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THE SCOPE FOR THE STRATEGIC USE OF SCANDALS

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ABSTRACT: Scandals are pervasive in many areas of human life. Organizational leaders are human, and sometimes they are involved in scandalous issues that affect the organization. We propose a characterization of scandals that explicitly considers the potential benefits of scandals for transgressors. Even if scandals are frequently considered as undesirable for the targets or transgressors, we develop four rationales by which scandals can be beneficial for the scandal targets. First, scandals can propel the individual and the organization or cause into the limelight and generate a low cost publicity that can serve the interest of the target, e.g., by increasing the visibility and salience of a given issue or getting the right-to-explain what happened with great mass media coverage. Second, scandal targets can decide to serve as altruistic or egoistic scapegoats. Third, scandal targets can use scandals to divert attention from more serious issues. Fourth, scandals can constitute a way to disadvantage competitors or foes who would be more harmed than the initial self-inflicted target. Moreover, for each rationale, we suggest some conditions of its success. Anecdotal evidence and real-world examples are also provided to illustrate and support these rationales.

KEYWORDS: organizations; benefit; media; scandals; scapegoat; strategy.

JEL NUMBERS: A19; Z00.

I. INTRODUCTION

Scandals are pervasive in everyday life and have now largely been studied by a sizeable literature that it would not make sense to summarize it. This is in particular the case with corporate or personal life scandals (e.g., Jones, 1991; Jonsson et al., 2009; Groysberg et al., 2016). Their importance and number increased over the last fifteen years and generated a lot of academic research. A first set of the articles that have been written after this wake of scandals bears on the consequences scandals had on involved individuals and organizations and well beyond. It is thus emphasized that firms themselves are not unsurprisingly affected: their equity value decreases and most of them were obliged to file for bankruptcy. Also, the entire economy suffers from the fraudulent behaviors and the scandals that they generate (Gray and Clark, 2002). Finally, frauds, misbehaviors and succeeding scandals are said to generate a “massive loss of confidence” in the market economy (Carson, 2003). The entire society is thus affected (Groysberg et al., 2016).

Then, a second set of works investigate the causes of scandals. Here, the focus is alternatively but also complementarily put on institutional, organizational and individual factors (e.g., Greve et al. 2010). Thus, some authors insist on the personal characteristics of CEOs, the lack of ethical concerns and the role of greed for instance (Hansen and Movahedi, 2010). The “bad apple” theory has received a lot of attention, but the moral issue (“bad case”), and organizational environment (“bad barrel”) also constitute determining antecedents of unethical choice (Kish-Gephart et al., 2010). But, obviously, institutions may favor or prevent this kind of behaviors. Hence, the focus is also put on the failure of control and incentive mechanisms (Soltani, 2014). Indeed, these two factors can combine to generate misbehaviors, frauds and then scandals (Boyd, 2012; Weber and Wasieleski, 2001)

The idea that scandals come from misbehaviors themselves favored by insufficient institutions has been at the origins of new regulations, such as the Sarbanes-Oxley act adopted in 2002. Now as Dyck et al (2010, 2013) have argued, this focus may have prevented to study one important aspects of scandals: the nature of the actors who “bring corporate fraud to light”. The object of this paper is also to raise this question. We focus on a category of actors that has largely been overlooked: the targets of scandals. We argue that in some

plausible circumstances, transgressors may desire to be the target of a scandal or at least may want to use strategically the scandal dynamics. Interestingly, Kipnis (2010) argued that some transgressors exploit the scandal dynamics as a form of “social masochism”. These transgressors consider the society as an “instrument of self-punishment” and behave in a way that guarantees some kind of social retribution. In other words, we assume that the “norm entrepreneurs” who reveal scandals may well be the targets themselves – which to a certain extent means that targets can blow the whistle too. We bring into the picture one of the most unexpected and under-studied actors in the literature on scandals. These individuals are ignored because they are supposedly those who have very few to no incentives to reveal a scandal involving them since it is traditionally assumed that the scandal will harm their interests. We adopt a different perspective and examine whether scandals can constitute a strategic weapon in the hands of the scandal target(s), namely, the perpetrator(s) of the transgression that sparks the scandal, even though the target is likely to be harmed by what is revealed. Rather, we argue that some transgressors use these strategies, and sometimes even after the scandalous process has been activated by other ones. We propose an analytical framework, rather than a theory in itself, that helps to understand how scandals can be used strategically because they can be beneficial to the targets themselves. We develop four non-mutually exclusive mechanisms to explain *how* scandals can benefit the apparent target(s).

Our argument does not imply necessarily that the target only benefits from revealing scandalous behavior or information. Benefits can also be obtained by third parties, that are related to the target. This is what we show in the categorization we propose. Expanding the category of whistleblowers to include the targets is, in our view, of particular interest for firms and for the management of organizations. We claim that it transforms scandals – and the fraudulent behaviors that precede them and make them possible. Scandals become more particularly ambiguous. Indeed, on the one hand, it appears that firms can use scandals as strategic weapons, and targets as triggers for these weapons. CEOs or leaders who are involved in a scandalous behavior can then use one of their cronies to take the blame. This clearly relates to the literature on the ethical behaviors of CEOs and reinforces the idea that individuals are more important than control mechanisms: that targets may have an interest in revealing their own scandalous behaviors, may increase or be increased by the fact that CEOs can behave unethically. On the other hand, the fact that these targets benefit from revealing

scandalous behaviors implies that firms that adopt such behaviors can no longer “protect” themselves by involving people in their frauds and manipulations. “Good” whistleblowers are not the only kind of people firms have to fear. Potential scandal targets must be dissuaded to consider the scandal as a beneficial strategy. The room for maneuvering CEOs, or any kind of individuals who misbehave, is largely reduced. Or, put in other words, another layer of control exists. Our analysis also contributes to extend the research boundaries of the accounting literature on scandals (Cooper et al., 2013) that has neglected this possible strategic use of scandals.

The remainder of our paper is organized as follows. In the next section, we define and characterize scandals in a two-dimensional space from the target’s perspective. Section 3 addresses the most intuitive rationale that comes to mind: scandals can benefit targets by attracting mass media attention at a relatively low cost. Section 4 argues that scandal targets may agree to serve as scapegoats to protect or bring forward a cause or someone. This situation must be differentiated from the strategic shift of stigma that is not welcomed by the target (Warren, 2007). Section 5 considers scandals as a strategic weapon to divert attention from more serious issues. Section 6 suggests that scandals can also serve as a way to strategically raise the costs of rivals and disadvantage them. These strategies are unlikely to be recognized by their users, given that they frequently belong to a hidden agenda. Consequently, throughout the paper, several real-world examples and anecdotal evidence are used to illustrate how some scandals can serve the interests of individuals who are otherwise considered as the main targets. Rather than just elaborating the rationale for each mechanism, we also draw some insightful policy and managerial implications. Some conditions of success with respect to the four effects of scandals are also highlighted. Section 7 concludes.

II. DEFINING AND CHARACTERIZING SCANDALS

Let us start by giving some key parameters that characterizes scandals. An analysis of most scandals allows us to say that scandals have a threefold structure or involve three parties,²

² From this perspective, scandals are similar to gossip. The first who suggested the similarity was Max Glucktman (1963). On gossip, see the work of Francesca Giardini (in

namely the transgressor or target of the scandal (e.g. the Volkswagen company in the Dieselgate scandal), the victim(s) (e.g., purchasers of Volkswagen cars) and the public that is scandalized. Let us mention that overlaps between these three categories of agents are possible. For instance, a Volkswagen employee who is not involved in the Dieselgate can also be a victim of the scandal. Moreover, among necessary conditions, scandals require a *real or alleged transgression* that challenges social boundaries, causes public disapproval and imposes a cost on a large number of people. Indeed, the transgression does not necessarily need to be real. The dynamics of a scandal can operate even if the transgression is only presumed, fueled by possible fake news. But this condition is not sufficient. Indeed, at any moment, in a society, individuals break rules or adopt transgressive behaviors, such as breaking accounting rules. These behaviors are tolerated and accepted to a certain point only. Thus, all real or alleged transgressions are not disruptive, that is, they are not all scandalous. They become scandalous only after a certain threshold has been reached, which frequently means after a large number of people become scandalized.

The latter point is of the utmost importance. Indeed, a scandal can be defined, even if minimally, as “*a normative violation that becomes widely known and a matter of public concern.*” (Crosbie and Sass, 2017, 118; italics in original) In other words, scandals are highly mediated events that come from a disruptive publicity of a transgression (Adut, 2008) that causes general public outrage and disapproval (Thompson, 2000). In this process, the role of the press and medias is obviously central. This is perfectly well summarized in the common saying “no media, no scandal” (Graffin et al., 2013). A discriminating variable between transgressions that would remain usual daily news and those that would become scandalous events is the publicity level (Clemente and Gabbioneta, 2017). Rather than considering media as neutral information intermediaries, Clemente et al. (2016) show how much media can be interested and influential, controlling in a large part whether a local transgressive event would be transformed into a global one, attracting a broad audience. For their part, Greer and McLaughlin insist that scandals are somehow produced by a media machine. They “have become a prized news commodity” (2017, 115). They also say that there exists a “scandals news market” (2017, 115). Because of these two properties – being a

particular, 2011).

mediated event and causing an outrage— scandals can be used strategically by the targets who exploit the dynamics of scandals to reach self-interested goals.

To go further, let us characterize scandals in a bi-dimensional space (see Table 1). Each dimension can be expressed on a continuum that ranges from a low to a high level. The first dimension corresponds to the monetary and/or non-monetary costs incurred by the target(s) because of the scandal, such as monetary penalties, reputational loss, legal costs, lost privileges, and disaffected voters. The second and less intuitive dimension corresponds to possible *benefits* enjoyed by the target such as a high level of publicity, establishing an expertise on crisis management, harming foes and psychological benefits of revenge (cf. Section 6).

Table 1. Categorizing scandals by the costs and benefits from the target’s viewpoint

		Benefits	
		Low	High
Costs	Low	<i>Category A</i>	<i>Category B</i>
	High	<i>Category C</i>	<i>Category D</i>

The most interesting (worst) quadrant is of course the category B (respectively, C) where costs are low (respectively, high) and benefits high (respectively, low). Most scandals belong to category C because they harm the targets. These individuals do not get many benefits, if any. In the following, we will consider a subgroup of scandals that can (potentially) bring net benefits to the scandal objects (B). Nevertheless, our characterization does not consider the risks involved, which can transform positive expectations (B) into a nightmare (C). Needless to say, if the costs and benefits for the organization are not well aligned with those of the involved individual, this discrepancy can lead to diverging interests.

These benefits of scandals for targets have been clearly overlooked in previous research and we aim to fill this gap by analyzing four different strategies that can explain how scandal targets can benefit from scandals. For sake of exposition, each mechanism is discussed independently, but it is clear they are likely to interact and possibly reinforce each other.

III. SCANDALS: A LOW-COST STRATEGY TO GET MASS MEDIA COVERAGE

That media plays a major role in the diffusion, promotion and even transformation of scandals is neither a new nor a surprising claim. What may be more original is to argue that some individuals may choose to trigger a scandal – *i.e.*, to turn themselves into scandal targets – to benefit from a wide media coverage at relatively low costs. It is the first rationale lying behind deliberate and beneficial scandals. A potential scandal target can estimate that given his/her limits to reach a broad audience, the best way to reach the attention he/she searches for or deserves is through provoking a scandal. Getting media attention is very costly, certainly not accessible to all and even impossible for some individuals. This strategy, to put it differently, seems well-suited for people who are in an unfavorable relative position, making their access to broad media coverage unlikely compared to people who already have this access. Of course, the success is not automatic and even if it arises, collateral and undesirable effects often accompany it.

There exists an old French expression that depicts such strategy, *succès de scandale* – success from scandal – which is defined by the Merriam-Webster dictionary as “something (such as a work of art) that wins popularity or notoriety because of its scandalous nature”. That the term was coined, and is used mainly, to describe the ability of artists, writers, musicians to gain media coverage by voluntarily transgressing well-known social boundaries is not surprising: this category of people cannot indeed advertise their work through conventional means – as if it was a commodity – without compromising their artistic identity and credibility. It is not surprising that the artistic domain is replete with examples of *succès de scandale* and, more to the point, with individuals who have *used* scandals as a strategy to succeed. This was pointed out very explicitly by Angenot (1984, 92-93; Sandu, 2010; see also De Courtivron, 1997) about writers who

*“are seeking the dynamics of success by other ways than the esteem enshrinement by a well-established pundit. They do not seek the spontaneous and popular success that makes the quality of Zola’s works suspicious. But, maybe the succès de scandale: new phenomenon because **the scandal is desired and prepared**. Flaubert did not write Madame Bovary to*

*appear at the Court of Assizes. L. Descaves, Bonnetain, Camille Lemonnier, F. Champsaur, Rachilde write, we can say it, with the secret hope that the sexual audacity, the attack on ideological fetishes (such as the Army) will get them into big trouble. Once they are in big trouble, they will express their indignation against the Philistines, but are happy **thanks to the success of their engineering of scandal.***” (Translated by the authors and emphasis added by the authors)

This strategy was not only used by some little known nineteenth century writers. It is also employed in various circles such as world-class artists, fashion and luxury brands, advertising, politics and even sports (Richebois, 2001). According to Palihakkara (2016), “the Kardashian family members are *mavens at creating intrigue and using scandals to spin the straw into gold.*” Recently, a new dating site launched a controversial publicity campaign to pair hard-up students with “sugar daddies” or “sugar mamas” by offering “passion and no student loan”. Even if they ended the campaign, it was nonetheless admitted that “*the operation is fully beneficial: thanks to the scandal, thousands of people who otherwise would not know the website know it*” (Rouchaleou, 2017). The success from behaving scandalously to reach notoriety can be due to the fact that ‘victims’ are not materially hurt. In the best cases, the whole point is to shake up complacency, or at least to project an image of a person who is not bound by the normal social codes.

Beyond art and literature, politics is a domain in which such a strategy is frequently used. It is in particular frequent that some politicians launch deliberate scandals in order to attract a wide media attention and get an expression space, or even to occupy all the available space and to not leave any room for rivals. Thus, in 2002, Jerzy Urban, the former communist-era government spokesman in Poland, called Polish-born Pope John Paul II “the Brezhnev of the Vatican” and described him as an “impotent old man” in a satirical weekly. After he was convicted and fined, Urban stated: “*I did it not only to get media attention, but also to provoke protests.* The point was to not allow the church and the pope to be free from criticism in Poland.” (Scislowska, 2005). Another instance is provided by the attitude of Jean Marie Le Pen, the ex-leader of a French extreme right-wing party, for whom, to the avow of his own daughter Marine Le Pen, “these recurrent scandals serve to extract [him] from the media oblivion” (France Info, 2015). Of course, all possible candidates for this strategy are not

created equal in the sense that they will not incur the same costs nor get the same benefits.

Even if this issue may seem at first glance anecdotal, scandal can also serve to signal high abilities. For instance, a scandal target may signal his/her skills or talents in ‘creative accounting’ by succeeding to remain for a given period under the radar of regulators. This kind of talented and high-profile staff can interest organizations, even those that operate illegally or in a border-line fashion. As pirates who are sometimes recruited by software and security companies, these scandal targets may strategically exploit the scandal to get prestige and even interesting position, especially in some communities.

However, using scandals as a way to get media attention is more complicated than frequently assumed. To succeed and achieve the *succès de scandale* the target expects, several contextual conditions are needed. Without trying to be exhaustive, let us discuss three of them, that we believe are among the most important ones. First, the scandal basis or object is a crucial ingredient that must be chosen and dosed with great care. This choice requires a good knowledge of the social norms and values at a given time and place. It needs to be able to arouse public reactions up to a level compatible with the objectives of the scandal target without completely annihilate him.

The second important condition relates to time and location management. All times and places are not created equal in scandal manipulation strategy and some times and some locations are better than others to provoke a scandal. Many artistic *succès de scandale* emerged during « *La Belle Époque* » (*The Golden Age*) in Paris (France), a period of peace, optimism, prosperity with great inequalities, scientific and technological advancement, and cultural exuberance with spillover effects. In some cases, a scandal somewhere can provoke success elsewhere such as when cities, countries or regions (e.g., United Kingdom versus United States) compete to be perceived as being more open-minded or more receptive to challenging ideas. There are one (or several) opportunity window(s) that can determine the fate of the scandal strategy. A politician or an artist may have a clear interest in activating a *succès de scandale* at a time where the public attention is more likely to benefit him/her, such as a specific point in a political campaign timeline or artistic lifecycle. For instance, some artists have used scandals to launch (or relaunch) their careers or at times.

As a corollary, one would note that the objective of engineers of *succès de scandale* sometimes is to lead people to forget quickly the scandalous event itself, but not the target who has acquired a kind of celebrity likely to propel his(her) career. This may not be easy an objective to achieve. If successful, this strategy might be self-reinforcing and give birth to a ‘trademark’ that characterizes its users, in which case the target never gets separated from the scandal. In addition, the *succès de scandale* can lead to positional races where the events must be *more and more* scandalous than previous perpetrators to maintain the success spiral. If one admits the decreasing of the marginal “productivity” of scandals (see also section V), using such a strategy could not be always efficient.

Third, another interesting feature of *succès de scandale* is the strategic use of individuals who do not share the objectives of the future scandal target, but who will fight fiercely to reveal the scandal, without being fully aware that they will involuntarily contribute to the success of a project that contradicts ultimately their own objectives. By directing the spotlight on the scandal target, they are likely to serve his/her goals and hurt the very cause they are supposed to help. This scandal revelator creates involuntarily a space that allows the scandal target to suggest an alternative interpretation of the scandalous event such as being misunderstood or by positioning him/herself as a hero for free expression. A wise manipulation of words can also contribute to success (Farrow et al., 2018).

In sum, in spite of its apparent simplicity, achieving a *succès de scandale* is a demanding operation and inappropriate conditions can make a scandal attempt appearing as a damp squid rather than a successful firework.

Insight 1: *Scandals offer a powerful dynamics that can be harnessed to reach strategic objectives such as getting media coverage at a relative low cost. This strategy is especially adapted for entities (individuals or organizations) that suffer from not getting sufficient media’s attention.*

IV. THE SCAPEGOAT STRATEGY

Similarly to “corporate scapegoating” (Wilson, 1992, 1993, see also Baily, 1997), in some cases, an individual can attempt to (re)direct and concentrate the scandal on him/herself to exempt others or the organization from some of the scandal consequences.³ This strategy is very frequent and can be observed in various domains from political scandals to organizational and accounting scandals (e.g., between CEOs and CFOs, see Feng et al., 2011). It presents the advantage of limiting the scope of an anticipated scandal and circumscribing its consequences by clearly identifying the transgressor individual or group, but can be exploited by the scapegoat candidate. And, in addition, the strategy is all the more useful and beneficial that it exploits the identifiability bias where drawing public attention toward an identified wrongdoer increases affective reactions (Small and Loewenstein, 2005; Lewinsohn-Zamir et al., 2017).

That creating a scandal could be strategic does not, however, mean that its use is always planned. It is actually difficult to distinguish whether it was planned or just adopted during the course of the events. By shifting the stigma to an individual or a subgroup of the entity, the entity can at the same time assume responsibility and deny it (Warren, 2007). For instance, Meredith McIver, a writer for the Trump Organization, took the blame for the plagiarized speech of Melania Trump and offered to resign. Donald Trump himself captured the political relevance of this original mix (scapegoating and *succès de scandale*) in the following tweet: “*Good news is Melania's speech got more publicity than any in the history of politics especially if you believe that all press is good press!*” (@realDonaldTrump, July, 20, 2016). This strategy seems to fit the adage that there is no such thing such as bad publicity. In the corporate domain, Warren (2007) explains that Andersen’s chief executive, Joseph Berardino attempted to serve as a target for shifting stigma by stepping down from his position with hopes of possibly saving the livelihoods of Andersen employees. He even stated: “We have a lot of great people who deserve a career and if my sacrifice helps just a few of those, I will feel really good about what I’ve done today” (Lou Dobbs Money-line,

³ Even if this is not about scandals, Boeker (1992, 400) provides evidence that top managers tend “to displace blame for poor performance onto their subordinates”. There is only one step from “poor performance” to scandals. Indeed, once the strategy has been invented, it can be used repeatedly.

2002 quoted by Warren, 2007).

Berardino's behavior illustrates another important aspect in the choice of this strategy: the target can have altruistic motives. Here, the targets are 'altruistic' and draw a net utility increase from generating benefits for relevant others, e.g., by provoking and suffering from a scandal to bring forward a given cause or defend the best interests of someone else or something (another famous example is given by the feminist organization, FEMEN). These targets can see scandals as opportunities to provoke salutary changes in society, to shift social norms towards a desired direction (Holler and Wickström, 1999). Nevertheless, scandals can also lead to the reinforcement of the *status quo* by reaffirming existing norms. To talk a little about victims, one of the interesting things is that the 'victims', by acting scandalized, can reinforce their own images as supporting the moral codes that the scandalous behavior transgresses. By decrying the 'renegades' in notoriety scandals, the 'proper set' shines all the brighter in contrast to their scandalous example. This is a potential benefit to the victims of the scandal. It may also explain why some behavior generates such scandalized reactions in the first place.⁴

The scapegoating strategy does not always require altruistic motivations. It can be an

⁴ The question of how a 'real transgression' scandal can benefit the victim can be turned this way: Why, when a victim feels he has been harmed by the transgressive behavior of another person, would he choose to make this public? Why bother making a scandal out of something, and drawing publicity to his own victimhood? Again, in a sense it seems like the victims always benefit from the scandal, as the scandal is the public reaction to, and often induces or even embodies punishment of, the transgression that they feel has harmed them in some way. So in cases such as Volkswagen case, the more intense the scandal, the greater the punishment of the transgressing party, which could include material compensation for the victims. By demonstrating outrage, the victim gives a signal that he is not of the transgressor type. In the current climate, it might also be worth mentioning the Weinstein/#metoo scandals. In this case, by participating in raising publicity – stoking the scandal – women manage to reassert power over the transgressions that had previously been difficult to address.

undercover business arrangement where an individual agrees to wear the hat or take the blame in exchange of compensations (Warren, 2007). It is intuitive that these arrangements are unlikely to be revealed. Laufer (2002, 649; see also Laufer and Geis, 2002) argues that “consensual reverse whistleblowing” arises when a “corporate agent —typically a more senior manager or an executive— is paid to assume responsibility for a corporate wrong”. Recasting organization violations as those committed by some employees across the organization became a familiar strategy (Clemente and Gabbioneta, 2017 for a recent example on the VW Dieselgate) to such an extent that United States prosecutorial guidelines explicitly caution against such a practice (Laufer, 2002).⁵

Nevertheless, the scapegoating strategy requires at least identifying someone (or some potential candidates) who can credibly redirect the public outrage on him/herself (themselves). This credibility can be related to the individual’s position or authority, expertise or another feature that makes his/her future scapegoating claims seem authentic. Moreover, in some societies, there is a strong tendency to seek individual culprits rather than admitting that the whole system is perverted. This tendency to blame well-identified individuals (even if groups or systems are responsible) can facilitate the use of scapegoats and distracts the attention from the whole picture (see Small and Loewenstein, 2005). For instance, the ‘few bad apples’ narrative such as isolated rogue traders is appealing to explain financial scandals whereas in-depth studies suggest that corrupting barrels play a major role (Scholten and Ellemers, 2016). To correspond fully to our rationale, the scapegoat must endorse the strategy. An issue worth of investigation concerns whether high salaries and other golden compensation schemes of certain executives are partially the consequences of a tacit arrangement, where the so-compensated individuals accept to serve as ‘fall guys’ if things go wrong. Interestingly, the scapegoat can also seek a form of redemption through social masochism by assuming (full) responsibility for the scandal and preserving other people or the organization itself. This might be the case of John “Rengen” Virapen (2010), who worked

⁵ A related strategy is to use a dead individual as a scapegoat – obviously, without his/her endorsement. Despite their interest, such situations where this strategy is not accepted by the target (Laufer, 2002; Warren, 2007; see also Laufer and Geis, 2002) are outside the scope of our contribution.

in the pharmaceutical industry – he was among other things the former executive director of the Swedish branch of pharmaceutical company Eli Lilly & Co. – and who wrote a confession book where he not only denounces the methods used by “the pharma industry” and also explains that he felt responsible for having helped to sell “deadly” drugs.

Insight 2: An individual can decide to serve as the main target of a scandal and to claim responsibility in order to advance his/her interests for altruistic (e.g., a nonprofit cause, protecting other possible targets) or egoistic reasons (e.g., secret business arrangement).⁶

V. A STRATEGIC WEAPON TO DIVERT ATTENTION FROM MORE SERIOUS ISSUES

A scandal can be desired because of its ability to reduce attention and harmful effects of other events that otherwise would generate more detrimental consequences. To put it differently, the scandal plays the role of the tree that hides the forest by misdirecting the inherently limited people’s attention. A related issue is desensitization by accustoming people to scandalous issues related to a given individual or category of individuals (e.g., politicians, CFOs), making them more likely to be satiated and devote less attention to subsequent or other ones, reducing the overall harmful effects of the worst possible scandal. Related to the previous point, if the law of diminishing marginal returns/effects applies to scandals as to any other production factor, strategic scandals can aim at reducing the overall sensitiveness of people who become jaded regarding future and predictable scandals. A natural implication of this reasoning relates to the existing frequency of scandals and the environment in which a potential scandal emerges. Indeed, if scandal frequency is high (low) and the environment scandal-saturated (scandal-poor), the effect of an extra scandal can be automatically discounted (amplified). We contend that this mechanism operated in recent years because of

⁶ It is important to indicate that in some of the examples discussed in this section, it is not the target that makes the scandal public (e.g., Melania Trump’s plagiarized speech, the dead person who is blamed, the victimized women behind the #metoo movement). The scapegoat frequently attempts to redirect the public grievances against him/her and potentially becomes the new scandal target.

the proliferation of accounting-related scandals.

Recently, a political scientist (Nyhan, 2014) offered convincing quantitative evidence suggesting that competition from other news stories can prevent potential scandals from reaching a critical mass. U.S. President Donald Trump is believed to use this smokescreen strategy very effectively, launching so many competing stories that they displace potentially more damaging stories from the news agenda. As Nyhan (2017) states: *“Scandals need time and space to develop. When the news cycle is congested, potential scandals are deprived of attention, causing the media to move on to other stories and the political opposition to anticipate that any criticisms will probably have little effect.”*⁷

Moreover, this strategy is also consistent with a well-known recommendation in scandal management that is retaining control over news released, a situation frequently labelled as “stealing thunder” (Arpan and Pompper, 2003) that can be considered as a kind of ‘belated honesty’. Some previous experimental works found supportive evidence that when the candidate revealed him/herself the scandal (compared to treatments without a scandal and with one revealed by an investigative reporter), participants rated their liking and voting willingness for the candidate to a level close to the situation without thunder (Kipling and Dolnik, 2016 and references therein; see also Arpan and Pompper, 2003). Rather than leaving to others the release of scandalous elements, it can be more beneficial to proactively and voluntarily decide to disclose potentially scandalous events in the hope of exploiting some features for personal profit or at least reducing negative consequences compared to an alternative situation. This goal can be achieved by selecting the media support, maybe a competitor outlet to let him/her run with a version the scandal target has more control over. As a natural consequence, it becomes easier to manipulate the scandalous elements in order to reach self-interested objectives.

Moreover, consistent with the prospect theory framework, repetitive or preliminary scandals displace the reference points that serve in the perceptions and judgements of possible future

⁷ <https://www.nytimes.com/2017/01/12/upshot/trump-shows-how-to-smother-a-scandal-with-a-bigger-story.html>.

scandals, making them appear much less scandalous than if they were exposed from scratch. Several mini-scandals can serve the interests of the individuals by moving gradually (a kind of slippery slope) the reference points that people will use when confronted with the most serious scandal. Even if their work is not specifically applied to scandals, Ariely et al. (2003) found that people are overly influenced by the first piece of information they receive, even if it has been manipulated and completely arbitrary, and do not adjust sufficiently afterwards. Interestingly, Lee et al. (2004) argued that self-disserving attributions or claiming personal responsibility for negative events such as scandals make organizations appear to be more in control, leading to more positive impressions. Consequently, rather than examining a scandal as an isolated event, it makes sense to adopt a broader perspective, to check whether successive micro-scandals or scandal waves (even in different domains) leading to accommodation and saturation are not calculated or at least used to diminish the impact of the most serious one(s). This risk can be reinforced when the scandal diffusing media that play an essential role in the amplification are under the control of a unique authority, without real counterweight (see Sabatini, 2012).

***Insight 3:** A scandal target can manipulate the scandal environment in order to influence the power of a subsequent scandal. More precisely, loading and even saturating the environment with competing stories can make a subsequent scandal much less harmful.*

VI. A STRATEGY TO DISADVANTAGE RIVALS OR FOES

Scandals frequently have general external effects, in the sense that they do not only affect the implied entity, but other entities, notably those sharing common features (Roehm and Tybout, 2006; Lee, 2017). For instance, reactions to corporate deviance, such as customer loss and stock-value loss, have been found to spill over to unrelated organizations with shared characteristics (Jonsson et al., 2009; Piazza and Jourdan, 2018). Even if only an individual or organization is objectively involved, a frequent suspicion is that the misbehaviors at stake concern more people and/or organizations. Frequently, these entities share some identity features. In the Volkswagen diesel scandal, great concerns were related to whether the scandal could yet spread further to other car manufacturers. In this case, we do not claim that these spillover effects were actively sought after by the incriminated company, but they may

well enter the calculations that the relative damage would be limited if competitors are also hurt by the scandal. In some cases, the spillover effects can be more disastrous for other people or organizations that are (inadvertently or not) associated to the scandal than for those implied in the initial scandal.

Given that some individuals can be interested in harming others even if they incur a cost (e.g., desire for revenge or retaliation), they can initiate a scandal because they have less to lose than others have, even if they appear at first glance as scandal targets. Although retaliation thanks to scandals does not seem to serve a rational purpose, it can be emotionally satisfying to the scandal target. For instance, a U.K. citizen was “jailed for falsely accusing his estranged wife of revenge porn after posting images online himself” (Telegraph Reporters, 2016). In some cases, the first scandal can lead to a domino effect where the subsequent scandals harm more the rivals than the harm caused to the first apparent target. Consequently, some scandals can increase the costs of all/some members in a given group but more for some (the rivals) than for others (the target), placing them (the rivals) at a relative disadvantage (Scheffman and Higgins, 2003; McWilliams et al., 2002; see also Hilke and Nelson, 1984 for an application on advertising strategies that makes sense in the context of scandals). For instance, a food scandal can be provoked by products of a small company, but is likely to harm much more a big company that will incur huge costs to prove that it is not concerned by the incriminated practices. Or, another instance, by revealing publicly some creative or illegal accounting practices, the scandal target can push watchdogs to examine the behaviors of similar others and maybe harm ‘enemies’ more than oneself.

In some cases, a given scandal target can even enjoy positional benefits from a scandal, by occupying a better relative rank (e.g., I lied but much less than X) than others who will be affected by subsequent scandals. To give some flesh to this rationale, there are situations where people involved in scandals express a certain pride in exposing their own condemnable behaviors but in order to attract attention to behaviors of others who are or seem more condemnable and would suffer more from the raised issue. Interestingly, in certain circumstances a related strategy is to defuse a scandal with an “everyone was doing it” argument that makes it seeming less transgressive.

It is, however, worthy to notice that this RRC mechanism is more likely to occur when the exposure of one's scandalous behavior could lead to a chain reaction that will also harm enemies or competitors. For instance, the scandal can reveal fraudulent and uncovered practices that were previously unknown. Moreover, the scandal target can admit that he/she has transgressed some social norms but especially emphasize as a way to exculpate him/herself that others are worse (Anand et al., 2004). In this context too, words can play a powerful and performative role (Farrow et al., 2018). As a response to public outrage, the regulators can decide to reinforce its regulatory arsenal in order to reduce the incidence of future scandals. The consequence structure can make competitors incurring higher costs because of regulation change and finally put them at a competitive disadvantage. Again, the timing can play an important role by making the scandal, possibly costly for the first scandal target at short term, but even more costly in the middle or long term for rivals. Consequently, an important issue is to consider not only the *prima de facie* scandal target but also whether there are collateral victims who are the real and ultimate targets. Indeed, in some cases, the real objective is more about hurting these collateral victims, transforming the self-inflicted scandal into a social punishment instrument at the service of the first scandal target. This strategy is especially interesting because the scandal can be provoked even by a seemingly non-dominant actor. This rationale also questions the motivations of the first scandal target and echoes the recent contributions on the dark and destructive side of entrepreneurs. These costly destructive tendencies can notably be motivated by the pleasure that one can extract from being nasty, envy, or the need for control by influencing the fate of others (Kets de Vries, 1985; Abbink and Sadrieh, 2009; Grolleau et al., 2009).

Insight 4: *A scandal can be self-inflicted because it is expected to harm relevant others more than the initial scandal target. The spillover effect of scandal is instrumentalized to disadvantage foes.*

VII. CONCLUSION

In this paper, we argue and that in some circumstances scandals can be used as strategic weapons of influence, for instance by exploiting affect-driven reactions to serve self-interested goals. Some scandal makers can provoke strategic scandals to reach self-interested

goals and even become scandal entrepreneurs with more or less success. Our purpose was not to be exhaustive but rather to propose four rationales for deliberate and/or beneficial scandals from the perspective of the scandal target, namely seeking low-cost publicity, scapegoating, diverting attention from other issues and disadvantaging rivals. These strategies can be systematically examined to identify the conditions of their success. Throughout the paper, we suggested some of these conditions. We do not claim that these strategies are always intentionally planned. The intents of the different parties involved in a scandal and their evolution over time constitute a promising research extension. To do justice to the above discussion, we admit that sometimes the scandal target's use of the strategies discussed in this paper is not premeditated, but improvised to limit or deflect the scandal damage. Moreover, even if it seems simple at first glance, we showed that the success of scandals is a demanding operation.

In sum, all (apparent) scandal targets are not the same. Most scandal targets are harmed by undesired scandals. Nevertheless, some scandal targets exploit with more or less success opportunities offered by the dynamics of scandals to reach self-interested goals. We also showed that the environment can be more or less amenable to scandal-based strategies. Rather than offering clear-cut conclusions, our essay constitutes an appeal for further academic attention on overlooked strategies where 'apparent' targets do not always just suffer from scandals but can also use them strategically to advance some of their goals.

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