmed death toll had risen to 17. In all, at least 20 people lost their lives due to the listeriosis outbreak.

The case of Maple Leaf meat products, and the company's subsequent apology and follow-up reactions, provide a real-life setting within which to investigate the effects of an apology on forgiveness. Though there is increasing research on apologies and forgiveness in industrial and organizational settings (Barling et al., 2008; Kim et al., 2007; Tucker et al., 2006), relatively little is known about the effects of an apology from an organization when it breaches its customers' trust. Maple Leaf's case is particularly significant because it represents a very tragic breach of trust involving the contamination of food sold to individuals across Canada. Given the breadth of Maple Leaf's domestic markets, any Canadian who consumes processed meat was at a potential risk of infection.

Since individuals know relatively little about the food-production process, purchasing food involves a substantial amount of trust in the individuals and organizations involved in the numerous steps that bring food from the field or farm to their plate (de Jonge et al., 2008). The breach of trust in a manufacturer can have severe consequences on consumer confidence levels regarding the safety of the food, which in turn affects their likelihood of purchasing the product.

Research involving the present case

Given the high-profile nature of the Maple Leaf case (99% of Canadians were aware of the case within the first 2 weeks), it is not surprising that empirical efforts have already been made by Canadian researchers to better understand the events surrounding the recall and subsequent apology (Charlebois & Watson, *unpublished;* Flynn, 2009).

A series of 3 studies involving more than 4,600 Canadians investigated consumer trust in Maple Leaf, as well as purchasing behaviour, following each of the 3 major public announcements made by Michael McCain (Flynn, 2009). Results confirmed Maple Leaf's loss of market-share. While 61% of respondents reported purchasing Maple Leaf products in the previous 6 months in August 2008, that number was down to 51% in January of 2009 (Flynn, 2009). This research was conducted with support from Leger Marketing, who had already been keeping track of the public opinion of Canada's largest 100 companies, of which Maple Leaf is a member. Thus, data were available as a benchmark for the recall and apology's effect. In May 2008, before any suspicion of contamination existed, 74% of people reported having a good opinion of Maple Leaf (Flynn,

2009). That value had dropped to 46% by August 2008, but increased to 55% by the end of September and was at 63% in January, 2009 (Flynn, 2009). These results again confirm that the recall substantially affected the public's perception of Maple Leaf. They also demonstrate that the public's perception improved over time. The study also investigated consumers' intention to purchase Maple Leaf products in the future. When asked whether they planned on purchasing Maple Leaf products in the following month, 21% of respondents indicated they did in August, 2008, compared with 34% at the end of September and 47% by January, 2009 (Flynn, 2009). It appears that Maple Leaf was able to successfully regain the trust of at least some of its consumers following the recall. When asked in August, 2008 whether they planned on purchasing Maple Leaf products in the next 6 months, 40% of respondents indicated they did, compared to 46% in September, 2008 and 54% in January, 2009 (Flynn, 2009).

Taken together, these results indicate that consumer's perception of Maple Leaf and their likelihood of purchasing the product dropped sharply immediately following the recall announcement, but gradually went back up again. Though it is reasonable to expect that this is due to Maple Leaf's handling of the recall, the results of the study do not specifically demonstrate this link.

Research conducted by researchers at the University of Regina generated similar findings. Results from a sample of 971 Canadian consumers who completed a survey in March, 2009 indicated that while at least 90% had heard about the recall, relatively few of them were well-informed about the specific products being recalled (Charlebois & Watson, *unpublished*). This had serious

implications for the consumption of Maple Leaf products, since the vast majority of respondents reported throwing out all Maple Leaf products in the household. Nonetheless, results from the study indicate that just under 70% of the participants felt Maple Leaf had handled the crisis well or very well (Charlebois & Watson, *unpublished*). Finally, only 25% of respondents who had Maple Leaf products in their home before the recall reported not purchasing any Maple Leaf products since the recall, suggesting a general trend towards a restoration of the consumer-producer relationship.

This Study

The central purpose of this study was to investigate the effect apologizing had on perceptions of CEO Michael McCain, the organization's trustworthiness and subsequent consumer forgiveness. The initially hypothesized model is presented below as Figure 1. I expected to find a model whereby apologizing predicted higher levels of perceived TFL which would in turn foster an image of the organization as trustworthy, thus helping restore the broken relationship through consumer forgiveness. I also hoped to investigate the role that the nature of the offense plays in determining whether apologizing resulted in forgiveness.

Another purpose of the present study was to investigate an organizational apology in a real-world setting so as to better understand how well the different components of the apology predicted forgiveness. Previous research led me to expect 5 correlated yet relatively distinct components in the apology (Barling et al., 2008). In order to do this, we asked participants to view videos of two public

addresses made by Maple Leaf CEO Michael McCain online and then complete

an electronic questionnaire.

Figure 1 – Initially Hypothesized Model
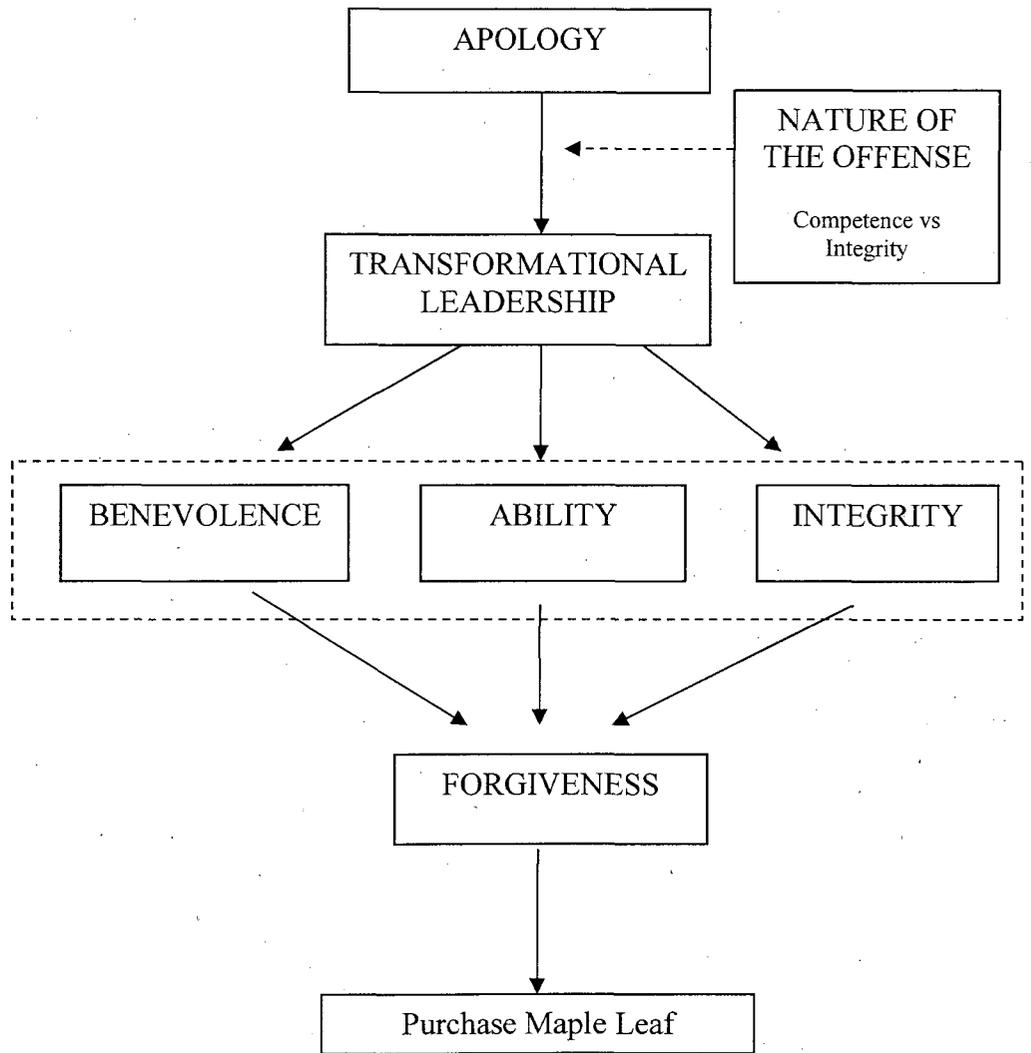
Method

Participants

Participants in this study were all adult Canadians. Two samples were obtained for the study. One consisted of 65 people who received an email invitation containing the link to the online survey. In order to obtain a larger number of participants for the study, another sample of 108 was obtained via the Study Response Project based out of Syracuse University. This brought the total number of participants to 173. Unlike the participants from the previous sample who received no incentives for their participation, those recruited through Study Response received a five dollar gift certificate to an online store. There were 114 female respondents and 57 male respondents (2 missing).

Apology Video

Participants viewed two video messages issued by Maple Leaf CEO Michael McCain. These videos were hosted on an online video-sharing website. The first statement was released on Aug 23rd, 2008. The following is a transcript of the statement:

> "My name is Michael McCain. As you may know, listeria was found in some of our products. Even though listeria is a bacteria commonly found in many foods and in the environment, we work diligently to eliminate it. When listeria was discovered in the product, we launched immediate recalls to get it off the shelf, then we shut the plant down. Tragically, our products have been linked to illness and loss of life. To the Canadians who are ill and the families who have lost loved ones, I offer my deepest sympathies. Words cannot begin to express our sadness for your pain.
>
> Maple Leaf Foods is 23,000 people who live in a culture of food safety. We have an unwavering

commitment to keeping your food safe, with standards well beyond regulatory requirements, but our best efforts failed and we are deeply sorry. This is the toughest situation we've faced in 100 years as a company. We know this has shaken your confidence in us. I commit to you that our actions are guided by putting your interests first."

From http://www.youtube.com/watch?v=cgk3o3AJM2U

A second statement was issued by the CEO approximately 3 weeks later, describing what the problem was, and how it had been solved. A transcript of this second video follows:

"For the past 3 weeks we've worked with authorities to determine exactly how listeria appeared in our sliced meat products at one of our plants. You deserve to know what happened. Listeria is everywhere in our environment, which makes it challenging. Our investigation found spots deep inside the slicing equipment where the listeria could have avoided our rigorous cleaning procedure. We fixed that, by something called a deep sanitization and then we tested it thoroughly. We've also done this at each of our other plants and made this special procedure standard, but our actions will not stop there. The recalled product is off the shelf, we believe we know what caused the problem and we believe we have corrected it. Now I know that these efforts can never make up for what has happened and I deeply regret this, we will always be guided by putting your interests first and doing everything we can to build your confidence in us once again."

From: http://www.youtube.com/watch?v=aMfg-k3XkbQ&feature=related

Measures

Apology – In order to assess whether participants felt that each of the five component of a complete apology (accepting responsibility, understanding damage caused, expressing remorse, offering to makeup for loss, offering plan to prevent reoccurrence) was present in the video apologies, items from a scale developed for this end by Barling et al (2008) were slightly modified to reflect the

current study. There were two items to assess the presence of each of the 5 components of a complete apology (i.e.: Michael McCain admitted responsibility for the listeria outbreak). Participants responded using a 5-point scale ranging from 1 (strongly disagree) to 5 (strongly agree) with higher scores indicating increased perception of that component being present in the apology. Items corresponding to the first factor included the damage, responsibility and remorse components of the apology and had an internal consistency (alpha) of .84. The second factor consisted making up for the harm caused and offering a plan of action for the future. The 4 items measuring these components had an alpha of .77.

Forgiveness- As mentioned previously, forgiveness was defined both behaviourally and psychologically. In the behavioural sense, forgiveness was defined as having purchased Maple Leaf products after the recall. To this end, participants were simply asked how often they have purchased Maple Leaf products since they returned to store shelves, using a 5 point frequency scale ranging from 1 (never) to 5 (every time I did the groceries).

Psychological forgiveness was assessed using items developed by Brown (2005). Because state forgiveness scales tend to focus on offenses in the context of close interpersonal relationships (i.e.: McCullough, Rachel, Sandage, Worthington, Brown & Hight's (1998) Transgression-Related Interpersonal Motivations inventory), Brown (2005), basing himself on McCullough et al's scale, developed items that fit contexts where the transgression is perpetrated by an organization. In the case of this study, five items from Brown's original scale

were retained and modified to reflect the current organizational transgressor. Participants were asked to indicate how strongly they agreed with statements such as "Even though Maple Leaf's actions hurt people, I do not feel ill-will toward them" or "I have forgiven Maple Leaf". The scale proved to have good internal reliability (*alpha* = .91).

Trustworthiness- In order to measure consumers' perceptions of Maple Leaf's trustworthiness, I used scales to represent each component (ability, benevolence, integrity) proposed by Mayer et al. (1995). Basing ourselves on items used by Mayer & Davis (1999), I modified the scales so that questions pertained to top management at Maple Leaf. Thus, an example of an item assessing ability is "Top management at Maple Leaf is very capable of doing its job". Benevolence was assessed using items such as "The needs of consumers are very important to Maple Leaf". Finally, integrity was assessed using items such as "Sound principles seem to guide top management's behaviour". There were 6 items for ability, 5 items for benevolence and 6 items for integrity. Internal reliability (alpha) for each trustworthiness subscale was excellent, ability (.91), benevolence (.90) and integrity (.91).

Nature of the Offense- In order to assess participants' perceptions of the nature of the offense, items were developed to assess whether participants felt the outbreak of listeria was due to negligence, incompetence or chance. All items were rated on a 5-point scale ranging from 1 (strongly disagree) to 5 (strongly agree). An example of a competence-related item is: "Lack of training and knowledge about cleaning is probably the cause of the outbreak". An example of

an integrity-related item would be: "The outbreak is proof Maple Leaf does not care about the wellbeing of its customers". An example of a chance item is: "This type of incident could have happened with any other meat producer". As will be discussed in the results section, the chance scale was not used in subsequent analysis due to a lack of reliability. Further, a Principal Components Analysis (PCA) of the competence and integrity items revealed they belonged to a single factor, which appears to represent the level of blame attributed to Maple Leaf. The combined 9-item scale had an alpha of .93.

Transformational Leadership- Items from Carless, Wearing & Mann's (2000) Global Transformational Leadership scale were modified for use in this survey. One item was dropped, since it could not be applied to the current context ("My leader fosters trust, cooperation and involvement among team members"). The 6 remaining items were rated on a 5-point scale ranging from 1 (strongly disagree) to 5 (strongly agree). The reliability of the TFL scale was .93.

Procedure

Participants were asked to participate in the study via an email invitation. This invitation contained a link to an online survey. The first page of the survey contained a brief introduction to the study, as well as the survey procedures. The second page of the survey contained electronic hyperlinks to the videos of the two public addresses made by Michael McCain. These videos were hosted on the online video sharing site Youtube.com. Once participants had viewed the two videos, they completed the survey portion of the study, which contained the measures described above.

Statistical Analyses

With the exception of the structural equation modeling, which was conducted using AMOS 5, all statistical analyses were conducted using SPSS version 15.0. In the initial steps of analysis, I verified the relationships between variables using bivariate correlation. In order to asses whether certain group variables might be interacting with the variables of interest, I then used General Linear Modeling. Once these had been completed, I proceeded to testing my hypothesized model using structural equation modeling (SEM). It should be noted that 8 cases were dropped from the initial sample because they contained a missing value and thus could not be included for the analysis with AMOS 5.

Results

Factor Analyses

Apology- Based on past research on the structure of an apology, I expected 5 correlated yet relatively distinct components to emerge. However, my results did not support this structure. Initial eigenvalue extraction revealed the presence of two factors with eigenvalues of 5.23 and 1.77. The first factor explained 46.31%, while the second factor contributed an additional 23.78% of the variance. The factor loadings of each component are available in Table 1 below. The first factor, consisting of admitting damage, accepting responsibility and demonstrating remorse, will be referred to as *contrition*, while the second factor, which consisted of offering recompense and offering a plan of action for the future, will be referred to as *restoration.*

Table 1 - Rotated Component Matrix: Apology

	Contrition	Restoration
MM admitted responsibility for the listeria outbreak	.81	.21
He accepted the outbreak was ML's fault	.79	.24
He clearly demonstrated awareness of how the outbreak impacted people	.86	.21
He acknowledged the loss people incurred following the outbreak	.88	.07
He acknowledged he felt bad for the outbreak	.89	.09
He clearly acknowledged that he regrets what happened	.86	.13
He agreed to make up for the damage caused by the outbreak	.09	.79
He offered compensation for the outbreak	.05	.87
He provided a plan of action to try to make up for the outbreak	.36	.72
He attempted to make amends by outlining specific steps to be taken in the future	.45	.57

*Loadings greater than .40 shown in **bold***

Nature of the Offense- I expected the scales measuring the perceived nature of the offense (due to integrity, competence or chance) to represent 3 distinct, yet intercorrelated factors. Unfortunately, the reliability of the chance scale was not sufficient for its inclusion as a variable in the analyses (*alpha*= .35). A principal components analysis was then conducted to assess whether the remaining competence and integrity attribution factors were distinct or not. Contrary to expectations, a single factor on which all items loaded was extracted. Thus, it appears that individuals in the present case did not make a distinction between a negligence- and competence-based offense. This led me to treat these two variables as a single blame factor, since they appear to represent the level of attribution of fault to Maple Leaf, rather than any deeper distinction. When treated as a single factor, reliability was an impressive .93 (with 9 items), further supporting the unidimensionality of the scale items.

Table 2 - Component Matrix: Nature of the Offense

	Loading
The listeria outbreak was due to negligence on behalf of ML	.83
The outbreak is a sign that the safety of consumers is not important to ML	.76
The outbreak was due to people cutting corners when cleaning the equipment	.84
The outbreak would have been prevented if ML was more careful about health & safety	.86
The outbreak is proof ML does not care about the well-being of its customers	.70
The outbreak was due to incompetence on behalf of ML	.88
Lack of training and knowledge about cleaning is probably the cause of the outbreak	.79
ML's employees are not competent enough to ensure the safety of their products	.82
Employees in charge of cleaning the machines in the ML plant lacked the proper skills to do their job properly	.82

Trustworthiness- Based on past research (i.e.: Mayer & Davis, 1999), I expected

the three subscales of trustworthiness to be relatively distinct from each other.

However, a PCA resulted in the extraction of only 2 factors. Based on an analysis

of the scree plot (see Figure 2 below) and the eigenvalues associated with each

factor (9.85 for factor 1 and only 1.14 for factor 2), the three subscales probably

behaved as a single factor in the present case. Several items also had cross

loadings, despite the rotation (see Table 3). Although there is a clear conceptual

distinction between the three dimensions proposed by Mayer & Davis (1999), I

was concerned with how perceptions of the leader would impact the perceived

trustworthiness of Maple Leaf's management and how this would in turn predict

forgiveness. An investigation of the differential effects of each dimension was

beyond the scope of this study. Thus, I decided to treat trustworthiness as a single

variable.

Figure 2- Scree Plot of Extracted Eigenvalues

Scree Plot
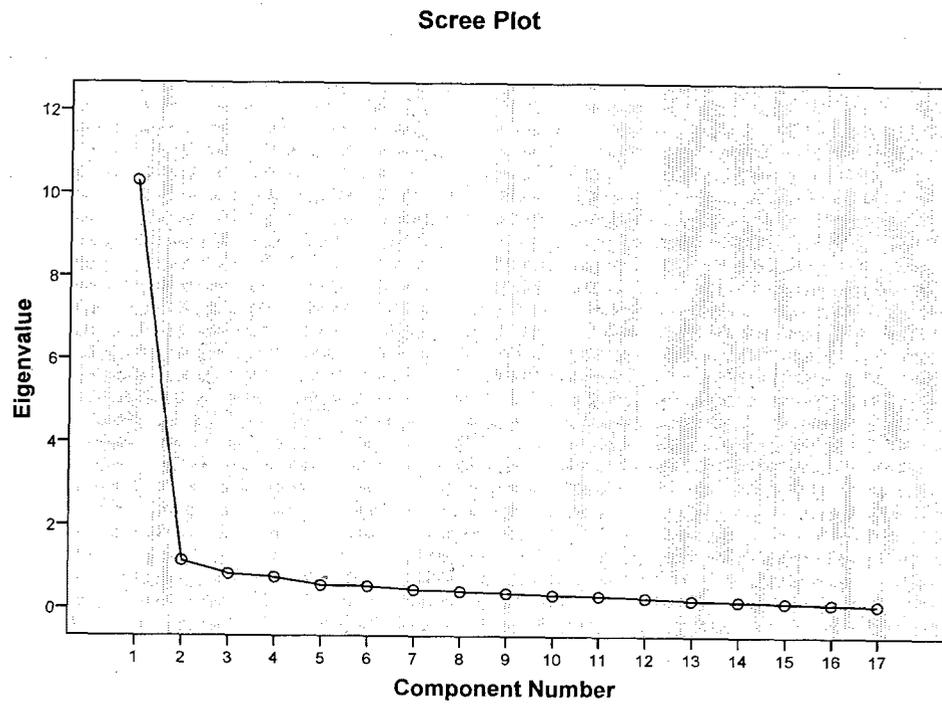
Table 3 - Rotated Component Matrix: Trustworthiness

	Loading	
Top management at ML is very capable of performing its job	**.43**	**.69**
ML is known to be successful at the things it tries to do	.23	**.78**
Top management at ML has much knowledge about the work that needs to be done	.33	**.75**
I feel very confident about the skills of those managing ML	**.47**	**.72**
Top management has specialized capabilities that can increase ML's performance	.32	**.77**
Top management at ML is well qualified	**.40**	**.75**
Top management at ML is very concerned about the welfare of consumers	**.74**	**.46**
The needs of consumers are very important to ML	**.68**	**.45**
ML would not knowingly do anything to harm its consumers	.32	**.56**
ML really looks out for what is important to consumers	**.76**	**.42**
ML will go out of its way to help consumers	**.73**	.38
Top management at ML has a strong sense of justice	**.78**	.30
I don't have to wonder whether top management at ML will stick to its word	**.81**	.25
Top management at ML tries hard to be fair in dealings with others	**.76**	**.40**
Top management has good values	**.77**	**.43**
Sound principle seem to guide the top management's behaviour	**.80**	.36
ML actions and behaviours are not very consistent	**.41**	**.46**

*Loadings greater than .40 shown in **bold***

Correlations

As described above, my first hypothesis, that the apology would consist of 5 distinct yet correlated factors, was not supported by the data. Though the hypothesized factor structure was not supported, I nonetheless expected the two components to have similar relationships to those hypothesized for the single apology factor. Correlation coefficients are listed below. The two main

components of the apology (contrition and restoration) correlated .42 (p<.001) with eachother, indicating clear conceptual overlap between the two distinct factors.

All the relationships I observed followed the initial hypotheses and thus supported the structure of the model I was testing. An interesting exception, was the blame variable, which had no significant relationship with restoration but had a significant *negative* relationship with contrition (r = -18, p= .018), indicating that the more people perceived Michael McCain as having accepted responsibility, understood the harm caused and expressed remorse, the less they blamed Maple Leaf for the outbreak. This goes against what I would have intuitively expected, given that the apology involved an admission of fault.

Participants' sample group was also included in the analysis and had significant correlations with both contrition (r = .31, p<.001) and restoration (r=.18, p= .018). However, given the fact that these variables were predictors and that sampling group did not have a significant relationship with any of the other variables in the proposed model, the assumption of causal closure was not violated and there was thus no need to include the variable in the model.

Table 4. *Descriptive statistics and zero-order correlations among variables*

Variable	M	SD	1	2	3	4	5	6	7	8	9
1. Restoration	3.38	.80	.77	.42**	.58**	.46**	.03 (ns)	.22**	.16*	.24*	.31**
2. Contrition	4.37	.59		.84	.41**	.45**	-.18*	.39**	.22*	.15 (ns)	.19*
3. TFL	3.57	.73			.94	.84**	-.30**	.55**	.14 (ns)	.28**	.12 (ns)
4. Trustworthiness	3.69	.64				.91	-.43**	.66**	.17*	.37**	.08 (ns)
5. Blame	2.74	.87					.93	-.61**	-.21**	-.32**	.10 (ns)
6. Forgiveness	3.72	.77						.91	.27*	.39**	.06 (ns)
7. General Meat Product Purchasing	2.60	1.12							-	.66**	.08 (ns)
8. Maple Leaf Product Purchasing	2.29	1.07								-	.11 (ns)
9. Study Group											-

** *p*<.001; * *p*<.05; ns *p* >.05

Alpha for scales included on diagonal

Collinearity of Transformational Leadership and Trustworthiness

The perceived TFL of Michael McCain had a very strong correlation with the perceived trustworthiness of Maple Leaf ($r = .84$, $p<.001$). This indicated that the two may have an excessive level of collinearity. To check for this, I conducted a multiple linear regression with forgiveness as the dependent variable and TFL and trustworthiness as dependent variables, entered at the first and second step of the model, respectively. When TFL was entered alone, it predicted 28.4% of the variance in forgiveness ($p<.001$). However, when trustworthiness was entered into the equation, TFL was no longer a significant predictor of forgiveness ($\beta = -.03$, $p=.772$), while trustworthiness was a significant predictor ($\beta = .68$, $p<.001$). The Variable Inflation Ration for the two variables was 3.43, supporting the idea that a high degree of collinearity exists between the variables. Because this suggests that the variables are basically interchangeable in the model (since they explain pretty much the same variance in forgiveness), I decided to omit perceived trustworthiness of the organization because participants had had a more direct interaction with the CEO in the case of the current apology. As such, perceived TFL was retained in the model and the omission of trustworthiness resulted in a direct link between perceptions of TFL and forgiveness.

General Linear Modeling

Prior to testing the model, it was necessary to identify the effects (if any) of subjects' gender and sampling group on the other variables. To achieve this, I conducted a multivariate analysis of variance, which revealed a significant effect

of gender on blame ($F = 4.66$, $p = .032$). Further investigation of the plotted relationship indicated that male respondents tended to report slightly higher levels of blame ($M = 2.96$, $SD = .96$) than females ($M = 2.65$, $SD = .80$) (F (1, 169) = 3.95, $p = .048$). However, these effects remain somewhat unclear, since the difference just reaches significance and there were twice as many female (114) respondents as there were males (57).

Sampling group had a significant effect on both apology factors: contrition (damage, responsibility, remorse) ($F = 5.12$, $p = .025$) and restoration (makeup, plan of action) ($F = 13.63$, $p < .001$). The correlations I had previously observed between these variables had led me to expect this result. Since sample group did not affect any of the endogenous variables in the model, causal closure was not violated in the hypothesized model, so I proceeded with the structural equation modeling.

Structural Equation Model

The first model I tested (Model 1) is represented in Figure 2. I modified my originally hypothesized model to fit the pattern of relationships between the variables I had observed in prior analyses. Unlike the majority of statistical tests, SEM tests the null hypothesis that the model has good fit. Thus, researchers usually hope for a non-significant chi-square value, as this is taken to indicate the model has good fit. Besides this statistic, I chose four fit indices to assess my model: RMR, GFI, CFI and RMSEA. The root mean square residual (RMR) represents an estimate of the average difference between variances and covariances observed in the sample, and the variances and covariances expected

in the population (Tabachnik & Fidell, 2007). A lower RMR indicates that the sample and population variances and covariances are close, thus suggesting a model that fits the data well. The goodness of fit index (GFI) approximates a weighted proportion of the sample covariance, which is explained by the estimated population covariance matrix (Tabachnik & Fidell, 2007). The higher the GFI, the better the model estimates the relationship that exists in the population at large. The comparative fit index (CFI) assesses the fit of a model relative to a model with no relationship between the variables (i.e.: independence model) (Tabachnik & Fidell, 2007). Higher CFI values suggest a better fitting model, with a commonly accepted standard of .95 or greater indicating good fit (Hu & Bentler, 1999). The root mean square error approximation (RMSEA) estimates the lack of fit in the model as compared to a perfect model (Tabachnik & Fidell, 2007). Thus, lower values indicate a good fit. Values of .06 or less are commonly accepted as representing a good fit (Hu & Bentler, 1999). The CFI and RMSEA are the most commonly used fit indices (Tabachnik & Fidell, 2007).

Table 5 – Summary of Fit Indices

Model #	CFI	GFI	RMR	RMSEA	χ^2 *p* *df*
1	.99	.99	.03	.09	7.17 .07 3
2	.99	.99	.03	.07	7.63 .11 4
3	.98	.98	.03	.09	11.94 .04 5
4	.96	.97	.04	.11	17.54 .01 6
5	.97	.97	.03	.11	14.95 .01 5
6	.99	.99	.03	.06	7.48 .19 5
7	.99	.98	.03	.05	14.80 .14 10
8	.98	.98	.03	.08	13.46 .06 7

Figure 3- Model 1
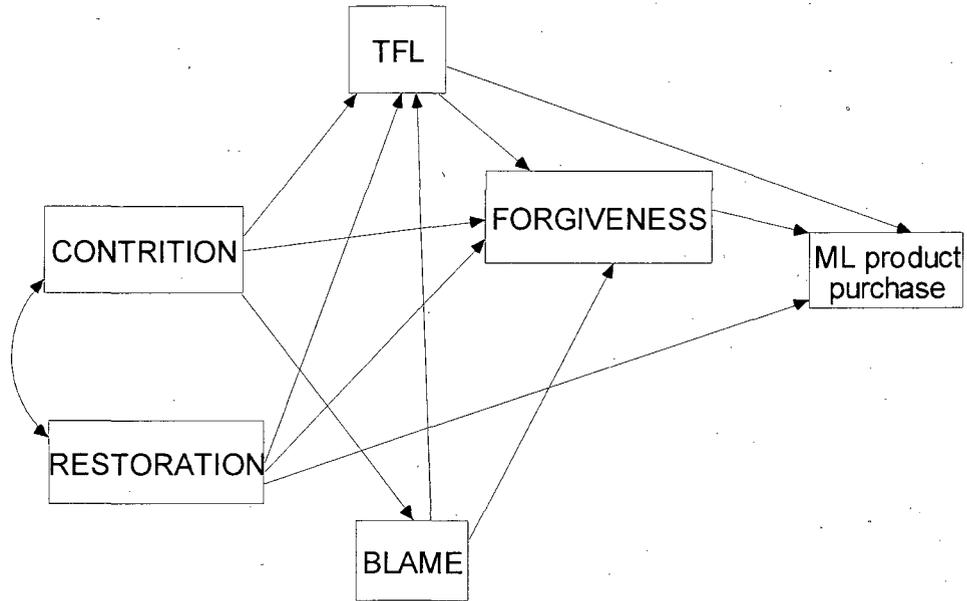
Model 1 had a chi-square value of $\chi^2 = 7.17$, $p = .07$. This suggested that

the model generally had good fit, a notion supported by 3 of the 4 indices I chose

(RMR=.03; GFI= .99, CFI= .99). However, the RMSEA, at .09 ($p= .16$), was well

above the usually accepted limit of around .05. This suggested that, though the

model appeared quite close to fitting the data well, further modifications were

necessary to properly recreate the population's covariance matrix. Several paths

in the model had nonsignificant parameters, including the one linking restoration

to forgiveness directly. This indicated that the relationship between restoration

and forgiveness was fully mediated by TFL (Model 2).

In order to assess the relationship between contrition and forgiveness, I compared a model that involved a relationship partially mediated by TFL and blame (Model 2) to models involving mediation by blame only (Model 3), by TFL only (Model 5) and fully mediated by both blame and TFL (Model 4). The partially mediated model (Model 2) had significantly better fit than Model 3 (χ^2 diff = 4.31, df = 1), Model 4 (χ^2 diff = 9.91, df = 2) and Model 5 (χ^2 diff = 7.32, df = 1). Thus the relationship between contrition and forgiveness is partially mediated by both blame and TFL.

The coefficient of the path between TFL and purchasing of Maple Leaf products was nonsignificant, indicating that TFL's effects on Maple Leaf purchase are in fact fully mediated by forgiveness. I thus tested another model (Model 6) which reflected this relationship. This resulted in a generally well fitting model (χ^2 = 7.48, p = .19; RMR = .03; GFI= .99; CFI= .99, RMSEA = .055, p = .38). While the RMSEA value is still above the standard of .05, the 90% confidence interval included 0, indicating that the true RMSEA value was nonetheless acceptable.

Finally, I added a variable reflecting purchasing of processed meat in general after the recall (a single item measure). I compared a model in which this variable was predicted by Maple Leaf purchasing only (Model 7) to one that included direct paths from all the predictors in the model (Model 8). The difference between the two models was nonsignificant (χ^2 diff = 1.34, df = 3), but none of the paths linking the other predictors to meat purchase in Model 8 were significant. Thus, Model 7, in which Maple Leaf product purchasing predicts meat

purchasing in general., was accepted as my final model (χ^2 = 14.80, p = .14; RMR = .03; GFI= .98; CFI= .99, RMSEA = .05, p= .40). Because there would have been no reason to expect the predictors in the model to affect general meat purchasing directly, these results lend some support to the discriminant validity of the model. The apology, perception of TFL and blame all had effects on participants' frequency of purchasing Maple Leaf products, but did not affect their likelihood of purchasing other meat products directly.

Figure 4 – Final Model (Model 7)
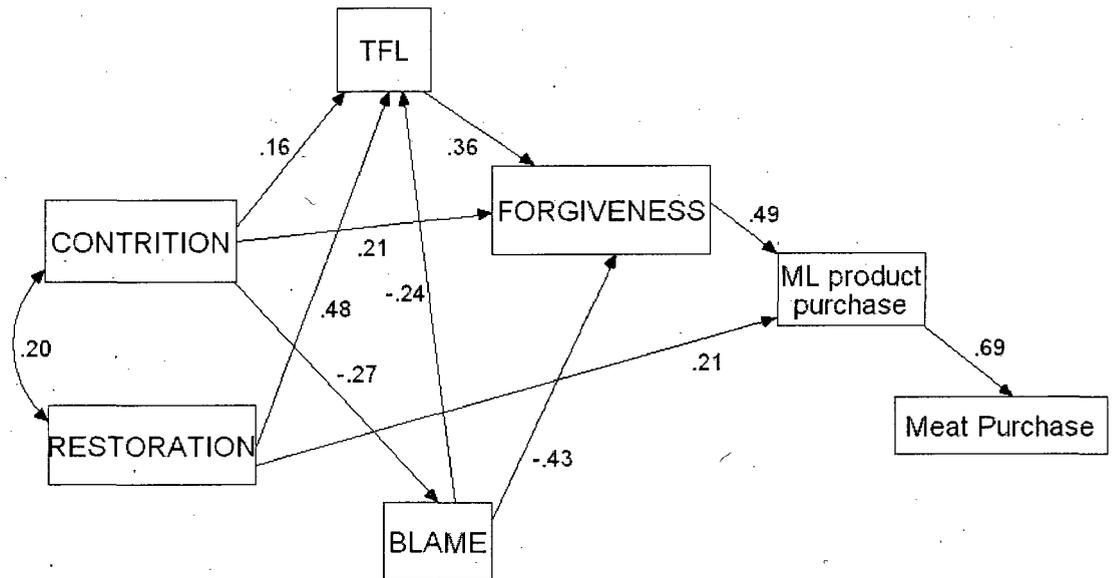
Discussion

These results have a number of interesting implications for the role that Michael McCain's apology played in repairing Maple Leaf's relationship with consumers. Previous work by Barling et al (2008) had found support for a 5-factor model of an apology that included all components fitting together as a single factor. Thus, when originally hypothesizing a model for the effects of apologies, I expected a single apology factor, which would represent how complete the apology was as a whole. However, results from my principal components analysis suggested that the 5 components of a complete apology did not act as 5 distinct components of a single factor but rather clustered into 2 distinct factors, which together makeup a complete apology. I have labeled these factors *contrition* (accepting responsibility, acknowledging damage and expressing remorse) and *restoration* (offering to make up for the harm done and offering a plan of action to prevent the transgression in the future). The term contrition here, refers to a statement made regarding one's understanding of and regret for committing a certain offense. In the present case, it is somewhat distinct from the act of contrition which is common in the Catholic faith, since this latter form does include a pledge not to commit the sin again in the future. Restoration, on the other hand, does not address the specific offense so much as what will be done to repair the broken relationship. This comes in the form of compensation for the harm caused, as well as putting forth a specific plan for how the offense will be prevented in the future. Both components certainly play an important role in repairing the broken relationship.

Although correlations between these two factors indicate that they are clearly related ($r = .42$), the magnitude of the relationship is not sufficient to support considering them as a single factor. This distinction makes conceptual sense, given the first factor appears to address a more relational issue, sending a message about the offender's honesty and code of values. After all, it takes a certain amount of integrity and honesty to publicly accept responsibility for one's failures and express remorse to those who were hurt. Thus, contrition serves to express regret for having breached a previously well functioning relationship and one's desire to repair that relationship. Restoration, on the other hand, focuses on a more behavioural aspect of relationship repair (i.e.: what the transgressor will do to restore the relationship). While offering compensation and a plan of action does also communicate a positive message about the offender, its impact on the repair of the relationship is likely due more to its implications for the future well-being of the victim. The remunerative aspect of restoration serves as an attempt to restore the previously existing state of well-being, while the preventative aspect serves to communicate how the victim's well-being will be assured in the future.

It appears the components of the apology play distinct, yet complementary roles in restoring the relationship. Individuals and organizations who find themselves at fault for some interpersonal offense should keep this in mind when choosing to apologize, since an incomplete apology may not address all the issues involved in the breach of the relationship. In the present case, contrition and restoration played different roles in predicting consumer forgiveness. These results are discussed further below.

Nature of the Offense - In the current context, it appears that individuals did not make a distinction between the underlying causes of the offense (competence vs integrity). While the distinction between these two causes had been observed in previous research (i.e.: Kim et al., 2004; Ferrin et al., 2007), it is possible that the cause may in fact have been too ambiguous in the present case for a clear decision to be made regarding the nature of the offense. Also, the studies cited above used video vignettes and thus manipulated the nature of the offense. In the present study, participants may not have been able to perceive this distinction clearly. In the end, investigations identified the source of the contamination as a space in certain slicing machines where bacteria may have escaped standard cleaning procedures. This still tells us very little about whether it escaped due to incompetence, negligence or some other factor. Even though employees followed the company's cleaning procedures, and despite the fact that these procedures exceeded governmental standards, certain meat products were nonetheless contaminated.

It should also be noted that the items assessing the nature of the offense were developed specifically for this study. As such, it is possible that the lack of distinction between the two factors may in fact result from methodological artifacts.

Despite the fact that individuals may not have been able to distinguish between integrity and competence as causes of the offense, they nonetheless had some notion of whether Maple Leaf was at fault or not. This is reflected by the total score on the scale assessing the nature of the offense. Low scores on both the

competence and integrity scale indicate that consumers did not perceive these to be the reason behind the outbreak. As such, high scores can be understood to represent a high level of internal causal attribution to Maple Leaf. While I was not able to make differential predictions based on the nature of the offense, I was nonetheless able to use the level of internal attribution (aka: blame) in the model.

The fact that contrition was related to the level of blame while restoration was not offers some support for the use of the variable in the model. Because contrition entails accepting responsibility, it would be expected to relate to the level of internal attribution to Maple Leaf. Restoration, on the other hand, deals with compensation for the harm done and the prevention of reoccurrence in the future. It thus would not be expected to be related directly to the level of blame attribution. Interestingly, the relationship between contrition and blame was negative, indicating that the more individuals perceived Michael McCain as accepting responsibility, recognizing the damage done and expressing remorse, the less they attributed blame to Maple Leaf for the outcome. Implications of this are discussed in more detail below.

Trustworthiness – One major surprise from the initial analyses was the degree of collinearity between perceived TFL and trustworthiness ($r = .84$). This suggested that there was substantial conceptual overlap between the two in my current model. As such, retaining both in the structural equation modeling would have been unwise since this would likely have resulted in overfitting of the model (through error variance being attributed to each when in fact they both explain largely the same variance). As such, a decision was made to omit perceived

trustworthiness from my model. Because participants did not seem to perceive a difference between the 3 components of trustworthiness, it was used as a single factor. Because the apology was expected to impact perceptions of TFL directly but trustworthiness only indirectly, I decided to retain TFL in the model and investigate how perceptions of the CEO translate directly into forgiveness.

Although it is certainly unfortunate that trustworthiness had to be dropped from the model, these results nonetheless bring support for the strength of the relationship between perceptions of the leader and the perceived trustworthiness of the organization. In the current relationship repair framework, which focuses on the importance of restoring positive attributions of the offending party, these results support the important role which the leader plays as the public face of an organization. His or her actions in times of crisis will play a crucial role in how the public perceives the organization and thus in whether the public is willing to re-engage the relationship.

SEM- The two apology components, contrition and restoration, appear to be distinct, yet correlated factors. The effects of contrition on forgiveness are partially mediated by perceptions of TFL and blame attribution. The effect of restoration on forgiveness was fully mediated by perceptions of TFL, but not by blame. This supports the notion that when the leader of an organization apologizes for that organization's wrongdoing, the public perceives him as a high quality leader, which makes them more likely to forgive the organization. Restoration appears to have a stronger relationship with TFL than contrition does. This is not surprising, since it consists of offering fair compensation for the harm

done, as well as providing a plan of action for the future, which involves creating a clear vision for the future. Taken together, these results highlight the importance of a leader's behaviour in times of crisis. The assumption that a leader should avoid apologizing for a transgression because it will have a negative impact on how he is perceived and on the organization clearly did not stand in the present case. Quite the contrary occurred. By apologizing for Maple Leaf's transgression, Michael McCain appeared to be a better leader. This resulted in an increased willingness on behalf of consumers to forgive Maple Leaf.

The effects of contrition on forgiveness were also partially mediated by the level of blame, while restoration was unrelated to blame. This makes intuitive sense, given that contrition involves acknowledging responsibility, while restoration does not. Interestingly though, the relationship between contrition and blame was a negative one, indicating that the more the CEO was perceived as accepting responsibility, acknowledging damage and expressing remorse, the less Maple Leaf was considered to be at fault the outbreak. This finding may appear somewhat counterintuitive, since contrition should entail receiving more blame, but this makes sense if the apology is understood to increase positive perceptions of the organization. As such, it appears that the CEO's act of contrition mitigated the blame attributed to Maple Leaf. This has tremendous implications for organizations in similar situations. The usual logic of "deny, deny, deny" may prevent the organization from being found guilty in a court of law but in the court of the people's minds, just the opposite may happen. In this case, accepting responsibility and apologizing for Maple Leaf's mistakes in fact resulted in

consumers blaming the organization less. In the long run, being able to reduce the immediate level of blame attributed by consumers may be much more favorable than the short term benefits of avoiding litigation.

The results from the SEM also suggest that the two components of the apology may play different roles in restoring the relationship between consumers and Maple Leaf. Contrition had a partially mediated relationship with forgiveness, while restoration's effect was fully mediated by TFL. However, restoration did have direct effects on consumer's likelihood of purchasing Maple Leaf products after the recall, as well as partially mediated effects via TFL and its subsequent effect on forgiveness, which also predicted likelihood of purchasing Maple Leaf products. The effects of contrition on Maple Leaf purchasing, on the other hand, were completely mediated by forgiveness. As such, contrition appears to be more important for restoring psychological forgiveness in the relationship, while restoration, which involves offering to make up for the offense and a plan of action to prevent its reoccurrence, was more important in determining the likelihood of purchasing Maple Leaf products after the recall. While accepting responsibility for Maple Leaf's offenses, acknowledging damage and expressing remorse are certainly important for the repair of the relationship, they do not in and of themselves address the safety of the products which lies at the root of the breach of trust. Restoration, on the other hand, does not directly address the relational breach, but does address the safety of the product directly, which explains why it would have a direct effect on the likelihood of purchasing after the recall. These results offer further support for the importance of offering a

complete apology following a transgression, since the different components appear to play different roles in restoring the relationship. Organizations faced with apologizing for their wrongdoing stand to benefit greatly from understanding these implications, since the successful repair of the relationship depends on being able to restore both relational and behavioural aspects of this relationship.

Results from this structural model lend further support to the importance of restoring positive attributions of the offender in repairing a relationship (Dirks, et al., 2009). Individuals who saw the apology as more complete tended to perceive Michael McCain as a high quality leader. Because very few people even knew who he was prior to the listeria outbreak, their impressions of him as a leader stemmed largely from his behaviour during the crisis. Although these perceptions may also have resulted from information other than the apology, there is a clear relationship between the two variables. Perceptions of the leader of the organization partially mediated the effects of contrition and fully mediated the effects of restoration on forgiveness of the organization. It appears that the apology sent a message to consumers that the Maple Leaf had a high quality leader. As mentioned earlier, these perceptions were associated (extremely strongly $(r = .84)$ with the perceived trustworthiness of the organization. Taken together, these results support the important role apologies can play in mitigating public perceptions of an offending party following a transgression.

The results also have substantial implications for the role that an organization's leader can play in restoring a broken relationship with the public. Because a leader both symbolizes and shapes the values and behaviour of the

organization, the public's perception of his values and actions have a serious impact on their perception of the organization. Thus, when an organizational leader is perceived to be dishonest, uncaring, or worst, not in control, during times of crisis, repairing the broken relationship becomes infinitely more difficult.

Limitations

Like all field studies, the lack of control over external variables was a serious limitation of the study. It is difficult to know exactly what people had heard or seen about the recall. While the events surrounding the recall certainly received massive attention in the Canadian media, participants may have been exposed to different views and information, depending on the coverage provided by their source of information. Further complicating matters was the fact that the recall, as well as Maple Leaf in general, continued to receive some attention in the media even as the study was ongoing. Perhaps the most striking example of this was the fact that Michael McCain was voted business newsmaker of the year by members of the Canadian Press. This was announced after data from the first sample had been collected, but before data from the second sample had been obtained. Although there did not appear to be any differences in perceptions of TFL based on sample group, this nonetheless highlights how uncontrolled information could have affected individual perceptions. Similarly, a third message was issued by Michael McCain on December 12th, after the responses from the first sample were obtained, but before the second sample was recruited. This message recapped the efforts made by Maple Leaf to control bacteria levels in their plants and served to reassure the Canadian public. Although the message did

not contain any part of the apology, it may nonetheless have affected individuals' perceptions of Michael McCain, the organization or their likelihood to purchase meat products.

Another interesting element is the fact that Michael McCain never specifically addressed any compensation for victims, yet responses indicate that people did perceive him as having offered to make up for the damage done. Given the general history of damages being paid by organizations in similar situations, individuals may have (rightfully) assumed that Maple Leaf would offer financial compensation to those who had been hurt by the outbreak, but this nonetheless exposes a glaring discrepancy between what was actually said in the apology and what was perceived by respondents.

Another limitation of the study is that it offered only a single "snapshot" of the apology-forgiveness process. Although a longitudinal approach certainly would have been more favorable, it would not have been feasible for this particular study. Nonetheless, future research into apologies should attempt to investigate the temporal aspects of relationship repair, identifying trust levels and other perceptions prior to the breach in the relationship and following the restoration of these following the offense and subsequent apology.

Future Research

Unfortunately, perceptions of Michael McCain's level of TFL and Maple Leaf's trustworthiness overlapped to the point that it was impossible to include both in the model. This is not too surprising since individuals had a relatively limited amount of information about both the CEO and the organization, outside

of the coverage received during the recall. Given this study's focus on relationship repair through restoration of positive perceptions of the offending party, I would have wanted to be able to demonstrate a causal flow, going from apologizing, to perceptions of the leader, to the perceived trustworthiness of the organizations and finally resulting in forgiveness. However, in this study, it appeared that the two variables acted as one and the same. Future research should certainly focus on how perceptions of an offending party's trustworthiness can be restored, following a breach of trust.

Further research into what exactly makes up a complete apology is certainly needed as well. Results from this study suggest that an apology may in fact serve two relatively distinct purposes -- to communicate the offender's integrity, honesty, compassion and a shared set of values with the victim (contrition) and to assure the victim that the harm done will be made up for and that measures will be taken to prevent the reoccurrence of the offense (restoration). However, previous research had found that these five components behaved as distinct but correlated factors. Thus, future research is warranted to identify the exact factorial structure of a complete apology, and how these components work in repairing relationships.

On a related note, future research should also focus on developing a measure for apologies that has more than two items for each dimension, since this restricts our statistical ability to identify the exact factor structure of a complete apology. In the current study, it would have been difficult to find support for five

distinct factors in the apology since each factor is measured by only two relatively similar items.

Another important aspect of apologies that merits attention is the role that offering an explanation plays in the apology process. I believe that offering an explanation may in fact be counter productive since it reduces the level of responsibility the offending party accepts, but offering a sincere explanation for wronging someone may also help place the offense in a specific context. It would be important to understand whether an explanation actually helps improve the prospect of relationship repair or whether it reduces the effectiveness of the apology to the point that the specific reasons for the offense are best discussed separately from the apology, or not at all.

The exact meaning of an apology may also change depending on the language in which it is communicated and the cultural context within which it exists. As organizations continue to transcend geographic and cultural borders, it will become increasingly important for them to understand what types of approaches may be best suited for repairing relationships in various contexts.

Conclusion

The present study provides direct evidence that in certain types of organizational crises, apologizing for one's mistakes can be quite effective. While the threat of litigation will continue to make many organizational leaders wary of apologizing when their organization is at fault, results from the case of Maple Leaf indicate that a sincere, human approach may in fact be more effective for repairing a broken relationship. While statements drafted by lawyers and public

relations experts may address the short term risk of litigation and being blamed, organizations stand to gain in the long run from demonstrating a strong sense of values and character. Results from the current study demonstrate that organizational apologies reduce the level of fault attributed to the organization, can make the leader who offers the apology seem like a stronger leader, and that apologies are an effective means for restoring both the relational and transactional relationships that were originally breached. The importance of maintaining the trust of consumers is vital to all producers and distributors. When this trust is broken, a more relational approach could make the difference between an organization who flounders in times of crises, and one that emerges stronger than ever.

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