**Making amends with the audience: Manager use of public apologies and other amends-making strategies**

Shereen J. Chaudhry, Akshina Banerjee, & Linhui Wu

*The University of Chicago*

After an act of transgression, communications that offer amends are essential to meeting a victim’s needs after a trust violation (Shnabel & Nadler, 2008), and as a result, can be effective at reducing anger, increasing forgiveness, and enhancing reconciliation (Darby & Schlenker, 1982; Kirchhoff et al., 2012; Schumann, 2018; Tomlinson et al., 2004). Much past research has noted that amends-making often consists of multiple components—like an illocutionary force indicating device (IFID) (e.g., “I am sorry”), expression of remorse, acknowledgment of responsibility, offer of repair, promise to change, and acknowledgment of harm—and has been devoted to uncovering the effectiveness of these different components (e.g., Fehr & Gelfand, 2010; Lewicki et al., 2016; Scher & Darley, 1997).

However, most of this past work on identifying different strategies of amends-making is on interpersonal conflict. When it comes to organizational transgressions, amends-making in the public eye serves to affect an organization’s reputation, and thus, subsequent success. For example, online customer ratings and reviews can have an important impact on a firm’s bottom line (Öğüt & Onur Taş, 2012), so a valuable management enterprise is knowing how to effectively respond to negative customer reviews to mitigate the damage in the eyes of other potential customer reading the reviews (Chen et al., 2019). Some work on public amends-making by firms shows that while managers and CEOs explicitly apologizing (i.e., using IFID) decreases negative impressions of the company and CEO (Brocato et al., 2012), it does not equate to taking accountability (Pace et al., 2010). Largely, work on this topic is scarce and little is known about what specific strategies of amends-making, as identified by prior literature in interpersonal conflict, help or hurt audience satisfaction.

We aim to fill this gap in the literature by examining the relationship between well-known amends-making components (apology, offer of repair, taking responsibility, etc.) and audience satisfaction in a managerial context by examining a secondary dataset of manager responses to customer reviews from TripAdvisor. We examine what components are most pleasing to third-party observers, who could be potential customers. Given the prominent discussion on the role of apologies in amends-making, we also ask whether a response needs to be perceived as an apology in order to satisfy observers. This dataset allows us to assess the effectiveness of different components across a variety of offense types and situations, since each manager response corresponds to a unique offense. Furthermore, in contrast to much prior work, we allow for a data-driven (rather than *a priori*) determination of what constitutes a given amends-making components by having coders assess whether an utterance contains a given strategy. This ensures our analyses are robust to small wording changes in these components.

**Dataset description**

Our raw, uncoded dataset consists of 900 manager responses to customer reviews of hotels on TripAdvisor.[[1]](#footnote-1) We had workers from Amazon’s Mechanical Turk (MTurk) code the data in five waves. In each wave, workers coded different features of the customer review and/or the associated manager response. Each worker coded five randomly selected review-response pairs. Customer reviews were coded for whether they described an offense (service failure) as well as the severity of that offense. Manager responses were coded for whether they were personalized, how satisfying they were, whether they contained any apology (regardless of sincerity), whether they contained a sincere apology, whether they contained amends-making components (acknowledgement of harm, offer of repair, promise to change, personal responsibility-taking, and other responsibility-taking, asking for forgiveness, expressing remorse), and whether they contained defense strategies (excuses, justifications, minimization of harm, victim blaming). Note that ratings of satisfaction were collected in a separate wave (by a separate group of workers) from the ratings of apology, apology sincerity, amends-making components, and defense strategies.[[2]](#footnote-2) We limited the dataset to only those observations in which an offense was described by the customer, and observations for which we had at least three separate coders rate each feature. This left us with a final, coded dataset of 692 observations.

**Analyses: SEM and propensity score matching**

We utilized two separate methods to assess the relationship between amends-making components and audience satisfaction, one correlational and one quasi-experimental. Our correlational method was partial least squares-structural equation modeling (PLS-SEM). Through a combination of factor analysis and theory driven assessment, we first identified joint variations between ratings variables that reflect unobserved factors. Five factors were identified: public apology, corrective action, responsibility acknowledgement, explanation, and counteroffensive strategies. Figure 1 displays the five factors in ovals, and in each oval is listed the ratings variables that determine that factor.

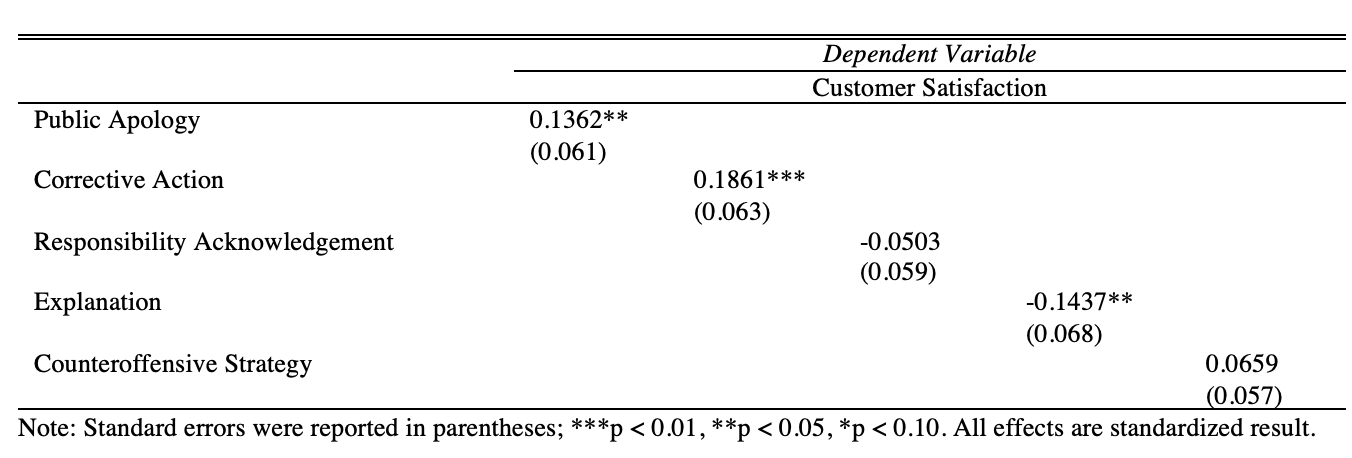
**Figure 1.** Relationships between amends-making strategies and audience satisfaction as generated by the structural equation model. 

Note: Factors are displayed in ovals, with the variables that constitute them listed with bullet points. Direct relationships (black arrows) between factors and audience satisfaction are calculated after controlling for the indirect relationships (red arrows) through public apology.

We ran a linear regression predicting audience satisfaction from these five factors, as well as two covariates (personalization and offense severity). Simultaneously, we included a mediation analysis to assess the extent to which four of the factors impacted audience satisfaction *through* their impact on making the response seem more or less like a public apology. Figure 1 displays direct effects on satisfaction with black arrows and indirect effects through public apology with red arrows.

We further tested the causal relationships between each of the five individual factors that we identified above and audience satisfaction by using a quasi-experimental matching technique (to minimize covariation) based on a combination of propensity score and Euclidean distance.[[3]](#footnote-3) For example, to examine the causal impact of public apology on satisfaction, we calculated the propensity score for each observation, i.e., the probability the observation would be in the treatment group (contain an apology) or in the control group (not contain an apology). We then matched observations across the two groups based on both propensity score and how similar the vectors of their covariates were (using a Euclidean distance metric). Following this, we ran a linear regression on satisfaction with a dummy for the apology treatment group as well as controls for the other variables. Table 1 displays the coefficients on the treatment dummies from the five separate regressions (one for each of the five factors) on audience satisfaction using this method.

**Table 1.** Relationship between factors and audience satisfaction as determined by propensity score matching.



**Results: Amends-making behaviors that lead to audience satisfaction**

We found consistent results across both the PLS-SEM method and the matching method for the relationships between all five factors and audience satisfaction. Only corrective actions and public apologies were positively predictive of audience satisfaction. As shown in Figure 1, corrective actions were even predictive of satisfaction after controlling for their indirect impact on making a response seem like a public apology. This means that things like offering to repair the situation or promising to change can enhance satisfaction even if they are not accompanied by an apology. Furthermore, corrective actions were associated with a larger effect size than apologies in both analyses, suggesting corrective actions are more likely to be satisfying in this context. Surprisingly, acknowledging responsibility was not predictive of audience satisfaction, though it was positively related to perceiving a response as apology. This means that acknowledging responsibility either often accompanied an apology or contributed to making a response seem apologetic. If the latter, then acknowledging responsibility may be helpful in satisfying the audience to the extent it makes a response seem apologetic.

Counteroffensive strategies (harm minimization and victim blaming) did not have a direct negative impact on satisfaction, but they were negatively related to apologies, suggesting either that they do not occur with apologies or that they impede a response from coming across as apologetic. Explanations displayed a more complex pattern: Their direct impact on satisfaction was negative, suggesting that externalizing blame with excuses reduces satisfaction. However, explanations were positively related to apologies, suggesting either that they often occurred with apologies or that they contributed to contribute to a response seeming like an apology. If the latter, then managers should only use explanations when they are sure that their response also contains an apology.

**References**

Brocato, E. D., Peterson, R. A., & Crittenden, V. L. (2012). When Things Go Wrong: Account Strategy Following a Corporate Crisis Event. *Corporate Reputation Review*, *15*(1), 35–51. https://doi.org/10.1057/crr.2011.24

Chen, W., Gu, B., Ye, Q., & Zhu, K. X. (2019). Measuring and Managing the Externality of Managerial Responses to Online Customer Reviews. *Information Systems Research*, *30*(1), 81–96. https://doi.org/10.1287/isre.2018.0781

Darby, B. W., & Schlenker, B. R. (1982). Children’s reactions to apologies. *Journal of Personality and Social Psychology*, *43*(4), 742–753. https://doi.org/10.1037/0022-3514.43.4.742

Fehr, R., & Gelfand, M. J. (2010). When apologies work: How matching apology components to victims’ self-construals facilitates forgiveness. *Organizational Behavior and Human Decision Processes*, *113*(1), 37–50. https://doi.org/10.1016/j.obhdp.2010.04.002

Kirchhoff, J., Wagner, U., & Strack, M. (2012). Apologies: Words of magic? The role of verbal components, anger reduction, and offence severity. *Peace and Conflict: Journal of Peace Psychology*, *18*(2), 109–130. https://doi.org/10.1037/a0028092

Lewicki, R. J., Polin, B., & Lount, R. B. (2016). An Exploration of the Structure of Effective Apologies. *Negotiation and Conflict Management Research*, *9*(2), 177–196. https://doi.org/10.1111/ncmr.12073

Öğüt, H., & Onur Taş, B. K. (2012). The influence of internet customer reviews on the online sales and prices in hotel industry. *The Service Industries Journal*, *32*(2), 197–214. https://doi.org/10.1080/02642069.2010.529436

Pace, K. M., Fediuk, T. A., & Botero, I. C. (2010). The acceptance of responsibility and expressions of regret in organizational apologies after a transgression. *Corporate Communications: An International Journal*, *15*(4), 410–427. https://doi.org/10.1108/13563281011085510

Scher, S. J., & Darley, J. M. (1997). How Effective Are the Things People Say to Apologize? Effects of the Realization of the Apology Speech Act. *Journal of Psycholinguistic Research*, *26*(1), 127–140. https://doi.org/10.1023/a:1025068306386

Schumann, K. (2018). The Psychology of Offering an Apology: Understanding the Barriers to Apologizing and How to Overcome Them. *Current Directions in Psychological Science*, *27*(2), 74–78. https://doi.org/10.1177/0963721417741709

Shnabel, N., & Nadler, A. (2008). A Needs-Based Model of Reconciliation: Satisfying the Differential Emotional Needs of Victim and Perpetrator as a Key to Promoting Reconciliation. *Journal of Personality and Social Psychology*, *94*(1), 116–132. https://doi.org/10.1037/0022-3514.94.1.116

Tomlinson, E. C., Dineen, B. R., & Lewicki, R. J. (2004). The road to reconciliation: Antecedents of victim willingness to reconcile following a broken promise. *Journal of Management*, *30*(2), 165–187. https://doi.org/10.1016/j.jm.2003.01.003

1. Observations were collected from hotels in seven different, major cities spanning across all regions of the United States: Seattle, Los Angeles, Chicago, Houston, Miami, Boston, and New York City. We limited our data collection to customer reviews that gave an “average” rating, i.e., the middle of TripAdvior’s rating scale (“terrible,” “poor,” “average,” “very good,” “excellent”). We restricted to one rating level to reduce variability in unobservable factors that might explain variation in customer ratings, and since our goal was to examine manager responses to service failures, we selected a moderately common rating level that was likely to describe at least one service failure. We limited our collection to 3-star hotels to reduce variability in unobservable factors at the hotel level, while simultaneously ensuring that there would be some variation in the quality and style of manager responses. We selected only hotels that had 10 or more reviews with manager responses, leaving us with a sample of 225 distinct hotels. To reduce the dataset to a manageable size for human coding, we randomly selected four review-response pairs from each individual hotel, leaving us with a total of 900 observations. [↑](#footnote-ref-1)
2. In the first wave, workers coded manager responses for the existence of an apology. In the second wave, workers coded whether the customer review described an offense (service failure) and, if so, rated the offense severity. In this same wave, workers also rated how personalized they believe the manager’s response was and indicated how satisfying they found the manager’s response. In the third wave, workers indicated whether the customer described an offense (v2), whether the manager’s response contained any apology regardless of sincerity (v2), whether the manager’s response contained a sincere apology. In the fourth wave, workers coded the manager’s response five amends-making features: acknowledgement of harm, offer of repair, promise to change, personal responsibility-taking, and other responsibility-taking (i.e., taking responsibility on behalf of others or the firm). In the fifth wave, workers coded manager responses for the presence of remorse, whether they asked for forgiveness explicitly, as well as four defense strategies: excuses, justifications, minimization of harm, and victim blaming. [↑](#footnote-ref-2)
3. This technique is similar to regression in its purpose but does not require an assumption of linearity, and it ensures the distribution of the covariates is similar for the treatment and control groups. [↑](#footnote-ref-3)