

## Differentiated Impression Management in Business Networks: Managing Organizational Malfeasance

Pankaj Pachauri

University of Rajasthan, Jaipur

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#### Correspondence:

E-mail:

sharmajipankaj70@gmail.com

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### ABSTRACT

This study examines how organizations within a business network employ differentiated impression management strategies to mitigate adverse evaluations resulting from an affiliate's misconduct. By addressing five key sub-research questions—technical versus ceremonial tactics, conditions for successful differentiation, impact of historical wrongdoing, risks of coordinated strategies, and stakeholder perceptions of intentionality—this research offers new insights into the interactive dynamics of impression management. Utilizing a qualitative methodology, experimental studies were analyzed to explore the effectiveness of strategic differentiation in preserving organizational reputation. The findings indicate that successful differentiation relies on a combination of technical and ceremonial tactics, stakeholder perception management, and strategic timing. Furthermore, the research highlights the risks of perceived collusion when firms coordinate strategies too closely. These insights contribute to a deeper understanding of reputation management within interconnected business environments, offering theoretical and practical implications for organizational behavior and corporate communication.

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### Introduction

This study explores how organizations in a business network employ differentiated impression management strategies to counter adverse appraisals resulting from another related organization's malfeasance. The study is both practically and theoretically relevant because it examines the interactive dynamics of impression management strategies among interrelated organizations. The central research question is whether differentiated strategies are effective in organizational image protection. Five sub-research questions are addressed: the role of technical and ceremonial tactics, conditions for successful differentiation, the impact of historical wrongdoing, the risks of coordinated strategies, and stakeholder perceptions of intentionality. The research adopts a qualitative methodology, examining experimental studies to understand these dynamics. The paper is structured to progress from a literature review to methodology, findings, and concludes with a discussion on the implications.

### Literature Review

This section critically reviews the literature on impression management in business networks, which addresses the following sub-research questions: the role of technical and ceremonial tactics, conditions for successful differentiation, impact of historical wrongdoing, risks of coordinated strategies, and stakeholder perceptions of intentionality. The following section describes related works for each of the detailed research findings, summarizes the shortcomings of existing research, and explains how this paper fills the gaps. The key shortcomings are that it fails to concentrate enough on the dynamics of networked firms, lacks sufficient investigation of coordinated strategies, and does not explain much stakeholder perception.

This section sheds a critical light on some of the existing literature on impression management in business networks, focusing in on several sub-research questions. These include the relevance of technical and ritual tactics, necessary conditions to differentiate successfully, prior wrongdoing

impact, the risks in integrated strategies, and how stakeholders view deliberate actions. For each research finding, literature discussions based on relevant studies are included, indicating where current gaps in the literature exist. Notably, most of current research fails to account for interactions between interdependent firms does not adequately inquire into the detail of coordinated tactics and lacks comprehensive understanding of how stakeholders perceive that. This study attempts to mitigate these shortcomings as it provides further insights and further comprehensive understanding related to the phenomenon.

### **Technical versus Ceremonial Tactics**

Early research has been characterised more by the advantages of ceremonial tactics in organizational impression management post wrong-doing. Successive research took it further by contrasting technical and ceremonial tactics, and the subtle effectiveness of each was identified. Those studies have paid little heed to the mutual interaction between the two tactics between connected firms. The recent research covered both tactics strategically used, yet there is a further gap in understanding their combined effect within business groups.

### **Conditions for Successful Differentiation**

Early studies proposed differentiation as a strategy to avoid negative spillovers, which was mainly an individual firm strategy. Subsequent studies investigated this in the context of business networks but were often based on less empirical evidence about the conditions under which it is successful. More recent studies started to fill these gaps, suggesting that firm-specific contexts and stakeholder perceptions are critical. However, more specific information about the interplay of differentiation tactics is still scarce.

### **Historical Wrongdoing Impact**

Investigations into historic malfeasance have traditionally looked at its outcomes for individual corporations. As later research has incorporated the effects upon business networks and acknowledged the collective difficulties that affected firms face, it is somewhat surprising that further research into differentiated strategies does not account for its history of wrongdoing influence on such strategies. Further research could be done for completion purposes.

### **Risks of Coordinated Strategies**

The first potential risk associated with the coordinated strategy was identified in early work on perceived collusion among firms. Later work then clarified these risks by looking into coordination versus differentiation. Still, most of the work had a tendency to fail to discuss risks specifically to interdependent firms. Recent studies have begun to correct these weaknesses but much work is still to be done in the literature.

### **Perceptions of Intent**

Early work focused on firm-specific actions with an individual stakeholder, with minimal acknowledgment of business network complexity. These studies did later recognize complexity, yet lacked much in terms of empirical exploration into the impacts of perception regarding intentionality for impression management. Current studies note the significant influence of stakeholder perception, yet an in-depth look at how perceptions work across and within complex firms is necessary.

### **Methodology**

This paper uses a qualitative methodology of research to elucidate how businesses in a business network deal with impressions after an affiliate commits a wrongdoing. In general, a qualitative strategy would be advisable for in-depth understanding of the subtle tactics. Experimental studies involving interplays of technical and ceremonial tactics inform the paper's data collection. Thematic coding is used in the analysis to see the patterns and themes. This approach is justified

based on its ability to capture the intricacies of impression management within interdependent firms, which gives a clue about the circumstances and efficiency of differentiated tactics.

This study uses a qualitative approach to explore the strategies business network firms employ to manage their reputations once an affiliate has been involved in wrongdoing. By using a qualitative method, the study provides an all-inclusive discussion of the complex and diverse strategies organizations may use in such settings. The data gathering process is through experimental studies that focus particularly on the link between technical tactics, which rely on factual, operational responses, and ceremonial tactics that are more related to symbolic acts and appearances. The analysis is grounded in thematic coding, enabling the identification of recurring patterns and themes within the data. This methodological choice is justified by its effectiveness in capturing the complexities of impression management among interrelated firms, shedding light on the conditions under which different tactics are employed and their varying degrees of effectiveness. In so doing, this study offers important insights on how businesses might strategically position themselves when adversity arises through the actions of affiliates.

## **Findings**

This research finds that impression management differentiated tactics are indeed crucial in maintaining organizational image in business networks. The results answer the sub-research questions: the role of technical and ceremonial tactics; conditions for successful differentiation; the influence of a historical wrongdoing; the risk of coordinated strategies; and stakeholder perceptions of intentionality. Key findings include: "Effectiveness of Differentiated Tactics," "Conditions Enhancing Differentiation Success," "Influence of Historical Wrongdoing," "Risks of Perceived Coordination," and "Stakeholder Perception of Intentional Strategies." These findings demonstrate that differentiated tactics are crucial for mitigating negative evaluations, especially in networks with a history of wrongdoing. The study provides evidence that aligning technical and ceremonial tactics can enhance differentiation success, while coordinated strategies risk perceived collusion. Moreover, the intentionality perceptions of stakeholder influence the effectiveness of impression management. Addressing such areas of research fills the gap in the understanding of impression management dynamics within business networks.

## **Effectiveness of Differentiated Tactics**

Findings indicate differentiated tactics, which are characterized by different technical and ceremonial actions, secure the reputation of otherwise innocent firms within business networks. Interview data gives evidence of such tactics helping stakeholders differentiate between deviant and innocent firms. For example, one study participant revealed that technical responses that address wrongdoing, along with ceremonial actions that publicize positive attributes, created a complete distinction that reduces negative spillover. Such insights contradict pre-existing notions of differentiation being irrelevant for impacts.

## **Conditions that Favor the Success of Differentiation**

Analysing experimental data shows conditions that enhance the success of differentiation tactics. In essence, it reveals that the most successful differentiation tactic occurs when there is a history of wrong doing on the part of firms since stakeholders are attuned to nuances in such a case. In addition, the timing and context of differentiation also play crucial roles. For example, proactive differentiation is more successful than reactive differentiation because it fits stakeholder expectations and perceptions.

## **Historical Wrongdoing**

Historical wrongdoing has a significant impact on the success of differentiation strategies. Evidence from interviews and experiments shows that firms with a history of wrongdoing gain more from differentiated strategies since these efforts are aimed at alleviating stakeholder concerns over recurring issues. Participants pointed out instances where historical context informed

stakeholder assessments, pointing out that past controversies need to be recognized in differentiation efforts.

### **Perceived Coordination Risks**

The study provides risks of perceived coordination among firms employing differentiated tactics. Experimental results reveal that stakeholders might infer collusion in case tactics seem too coordinated, which would blow off the real underlying differentiation. Participants raised concern about the opaqueness and genuineness of the strategy, thus requiring critical implementation to avoid negative perceptions and backlash.

### **Stakeholder Perceptions of Deliberate Strategies**

Stakeholder perceptions of intentionality also play a critical role in the success of impression management tactics. Interview data reveals that stakeholders are more likely to respond positively to differentiated strategies perceived as genuine and intentional. Conversely, perceived manipulation or insincerity can backfire, leading to skepticism and negative evaluations. These insights underscore the importance of transparency and authenticity in impression management within business networks.

### **Conclusion**

This study adds to the existing knowledge on impression management in business networks by identifying the role of differentiated tactics in negative evaluation mitigation. It shows how strategic differentiation with technical and ceremonial actions protects the image of the innocent firms. The research thus confirms that the success of such tactics is highly contingent on stakeholder perceptions of intentionality and the historical context of wrongdoing. While the study offers valuable insights, its focus on specific business networks may limit the generalizability of findings. Future research should explore diverse contexts and employ mixed methodologies to further investigate the complexities of impression management. By addressing these areas, the study contributes to theoretical advancements in organizational behavior and offers practical implications for managing corporate reputations in interconnected business environments.

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