



SCHOOL OF
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MANAGEMENT

Master's in Accounting and Finance – Thesis

Organizational scandals in the Swedish Context – a culture of shutting down attention?

A case-study on how Swedish organizations communicate following a corporate scandal

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Purpose: The purpose of this thesis is to provide insight into corporate communication in Sweden following a scandal. Based on the insight, recommendations are made on what companies should consider when communicating following a scandal in the future.

Methodology: The thesis analyzes qualitative data and abductive reasoning. The data has been collected from official statements by the company for formal data and independent channels such as media for informal data. Nvivo has been used to organize the data and has aided in the analysis of data.

Theoretical perspectives: The theoretical perspective used in this thesis is Organizational institutionalism (Najeeb, 2014) to understand the Swedish Context. Based on this, the analysis is conducted with the Accounts theory, through which communication is categorized. Finally, the Situational Crisis Communication Theory is used to compare theory with practice.

Empirical foundation: The empirical foundation for this thesis is six case studies. For the cases, data has been collected from media and official company posts. This includes news articles, interviews in media, press releases and annual reports.

Conclusions: Based on the analysis, I reach the conclusion that Swedish firms have similarities in their communication that is in line with what would be expected based on the Swedish context. This communication differs from theoretical recommendations and from other contexts observed.

Abstract

This thesis discusses organizational communication in Sweden following a scandal. The communication is based on the period after the scandal has gained attention. The communication

is divided into formal and informal communication based on whether the organization or a third party controlled the channel of communication. The communication is analyzed through cases and takes into consideration the Swedish Context. The Swedish Context describes the institutional setting for companies in Sweden, as it has been observed to be a unique situation in the global market. The thesis uses Neo-institutionalism, The Accounts theory and the Situational Crisis Communications theory to analyze how companies act, what effect the Swedish Context has on firms and how it compares to theory. The findings show that Swedish companies generally prefer to communicate without adding new information and use communication that puts as little attention to the company as possible. This is likely because of the Swedish Context's influence on the national market, where little to no public interaction has occurred since the 20th century. Furthermore, Swedish companies tend to communicate reactively instead of proactively, meaning that they do not fill information gaps but instead choose to address the situation once it has gained attention. Future research should focus on developing the Swedish Context as an institutional setting and attempt to gain further insight by interviewing those who work with scandal communication. The thesis contributes to the field of communication by adding the Swedish context as an institutional setting and analyzing how it affects corporate scandal communication in Sweden.

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1 Background

“Corruption, embezzlement, fraud, these are all characteristics which exist everywhere. It is regrettably the way human nature functions, whether we like it or not. What successful economies do is keep it to a minimum. No one has ever eliminated any of that stuff”

said Alan Greenspan, the former president of the US Federal Reserve, in a 2007 debate on Democracy now! about the economic regulations and relations of the US. Corporate scandals go

hand in hand with the existence of corporations, and since the beginning of the corporate world scandals have persisted. A scandal can not only hurt a company's current financials, but also their reputation. Ultimately, the people working in a corporation are those responsible for a scandal occurring, and they may be tried in front of a court, fired or be publicly shunned (Scotter & Roglio, 2018).

A scandal starts at the micro-level, meaning it starts with a corporation committing something of fault. The effect, however, as seen with Enron and British Petroleum (BP) not only occurs at a micro-level but can also move to a macro-level (Bondarenko, 2021) (Pallardy, 2022). To no avail, the company committing the scandal and the employees involved face consequences of their actions or lack of action to prevent something from happening. Companies communicate in order to protect their reputation, but it is not about being able to defend their actions or themselves. It is also about the ability to instill the hope that they can correct their wrongdoings and regain reputation (Coombs & Holladay, 2002).

1.1 Problem definition

From the Financial Crisis of 2008, companies have been met with increasing issues when a scandal has occurred. Not only do companies have to prove themselves in order not to lose shareholders and financial value, but the crisis of 2008 instigated a level of distrust towards companies among the public. This suggests that companies inherently lack a level of trust (Kuhn & Ashcraft, 2003).

The definition of a scandal takes inspiration from Coombs' (2013) definition of a crisis. He identifies the elements of a crisis as a negative event which encourages people to find someone attributable, and learn more information. The difference in this thesis between a crisis and a scandal is that the attributional aspect of a scandal is purely internal. In other words, the organization, or

someone associated within the organization, is responsible for the events that have led up to the scandal. Additionally, a scandal is divided into different periods, and this thesis analyzes the communication of a scandal. Therefore, the events that have led up to the scandal have already occurred, and it is necessary to add that the scandal has to have gained public attention.

Furthermore, as will be discussed in depth below, the Neo-institutional theory proposes two assumptions that function as a basis for how communication occurs and why it is the way it is. Firstly, institutions shape culture and affect how people in an institution communicate (Lammers, 2003). The key assumption to understand here is that the surrounding environment you have, such as the organization you work in, affects your way of communicating. Therefore, one would expect people from the same company to communicate in the same manner. The second main assumption of neo-institutionalism is that institutions are set in the ways they are and it is difficult to change (Lammers, 2003). This reinforces the previous comment on change in Sweden; although it is gradually occurring, it occurs at a slow pace and is difficult to predict.

However, there is reason to challenge these assumptions. Since the Swedish Context historically has seen a close cooperation between political parties and the market, as well as the autonomous labor unions, the situation in Sweden differs from many countries. This leads to the first research question: Is there a pattern of communication following a scandal among Swedish companies?.

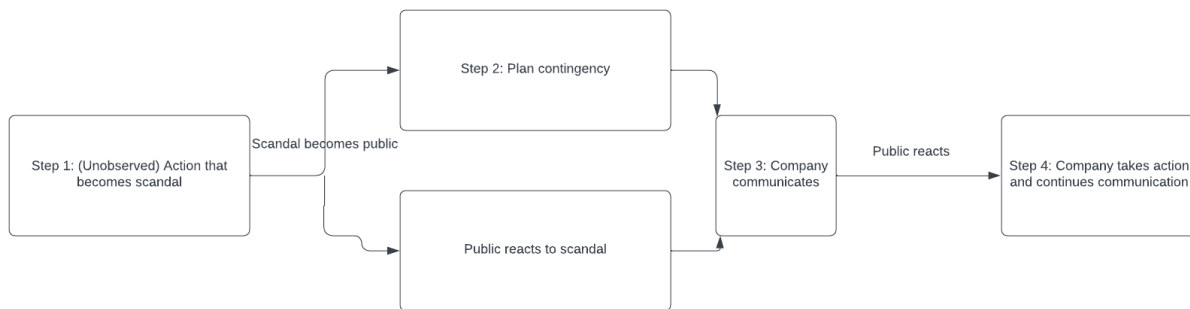


Figure 1. The steps of a scandal.

It is also important to note that the problem of communication in a scandal does not cover all events in a scandal. To explain the scope of a company and compare it to what is covered in the

cases, a four-step timeline is used (Figure 1). The first step of a scandal and the difference is that the information at this point is only internal, as actions are committed that result in a scandal, unbeknownst to the public. The second step occurs when the information reaches the public in any way, be it a whistleblower, auditors finding out, or anything else, the scandal becomes public and can officially be deemed a scandal. This is the point where the market, society and stakeholders gain access to the information regarding the actions that make up a scandal. The third part of a scandal is also internal, since this is where the company creates a plan. The plan is an unobserved event, unless a leak occurs, but since it is not naturally a part of this stage the plan action will remain unobserved. The fourth step is to put that plan into action. This part is observed as it addresses the market, society and the stakeholders. Following the action is the response from the market, society and stakeholders. This could be discussions on social media, media coverage, legal consequences and anything of the sort. The cases cover the third and fourth step of the scandal timeline, and the communication that occurs from the company or people associated with the company. How they communicate in interviews and what jargon they use will be categorized into different accounts, or categories, divided into specific themes.

The Swedish context makes the institutional setting for the cases below. Based on literature, companies that find themselves in a scandal should be honest and accept blame, thus taking responsibility (Coombs, 2013). This is theorized to be the optimal way to protect a company's reputation. However, the most commonly observed account-type identified in Sandell & Svensson (2017) is Silence. Their study was conducted on Swedish firms and their findings contradict the recommendations of the SCCT framework. However, since the framework does not take the institutional setting into consideration, the recommendations do not necessarily have to be optimal. Based on this theoretical framework, the second research question is formulated: Does Swedish company communication differ from theory following a scandal?.

According to research, the best practices for companies today depend on their previous history with scandals. Since the history of a company is one determinant of the magnitude of a scandal, a careful analysis of the situation would be required. Furthermore, it becomes necessary to truly understand the magnitude of a scandal since the attributional level will be high regardless of the history in this case. Scandals are likened to crises that are intentional, or fully attributable to the

company (Coombs, 2013). Therefore, the history of an organization will only serve to potentially exacerbate the scandal and therefore harm the reputation of a company (Coombs & Holladay, 2002). Regardless of a company's history, Coombs states that the optimal way to protect or diminish the damage of an organization's reputation is to be honest with the public. However, Coombs does mention the fact that being honest can include releasing information incrementally and releasing as much of the correct information as possible. This means that not all information necessarily will be beneficial to release, but only to the degree that the risk of rumors is diminished (Coombs, 2013).

Based on scandals from other contexts that will be presented below, the external disciplinary culture attempts to find people to hold liable in a scandal (Ooghe & Langhe, 2002). Pushing blame onto people may divert attention from the organization, and could thus hypothetically maintain a more stable reputation. On the opposite end of the spectrum, internal disciplinary cultures may start with disciplinary actions within the company. This leads to the third research question: Does Swedish company communication differ from common practices?

In Sweden companies are investigated for scandals on a regular basis, meaning that auditors continuously investigate companies and scandals are more so a result of their findings than public outrage. This is what will be described as the Swedish Context, and it will be the lens through which the scandals are investigated. As will be discussed below, Sweden is a place where companies have traditionally had close ties with the government and labor unions (Magnusson, 2005). According to Organizational institutionalism, this setting should influence how organizations behave, and therefore also how they communicate (Greenwood et al, 2017). Despite this, the Swedish model has been less studied (Barca & Becht, 2002). It is interesting to study because the effects of the Swedish model linger to this day. Therefore, it is important to analyze how they communicate and understand that there are differences in the repercussions typically faced by Swedish firms compared to Anglo-American firms in general. Therefore, it is important to consider the effect of the Swedish Context when analyzing the communication from companies that have caused scandals. This leads to the final research questions: Can communication differences be explained by the Swedish context?

1.3 Introduction

With the start of the corporate world, corporate scandals have existed. They do not have to be of malicious intent or nature, and can vary widely in what they mean. A corporate scandal can be accounting fraud, money laundering, employee treatment, or anything that is deemed to be ethically incorrect. The question is not how corporate scandals can be stopped, but rather how they can be handled. Although different scandals require different solutions, the end goal for a corporation in a scandal is to protect or regain their reputation (Coombs & Holladay, 2002). Choosing the correct way to communicate following a scandal can be an important part in protecting and recovering a company's reputation. The communication does not have to be true to what the company does or reveal all information, as will be shown below.

Herein lies the focus of this thesis. The thesis is shaped as a case study conducted on six companies in Sweden that have all gone through corporate scandals. The focus in these cases are how Swedish organizations have chosen to communicate following a scandal. To maintain both a degree of variety and comparison, the cases include three different industries with two different companies in each industry.

The first industry analyzed is the textile industry. The companies analyzed are H&M and KappAhl that have gone through two different kinds of scandals. The H&M case regards a marketing scandal where H&M posted a picture of a shirt in a new collection with the print "Coolest Monkey in the Jungle". The context the shirt was posted in given the model's complexity roused immediate backlash from the public and would lead to a violent demonstration in South Africa. The KappAhl case investigates a report published by Fair Action revealing that KappAhl has underpaid their factory workers in Bangladesh. Therefore, the scandal regards employee treatment and fair wage.

The second industry analyzed is the Swedish banking industry. The companies analyzed are SEB and Swedbank that have gone through two similar scandals, both based on money laundering. The SEB case focuses on money laundering that has been an issue since the early 2000s but gained media attention in the early 2010s. Multiple large accounts in the Baltics exploited SEB for money laundering, and internal controls failed to prevent this from happening. This has led to further

investigation and eventually legal pursuit, as well as being fined by Finansinspektionen. The Swedbank case is near identical, as it also regards money laundering in the Baltics, but a few years after the SEB scandal. Swedbank suffered the same repercussions, and parallel with legal pursuits, they went through corporate restructuring by changing top management. The banking industry is interesting to analyze as it has had traditionally close ties to the Swedish government and the market (Magnusson, 2005). This will be discussed further as it is referenced in the Swedish Context.

The final industry analyzed is the Telecom industry, where the companies Ericsson and Telia make up the fifth and sixth case. The Ericsson case regards bribery in the Middle East. It was discovered that Ericsson, in an attempt to secure their expansion, had bribed people connected to ISIS in order to secure 3G technology and routes for connection lines. This would be investigated by the DOJ, causing Telia to settle for 8b SEK. The scandal would gain attention in media and the conclusion was that Telia's misconduct may lead to change in the entire Swedish market for how to conduct themselves. The Telia case also regards bribery as a means of securing expansion into the Eurasian market. During their expansion, they allegedly held negotiations with Takilov, a person connected to Karimova, the daughter of the Uzbeki dictator at the time. The fraudulent behavior was eventually uncovered by Uppdrag Granskning, and as the events unfolded Telia would eventually be prosecuted by the DOJ and be forced to leave Eurasia in its entirety.

The cases are analyzed and interpreted through three theories. The first theory, Organizational institutionalism, affects the culture and behavior of companies (Greenwood et al, 2017). In Sweden, this is called the Swedish Context. It is important to introduce in order to understand why Swedish companies differ in the way they communicate. The Swedish Context has helped shape the national market and its codependent relationships with authorities and the labor union, at the same time minimizing the relationship between the public and the market.

Furthermore, institutions are difficult to change and likely to affect how companies act over time (Lammers, 2003). Therefore, even though the primary factors that shaped the Swedish Context occurred during the 1900s, the effects could still be present today.

The second theory used is the Accounts theory (Sandell & Svensson, 2017). This theory is used to divide communication into different typologies, called accounts. Accounts categorize the perception a company tries to communicate, the same inherent message can be delivered in different ways. This is done to provide a pattern of how companies communicate.. Furthermore, the analysis considers the tone of communicators and the use of images they have employed to create a certain perspective. The most commonly occurring tone and image is neutral in Sweden, which falls in line with the conclusion of the thesis.

Finally, the Situational Crisis Communications Theory is used as a theoretical framework for how companies should communicate following a scandal (Coombs, 2013). The Situational Crisis Communications Theory is a practical theory that provides a framework for companies on how to communicate following a crisis. The difference here is that this thesis considers scandals, not crises. Therefore, a distinction is made between the two. According to the authors, there are different types of crises depending on the attributional aspect. When a company is fully attributed to a crisis, they are fully responsible for it occurring. This makes up part of what is considered a scandal. Thus the only part of the framework that is considered in this thesis is the fully attributable crises, where the company is responsible for misconduct.

As concluding remarks, recommendations on how companies should prepare for communication following a scandal are made. The recommendations take into consideration the Swedish context and the external environment as Sweden adjusts to an international market. In recent years, there is evidence that adjustments have been made and they should therefore be taken into account. Furthermore, companies should have a framework for addressing scandals that starts with the two aforementioned points. Since the scandals regard companies that have a global reputation as well, they need to consider the external environment not only through the Swedish Context but also the global context.

2 The Swedish Context

The Swedish Context refers to the environment Swedish businesses operate in and it has significant differences from other Western countries. Franks and Mayer (1994) state that ownership and control serve to influence corporate governance. As a result, one has to consider how Swedish companies communicate with the Swedish audience and the repercussions that Swedish companies have to deal with following a scandal.

2.1.1 Corporate Culture

To understand how the 1930's helped develop the Swedish context, one must first understand the culture of Swedish industries (Magnusson, 2005). Since its start, the Swedish industry has been strongly concentrated in terms of companies that control production. As often referred to, the "fifteen families" were a group of family owners that managed to keep a strong market position across multiple industries in the 20th century.

Despite the difficulty of establishing an exact reason as to why, the fifteen families have a common denominator that would allow them to keep a strong market position as the 20th century progressed. All large companies in each industry had subsequently increased their share and power in the entire industry they operated in. Furthermore, Swedish banks often acted as owners, as they had taken an active role in the early days of industrialism. Where the bank lacked ownership, or major ownership, it was not uncommon to see government ownership either indirectly through their insurance companies or directly through lending institutes for example. Therefore, the Swedish commercial sector has always had close ties to the bank sector and the government.

As is a common theme throughout the history of the Swedish economy and the fifteen families is the importance of family business and the strong concentration of ownership observed. The system does not encourage innovation or new firms to take place in the market. Höfeldt mentions that the "heavy politicized system has redistributed incomes but not property rights and wealth" (2004). The perseverance of the fifteen families is prominent today, as 31 of the 50 largest listed firms at the turn of the millennium were founded prior to 1914, none of the top 50 firms being formed after

1970. Despite the stability this system has brought, it has also created a sort of limbo for the development of Sweden's economy (Högfeldt, 2004). The Swedish model is unfit to the globalization of today's business world, but the system is set up in a way that promotes strong concentrated ownership. Despite this, it is changing and developing (Barca & Becht, 2002).

The corporate side of the Swedish Decision Making Model would see organizations being able to influence public sectors in Sweden such as education and policy-making (Magnusson, 2005). Not only were the dominant corporations a large part of the industrial world in Sweden, but also the political sphere. The close interconnectivity allowed the fifteen families to keep control over their industries, which resulted in increased stability at the cost of growth. This has also been inferred to be one reason for the underdeveloped market for shares and bonds in Sweden; rather than publicly traded firms, governance in Sweden has historically consisted of a small group of owners controlling a major part of the market.

According to Magnusson (2005) Despite being able to enjoy a long period of growth, perhaps attributed to the fifteen families, the Swedish Model had a problem that led to the recession in the 90's; it was too specialized and control was too concentrated. Since the system built up by the cooperation between the market and the government heavily incentivized the existing companies to continue to strive, the Swedish industry lacked innovative new companies. It therefore lacks economic and social dynamics, thus Sweden became entrenched in its own system due to the developed-over-time strong common interests (Henrekson & Jakobsson, 2011).

2.1.2 Political factors

The rule of the Social Democrats started with their "Crisis Policy" in 1933, and they would not leave power until 1976 (Magnusson, 2005). The Swedish Model of 1933 would influence the Swedish Context for over the 20th century. The Social Democrats still have a strong hold in today's politics, as do the companies that reigned during the peak of the Swedish Model (Högfeldt, 2004).

The Swedish Decision Making Model exemplifies the importance of the government in the Swedish context (Magnusson, 2005). Through this model, organizations and the government

became more intertwined through common negotiations and cooperation. This is partly why many universities, SVT and public employment services are government-owned today.

Another big part of the Swedish Experiment is the Welfare State and the role it plays for workers. The Welfare state is essentially a system that creates a security net for workers as a tradeoff of having lower wage differentials. It is a taxation-based policy where the state provides the security net, meaning that they can financially back workers who have been terminated or in some way lack the sufficient wage to meet basic necessities. While it is an efficient way of creating a security net, a taxation-based policy is two-fold. The positive aspects of it are obvious, being more secure in that you can survive despite lacking work or that you are able to meet basic needs are the goals of the Welfare State. Being controlled by the government, they are able to allocate resources to ensure that this happens. However, the negative aspect of it is generally pertained to the high tax rates that are required for the state to have the kind of economic resources necessary to implement a well-functioning welfare system. Apart from social disruptions, where individuals may be opposed to a higher tax as certain individuals have a possibility of earning more money and might be better off without the security net, it is also difficult to balance a social security system.

As has been a historical issue in Sweden, a social security system that is too beneficial will lead to people claiming social benefits that might not necessarily need it. This does not only hamper the growth of business as people exit the labor market earlier than they should, but also means that companies have less people to produce revenue. However, in Sweden, the social security model has implemented incentives to work and the labor market for people in the age group 55-64 during the 80s into the 90s showed a participation rate of 70% for males and 63% for females. This is significantly higher than other countries in Western Europe, where the average was 57% for males and 30% for females.

As noted by Lindbeck (1997), the Swedish Model or Swedish Experiment worked best in states of high economic growth. The policy overhaul of the 20th century would catch up as the market suffered significant setbacks in the 1990's, which made researchers consider the timings and amount of fine-tuning on policies necessary. As Sweden has slowed down its economic growth following the 1970s, the author attributes the failure to not only the macroeconomic landscape in

Western Europe affecting all countries, but in particular the misguided economic incentives in Sweden. Changes in the 90s with the central-right government has resulted in changes for the Swedish people in terms of personal economy, and this in and of itself has been a step towards synchronizing the Swedish model for national economy with the rest of Western Europe. However, the results of this remain to be seen and it is not purely dependent on Sweden itself but also external factors and macroeconomic trends (Lindbeck, 1997).

2.1.3 General cultural context

In 1938 a meaningful agreement was struck between the Swedish Confederation of Trade Unions (LO) and the Swedish Employers' Confederation (SAF) called the "Saltsjöbaden Agreement". The agreement made it so that labor market conflicts should be settled peacefully and without government intervention. This has arguably led to the low level of strikes and lockouts experienced in Sweden, shaping the labor market to be less conflict-oriented since problems should be solvable with the agreement. Essentially, this has given labor unions strong influence compared to other organizations on political and administrative decisions. Furthermore, they have been favored by the state, and during the 70s had a co-operative relationship with the Social Democrats. The Social Democrats approved of a deal that would make negotiations with the labor unions centralized, and in turn the party relied heavily on union resources, both financially and in recruiting competent personnel (Lindbeck, 1997). This essentially means that Sweden has had a tradition of centralized discussions regarding labor market issues, and that there historically has been a close relationship between the state and the market. Focusing labor-related negotiations on the labor unions and the relatively small amount of strikes and lockouts has created an environment where authorities are both highly dependent on each other but also have their own sovereignty.

The Rehn-Meidner model and the policy of wage solidarity also plays a central role in the shaping of the Swedish context. The wage solidarity model itself was designed so that companies should ensure pay to its employees. If a company could not meet the demands, it went to the wall. To account for the possibility that this happened, Rehn and Meidner included the government as a central figure of mitigation. The government worked to improve labor relocation, meaning that those who were unable to be employed could be moved elsewhere. Again, the central part of the

Rehn-Meidner model was the emphasized collaboration between the government and the labor market (Magnusson, 2005).

No particular person or organization has been blamed for the shortcomings of the Swedish model, and this lays the foundation for the Swedish context. With a social security net and a history of comparatively few strikes and lockouts, communication in Sweden has not had the same culture following a scandal as other parts of the Western world. In an Anglo-American country, measures are largely taken in response to major scandals concerning fraud and corporate collapse, compared to Sweden, where an auditor is responsible for reporting suspicions of economic crime. Furthermore, the auditor in Sweden has a duty that falls more in line with long-term politics. There is a significant difference in how scandals are handled between Anglo-American countries and more state-oriented countries, the latter applying to Sweden, where the state has traditionally had an influence over the Swedish market as a whole. Scandals in Sweden are handled more on a regulatory basis, where auditors are continuously controlling companies for financial crime, as opposed to Anglo-American countries that handle scandals more reactionary, based on the attention it gets (Larsson, 2005).

Conclusively to the Swedish Context, the Social Democrats rule and their close cooperation with the big families and firms at the time has had a significant effect on the Swedish economy today. The Swedish context is a lens where state actions are primarily a result of continuous analysis and not media reactions, which is also taken into account when analyzing how companies address scandals.

2.2 Other contexts

Company	Context	Summary
Enron	Anglo-American Context	Fraudulent accounting; Company had communicated a strong culture, following the scandal employees have come

		forward to address the faults of the culture. Tendency to push blame in communication.
British Petroleum	Anglo-American Context	Accidental disaster due to faulty machinery; Company addressed the issue, taking full responsibility and blame for the scandal. Focused on what they were doing to mitigate the damage made.
Parmalat	Continental European Context	Fraudulent accounting; Frequent press releases describing the scandal and statements that refer to the future (proactive statements)

Table 2. Summary of Non-Swedish scandals.

2.2.1 The Anglo-American context

According to Ooghe & Langhe (2002), the Anglo-American context emphasizes shareholder focus. This leads to a culture where shareholders are able to spread their investments across multiple corporations, and the relative price of holding a larger percentage of shares is significantly higher than other cultures and contexts. The larger shareholders in the Anglo-American context are often financial institutions, but often they act as agents. This is because of regulations not allowing them to hold shares as a benefit to themselves. The public context in Anglo-American countries therefore displays an element of anonymity; either there is a small concentration of multiple shareholders, or there is one larger shareholder that is made up of multiple investors, or both in some cases.

The Anglo-American context therefore promotes a culture where managers hold relatively large power over decision-making, which is often done in their own interest (Jensen, 1986) at the expense of shareholders. While managers enjoy a greater amount of autonomy in this context, they are also subject to external discipline mechanisms such as claiming liability of management (Ooghe & Langhe, 2002).

The main points to take away from the Anglo-American context are firstly the amount of power management holds to make decisions. Frequently, these are made in management's interest. Secondly, the shareholder culture is anonymous and of low concentration in general. Finally, the context emphasizes the importance of external discipline.

The Enron and BP scandals will be presented below as scandals that have taken place in the Anglo-American context.

The first scandal is the collapse of Enron in 2001 (Bondarenko, 2021). Founded in 1985 as the result of a merger, Enron functioned as an intermediary between customers and companies producing natural gas, enjoying significant growth. In October of 2001, the story of Enron would take a drastic turn as they announced a loss of \$638m and a reduction in shareholder equity of \$1.2b. Following an investigation by the SEC, Enron would be prosecuted for financial fraud and eventually declare bankruptcy.

Enron's communication prior to the scandal created a strong reputation of "free-wheeling moral ethics", where employees were referred to as "Enronians" due to the strong immersion into company culture (Seeger & Ulmer, 2003). Following the scandal, however, employees would reveal the truth this culture had created, claiming that leaders were either too deeply involved in it or too far removed from it to change anything. Furthermore, employees were met with resistance when pointing out errors in the financial statements. Therefore, communication following the scandal mostly focused on blaming the higher ups of the company. In public, blame was pushed on the top management as well, as those were the ones who faced legal repercussions (Bondarenko,

2021). Conclusively for Enron, communication following the scandal was a blame game directed at the higher ups, both from employees and media.

Consider the British Petroleum oil scandal that occurred in 2010. The origin of this scandal can be traced back to a malfunctioning blowout preventer that resulted in an oil leak and an explosion, both detrimental to the environment, killing 11 workers and injuring 17. BP needed to address this issue to the public in an attempt to clear things up and recover from the reputational blow they had taken (Pallardy, 2022).

There are two infamous citations regarding BP's miscommunication following the oil spill (Pallardy, 2022). The then Chief Executive of BP Tony Hayward said "I'd like my life back", and now retired BP chairman Carl-Henric Svanberg referred to those affected by the oil leak as "small people". Both of these are examples of attempts at communicating with the external environment. The latter was an effort in trying to empathize with those unfortunate to be affected by the oil spill, but because of the way the communication was done, they had detrimental effects both for the company and the individuals. In this case of communication, top management emphasizes that they take action and ask for sympathy, saying that the scandal is tolling on them too.

Despite both cases occurring in the Anglo-American context, there is a difference in communication between the two. In the Enron case, employees and media have pushed blame onto top management (Seeger & Ulmer, 2003). In the BP case, the observed communication instead comes from top management. Here, the message is that the company takes responsibility and action, therefore communicating in the hopes of protecting their reputation (Pallardy, 2022). However, seen through the Anglo-American context, the strong focus on addressing the public and pushing blame is to be expected. Both companies are pressured by external discipline, and their communication post-scandal are in line with the expectations of such a context.

2.2.2 The Continental European context

According to Cîmpaneau & Pîrju (2010), the European context is diverse based on the cultural differences that can be found in Europe. In the following section, the Parmalat scandal will be

presented. The scandal occurs in Italy, and therefore the context will be the Continental European context.

Ooghe & Langhe (2003) elaborate on the Central European context. The Continental European context can be referred to as the “stakeholder model”. It is characterized by strong shareholder groups that tend to hold greater voting power in comparison to the Anglo-American context. Furthermore, a majority of the ownership groups are private companies, creating a strong relation between shareholders and the company. The relationship between shareholders and the company in Continental Europe is not only close, but can also be difficult to distinguish. Thus, the ownership structure is less transparent. The strong concentration of ownership in Continental Europe has therefore led to internal discipline mechanisms being more common.

Forgery, neglect, excessive debt and exaggerated profits. These terms came to define the case of Parmalat, nicknamed “Europe’s Enron” (Polleschi, 2010). Parmalat had, following years of struggle, claimed that they held €3.95b in cash and reported that they had an account worth €3.9b in the Cayman Islands. However, following problems paying for a €150m bond, suspicions arose, to which Parmalat cited “liquidation problems”. Furthermore, it is stated that Parmalat had undermined their debt and in actuality their total debt surmounted to €6b, exacerbating the situation further (Jay & Tran, 2004).

Following the scandal, Parmalat frequently communicated through press releases (Catenaccio, 2007). Parmalat initially communicates in order to clarify that they acknowledge the situation. However, in these communication attempts, they primarily retell what has happened rather than add additional information. It is not until the third and fourth press release that Parmalat adds more information, but at this point their communication attempts are still primarily aimed at confuting rumors and allegations. Only in a few instances would Parmalat express taking action to recover following the scandal. Furthermore, they showed unwillingness to communicate with the media and stakeholders.

Given the Continental European context, it is not surprising that Parmalat mostly communicated through press releases. With a culture of internal discipline, it is unsurprising that the company did

not push blame in public. This display of communication is the polar opposite of the Anglo-American context.

2.3 Literature review

The following section will go through the literary concept of Financial communication and its dominant theories, as well as the concept of Corporate communication crises.

2.3.1 The concept of Financial Communication

The literature of communication is widespread, not only is it its own field but it is also applied in multiple other fields. Despite this, the meaning of communication stays the same. Described by Perry (2002), it is the ability to both interpret and use symbolic signaling.

Rhetoric is a method within communication where the speaker addresses a group of listeners with their message (Cheney et al, 2004). In the corporate case, the speaker is the corporation and the listeners can range anywhere from employees to media and the public in general. Furthermore, rhetorics no longer only considers the spoken word, but also other channels that function to convey a message. Such channels are not limited to the spoken or written word. The sender must also consider that the relationship between sender and receiver can influence how a message is interpreted. From this perspective, one might expect a larger organization to act a certain way towards shareholders compared to a small organization.

A theory not directly related to communication but that can still be found in the subject is Institutionalism (Najeeb, 2014). The field has developed into two kinds of institutionalism that can be found in other institutional theories. These are “old institutionalism” and “new institutionalism”. New institutionalism focuses on the cognitive processes and their effect on structures and legitimacy.

Löblich & Scheau (2011) present the Critical communication studies prominent in the 1960s-1980s, and explains its downfall with the rise of mass communication. The emphasis of critical communication was to challenge taken-for-granted assumptions within the field of communication.

The rise of mass communication - the act of communicating with a large number of people - has led to the assumption of a crowd being challenged (Perry, 2002). A crowd was once thought of as a homogenous group, but has since developed into a heterogeneous group where the people are anonymous to each other. This means that the crowd consists of actors with different characteristics, but in general the actors within a crowd have little or no interaction between them. Mass communication today is broader than before in the sense that it not only considers a different crowd, but also broadens the interpretation of what communication is.

Presented by Jones (2013), another influence on the field of communication and its development is the Organizational Theory. Its application in the field of communication has formulated and inspired the development of financial communication (Falkheimer & Heide, 2018). The organizational theory regards the study of how organizations function and interact with the environment they operate in.

According to Meyer & Rowan (1977), financial communication starts from the institutional perspective, thus first considering the external setting. The Institutional theory's main points are that institutions are difficult to change and they shape the behavior and actions of companies in an institutional setting. The organizational lifecycle is outlived by the institutional setting and both new and old organizations have to adapt to potential changes in the setting as they adjust to its rules and norms. Companies seeking legitimacy need to conform with social rules and responsibilities, all the while attempting to minimize uncertainties.

As noted by Falkheimer & Heide (2018), strategic communication, which makes up the ground pillar for organizational communication, has originated from three fields; mass communication theory, organizational theory and what is commonly referred to as the humanities (language and rhetoric).

Sandhu (2009) argues that the institutional theory and institutionalization can be used to better understand strategic communication, but that it is underutilized in current research. Strategic communication and organizational communication studies in general have focused on the intent of communication as communication between organizations and the public grew. When adding institutionalization to the analysis, researchers will also have to consider the effects of the organization's surroundings that affect it and the way it behaves.

This is a different perspective than the classic rational-choice and managerial perspective that can otherwise be found. Using the institutional perspective, a researcher looks at a specific field of organizations that are subject to the same institutional setting. The core assumption of the institutional theory is that organizations are forced to conform to external expectations of whichever environment they find themselves in. As media has expanded into a communication ecology, organizations are now under more scrutiny, strengthening this core assumption.

2.3.3 The concept of Corporate Scandal Communication

In recent years, crisis communication has become increasingly important as media focuses more on crises, and in particular, organizational crises (Falkheimer & Heide, 2018). A significant amount of research within crisis communication focuses on patterns of communication within the data analyzed. Crisis communication as a study focuses on the external environment of the organization and therefore often recommends frameworks that are based on external communication.

According to Falkheimer & Heider (2018), crisis communication stresses the importance of honesty and admission. Within crisis communication, the framework for how to handle a crisis is divided into three steps. The first step regards the company controlling the narrative by giving information quickly following a crisis. In this way, they are theorized to protect themselves from harmful rumors. The second recommendation is to stay consistent with information flow. The organization should not contradict itself, and different members should have a consensus of the story told. The final recommendation is based on openness, which essentially means that the

company should not only have a spokesperson available to give information, but should also be transparent in the information they give.

The Situational Crisis Communication theory, or SCCT, became a separate line of theories among crisis communication in the 1980s (Coombs, 2013). The theory is based on social psychology and blame, meaning that people connect an event to a behavior in a way that benefits themselves and pushes blame on someone else (Falkheimer & Heide, 2018). It was developed from the idea that each crisis resembled a situation, and that a response to a situation had to be uniquely tied to it, meaning that there is no one way of answering a crisis situation. It depends on what it looks like (Coombs, 2013). The SCCT is a developed field, but has been criticized due to lacking certain elements.

Most commonly, there are two studies that occur in SCCT research. The first considers the individual firm. This type of study focuses on an organization in a crisis and measures its attributional elements as well as history of crises and performances. While this does give an internal view of the company, it has been criticized to be too focused, and not consider outside elements of the firm enough. Rather than look at what external factors can affect how a crisis should be handled, the individual organization SCCT studies have looked from the company to the outside.

The SCCT research by Coombs & Holladay (2002) emphasizes the importance of understanding from whose perspective a crisis is viewed. The classification of a crisis and the attributional aspect may differ depending on if it is the organization's perspective or the stakeholder's. Furthermore, the area does not consider the emotions crises can evoke as much as might be justified. Another limitation of SCCT mentioned by Coombs (2013) is that it is limited by its grounding in the Attribution theory. Future research, he suggests, should focus on increasing the understanding of a crisis situation and the crisis response strategies available. Coombs & Holladay's study contributes to the field with their refined SCCT framework for handling and preventing crises (2002).

Although the presented theory handles the organizational side of crisis management, the research side offers different theories. One such approach to analyzing corporate communication is the Accounts theory. An account in its natural language is defined as “A statement made by a social actor to explain unanticipated or untoward behavior”. Penned by authors Scott & Lyman, the theory of accounts was originally introduced in 1968 (Scott & Lyman, 1968). The account is a rhetoric construction meant to close the gap between expectations and outcomes (Sandell & Svensson, 2017). If this fails to be the case, the account is seen as a defensive measure. The theory of accounts portrays the process as the giving and receiving of accounts, where the communicator is the giver of accounts. Depending on the account used, the communicator can shape the message, and therefore attempts to control a reproduction of reality. The two general accounts are “excuses” and “justification”. Excuse suggests that the communicator acknowledges a negative event but denies responsibility, while a justification means the acceptance of responsibility but a denial of the negative consequences of an event.

In their study, Sandell & Svensson (2017) identify seven different account types: Excuses, Justifications, Refocusing, Concessions, Mystifications, Wordifications and Silence. Their research therefore contributes with adding typologies to the field of accounts. Refocusing is a typology where the communicator attempts to direct focus from the event, instead referring to a point in the future or in the past. Concessions is a means to admit guilt, and therefore it attributes the event to the organization. Mystification is an attempt at neutralizing the problem, making the message vague or otherwise difficult to understand through, for example, generalized or abstract statements. Wordification serves a similar purpose to mystification, but instead of a vague statement, the communicator will repeat previously communicated facts in other ways. For example, a company can communicate facts through numbers in their statements, and wordification would be repeating that statement in words. This does not add anything to the message, but can serve as a veil for the communicator. The last typology of accounts is silence, where the communicator declines to make a statement. In the accounts theory, silence is still interpreted, as it represents the idea that the organization may know something that they do not want to communicate for example.

2.4 Theoretical background/Framework

This section will go through the dominant theories in Organizational communication and crisis communication. Following, a comparison between theory and practice will be made.

2.4.1 Traditional theories on Organizational Communication

In its essence, institutions shape behavior. From that point, they are difficult to change because people are afraid of seeing the new results instead of defaulting to old patterns according to Steinmo (2001). If companies are satisfied with how they have handled the scandal, there is no reason to change the pattern of communication. However, economics and business management is about the importance of being able to adapt to new surroundings, and there may be better ways to address scandals than the current methodology. Furthermore, practitioners that prepare and write communications following a scandal, at least when included in the annual report, are consultants. They are therefore removed from the institutional core of the organization, and may have an easier time adopting a new strategy for communicating post-scandal. While some might question the importance of changing communication method or tone, one must again regard the key of business and economics being changed. Whether or not most think of it, there is no disregard that the social environment has changed. Adding to that point, Steinmo also states that “Change in a system is the product of external shock to that system”. The system of how practitioners communicate following a scandal should therefore also change.

Lammers (2003) uses neo-institutionalism to explain the environment in which businesses operate today. He describes the current social environment as paradoxical, where business leaders are praised for their performance when the business is going good, but blamed when things turn bad. In this manner, they are the hero and the villain. However, new institutionalism can explain this complexity. Its main focus is the value and regulatory environments of the organization, thus it does not suffer from the same blindside as previous research regarding organizational communication. When previous research has suffered from not taking into consideration multiple angles that can affect the firm, such as other firms, or other networks when researching a network,

the neo-institutional perspective takes into account the surrounding environment of an organization.

Born from institutionalism and organizations is Organizational Institutionalism (Najeeb, 2014). This field's primary question asked is "What does the institutional perspective tell us about organizational behavior?" (Greenwood et al, 2017). Analyzing an organization through the lens of Organizational Institutionalism takes into account the contextual placement of the organization; what historical and processual aspects take place? This theory allows researchers to explain mismatches between observations and theories. In the setting of institutionalism, institutional legitimacy is defined as the perception or assumption that the organization conforms with its surrounding net of rules, norms, values, beliefs and definitions. From this perspective, it is instrumental that an organization achieves institutional legitimacy in order to thrive and survive.

2.4.2 Current theories on Organizational Scandal Communication

In research, other common theories used to analyze and interpret communication are found. Impression management can be connected to popular theories within crisis management today. An analysis of corporate communication can be done through the lens of neo-institutionalism, but in order to understand and interpret the results, impression management is utilized. It has been used to identify what communication corporations are using to instill belief or legitimacy, as stated by Allen & Caillouet (1994). Allen and Caillouet apply impression management together with institutionalism. In economic literature, impression management is viewed as a communicative way of affecting the external perception of an organization. In its essence, impression management is one theory developed from corporate rhetorics. The field of rhetorics is interlinked with other theories of talk (Cheney et al, 2004) such as Critical Discourse Analysis (CDA), narrative theory and ethnography. Narrative theory, as the name suggests, is about storytelling and inductive reasoning.

Cheney et al (2004) have identified specific characteristics that concern organizational rhetorics. Upon further elaboration, the authors conclude that organizations deal with contingencies, uncertainty and ambiguity, either embedded or implied in interaction. Furthermore, credibility or

ethos plays an important role in contemporary rhetorics regarding organizations. There is a certain expectation for company behavior. As will be discussed in the results section, there is clear evidence that this is still the case today. Companies tend to address scandals in a stately manner without involving too much sentiment, especially when doing so on their own platform (such as a website) or in their annual reports. Finally, the complexity of the audience is considered in rhetorics increasingly over time, and especially for organizational rhetorics.

Rhetorics also consists of three different functions, or as stated by Cheney et al (2004), “dimensions”. These are the specific form of rhetoric, its direction, and the strategy. The form of rhetoric is mostly focused on what is analyzed and how appropriate it is for analysis. For example a published text can be considered finished and ready to analyze, but there are also cases where a text may not be entirely finished. In those cases, it would be appropriate to consider whether or not the text or object for analysis has any other purpose.

For understanding how theory is applied in practice, the SCCT has a developed framework. SCCT has, in part, been inspired by attribution as well, in the sense that it helps identify the situation of the crisis. As with the above described crisis communication, SCCT also places an emphasis on taking responsibility for a crisis in order to protect the corporation's reputation, or repair it when necessary. The SCCT framework starts with defining the crisis type. It is divided into victim, where the corporation has little to no responsibility; accidental, which carries minimal crisis attribution; and intentional, a strong attribution of crisis responsibility. Following the assessment, the organization or whoever responsible for responding to the crisis must consider the company's previous history. Crisis history concerns whether or not the company has had a crisis before, and performance history regards how well the company has historically done towards stakeholders. This is inspired by the Attribution theory, which states that actions today depend on historical events, as they are an indicator of functionality in the present. In literature today, severity is considered a potential indicator of intensifying the magnitude of a crisis, but has not been developed enough to be included in the framework on a permanent basis. The final part of the framework of what to consider when assessing and responding to a crisis is the response strategies. These strategies are divided into sections depending on their aim. At times, the aim can be to deny the crisis, and can move to diminishing and rebuilding. Strategies aimed at repair and protection

of reputation have been divided into two primary subcategories; Instructing information and Adjusting information. Instructing information is used for protection against physical threats, should there be any, while adjusting information is protection for psychological issues. The researchers of SCCT emphasize the importance of organizational reputation, how different responses have shown to affect the reputation following a crisis. Denial, scapegoating and diminishing responses are all examples where the company attempts to minimize the magnitude of a scandal, but have proven to be ineffective as reputation protection. Instead, SCCT suggests rebuilding, compensation, apology and bolstering as strategies that can be used in a combination with each other as the most appropriate tactic for keeping or improving organizational reputation. Despite these being agreed on as the appropriate tactics, the SCCT is still not so researched that there is a clear understanding of for example bolstering (Coombs, 2013).

The SCCT does not only regard how to react to a crisis, but also how to prepare for one. According to Coombs & Holladay (2002), there are a total of 13 identified crisis types that can be divided into three crisis clusters. These clusters are based on crisis types that follow the same classification; the victim cluster, the accidental cluster and the preventable cluster. The aforementioned BP scandal would fall into the category of accidental cluster, while the analyzed cases fall into the preventable crisis cluster category. These types of crises are characterized by intentional fault, where the organization knows it is conducting inappropriate or illegal actions purposefully. Based on the belonging of a category, similar crisis types can be handled in similar, not identical, ways. Therefore, a company can prepare for each type of crisis, and if they want to prepare for a scandal, the organization should be aware of the intentional nature and the attributional level it brings (Coombs & Holladay, 2002). Despite the possibility that not all employees are responsible for a scandal, it is still advisable to be prepared that some employees can cause a scandal.

Apart from protecting reputation during a time of crisis, theory also states that companies are constantly searching for legitimacy. Stanton & Stanton (2002) add to the legitimacy perspective when discussing corporate communication. According to their research, the most common means of communication from companies occurs in the annual report, where there is a natural connection between the company and a potential narrative it wishes to show. Despite the CAR (Corporate Annual Report) mostly being made by design agencies, at least for larger companies, they are still

an important means of communication. Stanton & Stanton mention five perspectives used when communicating through corporate annual reports; the Image Perspective, Marketing Perspective, Political Economy Perspective, Legitimacy Perspective and Accountability Perspective. Therefore, the legitimacy perspective has developed to include various aspects in which companies seek legitimacy. This ties in with reputation, as a scandal may present a time in which historical legitimacy plays a role for protection.

Within crisis management, a scandal would equate a crisis to which the company is fully attributable. Therefore, theories of crisis management and communication are applied when a company is fully attributable to a crisis. Important to note is that crisis management theories such as SCCT can provide similar solutions both where a company is fully attributable and when it is not.

2.4.3 Current practices in Organizational Scandal Communication

Having gone through what current theories suggest are the appropriate strategies for an organization in a scandal, how does theory translate into practice? Bergmann et al (2016) conducted a study on international organizations in the Twittersphere. Twitter is a platform that allows users to communicate with each other through short messages, and is therefore a platform that allows a direct connection between organizations and the public. In their study, they find that despite the increased possibility of interaction, companies still choose not to address scandals on Twitter. At most, they tend to repost links to statements made on their official websites. Any direct response to a scandal-related tweet was the exception instead of the norm. The authors draw the conclusion that companies under pressure opt to broadcast rather than interact, in the sense that they are more likely to make statements and refer to those instead of interacting with the public.

Sandell & Svensson (2017) studied the rhetoric of goodwill impairment of Swedish firms. Their study takes the theory of Accounts approach and applies it to statements made by companies in annual reports. What they found was that the two most common accounts used by companies addressing goodwill impairment were silence and excuses. When excuses were made, companies externalized the fault of goodwill impairment, citing the “market” as a common reason.

Meanwhile, silence regards the practice of making no comment regarding the matter. Although this is not focused on scandals, this study is of importance to characterize how Swedish companies act when faced with some kind of negative event. Arguably, the negative magnitude of a scandal will outweigh the negative magnitude of goodwill impairment, and therefore it will be interesting to see whether or not companies show the same pattern when faced with scandals.

Brühl & Kury (2019) conducted a study regarding bank presidents' letters during the GFC, using accounts as their theoretical framework. They suggest that presidents use accounts in order to influence the perceived responsibility judgments of stakeholders. The study therefore draws on attribution theory and self-presentational theories to provide an answer. What they found was that the least common account is concession, while the most common is relativization. This suggests that presidents will avoid guilt-ridden statements regarding blame and instead shift the focus to how well-positioned they are in relation to other banks. Presidents using this type of strategy actively try to downplay responsibility. Furthermore, most of the statements made regarded the future of the bank. Regardless, the authors find that organizations in a crisis tend to employ accounts that are neutral and avoid giving information directly related to the responsibility of past performances (Brühl & Kury, 2019).

2.4.4 Comparison between theory and practice

Comparing the theoretical with the practical in scandal communication, there are differences to what is suggested, however, what is suggested is not what researchers expect to find. Specifically, researchers have found patterns in their studies that align with the practices of companies. However, it does not align with the recommendations made by researchers.

Based on the presented research, a framework for handling scandals should be followed. It should start with noting the setting of a scandal. This means that the organization should analyze the institutional setting and the external environment, as well as the internal history of all crises, not just scandals, and the nature of those scandals. If an organization is a repeat offender of a particular financial crime, they can expect the scandal to be of greater magnitude. The company should then decide how to communicate information regarding the scandal. According to literature, initial

communication should be focused on filling information gaps and getting the story out to the public before any speculation occurs. This should be done in order to protect the company's reputation, which is seen as their main asset. Following this, the consensus among the presented theories is that the company should take responsibility. This does not mean that the company reveals every misconduct they have made, but that they accept responsibility for the actions they have taken relevant to the scandal. Theory does not specify, however, if companies should accept responsibility through excuses or concessions. This may depend on the performance of the company overall and their historical record of scandals, therefore making it a case to case basis.

Despite this, observations seem to claim the contrary. Companies are quick to shift blame or avoid any sort of blame, individuals within a company may instead choose to deflect blame completely. The overall case from research would suggest that companies favor excuses and deflecting the responsibilities, as well as shifting focus. Instead of taking the blame for a scandal, companies focus on the future of the company and explanations are made based on external loci.

The case for Swedish companies is similar, but differs in one point based on previous research. The overall finding is that Swedish companies prefer to stay silent rather than address the scandal. Since the second most popular observation is excuses, there is an indication that Swedish companies prefer either not to address a scandal or at the very least, downplay the responsibility of the scandal. Based on the comparisons, best practices should take into consideration both the theoretical and the practical aspects of communication following a scandal.

2.4.5 Theoretical framework and best practices

We are living in a world where the internet and social media not only contributes to the fast spread of news, but also the interaction between organizational bodies and people. Both affected and unaffected people are able to express themselves and their feelings towards certain events, in this case scandals, which also means there is a possibility for companies to directly interact with people.

Based on the aforementioned issue of an increased number of challenges for companies today and the problem where the public has lost hope in organizations following the financial crisis of 2008, a closer relationship between organizations and the public may make them seem less removed and foreign. A close relationship could be established through more interaction with the public and through a less formal language.

Communication classification is conducted through the Accounts theory, dividing and classifying statements. These statements will then be discussed through the Organizational institutionalism and Situational Crisis Communication Theory. The use of the Swedish Context establishes the institutional setting in Sweden for organizations, therefore using the Organizational institutionalism theory as a lens for the interpretation of the data. The SCCT is used as a way to include recommendations based on the framework provided by Coombs (2013).

3.1 Methodology

This section goes through the stages of gathering communication information to the cases, sorting the information and how it is analyzed.

3.1.1 Connection between methodology and theory

The data is analyzed on a case-study basis, where the communication of points three and four (Fig 1) is analyzed. It is therefore of sociological nature, and its goal is to interpret the communication and analyze jargon between firms across different cases. It is therefore of a qualitative nature. The results and interpretations are based on human cognition. There are characteristics to qualitative data that carry meaning in a different way than when they are used in quantitative data, which requires the author to be more sensitive to the analysis (Saunders et al, 2012).

I recognize that this thesis is qualitative, which can cause concern for potential biases in the analyzation and data gathering process (Noble & Smith, 2015). In order to account for potential biases, I have analyzed the data through the Swedish Context with already established categorizations through accounts. Furthermore, the data gathering process remains consistent throughout all cases; a thorough search has been conducted by investigating company websites,

annual reports, blog posts and media. In order to avoid missing anything, any media article or coverage that has mentioned the company in the relevant years of the scandal has been investigated. Furthermore, the data sorting process has allowed me to review the collected data in order to be consistent in the selection and categorization of the data. The process of data analysis and sample collection will be described in detail in the following sections.

3.1.2 Data gathering

Data source	Data classification	Information gathered
Dagens Industri	Informal	The data gathered from Dagens Industri (DI) has been interviews with associates to the companies. Since the media is responsible for the output of information, this is classified as informal.
Company Blogposts	Formal	Company blog posts have been used to find additional information regarding crises. The information found in Blog Posts are often more relaxed in nature and tend to address recent issues.
Company Press releases	Formal	Company press releases are quite common as information sources in this thesis. Information in press releases often include retelling of the current events and what

		actions the company will take.
Company annual reports	Formal	In Annual Reports, the information differs depending on where in the report it is found. Often, it is found in the CEO letter as a personal addressation to the scandal, often resulting in mystification. It can also be found as a separate section, similar to press releases it usually contains retelling elements and a focus on the future.

Table 3. Summary of data sources.

To begin with, I have limited the area of research to companies active in the Swedish stock market, Nasdaq OMX or of comparative size. This choice was done to narrow down the number of companies available that are forced by law to hold a standard of responsibility towards shareholders. The choice of scandals is based on large corporations in Sweden that have either had historical importance or are well-known outside of the country (Table 1 Appendix). Any data collected in this process is secondary data (Table 3). This is the most appropriate kind of data when conducting research of this nature, since the importance of analyzing existing trends is emphasized. Any kind of video that has been deemed important to include in this thesis that originally was in Swedish has been transcribed by the author. Following this, scandals have been divided into three cases which will be analyzed and function as the basis for the results to answer the research questions.

3.1.3 Data sorting

The primary methodology for this thesis is discourse analysis (Gill, 2000). This means that the text analysis is carried out with a skepticism towards the wordings of a message, and that one must consider the context in which the message was produced. The discourse analysis is carried out using Nvivo 12 (available via Lund University) to find patterns in the texts and identify the sentiment. I used corpus analysis primarily as most of the statements were in written format, at times accompanied with an image. The images and portrayal in filmed media have also been subject to analysis in order to form a full picture of the communication a company is trying to reach out with. Furthermore, when there has been a video press release, the tone of the speaker has also been analyzed together with the image portrayed.

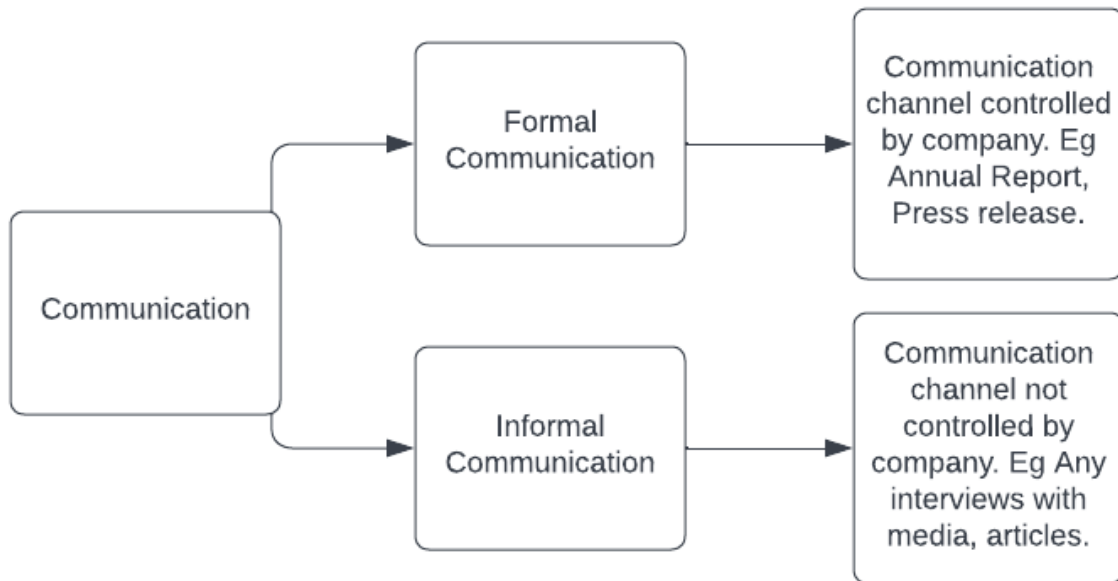


Figure 2. Types of Communication.

After all information was gathered, I sorted it into two categories where necessary (Table 2). The first category is formal information. Formal information is any message through a channel that is directly controlled by the company. This regards information published by the company, such as a press release, their official website, the company blogpost or in the annual report. The second category used to identify information is informal information. The criteria for informal information

is that the company cannot control the channel of the message, and therefore cannot choose its setting or context. For example, interviews with the press are a common example of informal information. Most of the information gathered has been formal communication, and most of the informal communication has been collected from Dagens Industri and Uppdrag Granskning¹.

The methodological approach to the analysis is based on the literature. First, Organizational institutionalism is applied when considering the Swedish Context. The Swedish Context is an institutional setting applied to all Swedish companies and is instrumental in answering the research question. The text analysis will be approached based on the Accounts theory. The Accounts theory can be used as an analytical device for communication, and since it divides communication into characteristics, the analyst can recognize patterns in communication. Finally, the SCCT is used as a benchmark to compare how theory states that an organization should communicate during a scandal with how the analyzed companies have communicated.

Based on the results of the findings, abductive reasoning has been used to identify trends in the communication methods. Inductive reasoning is commonly paired with qualitative research. The approach is based on finding data first and then formulating recommendations based on common themes. Since I analyze communication to find jargons used when making a statement regarding a scandal, inductive reasoning is the most appropriate method. This thesis has emphasized the importance of communication following scandals, where the nature of communication has been key. Therefore, in the sense of an inductive approach, this study has divided the findings from the gathered data into codes. *Comparative analysis*.

To sort the identified jargons I have used nodes through the program Nvivo 12 plus. The nodes have been divided into different categories with subcategories to describe the kind of wording and sentences used by the investigated companies, as well as potential images they have published in

¹ Dagens Industri is a Swedish tabloid published online and as paper, which covers the industrial world. While it is focused on Sweden, it contains global news and is a well-trusted source. The newspaper is owned by Bonnier News.

Uppdrag Granskning is a Swedish television program featuring investigative journalists that scrutinize societal issues. It is a well-trusted source in Sweden that has helped uncover scandals in the past.

conjunction with addressing the scandal. Not all documents found have included apologies, since I have searched for instances where the company addresses the scandal. Therefore, not all categories of nodes include an apology to describe them.

The five main categories of nodes for text and speech decided were Bolstering, Avoidance, Explanatory, Fault and Silence. There is also a sixth category, Imagery, for any images accompanying statements by companies.

The first category, Bolstering, regards companies talking about what they will do following a scandal, taking action to do something. The subcategories in this category are Reactive and Proactive. “Reactive” regards companies mentioning that they either have taken action or will take action to mitigate the damage dealt by the scandal. “Proactive” are future-oriented statements where the company communicates that they take action, often in a preventative manner.

The second category is Avoidance. The three subcategories are “Deflecting”, “Wordification” and “Mystification”. “Deflecting” means that the company tries to signal either that the scandal is not of the magnitude as perceived by the public, or in one way or another trying to reduce their blame. They can either admit fault and try to reduce the severity of it, or completely dismiss that they are at fault. “Wordification” is the communicative practice of using words to retell the communication that numbers already tell. For example, acquisitions made are described in the financial statements, describing it again in words would be classified as wordification (Sandell & Svensson, 2017). “Mystification” regards companies talking around the subject to the point where it becomes difficult to discern how the sentence or sentiment relates to the scandal (Sandell & Svensson, 2017). Such communication occurs when a company answers a question in a tone or manner that seems to add perspective and insight without any clarifications, therefore not providing the receiver any additional knowledge.

The third category is Explanatory. Explanatory means that the company states the facts of what has happened, retelling the story through their perspective. It consists of two subcategories, “Sentimental” and “Retelling”. “Sentimental” refers to when the company recalls the events of the scandal, or events leading up, and adds emotional words to the recollection. “Retelling” refers to

a situation where the company is neutral in describing the current situation and events that have led up to it.

The fourth category for texts and interviews is Fault. Fault refers to a situation in which the company has to admit that they have done something wrong, accepting blame. Two subcategories are used, the first being “Formal admittance” and the second being “Concession”. Formal admittance refers to a situation in which the company admits fault by first describing that something wrong has occurred, and then taking blame themselves in a neutral tone. “Concession” regards a situation in which the company takes on a more personified approach to admitting fault, using emotional wording to convey the message.

The final category for text and audio is Silence. Silence refers to when a spokesperson for a company refuses to give information. The refusal can come in different forms. For example refusal to participate in interviews, a refusal to answer questions during interviews, stating that they cannot give particular information due to legal reasons and refusing to give information, citing that it is immoral. Any of these are deemed to belong in the category “Silence” because in one way or another, they strictly refuse to comment on a certain topic.

I use imagery as a category when companies post images as a way to convey their message. The subcategories are “Clean” and “Cluttered”. “Clean” refers to an image free from figures and often with less colors and more scales, such as grey, white and black. “Cluttered” refers to an image with many colors or stronger, more vibrant colors such as orange, often with a more intricate design, such as using arrows and circles with text to convey the message.

After these nodes were coded, I went through the texts in Nvivo. Parts of the text that fit into each category were then put into the respective node. This is done to be able to sort and analyze data easier, as well as using Nvivo’s feature to find the percentage of each document that belongs to a certain node. From that point, the percentages are used as a basis point to decide on patterns. Finally, Nvivo’s word cloud function and coding density have been used where applicable. The Word cloud function displays how common certain words are and is not applicable for all cases ‘,

however the coding density function has been used to identify the most common types of accounts for each case, formal and informal.

3.2 Cases

Company	Start date	End date	Summary	Communication
H&M	January 2018	February 2018	Inappropriate print on a shirt gains media attention.	Concessions and future-aimed messages commonly found.
KappAhl	October 3rd, 2018.	December 2018	Bangladeshi factory workers underpaid, KappAhl receives the most critique	Deflecting and focusing on what has been done most common
Swedbank	February 2019	December 2020	Money laundering in the Baltics	Primarily Mystification and Deflecting
SEB	March 2019	June 2020	Money laundering in the Baltics	Primarily Deflecting
Ericsson	2018	<i>Ongoing investigation</i>	Negotiation and bribery with ISIS associates	Primarily Mystification, Retelling and avoidance of answering

Company	Start date	End date	Summary	Communication
				questions
Telia	2012	2019	Negotiation and alleged bribery with Uzbekistan's regime	Primarily Retelling, Deflecting and Proactive.

Table 1. Summary of Swedish scandals.

The cases presented in this thesis follow company communication during scandals through the Accounts theory by categorizing the different modes and sentiments of communication and deriving a result from that.

The case follows a scandal's lifecycle together with communicated repercussions of a scandal (Figure 1 Appendix). The case starts as communication has been initiated, either from the company or the media. The end of a case is marked by the lack of communication from either side.

The cases will follow the same structure of information, classifications and analysis. First, a description of the scandal and its surrounding events will be given to provide sufficient background along with a starting and ending point of the case. Second, an analysis of the percentage of which accounts the company most commonly refers to in regards to formal and informal information will be provided.

3.2.1 Case 1 - H&M

What happened?

In January of 2018, H&M published a new shirt on their website which would cause a storm in the media, receiving public backlash and attention from celebrities. The clothing company was accused of racism when they released a picture of a boy in a shirt. The boy in question is black and

wears a green shirt with the text “Coolest Monkey in the Jungle”. People have engaged in social media, where comments such as “I am fucking disgusted. What was the thought process behind this H&M?” and “H&M has lost their mind and me as a client. This marketing is completely inappropriate and racist” can be found (Öhrn, C. Aftonbladet. 2018). Celebrities such as LeBron James (18th of January, 2018), professional basketball player with a following of over 30 million on Instagram at the time of the scandal, wrote “*We as African Americans will always break barriers, prove mistakes in others and work harder to prove that we belong*” as a response to H&M’s marketing of the shirt . Undoubtedly, the shirt quickly brought media attention.

Shortly after, H&M issued a message saying that they apologize for the unintentional mistake and have decided to recall the shirt. The attention from the public was direct and powerful, but in the professional field of marketing there were differing views. No law had been broken during this scandal, rather it was a question of moral issues. In an article by journalist Wolodarski (2018), Ossiansson, a doctor in brands at Gothenburg University’s school of economics and law, expressed her surprise as to how the campaign for this shirt passed through internal controls: “It is surprising that H&M failed to pull to brake before it was too late”. Adding to that point, she says “[H&M] doesn’t need more negative publicity when their capability to adjust to digital change is already questioned”. When asked if the scandal would result in long-term damages for H&M, she is cited saying “If there is another negative story added to this one, it will complicate things for the clothing giant”. Her view differs from Söderlund’s, a marketing professor at Stockholm School of Economics, who says “I have a hard time being truly upset. The company should’ve picked another shirt, but at the same time they get plus points from me for choosing a non-traditional model. They should’ve of course picked another shirt”. He concludes his thoughts with “Even if there is a huge opinion, there are few documentation cases with lasting brand-damage. People forget quickly”. Seemingly, despite their different views, both have come to the same conclusion in that the scandal itself is not enough to significantly damage H&M’s brand. However, this scandal resulted in other short-term issues for H&M.

Lundin writes an article for DI covering the aftermath in South Africa (2018). In the following days, protests in South Africa led to H&M closing 17 of their stores due to threats of violence. Lundin, citing South African news, says that the violent protests are a result of the opposition party

in South Africa encouraging protests following H&M's marketing campaign. According to news reports, the protest is violent in nature and firearm violence has been reported. As a result of this, H&M closed the stores and issued a written statement to the public "Our employees' and customers' safety is our main concern and we have closed all of our stores in South Africa due to the ongoing protests ... our employees on site are monitoring the situation closely. We also encourage those protesting in South Africa not to take out their dissatisfaction on our employees. No person has been injured as of now. For safety reasons our stores are temporarily closed. This regards 17 stores". Furthermore, H&M has denied DI an interview regarding the situation citing "that the company is currently getting a lot of questions" (Lundin, DI. 2018).

Communication for the H&M scandal seems to have dissipated in the following months of January 2018. Furthermore, H&M themselves have not made further attempts at bringing this issue up again. Therefore, the scandal is deemed to have ended in the beginning of February. However, it is important to remember that this scandal has had long-lasting repercussions on the public view of H&M. To give context, despite the scandal in and of itself being over, H&M has continuously in the years following been accused of racism. News titles address these as "another allegation against H&M's racist culture", for example.

H&M's formal response

H&M's communication regarding the scandal has been laconic. Following the scandal, H&M made a Facebook post and an official statement on their web page. Both of these are considered formal forms of communication. In their Facebook post, they keep the message short and address the situation as an attempt at filling potential information gaps. The most common accounts H&M used in their statements regarding the scandal were concessions and mystification. Furthermore, H&M has addressed the past of what has occurred and often attempts to connect the past to future changes that will allow them to change. Following will be an analysis of specific quotes from their formal communication based on accounts.

Quote 1: "The recent incident was entirely unintentional, but it demonstrates so clearly how big our responsibility is as a global brand"

The first quote can be divided into two parts. The first mention of the incident is that it was unintentional, which is then followed up by talking about how big of a responsibility the company has as a global brand. While this could be seen as a concession, I argue that it is closer to mystification, as H&M shifts focus from the scandal to their brand's impact.

Quote 2: "We have reached out, around the world, inside and outside H&M to get feedback. Our commitment to addressing diversity and inclusiveness is genuine, therefore we have appointed a global leader, in this area, to drive our work forward."

The second part of their Facebook post focuses on what H&M has done in the past and what implications that have for the future. The statement is classified as mystification, because H&M does not attempt to describe anything in particular, other than sufficiently enough to state that they are taking action.

Quote 3: "H&M Issues unequivocal apology for poorly judged product and image"

Quote 4: "Our position is simple and unequivocal - we have got this wrong and we are deeply sorry"

In these quotes, H&M states with sentiment that they are responsible for the incident. They agree with the blame they have received, thus these quotes fall within the concessions account. Furthermore, these two statements are stand-alone sentences in their issued apology. This can be interpreted as a signal that H&M wants the focus to be on the fact that they take responsibility for their action. However, in the same statement H&M mentions multiple times that, while they are wrong, the incident was "accidental" or "unintentional". Furthermore, they again bring up their status as a global brand. This can be seen as part of a concession and simultaneously as an attempt at downplaying the responsibility for the scandal. In quotes 3 & 4, H&M takes responsibility but focuses on expressing their regret and show that they sympathize with the public opinion. Taken into the context of the entire statement, I interpret this as expressing fault but at the same time attempting to downplay responsibility and project the accidental nature of the incident as the perception the public should take.

Quote 5: “We have taken down the image and we have removed the garment in question from sale. It will be recycled”.

Quote 5 is the only statement H&M has made that is directly related to their actions in a clear and concise way. It therefore falls within the category of Bolstering - Reactive. H&M states what they have done and it is the result of an event. However, this is also the only statement found that addresses their actions and does not fall within the mystifications account.

For imagery, H&M has posted one picture to Twitter. As this picture is only text, it is likely communicated as an image due to the 180 word restriction on Twitter. In their Twitter statement, H&M emphasize their regret of the incident and also the print itself. They reiterate what has already been said in their official statement on their webpage. Therefore, it falls in line with Bergmann et al’s (2016) study on company communication on Twitter.

Finally, using Nvivo to make a word cloud of the formal communication from H&M, a few words stand out as the most frequently used. These are “diversity”, “global” and “responsibility”. Other notable words that stand out are “accidental” and “apology”. This signals that H&M typically stress their global presence to describe the setting of the incident. Furthermore, as mentioned, they downplay the responsibility by mentioning its accidental nature, and finally, they tend to accept the blame for the incident.

H&M’s informal response

Communication from employees or people connected to H&M through uncontrolled channels has been limited in this scandal. The only informal response that could be found was an interview by Dagens Industri (DI) with Helena Helmersson, CEO of the H&M group. The interview regards the shutdown of H&M stores in South Africa and how H&M are handling the situation. Helmersson approaches the manner by mentioning internal efforts to mitigate the potential damage of the situation. Although this interview regards the scandal, the main issue is the recent events in South Africa caused by the scandal. Helmersson therefore only briefly addresses the scandal and does so indirectly. She mentions that she believes H&M has taken “great strides” regarding social

responsibility but “have to stay humble”. This falls in the bolstering account, and is a statement that addresses both the history and the future. Due to the lack of statements, no word cloud is generated for H&M’s informal response.

3.2.2 Case 2 - Kappahl

What happened?

In 2018, Fair Action published a report that would bring to light the misconduct by Swedish clothing companies in Bangladesh (Fair Action a, 2021).

The scandal first gained attention in 2018 when Fair Action published a report based on data conducted from years prior with interviews featuring factory workers in Bangladesh. In the report, it is stated that Swedish clothing companies pay Bangladeshi workers insufficient wages to uphold a fair living standard, thus failing to meet the UN’s requirement for a living wage. Overworked employees state that they do not earn enough to cover basic needs. Additionally, this salary is above what the minimum salary was at the time of the report (Kjellqvist & Sjödin, 2018).

This report gained attention in Swedish media, and SVT’s reporter Winberg (2018) published an article where he attempted to gain insight into the issue. In the article, multiple clothing companies are mentioned, however Winberg states that KappAhl is the company that has received the harshest criticism for their conduct in Bangladesh. Giving context to that statement, the clothing import from Bangladesh to Sweden had increased by 60% since 2012 to 2018, making Bangladesh the second most important import country behind China. Out of 29 factories at the time of the article’s publishing that KappAhl employed, only two factories had union agreements, and those agreements are not similar to the ones in Sweden. KappAhl did not participate in an interview with Expressen either. KappAhl’s chief of communication instead refers to a blog post from the company where they comment on the report published by Kjellqvist and Sjödin. Ronge writes an article for Expressen (2018), mentioning that the minimum wage for the Bangladeshi factory workers will be raised to 840 SEK per month as opposed to the, at the time, current average wage of 760 SEK per month. The decision by the Bangladeshi government is however far from enough, as it is half of what local Bangladeshi unions have demanded. Furthermore, KappAhl refuses to

participate in an interview for the article, instead answering with a written statement saying that they agree that the wages in Bangladesh are too low and that they are working towards bettering that.

Sjödin who wrote the report on KappAhl and other clothing companies, says that it is remarkable that KappAhl fail to do more to contribute since they purchase 40% of their clothes from Bangladesh, a fact backed up by KappAhl's own webpage (KappAhl Health and Safety, n.d.). According to her, by raising the price of KappAhl's clothing by one SEK would allow factory workers to have a sufficient living wage (Kjellqvist & Sjödin, 2018). Despite mentioning this in the report, no changes have been made.

KappAhl's definition of a living wage is "sufficient to cover basic needs for the employee and their family as well as provide some additional income", directly contradicting the manner they have been conducting business in Bangladesh. Important to note is that this living wage should not only be sufficient in amount, but should also be earned in a "normal working week", which according to the UN corresponds to at most 48 hour long work weeks, significantly less than what the workers in Bangladesh are currently subjected to, and that KappAhl has decided not to specify how long they think a working week should be. Despite the definition of a living wage, KappAhl has no time bound goal for increasing wages, declines to disclose the average wage at their factories, does not have a reward system for suppliers with higher wages and has not proven to be involved with the Bangladeshi government in an effort to increase wages. KappAhl only mentions in their sustainability report that they are working to implement more targets and actions for "Responsible Fashion Strategy" during 2017/2018.

The end date of this case corresponds to when the news and impact of this report had lessened. Since KappAhl has stayed relatively quiet throughout the entire scandal, the indicator is instead based on media and Fair Action. The report interviews were conducted in the beginning of 2018, data has been collected throughout the 2010's and the report was published in October of 2018. Following this, media outlets have and KappAhl's responses are primarily concentrated in the final quarter of 2018, thus making the end of 2018 the end of this case.

KappAhl's response

Despite the magnitude of the scandal, KappAhl associates have not made comments in interviews or anything similar. Therefore, the only response type available is formal response directly from the company.

The first response from KappAhl regarding the Bangladeshi wages comes from an article by SVT. Despite receiving the harshest criticism from the Fair Actions report, KappAhl declined an interview with SVT. Their refusal to address the situation with the media therefore falls in the silence account. This could be interpreted in multiple ways. Either KappAhl are not prepared to answer the question, they know too little about the situation, or the reverse, they know about the situation and revealing the truth would worsen the situation. Either way, this conduct opens the scandal up for interpretation and can cause rumors.

Apart from their refusal to participate in an interview, KappAhl has made two official statements. The first statement is indirectly related to the Bangladesh scandal. It is an informational text called "Healthy and safe working conditions" posted on their website and is still available today. In this statement, KappAhl recounts the production spread of their products with no additional comment on it. The following section addresses their requirements on suppliers.

Quote 1: "We are committed to ensuring that the people who work for our suppliers have decent working conditions, reasonable working hours and a decent wage. [...] This is where our Sustainability Commitment (previously Code of Conduct) for suppliers comes into the picture. This is a key element in the contracts we have with our suppliers, and covers areas such as freedom of association, wages, working hours and workplace safety."

The first quote is the beginning of the supplier requirements section, where KappAhl vaguely state what they are doing and to what end. The entire statement uses words that can be interpreted as important, or to make something sound important, such as "key element". However, when reading the section, KappAhl avoid stating anything practical that has been done. The statements made are all vague; "decent working conditions", "reasonable working hours", and "decent wage" for example are all examples of mystification. It is a way for KappAhl to provide information that

does not clear anything up. Based on the fact that KappAhl did not disclose any specific actions here or in the Fair Actions report, no information regarding specifics can be found. The information KappAhl offers mostly consists of empty words, thus the reasoning that it is mystification.

The following section of their statement on the webpage is titled “A living wage - a complex issue”. The introduction of the section discusses living wages as a challenge faced in manufacturing countries, and in this case KappAhl has added a sentence that can be interpreted as their definition of a living wage. According to them, “a wage that makes it possible for the worker to pay the costs of basic needs such as food, water, housing, healthcare, education, clothing, transport and child care”. Despite this definition, KappAhl is unable to meet the requirements in Bangladesh. In fact, they focus on the fact that wages are rising but acknowledge that it is from a “low baseline, and that the rise is slow”. Through this, KappAhl shifts the focus from the fact that they do not pay sufficient wages to the issue at large. Therefore, it is a situation where they recognize the problem but attempt to downplay their own responsibility.

Quote 2: “So why is this so difficult to achieve? Can the wages not just be put up here and how? Regrettably, the answer is no.”

This quote follows the previous paragraph about the concept of a living wage. By “Regrettably, the answer is no” KappAhl communicates two things primarily. Firstly, they communicate that they share the sentiment that wages are difficult to change. However, they do not communicate that they share the sentiment that wages are too low. Furthermore, by answering this question, KappAhl indirectly communicates that they have attempted to raise wages but have found out that they are difficult to raise. While there may be some truth to this statement, it actively avoids specifying to what extent KappAhl has attempted to raise wages. The quote and the previous paragraphs discussed are therefore classified within the mystifications account. They actively talk about the issue but avoid connecting it to themselves directly, projecting a perception of awareness without specifying what actions are taken.

Quote 3: “The textile manufacturers are just some of the many stakeholders influencing the situation. And the wage issue is linked to social challenges in these countries”

The third quote is an example of pushing responsibility. By mentioning textile manufacturers and “many stakeholders”, KappAhl pushes responsibility towards other actors. The mention of “many stakeholders” can be interpreted as mystification due to the vague nature of the statement. However, the quote as a whole is aimed at shifting the weight of responsibility away from KappAhl, and is therefore classified within the deflections account.

Following this quote, KappAhl mentions that their part of the work to bring wages to a normal level is primarily based on choosing suppliers and “extensive industry alliances”. None of these are concrete statements that give the reader any idea of how KappAhl actually contributes to change. Furthermore, knowing that the Fair Action report failed to find any information on how KappAhl contributed to the issue. Therefore, this also falls under the mystifications account.

Finally, KappAhl made a blog post as an answer to the Fair Action report. The blog post is titled “KappAhl does not turn its back on women”. This is a response to the report being titled “Left Behind - how fashion brands turn their back on women in the Bangladeshi garment industry”. The title of KappAhl’s blog post is therefore interpreted as deflecting in the sense that they refuse to take responsibility for being part of the wage problem, despite the fact that 40% of their garments are manufactured in Bangladesh. KappAhl begins by recounting the report and its contents, focusing on the fact that they have called out KappAhl as the most criticized firm.

The following section of the blog post regards KappAhl’s position regarding the report. The section begins with KappAhl describing the importance of the report to drive the dialogue of wages. Following this, KappAhl mentions actions they have taken in a vague manner and shifts responsibility towards Bangladeshi institutions. KappAhl states that Bangladeshi institutions are as important in creating change as they are without addressing what they have done to change the situation. The section finishes with the following

Quote 4: “At KappAhl we have chosen to be *transparent* in our work by *continuously talking about it*”.

This quote attempts to paint the picture that KappAhl are open with what actions and precautions they take. Despite mentioning steps they have taken, they rarely if ever provide concrete evidence and most of their communication falls within the mystifications or deflections accounts. Speaking vaguely and providing abstract solutions while at the same time shifting responsibility from KappAhl to other institutions does not provide the information necessary to be transparent about the situation.

In the final section of the blog post, KappAhl emphasizes the importance of wage levels and workers' rights to the company.

Quote 5: “[We] work to ensure that the employees of our suppliers know their rights and have the opportunity to change their situation”.

Quote 6: “KappAhl’s responsibility is to ensure that the jobs that are created within the textile industry lead to better conditions”

Quote 7: “we only collaborate with suppliers where we have established that they pay the stipulated wage levels”

The fifth quote, and subsequently the section, provides little insight into the process of KappAhl’s actions to take steps to better wages. Furthermore, whenever information is provided, the responsibility of the scandal is pushed to another party. In quote 6, KappAhl mentions their responsibility of creating *better conditions*. However, it is never specified what this means. Furthermore, when compared to quote 7, the responsibility seems to be twofold. The statement does not ensure that workers are paid according to KappAhl’s definition of living wage, but rather that the suppliers follow the government stipulated wage levels. According to the report made by Fair Action, the renegotiated wage levels, that were an improvement from previous wage levels, are not deemed to be sufficient to last in the long-run. Still, from KappAhl’s perspective this would suffice to meet the criteria of “better working conditions” and “stipulated wage levels”. While the communication is interpreted as being active in working towards living wages, what is actually communicated is vague. Firstly, the communication’s vagueness allows KappAhl to mention what

they are doing without giving any specific details, as has been a common theme throughout their communication in this scandal. Secondly, with this statement KappAhl indirectly accepts whatever wage level is set by the Bangladeshi government. Therefore, no direct communication is made that KappAhl will actually contribute to a change.

Creating a word cloud for KappAhl's communication, the most common words used have been "Wage", "KappAhl" and "suppliers". There are no instances where KappAhl directly apologized or offered to take responsibility for the case. Instead, they consequently create a perception that responsibility is shared. This can be true, but it is interpreted as an attempt to downplay KappAhl's responsibility when taken in the context that KappAhl is one of few companies who have not specified that they actively engage with the government to make changes. The analysis that has been conducted shows that KappAhl has a tendency of using vague terms or descriptions when it comes to their own actions. The categorization of mystification accounts is also the most common account type for the coding in this scandal.

3.2.3 Case 3 - Swedbank

What happened?

In February of 2019, Uppdrag Granskning in cooperation with SVT News uncovered Swedbank's money laundering scandal as the program aired on Swedish television. As a result of uncovering the scandal, Swedbank came to face repercussions in Swedish media and from Finansinspektionen, a Swedish financial organization controlling the behavior of Swedish financial operations to ensure that laws are not broken. The allegations of Swedbank's money laundering are suspected to have started in 2007 and continued in excess until 2015. Since the case was uncovered in 2019 however, this will be counted as the starting point of the scandal.

According to Bergsten & Berger (2019), the Telia scandal dates back to 2007, when an accountant, Magnitsky, found out about fraud that would implicate high ranking people. The attention would die down as Magnitsky was prosecuted and passed away in prison, but the case would resurface as Swedbank was linked to the money laundering. Over the years 2007 to 2015, the estimated total

amount of money funneled through Swedbank accounts with the purpose of being laundered is estimated to be \$5.8b.

This scandal would come to have significant consequences for Swedbank, recounted by journalist Rex (2019). Following the unraveling of the scandal multiple organizational changes were made. CEO Birgitte Bonnessen was fired. With the appointment of new CEO Jen Henriksson in October of 2019, more firings would follow, including changes to top management and the board. A total of 14 top managers and board members left the company from the beginning of the year counting towards the end. Furthermore, an insight into company culture was conducted by an externally highered company according to CEO Henriksson. This was made as an attempt at changing the culture, emphasizing openness and simplicity (Wolodarski, 2019).

Swedbank would face financial repercussions from Finansinspektionen (FI) following a joint investigation into their Baltic operations. FI and Finantsinspektion (Estonian equivalent to FI) carried out two separate investigations, FI focusing on Swedbank's governance of anti-money laundering measures in the Baltics and Swedbank AB's Swedish operations regarding anti-money laundering requirements. At the same time, Finantsinspektion investigated Swedbank's Estonian subsidiary for local anti-money laundering equipment. Both FI and Finantsinspektion found that Swedbank lacked sufficient internal control systems to counter money laundering. This resulted in legal repercussions, as FI issued an administrative warning and fined Swedbank \$4b (Finantsinspektion, 2020).

The warning and fine issued from the Swedish branch concludes the duration of the Scandal in terms of legal prosecution. The last available information from the media or any other channel ends in December of 2020, therefore marking the end-date of the scandal as is.

Swedbank's formal response

Swedbank's money laundering scandal has been communicated by the company on multiple occasions, starting with their annual report of 2019. In the annual report's CEO statement section, the company addresses the situation and where they stand against money laundering.

Quote 1: “*Extensive work* has been initiated with the goal of becoming *leaders in fighting financial crime*.”

Given the context of quote 1 being the scandal in the Baltics, the statement is vague and loosely tied to the situation. Financial crime in general is mentioned but can include more than money laundering. Becoming leaders in fighting financial crime is an abstract statement, as the term leader remains undefined. Whether they mean in actively preventing or not being taken advantage of for financial crime is up for interpretation. Although this could be seen as an ambitious goal, the first two words, “extensive work” adds to the vagueness of the statement. Nothing is said about what the company actually does, rather they imply that they are working against financial crime without giving any details. Therefore, the statement is categorized in the mystifications account.

Quote 2: “*We* have not succeeded in preventing *suspicious* money launderers from *taking advantage of us*”.

Prior to this statement, Swedbank admits to having insufficient internal controls, thus taking responsibility for their fault. The first part of the second quote reiterates this sentiment and could fall within the concessions account. However, taking the rest of the quote into consideration, the meaning is construed differently. The second part of the sentiment adds “suspicious” and “taking advantage of us”. The use of “suspicious” is interpreted as non-confirmed money laundering at the time. Therefore, the gravity of the situation shifts from having a system that cannot catch money laundering to a system where suspicious money laundering has passed by. Had the system missed blatant money laundering, it would imply that either the system is completely faulty, or there has been cooperation between Swedbank and money launderers as it would be impossible to bypass a functioning system. This implication becomes less severe if the system has failed to detect suspicious money laundering. Using “taking advantage of us” also changes the perception of responsibility. Although Swedbank’s internal control system is faulty, blame is pushed onto money launderers for taking advantage of it, therefore making Swedbank a victim, in a sense, of financial crime rather than an accomplice or enabler. Therefore, quote 2 falls into the category of deflecting.

In the following parts of the section Swedbank recounts their actions using vague terms in how they are fighting money laundering. No clear statement as to what they are doing is made, and they mostly repeat the sentiment that fighting money laundering is a challenge that they are working towards improving at. Therefore, they use the concept of mystification.

In the following section, Swedbank introduces and explains the program they have used to initiate the fight against money laundering. However, the description does not provide any information on specific tasks or actions they have implemented. Instead, they have used vague terms such as “gathering resources and competencies” and “greatly improved the number of employees to prevent financial crimes”. These statements do not specify what they are doing, what competencies they are gathering, and it is not an indicator of success that the number of employees working to prevent financial crimes has increased if the internal control system is to blame for the scandal. This falls within the mystifications account. Following, Swedbank recounts the tasks performed and completed during the year by their internal control units. In this part of the paragraph, they repeat numbers as words and put them in a vague context, therefore falling into the wordification accounts category.

Quote 3: “An *improved* group framework for risk assessment was produced.”

Again, Swedbank introduces a concept with no information added that helps explain the process of it. Furthermore, it does not specify a goal that the framework should follow. “Improved” does not provide any insight into the degree of improvement, effectively leaving the reader with an impression that they have bettered their system, but with no actual information to support said perception. This is therefore another example of mystification.

Swedbank also mentions that they have an “updated and improved” framework in compliance with money laundering. The following quote is analyzed:

Quote 4: “The new framework means a centralized strategy for handling money laundering and contributes to a *higher degree of effectivity*.”

A higher degree of effectivity is another example of mystification, and follows a similar communication strategy as has been presented before. Swedbank goes on to describe this without more added detail that helps the reader understand their actions. Terms such as “adequate and effective” are used to describe the level of defense the new system provides. There is no benchmark for the reader to compare this to, considering they have not specified previous issues and are not specifying current and future remedial measures.

Quote 5: “*Wide educational efforts* are made to increase awareness of money laundering risks in *general*.”

The fifth quote concerns the educational efforts of Swedbank. Apart from being considerably vague, the section dedicated for educational efforts is only one sentence long. It therefore is impossible to gather any meaningful insight into the situation. “Wide educational efforts” do not specify whether the education is done in all of Swedbank’s operative areas, for what level of employees it concerns, or how the education is carried out. “Money laundering risks in general” is also an example of a vague statement that fails to address any significance.

Swedbank has kept a vague tone throughout their entire formal communications statement. It is common to find them repeating previous statements in other words or in more words without any descriptive significance. The most common account by far (44.39% of the analyzed communication) falls within the category mystification.

Swedbank’s informal response

The first analyzed informal communication is an interview published by DI with Swedbank’s CEO, Jens Henriksson. The interviewer asks questions regarding Uppdrag Granskning’s program, Swedbank’s level of transparency and if any new information was presented. To this, Henriksson declines to answer all questions, thus falling in the category Silence. After refusing to answer a question, he adds that if any interesting new information was found, he would take it directly to the internal investigation. This prompts the interviewer to ask “if anything interesting was found, after all?”. Henriksson displays irritation in his reply to the question, stating that “Nothing I do is right” in regards to the interviewer. When being inquired further about the size of the portfolio

regarding the scandal and the internal investigation process, Henriksson deflects the answers and denies personal responsibility.

Quote 6: “I want new leadership on this positions”

Quote six has been translated from Swedish for the purpose of showing in this thesis but has been analyzed in its native language. DI conducted another interview with Henriksson where he talked about wanting change in leadership positions and the company in general. As a newly appointed CEO, he removes himself from responsibility in this situation. Furthermore, when inquired further about the company culture, he states that it “is obvious that we have let suspicious money launderers exploit Swedbank”. Therefore, he deflects responsibility and puts blame on previous leaders within Swedbank. The key from this analysis is that blame is placed on people that have been removed from the company and the culture they have created. During the rest of the interview, despite mentioning that he wants an open culture at Swedbank, Henriksson avoids answering questions with clarity. Instead, he chooses silence or mystification, as he either refuses to answer citing “the investigation” or describes the scandal in vague terms.

However, in an internal blog post that Henriksson has decided to share with DI, he has aimed more criticism towards the company in itself. The tone is different as he questions the integrity of the work environment and the openness and transparency. Notably, this blog post ends with a citation from Hill Street Blues, a tv-show: “And. Stay safe out there”. On a post with an otherwise serious tone, the quote takes the edge off, and could be seen as an attempt to communicate the issue without doing it as a threat, rather it is an encouragement.

Despite deciding to release this to the media, he keeps a more serious tone in the official press release from Swedbank. In the press release, Henriksson retells the events of the scandal and states that it is a serious matter for the company. Furthermore, he presents the new leadership and states that “I have also started an investigation of the culture in Swedbank”. The quote is said without context and with no further explanation. It does not communicate anything tangible to the audience and provides little information on Swedbank’s situation, therefore it is categorized as mystification.

Finally, DI conducted an interview with the Estonian Branch manager Olavi Lepp, in Swedbank.

Quote 7: “Of course [the work morale still suffers], it is difficult to accept when an A-student receives their first F”.

Lepp also states that Swedish colleagues have been making fun of how the Estonian Branch is governed and made jokes at their expense regarding the scandal. Lepp clearly states that he is against these kinds of jokes and has brought it up with the board. He’s cited:

Quote 8: “It’s not nice to blame historical problems on those who are working with the investigation today”.

These statements are of the deflecting accounts type. As the scandal regards Estonia, it would be reasonable to assume that the Estonian branch is closer to monitoring the transactions than any other Swedbank branch, yet Lepp deflects blame by victimizing the Estonian branch. In this case, however, the perpetrator is the Swedish branch as opposed to the money launderers. This is interpreted as one way to shift the focus from the scandal to avoid taking responsibility.

The three most common accounts in informal communication from Swedbank associates are Mystification, Silence and Deflecting. This is interpreted as the associates being adverse to releasing information regarding the case, and at the same time attempting to avoid taking responsibility for the scandal.

3.2.4 Case 4 - SEB

What happened?

In 2019, SEB would suffer a significant drop in stock price as fear of another scandal in Balticum arose, all the while this happened in the shadow of Swedbank. In the context of other big banks in Scandinavia, where Swedbank and Danske Bank themselves had been subject of the same scandal,

the news were taken seriously by the market (Axelsson, 2019). This scandal gained attention in March 2019, marking the start of this case.

Shortly thereafter, FI stated that they would conduct an investigation of SEB's work in the Baltics and whether or not they had taken sufficient measures against money laundering. According to Rex (c, 2019) the investigation was started primarily because of SEB's large presence in the Baltics and with the context of Swedbank's and Danske Bank's news in the same area, FI felt the need to include SEB in the investigation.

Further investigation was done by Uppdrag Granskning in the fall of 2019, and SEB, despite receiving a list of what companies Uppdrag Granskning had found with a connection to the money laundering scandal, stood fast against the claims. However, according to Uppdrag Granskning, despite the SEB news being in the shadows of Swedbank, their laundered amount accumulated to three times the amount of Swedbank (Rex d, 2019). Despite the alleged findings from Uppdrag Granskning, SEB would continue to defend themselves against the claims and state that almost none of those clients are with SEB anymore, thus completely contradicting Uppdrag Granskning. Following said claim, data was released that proved that upwards to 800b SEK had been laundered through the clients SEB claimed to have no connection with anymore, between the years 2005-2018 (Rex d, 2019).

Despite SEB's attempts at disregarding the claims, FI would find them guilty of money laundering which would lead to multiple consequences for SEB. Firstly, on the basis that the bank had not done sufficient work in countering or defending themselves against money laundering, FI fines SEB for \$1b SEK. Despite the allegations that SEB laundered more money than Swedbank, the fine amounts to a quarter of what Swedbank was fined. FI cites that despite SEB's attempts at countering money laundering in the Baltics, they had done too little and done it too late considering the elevated risks in the area. Furthermore, SEB's Estonian branch received a precept and a fine from the Estonian financial supervisory authority, and the bank's Baltic subsidiaries had previously received a sanction regarding their operations in Latvia (Finansinspektionen b, 2020).

Shortly thereafter, the ECB initiated an investigation regarding the suitability of SEB's top management in the Baltics, testing whether they were "fit and proper" to continue leading the bank (Rex, 2020). Even more concerning for the bank, however, was the potential of an American investigation, similar to the one conducted by the DOJ on Swedbank. The result of this investigation remains to be seen as information is still being looked into (Rex b, 2020).

As the decision by FI marks the end of new information regarding SEB, this will also work to mark the end of this scandal and the case. The timeline therefore follows from March 2019 to June 2020. At the time of writing, no new information from the American investigation is publicly available and will therefore not be commented on, one should however note that it can have serious consequences which would be interesting to look at for future studies.

SEB's formal response

A majority of SEB's formal response falls within the Deflecting accounts (48,55%). The second most common account type is mystification (19,30%).

The first comment SEB made as an organization was a post on their web page where they responded to Uppdrag Granskning's program on the scandal. In the beginning of their post, they state that the report does not provide any news for the company, and that SEB started taking action in 2006 against money laundering. They further go on to describe the situation and that the company takes it seriously. This is one way to communicate with the purpose of gaining control of the narrative. Since Uppdrag Granskning made the first move in bringing massive attention to the scandal, SEB addresses it to avoid rumors and ensure that they are aware of and handling the situation. SEB then discusses money laundering as an issue in general, stating that "there are no perfect systems to defend against money laundering". The section speaks in vague terms about the difficulties of money laundering rather than addressing them directly. This could be because SEB lacks information on how to address money laundering, but it is more likely an attempt at communicating the issues to downplay the responsibility and gravity of the situation. If money laundering becomes a complex issue to detect, SEB's internal controls system should be less scrutinized than it is.

Following this section, SEB answers common questions they have received. In the answers, SEB continuously refers to the scandal as “suspected money laundering”, therefore not confirming anything until a legal reprimand can ascertain the situation. This is interpreted as an attempt at stabilizing the situation and minimizing SEB’s responsibility. When answering questions about why SEB has stayed silent and refused to partake in the information released by Uppdrag Granskning, they refer to a legal framework prohibiting them from sharing information between banks. This is deflection, as it does not hinder them from partaking in information regarding their own bank. Furthermore, when addressing why SEB leaders have refused to be interviewed regarding this scandal, SEB refers to previous interviews that they have participated in and that there is no reason for them to participate again since they have communicated what is necessary. By communicating this, SEB pushes the perception that the public already knows everything and no new information exists. Whether or not that is actually the case is unknown, but it either means that the new information available is something that SEB for some reason refuses to share, unless the statement is accurate.

Quote 1: “We are of the opinion that Uppdrag Granskning’s description of SEB’s history and our statements is incorrect”

The quote directly opposes the report from Uppdrag Granskning and is a further attempt at regaining control of the narrative. It allows SEB to portray their reality of what happened, or the reality they want to portray.

Quote 2: “Nine independent internal reviews [show that] we have no red flags”

This quote was said in an interview from 2018 by SEB’s CEO Johan Torgeby. One important narrative that Uppdrag Granskning has pushed is that SEB has ignored their aforementioned “red flags”, thus allowing the money laundering scandal to occur despite the fact that they have stated that SEB had no red flags. Addressing this, SEB states that the quote has been misrepresented, it was not meant to communicate that SEB had no red flags, but in two particular situations. SEB describes the first situation as having no red flags in comparison to Danske Bank’s operation in Estonia, who had also been investigated for money laundering. The second situation, according to SEB, refers to suspicious transaction activity in general. In these situations, SEB means that they

had no red flags at the time of the interview. This is another example of deflection where SEB denies the perception Uppdrag Granskning has portrayed, and instead take the narrative into their own hands.

Quote 3: “No bank can give guarantees [that they are not exploited for money laundering] which we have repeatedly emphasized in our communication around this issue.”

The third quote is an answer to the question if they can guarantee that they are not being exploited for money laundering. Following this, SEB continues to discuss that there are no perfect systems and there will always be work to do in this area. They give no particular information about what they can do to diminish the amount of money laundering, and speak around the subject instead of their situation which the question addressed. It is therefore an example of mystification.

SEB's informal response

SEB's informal response follows the same line as their formal response in the sense that most of their communication falls within the accounts Deflecting and Mystification.

Quote 4: “The previous comment from SEB is still relevant: we do not consider ourselves to have been exploited for money laundering”

Quote 5: “Should any new information arise that we have no knowledge about SEB will immediately take action”

DI has on multiple occasions attempted to reach SEB for comments, but have not received any new information. Instead, the spokespersons for SEB echo the sentiment shared in their statement addressing Uppdrag Granskning's report, reiterating that they would not share information unless new and that no new information had been revealed at the moment.

DI managed to conduct an interview with SEB's head of communications and their CEO. In this interview, they reiterate that no suspicious clients were maintained similar to the clients Danske Bank had, once again comparing the two. Furthermore, they state that they have been as transparent

as possible and appropriate. Despite this, CEO Torgeby refuses to comment on the investigation carried out by American authorities. This communication is an attempt portraying a stabilized image of the situation. To stakeholders, this communicates that the situation has not worsened.

Conclusively, SEB has kept communication at a minimum regarding the scandal. Most of their communication has been answers to questions or addressing Uppdrag Granskning to correct the facts. Following this attempt to regain control of the narrative, SEB's communication both formally and informally is mostly classified as mystification. This means that when they have the power to introduce a new perspective, they do that with as little new information as possible.

3.2.5 Case 5 - Ericsson

What happened?

In 2018, Ericsson discovered an irregularity in their balance sheet. It would show that they had made payments to the Iraq zone, which seemingly has gone into the hands of the terror organization, ISIS (Islamic State). The scope and seriousness of this scandal would not be limited to Ericsson, but the capabilities of their accountants would also come into question (Rex e, 2022). Since the internal investigation started in 2018, this will mark the start of this case.

There are two events in this scandal that make up the case due to their similarity, both regard bribery in the Middle East. The first started in 2018 with an internal investigation by Ericsson and was followed by an investigation by the Department of Justice (DOJ). The second regards a Swedish investigation into Ericsson, primarily focused around the years 2021-2022. Both parts of the scandal have gained media attention to the point where Dagens Industri has a search category for Ericsson's bribery called "Muthärvan i Ericsson" or "The bribe at Ericsson" where they follow the events of the bribes and how they develop.

The first part of the scandal is the result of years of misconduct from Ericsson on a global scale. After months of investigation, Ericsson admitted to the claims. The scandal would result in Ericsson being fined \$10.1b by the DOJ, not only for making bribery payments but also for attempting to hide those payments through creative accounting (Mothander, 2019). The DOJ also

prosecuted the company as a judicial body, meaning no people were prosecuted, which left an investigation of whether or not any Ericsson employees had committed crime and should be brought before court. In 2019, a Swedish preliminary investigation was initiated, although at that point in time they had not found any documentation that could support the claims against individuals at Ericsson (Rex b, 2019).

According to the investigation, however, money is supposed to have been transferred as fake bills to a multi-purpose fund, among those purposes bribery is included. Upon the uncovering of this fund, multiple high-ranking officials were fired, for reasons of “restructuring” as cited by Ericsson (Mothander b, 2019). This is interpreted as an attempt by Ericsson to hide the true reason they are fired, and falls in line with them withholding information from the DOJ.

Additionally, Ericsson’s top management is supposed to have received alarm about potential red flags regarding bribery as early as 2015. Despite an e-mail chain following Ericsson’s internal investigation pointing out potential money laundering issues, warnings were ignored (Mothander, 2020).

As the investigation went on, Ericsson put away a \$12b profit warning in order to pay for potential fines. Towards the end of 2019, the total fine would end up at \$10.1b and in June of 2020, Andreas Pohlmann, German professional of law, was appointed a position of monitoring Ericsson (Mothander, 2020). Thus ends the first period of Ericsson’s bribery scandal in the Middle East.

Following this investigation and the repercussions faced by Ericsson, things were looking up. Their organic growth had increased by 9% despite the Covid-19 pandemic, and had managed to generate a free cash flow equivalent to 11.5% of their market cap sans debt at the time. However, positive news for Ericsson was short-lived (Bråse b, 2022).

Media recognition arose again in the beginning of 2022 regarding Ericsson’s dealings with terror organization ISIS, just a few months after their settlement with the DOJ. The news came from a press conference where Ericsson, according to themselves, answered based on the questions of the reporters. DI writes that Ericsson’s communications to media following this has been turning

towards reporters with less background knowledge into the issue to avoid difficult follow-up questions (Bråse, 2022). The allegations that Ericsson paid ISIS are not news, they were cause for concern in the previous investigation as well but at that time, there was not sufficient evidence to pursue legal repercussions. However, FI states that they expect Nasdaq OMX to open an investigation against Ericsson. This falls in line with the Swedish model of market investigation, but as of yet Nasdaq OMX have not confirmed an ongoing investigation. Should an investigation be opened by the market or FI, Ericsson can expect similar repercussions in terms of being issued a fine as they previously have been subjected to (Rex b, 2022).

Despite the serious nature of these allegations and Ericsson's history, they avoid answering questions from shareholders and the like (Rex d, 2022). Instead, it became an affair of shifting blame from top management and not aiming it at anyone in particular, evoking frustration among the shareholder representatives (Mothander, 2022). On the contrary, the shareholder meeting would cause more questions to arise rather than the attempt at answering questions (Pettersson, 2022).

Large shareholders were all quick to agree with demands for Ericsson to be transparent about what has happened and to have the voting power of Ericsson shift from Investors' majority, changes that would have significant impact if applied. Following personal repercussions, neither CEO Ekholm, the four members in the Committee for accounting and regulation or the Ericsson board are granted discharge (Mothander & Rex, 2022). Despite the seriousness of this, the major potential for disrupting Ericsson's business comes from the potential investigation from the DOJ. They, alone, are responsible for deciding whether or not Ericsson has broken the agreement they made from the first wave of the scandal; should it be deemed to be broken, the agreement is null and void and Ericsson can again be prosecuted for their actions (Mothander, c 2022).

The scandal has been going on in waves since 2018 with new information arising periodically. Since no legal repercussions have been made yet due to the prosecutor still building a case and Ericsson being investigated by multiple judicial bodies, both within and outside of Sweden, the case ends with the latest available date for information. Ericsson's negotiations in Sweden began on April the 25th 2022, but are not expected to be finished until at its earliest the fall of 2022

(Mothander b, 2022). The scandal is still ongoing, but I found this scandal important enough to include to disregard that the case is unfinished at the time of writing.

Ericsson's formal response

The most common codes appearing in Ericsson's formal responses to the scandal are retelling and mystification. This signals that Ericsson acknowledges a situation and talks around it rather than addressing it. Ericsson's formal response starts with a statement by CEO Börje Ekholm in their 2021 annual report.

Quote 1: "I am deeply saddened to report a sharp decline in our safety performance during 2021. Tragically, there were still individuals losing their lives during the year in preventable incidents and accidents."

The statement from Börje Ekholm starts off their section on People and Culture, in which he addresses the scandal in a generalized setting. The first quote is an example of concession, where the company takes the blame and full responsibility for lacking sufficient precautions that ensure the safety of workers. He emphasizes the importance of increasing safety precautions to ensure improved working conditions. Despite this, no specifications of what they are doing to improve working conditions are mentioned. Instead, Ekholm mentions that

Quote 2: "we have invested significant resources to strengthen our ethics and compliance efforts". It is unclear what these resources refer to but they are continuously mentioned in the statement. Furthermore, "efforts" is unmeasurable and could range anywhere from little to no resources to a time-consuming and company-wide project. Due to the continuous lack of specification and additional information, most of the CEO statement is classified as mystification.

Following this, in 2022 Ericsson made a string of comments regarding the "Iraq situation" (as they refer to it) on their official web page. The first post is an overview of the situation with no new information or insight, primarily to show that Ericsson recognizes the situation. Although theory suggests that companies should start with describing the situation, this is done with the purpose of filling knowledge gaps to avoid rumors. By using mystification, the company does not fill

knowledge gaps, but it is possible that it suffices to avoid the build-up of rumors. In another post, Ericsson provides a more content-filled update on the Iraq situation. However, the communicated sentiment is the same. Ericsson starts by retelling the facts communicated by the media and then addresses the situation without giving more insight.

Although retelling is a common theme from Ericsson's formal communication, in an update regarding the DOJ investigation, Ericsson states:

Quote 3: "The investigation could not identify that any Ericsson employee was directly involved in financing terrorist organizations. Based on our current assessment of media reports, we do not believe they change this conclusion"

This is one of few times where Ericsson takes a specific stance. It therefore becomes a stark contrast to the rest of their statements, which can make the message interpreted as emphasized. The content of quote three is a rejection of responsibility and therefore categorized as deflection.

Following this, Ericsson did a press release regarding the situation in the company.

Quote 4: "While Ericsson has taken significant steps in improving the culture of ethics and compliance, further efforts are underway to help ensure that the company operates at all times ethically and with integrity"

This quote is another example of mystification, which is a common theme in the press release. Without stating any specifics, Ericsson communicates that they are moving in the right direction. However, the reader is not made aware of the specific steps that are, or have been, taken. It is also unclear what it means to operate ethically and with integrity, and no further clarification is given in the press release.

Following the press release, Ericsson has published a video where Ekholm briefly addresses the scandal. The following quote introduces the section where he speaks about the scandal:

Quote 5: “As I have said before, we are limited in what we can say [...] because of our collaboration with the US departments. I truly understand that this is frustrating”

Saying this communicates two important messages. The first is that the likelihood for new information to be released is low. The second is that Ericsson wants to express sympathy to its stakeholders, acknowledging their frustration. Following this statement, Ekholm recounts the events of the scandal and the DOJ investigation. He then discusses the importance Ericsson as a company places on this and that they are doing what they can to comply with authorities and improve their internal controls. Once again, this is said without added context or additional insight.

In general, Ericsson’s formal communication has consisted of retelling the stories that frequent media without adding additional information. When they discuss the subject, they avoid going into detail about any processes or actions they have taken. In most of their statements, they neither deny or accept responsibility for the issue, instead citing that they cannot provide full statements on the issue. This explains the majority of the accounts being mystification and retelling.

Ericsson’s informal response

The most common accounts for Ericsson’s informal response are deflection, mystification and silence. Most of the interviews published by international media have been with Ekholm as an interviewee who mirrors the company’s communication strategy. In general, when asked, he uses vague terms to describe actions taken or to avoid answering questions.

However, when interviewed by DI the tone is different. Firstly, Ekholm or any other spokesperson declines to answer questions or participate in interviews more frequently. Secondly, it is clear that Ericsson is looking for the people responsible. Contrary to his statement in the financial times interview where he says that “no one is to blame”, in an interview with DI Ekholm states “we will hunt down the responsible individuals”. In this interview, he provides more emotional answers, expressing his anger over the scandal. This is interpreted as a way to push blame from the organization to a few individuals. If successful, it can serve to protect the reputation of the organization when the responsible individuals are revealed. When asked for transparency, the

spokespersons for Ericsson cite that praxis is to keep information confidential and that it is important to the investigation that no sensitive information is released.

Conclusively, when associates of Ericsson have communicated informally, they display similar sentiments of the company in terms of retelling but are more likely to choose silence or deflecting questions. This is possibly because they would prefer not to reveal anything sensitive and instead risk that rumors are created. When they refuse to disclose information they tend to cite rules of their internal investigation, praxis and that it is best for the sake of the DOJ's investigation. This communicates a reason for silence and can serve to minimize rumors created.

3.2.6 Case 6 - Telia

What happened?

The Telia Company (previously called Telia Soner, in this text referred to simply as "Telia") was prosecuted in 2018 for their business conducted in Uzbekistan. According to the prosecution, regarding three out of five top managers in Telia, Telia had bribed Gulnara Karimova, the daughter of Uzbekistan's then-ruling dictator, a total sum of 3b SEK to conduct business in Uzbekistan. Looking at the total sum used for bribery and corruption, this would be the biggest bribery scandal in Swedish history (DI, 2018). The scandal started in 2012 when Uppdrag Granskning first uncovered the deals made in Uzbekistan in their program.

The events that would make up the scandal started in 2007 as Telia expanded to Uzbekistan. During their establishment in the country, Telia made deals with a local partner that were indirectly controlled by Karimova. Although suspicions arose right when the deal was struck, it would not be until 2012 that Telia's actions started facing consequences (DI, 2018). The entire scandal would not see its official court-end until 2019.

Following the bribery scandal, Telia faced significant consequences. CEO Lars Nyberg was forced to leave his post and the entire board was replaced. The newly appointed top managers were then tasked with cleaning up after the scandal, and Telia would eventually be forced to leave Uzbekistan in its entirety. Since Telia regarded Uzbekistan as an area with great growth potential, they would

be forced to give up future revenue with the leave. Despite being prosecuted by the court in Sweden, Telia made a settlement in the US regarding the affair, where they were fined close to 8b SEK. The difference between the cases is also that in the US, Telia as a company was subject to breaking the law, while the Swedish case handled the individuals responsible for Telia's actions (DI, 2018).

The scope of the scandal stretches beyond just Telia. Telia shareholders have lost close to 21b SEK following the expansion into, and then the exit from Uzbekistan when counting costs to expand and the rapid sales following (Rex f, 2019). Further, since the Swedish government held the largest ownership in Telia, the Swedish public would indirectly have to stand for the financial repercussions from this case (DI b, 2018).

Although the scandal in and of itself is immensely negative, some positives did come out of it. According to General Secretary of the Institute against Bribery, Natali Phalén, the Swedish court case was unique and the effects of it were not limited to Telia. The case has led to more discussion surrounding ethics and corruption, and the importance of working against corruption. Seeing the fine paid by Telia and the potential consequences as well as the real consequences responsible personnel at Telia had to face for their actions, Swedish companies today are more incentivized to combat corruption. Sweden has been deemed the least transparent country among Scandinavian countries, but with the results from the Telia trial this could change. Despite this being an expensive lesson, the hope is that it serves to prevent anything similar happening in the future (DI b, 2018).

With the court's final decision in 2019, the case of Telia ends here. Regardless, the company had and still has to face the repercussions of their actions, but with no new information coming out, the case will consider this the ending period of the Telia affair.

Telia's formal response

The most common account among Telia's statements by 38,09% is retelling. In the first analyzed statement from Telia, the company communicates the deals of their settlement with the DOJ.

Quote 1: “Today’s settlement brings an end to an unfortunate chapter in Telia Company’s history”

The first quote communicates that the scandal is over, giving the message that the company is looking forward to a new beginning. Telia continues this section by describing the errors they have made and admitting their fault in the scandal, categorized as concession. By admitting their faults they communicate that they have learned from their mistakes and will make an effort to improve in the future. Following this, Telia recounts the details of the settlement with the DOJ and their actions taken to improve. However, they do not provide any insight into what they are doing to work towards an improved future. As can be expected, the majority of this statement addresses the scandal with a focus on potential for future improvement. Similar to other companies that have been analyzed in this thesis, however, they provide no detail into what they are doing for the reader to understand. Rather, Telia keeps their statements vague.

This communication strategy is found to be consistent throughout the initiation of the investigation of Telia. The exception occurs in a period of the scandal where no proof could be found and the issue was still alleged.

Quote 2: “The corruption claims directed at [Telia] are unfounded. [They] are wrong.”

Quote 3: “We are still convinced that the ongoing investigations will clarify that we have not bribed anyone or participated in money laundering.”

Quote 4: “[The Mannheimer Swartling review] has not found substance to the allegations that [Telia] has been involved in bribery or money laundering.”

The quotes presented above are stark statements where Telia deflects responsibility of the issue and a definitive refusal to take any blame. This is interpreted as an attempt by Telia to shut down the investigation before anything else can be revealed. They communicate that the allegations are wrongdoings towards them and that they are the victims for being put in the situation where they are accused of financial crime. The reference to Mannheimer Swartling (MS) communicates credibility to their statement.

However, Telia then goes on to add that there has been criticism from MS towards how they have handled their investigations in Eurasia. This sentiment is supported by Telia's board as well, citing that they have failed to pick up warnings on ethical risks. This communication signals that Telia accepts that they have committed mistakes, but shifts the focus from the bribery mistakes to that the operation was not carried out sufficiently well. The shift in focus serves to give the public a reason for why the investigation was carried out, and at the same time denies responsibility for the accused financial crimes. Despite this, Telia's board deflects responsibility by claiming that there was "wide support" for their expansion into Eurasia. The message communicated is that they are not solely responsible for setting the process into motion.

As an answer to the mistakes made when expanding into Eurasia, Telia states:

Quote 5: "We have developed new processes and stringent risk assessment procedures for future investments."

As an answer to the mistakes made, Telia communicates that they have made changes. However, they make no effort to describe the changes they have made and this is consequent in the following section.

Conclusively for Telia's formal communication, they have kept from adding information before any authoritative processes have begun. During the period where no evidence could be found, Telia has pushed the narrative that the allegations were completely wrong, deflecting all responsibility. Despite admitting to some mistakes, Telia quickly added that the issues are being handled in order to improve in the future. Up until the settlement with the DOJ, Telia did not accept any blame, but once the settlement was done, only one instance of communication was published by the company. This statement mostly focused on the faults committed, moving to vague statements on what Telia would do to improve in the future.

Telia's informal response

Telia's informal responses can be divided into two parts. The first part consists of their communication prior to the settlement with the DOJ. The second part consists of one instance of communication following the settlement. Therefore, informal communication follows a similar pattern to formal communication.

The first part's most common account was deflecting by 67,37%. Citing that they have already communicated information, that it is in the best interest of the DOJ investigation or straight refusal, Telia has refused an interview on multiple occasions.

However, in the interviews found, blame is put on the previous leadership of Telia by CEO Johan Dannelind, "the top leaders should have acted sooner". Ex-CEO Lars Nyberg answers questions regarding their position in the case and "damns the choice to point them out as key persons in the case". When answering questions regarding how the expansion and the handling of the expansion in Uzbekistan signals poor choices, the tone in his answers are aggressive and deflective. There is also resentment in his statements towards Telia as he deflects personal blame. The blame from Dannelind communicates that the issue is no longer present at the company, giving Telia a chance to improve their reputation.

Furthermore, Uppdrag Granskning conducted an interview with ex-CFO/vice-CEO Per-Arne Blomquist. In the beginning of the interview, Blomquist holds a neutral tone but responds in a deflecting way. To this, the interviewer further presses him for information, seemingly having an agitating effect as Blomquist's tone becomes irritated. When inquired about the possible collusion with Karimova, Blomquist states that he knows nothing about the deal or any negotiations with Uzbeki authorities connected to Karimova. The interviewer asks about whether or not any documentation can be found that no deal was carried out, to which Blomquist fails to provide information. Contrary to these statements, Blomquist expresses a satisfactory feeling that "no such deal was made". His communication during the interview is a mix of deflection and silence. When inquired on questions that he has provided contradictory statements to, Blomquist opts not to comment. Furthermore, in all instances he deflects any personal responsibility and connection to the scandal. His communication during the interview starts as an attempt to create a narrative for Telia that downplays their responsibility, but primarily his personal responsibility. When the

interviewer finds contradictory statements, he instead chooses not to comment instead of making a comment that could rouse negative rumors.

Following the settlement with the DOJ, however, the most common account is proactive. In an interview with Dannelind, acting CEO at Telia, with DI the focus is on learning from the past to improve in the future.

Quote 6: “We will now close a quite dreary chapter in Telia’s history, an expensive chapter”

The sixth quote introduces the article from DI where the interview was published. This communicates that Telia has suffered the consequences from their scandal in Uzbekistan, thus both taking responsibility for their actions and confirming that they have received punishment for the ordeal. Similar to the Ericsson case, this opens up for a chance to improve in the future. Following this comment, Dannelind provides insight into the actions taken, mentioning that Telia has exited Uzbekistan and that they are working on exiting the rest of Eurasia. No information is provided on who the buyer is, but their exit strategy effectively cuts them out of that part of the world.

In conclusion, Telia’s informal communication follows a similar pattern to their formal communication. Prior to the settlement, blame was placed on people removed from the organization to avoid fault. Once the settlement was finished, Telia admitted their actions and shifted focus to the future.

3.3 Results

This section provides further details on the cases and answers the research questions.

3.3.1 Comparison within Swedish industries

The first industry analyzed in the cases is the textile industry. KappAhl were not subjected to any legal procedures, and their communication has been minimal and indirect. H&M on the other hand has been more keen to acknowledge public outrage in this scandal. This may be because of their global presence, as they mention themselves, leading to them having more pressure to conform to

different cultures. These two companies display a difference within the same industry, but important to note is that the scandals are inherently different. This has some important indications for scandals in Sweden. Firstly, the difference in communication is not guaranteed just because the nature of the scandals are different. This does not mean that the companies are not affected by the Swedish context, but rather that the Swedish context does not result in a single style of communication following a scandal. Despite the unique market culture in Sweden, companies are still able to adjust to the scandals they experience.

The second industry is the banking industry. This industry is arguably the most entrenched in the Swedish context due to its historical background. The long-term cooperation between banks, the government and the market during the 20th century has arguably helped shape the Swedish context. Furthermore, I observe similar communication strategies from both SEB and Swedbank. Both banks have been adamant not to admit any faults prior to the fines from FI. Additionally, the scandals in this case have been of greater magnitude than the textile industry as both companies received reprimand from FI. Both banks expectedly communicate in a similar manner, through mystification primarily and to push responsibility away from the company. Swedbank for example have pushed responsibility to people removed from the company while SEB have pushed blame on to the media for misrepresenting their communication. Interpreted with the prominent mystification accounts found in their banks' communication, it is clear that both banks have communicated in a way that deflects blame through shifting focus while at the same time providing little to no new information.

The final industry analyzed is the Telecom industry, where both Telia and Ericsson are large global brands. Their scandals are of near identical nature; misconduct during expansions into a politically unstable area has led to using bribery to ensure expansion. Furthermore, both companies have been under investigation by the DOJ and eventually made settlement deals to atone for their misconduct. Similar to H&M, since these companies are global brands, the Swedish Context may be expected to be less impactful in their communication. However, the two companies stay silent, using mostly mystification before any information has been revealed. Following the revelation of information in the companies' favor, such as a lack of evidence in the Telia case, both companies have quickly dismissed any responsibility for their actions. At most, Ericsson agreed to misconduct in order to

shut down the allegations for the scandal which were of greater magnitude. Informally, the companies have put blame on people removed from the company or refused to answer questions, again shifting blame from the company as an entity. Finally, when the settlements were made, both companies kept communication to a minimum. Formally, they have recounted the facts of the settlement and focused on the future. Informally, both companies have referred to the situation as “the closure of a dreary chapter”, thus communicating that they have learned a lesson from their misconduct and will improve in the future. However, neither company has provided specific information on what steps they will take to improve.

This is the communication expected from the Swedish Context. Unless public opinion of the company is heard, the companies have kept relatively quiet and downplayed the importance of the scandals. Furthermore, when no evidence could be found, both companies have quickly dismissed responsibility to avoid media attention. Their silence can also be interpreted as an attempt to avoid media attention. Finally, once taking responsibility their communication has been decreased and focused on shutting down attention on the scandal in general. All instances are in line with the Swedish Context, perhaps apart from the increased blame shifting compared to other industries. However, the purpose of blame shifting in this instance is to shift attention away from the companies, thus I argue that the cases in the telecom industry act accordingly to the Swedish context in all of their communication.

3.3.2 Comparison across Swedish industries

Comparing the Swedish industries, all industries show similarities in communication, with the one exception being H&M. KappAhl, the banking industry and the telecom industry all deflected blame initially. No additional information would surface in the KappAhl case, and expectedly their communication was therefore limited. The banking and telecom industries deflected claims until proven differently, and when they were served legal reprimand, they communicated sparsely. The communication towards the end for all industries has focused on admitting fault briefly, then describing what the company will do to improve in the future.

Based on the comparison within and across Swedish industries, I can answer the first research question: Is there a pattern of communication following a scandal among Swedish companies?

I find that there is a pattern in communication among Swedish industries following a scandal. The primary similarity is that most companies show little will to bring any additional attention to the scandal themselves. This is interpreted as an attempt at not exacerbating the rumors surrounding the scandal, especially in the Swedish context where communication between the market and the public has been scarce.

3.3.2 Comparison between theory and practice

This section will answer the second research question: Does Swedish company communication differ from theory following a scandal?

The answer depends on what theory is compared against. I find that crisis communication theories do not align with the way Swedish companies act, instead they act based on the strong influence of the Swedish context. This is what is predicted by Organizational institutionalism, and therefore the answer is two-fold.

Compared to theory, Swedish companies act differently than anticipated by the SCCT. Firstly, they do not fill information gaps by giving new information. Instead of filling information gaps, companies have provided abstract contexts to the situation and vague terms. They avoid directly addressing the scandal and instead focus on the concept of the scandal in general. The most important point of the SCCT is to accept full responsibility, as this is beneficial for the company's reputation in the long-run. While H&M acts as an outlier in this case, none of the companies have accepted full responsibility until legal procedures have been completed. Therefore, the SCCT has seen little to no application in any of these cases.

The Swedish Context has seemingly had an impact on the way Swedish companies communicate. Swedish companies have stayed relatively quiet and been careful to provide any new information or give any insight into the procedures used to improve and avoid similar scandals in the future.

Additionally, considering that the Swedish Context was shaped during the 20th century, the Organizational institutionalism theory is accurate when predicting that institutions are difficult to change. Since the scandals have gained attention in the 2010s, despite the years that have passed, the Swedish Context remains a strong influence.

3.3.4 Comparison with other contexts

This section answers the third research question: Does Swedish company communication differ from common practices?

Seemingly, the Swedish context tends to be the norm in all industries with the exception of H&M. Swedish companies prefer to stay quiet during a crisis and only change their communication when pressured. Once pressured, they still avoid giving new information and may instead engage in blame shifting, i.e. deflection, mystification as they use vague terms to address the situation, or silence. These instances are interpreted as evidence that the Swedish context is still the institutional setting the companies operate in as they feel no need to bring more attention to the situation, knowing that the Swedish public and media historically have not shown evidence to shape harmful rumors.

Compared to the Anglo-American context of pushing blame as a method of external discipline, the Swedish context is entirely different. Arguably, the end-goal of protecting the company's reputation is the same. However, the methods are, as shown, are different. Enron's employees pushed blame on top management's culture, and BP attempted to be proactive in their engagement with the public.

In contrast, the Central European context is seemingly more like the Swedish context in nature. Parmalat also gave away little information during the scandal and instead purely acknowledged or attempted to deflect the scandal. However, the difference is that in the Swedish context, we more commonly observe companies acting on information as it comes up. This is evident in both the banking and telecom industries, where companies have been quick to deflect blame when evidence has proven insufficient.

Therefore, the answer to the third research question is that Swedish companies do not act in the same way as other contexts. Most likely, they have adapted to the Swedish context and act in a manner they have deemed appropriate. The context has its similarities to the Central European context but is vastly different from the Anglo-American context.

Answering the fourth research question: Can communication differences be explained by the Swedish context?

I find that the Swedish Context does influence how companies communicate after a scandal. Theoretical predictions and studies done on international companies differ from the results found and presented in Swedish Companies. The Swedish context provides an answer to why it differs, and since only one company (H&M) followed the general norm of post-scandal communication, the Swedish Context's influence remains strong. When considering the answers to the previous research questions, the case is always that the expectations based on the Swedish context are more commonly observed than theory or common practices. When considering the Swedish Context, communication as is may be the optimal choice. Staying quiet without adding information may suffice to protect reputation today.

However, I recommend that companies stay alert and formulate a plan to adapt to potential changes in the institutional environment. It has been mentioned that the Swedish Context may be subject to change as Sweden adapts to more international standards. This also puts pressure on companies to adapt. One such example where adaptation is perceived is the H&M case for example. Furthermore, as mentioned by the media, the Telia case can serve as a lesson for all companies on what steps they can take to avoid such scandals. As mentioned by Coombs, I recommend that Swedish companies identify possible scandals and establish an adaptable framework that considers the history of the company. As has been seen in the cases, companies tend to blame organizational culture for scandals, and if this becomes a historical issue, it can have a detrimental effect on the company's long-term reputation. Furthermore, due to the unique market situation in Sweden and the possible institutional changes, companies should be aware of their external environment. The

framework for handling scandals in Sweden should therefore include an assessment of the firm's history and its external environment and be kept adaptable.

4.1 Conclusion

The conclusion to this thesis is that the Swedish context as an institutional setting still holds a great influence on companies today. It shapes the way they approach communication because the goals of a company are seemingly inherently different from what theory and other case studies suggest.

There is a difference between international companies' communication and theory. Generally, it is seen that international companies have either been quick to shift blame onto specific people and apologize for their behavior, often focusing on bringing attention to and ending the scandal quickly. Furthermore, despite blame being pushed onto individuals, repercussions are seldom court-mandated but instead comes from the organization. These repercussions include firings for example, a common culture perceived in America. Case studies show a pattern of protecting company reputation by pushing responsibility towards individuals.

Theory on the other hand suggests that one should be more transparent and aim information towards different stakeholders. Transparency is used to fill information gaps and avoid rumors that can be harmful to the organization's reputation. Following this, companies should communicate through concession accounts, admitting their fault and taking responsibility. This might harm reputation in the short-run, but is theorized to be the best long-term option for protecting a company's reputation.

In Sweden, however, the organizations reveal little information and slowly approach organizational changes, such as firings. These often occur either following repercussions for the company, or during the scandal but without focusing on the firing. Swedbank, for example, have mentioned corporate restructurings but the focus has not been that they remove the people responsible for the scandal. Rather, the focus is future-oriented, the organizational change is just a step in improving. It is also not uncommon to find no firings or organizational changes, especially in the textile industry cases. This might be because the organization prioritizes not admitting fault

over ending the rumors quickly. Taken into the Swedish Context, this is likely a result of scandals not raising public attention significant enough to consider harmful. Therefore, it would be more beneficial for Swedish companies to avoid giving any sign that they have acted inappropriately.

The Swedish Context provided significant communication between the market, authorities and the labor unions but left out the labor force. This has brewed a culture where most communication occurs without the public, instead communication is made when legal repercussions and similar actions are taken, addressing those. The Swedish Context therefore establishes a culture where companies broadcast information instead of interacting with the public and media. This is especially prominent when companies or spokespersons of companies prefer to stay quiet or answer in vague terms when receiving questions that would require them to provide new information.

This thesis contributes to research by providing an insight into the Swedish Context and adds confirmation that it is subject to change. Furthermore, the thesis confirms that Swedish companies are affected by the Swedish context, and due to the codependence, companies need to be aware of potential changes and establish an adaptable framework to handle scandals. Additionally, it should be noted that the Swedish context does not as clearly show the elements of a scandal. The public does not display a need to know more about the situation and there is no clear push to find someone responsible, as is otherwise the theoretical case. Despite this, the events are still referred to as scandals in the media. Therefore, this thesis also contributes to the definition of a scandal or crisis. Depending on the external environment of the company, a scandal does not necessarily have to evoke public emotion or the need to know more. It may be limited, instead, to shareholders. To close this argument, I would also like to add that the media can serve as a substitute for the public in cultures where they may not voice their opinions. The media in Sweden has been responsible for uncovering scandals through Uppdrag Granskning for example, and when companies address the public informally they do so through Dagens Industri, another media channel.

4.2 Limitations & Future research

This thesis' limitations are bound to the methodological approach primarily. In order to truly gain insight into the Swedish Context's influence on organizations, researchers would have to study more than publications. This research provides a glance into the institutional influence in Sweden, but there is more to uncover. Finally, in order to gain insight into the general market communication following scandals, more cases would need to be added. Despite the market in Sweden being highly concentrated on a few owners, the family ownership has a historical importance that has not been considered. This would need to be taken into account by adding more private firms and how they view communication following a scandal, whether or not they themselves have experienced media attention from a scandal. Of course, a major limitation of gaining further insight is the difficulty to find transparent communication in a country where silence or abstract explanations are so common.

Future research for Swedish organizational communication should focus on gaining insight as to why Swedish organizations generally display little transparency in a crisis. A methodological change or addition that would be beneficial is to conduct interviews with spokespersons of companies, both that have been in scandals and that have experienced no major scandals. Furthermore, it would be interesting to interview the major shareholder families in Sweden to find whether or not they have any influence over what is said, if possible. It would also be interesting to study whether or not the Telia case had an impact in how companies view corporate scandals in Sweden, as suggested by the media.

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Appendix

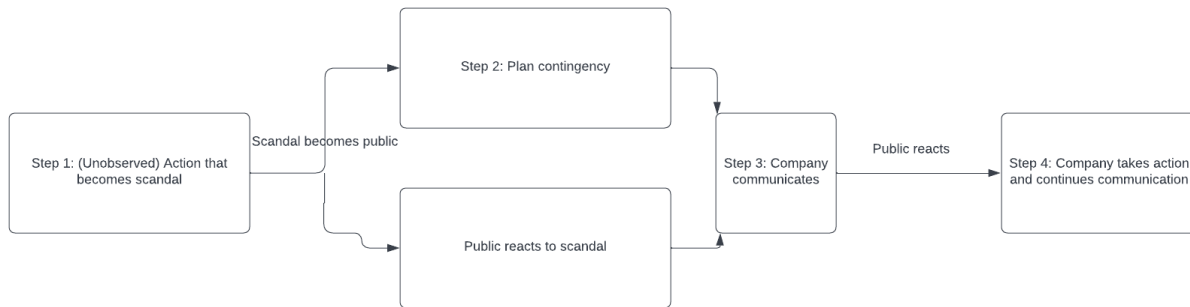


Figure 1. The steps of a scandal.

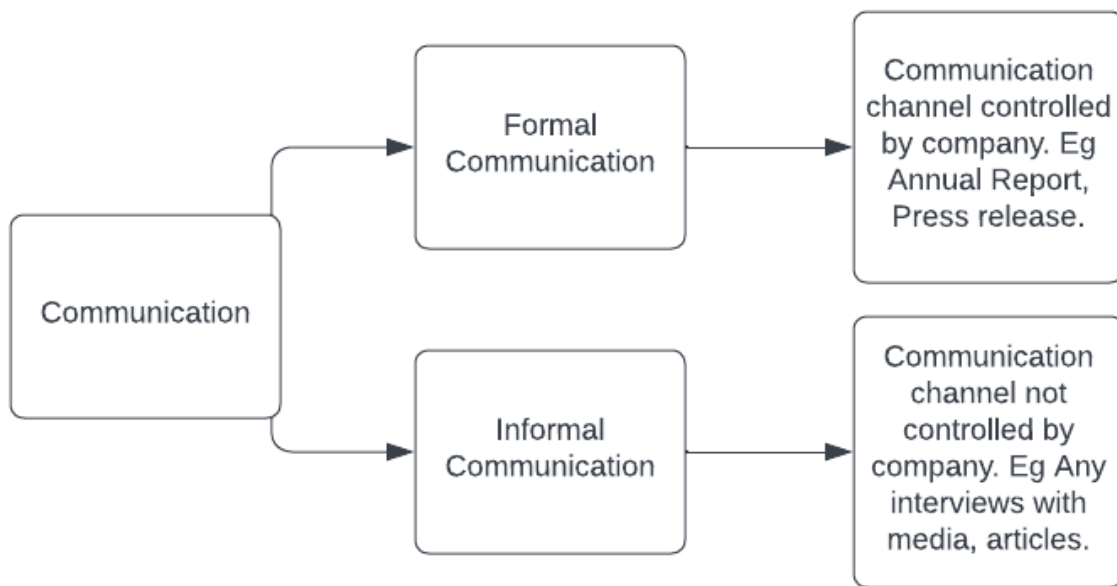


Figure 2. Types of Communication

Company	Start date	End date	Summary	Communication
H&M	January 2018	February 2018	Inappropriate print on a shirt gains media	Concessions and future-aimed messages

Company	Start date	End date	Summary	Communication
			attention.	commonly found.
KappAhl	October 3rd, 2018.	December 2018	Bangladeshi factory workers underpaid, KappAhl receives the most critique	Deflecting and focusing on what has been done most common
Swedbank	February 2019	December 2020	Money laundering in the Baltics	Primarily Mystification and Deflecting
SEB	March 2019	June 2020	Money laundering in the Baltics	Primarily Deflecting
Ericsson	2018	<i>Ongoing investigation</i>	Negotiation and bribery with ISIS associates	Primarily Mystification, Retelling and avoidance of answering questions
Telia	2012	2019	Negotiation and alleged bribery with Uzbekistan's regime	Primarily Retelling, Deflecting and Proactive.

Table 1. Summary of Swedish scandals.

Company	Context	Summary
Enron	Anglo-American Context	Fraudulent accounting; Company had communicated a strong culture, following the scandal employees have come forward to address the faults of the culture. Tendency to push blame in communication.
British Petroleum	Anglo-American Context	Accidental disaster due to faulty machinery; Company addressed the issue, taking full responsibility and blame for the scandal. Focused on what they were doing to mitigate the damage made.
Parmalat	Continental European Context	Fraudulent accounting; Frequent press releases describing the scandal and statements that refer to the future (proactive statements)

Table 2. Summary of Non-Swedish scandals.

Data source	Data classification	Information gathered
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Dagens Industri	Informal	The data gathered from Dagens Industri (DI) has been interviews with associates to the companies. Since the media is responsible for the output of information, this is classified as informal.
Company Blogposts	Formal	Company blog posts have been used to find additional information regarding crises. The information found in Blog Posts are often more relaxed in nature and tend to address recent issues.
Company Press releases	Formal	Company press releases are quite common as information sources in this thesis. Information in press releases often include retelling of the current events and what actions the company will take.
Company annual reports	Formal	In Annual Reports, the information differs depending on where in the report it is found. Often, it is found in the CEO letter as a personal addressation to the scandal, often resulting in

		mystification. It can also be found as a separate section, similar to press releases it usually contains retelling elements and a focus on the future.
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Table 3. Summary of data sources.