



# Who Is to Blame?

## Attribution Theory In The Automotive Industry

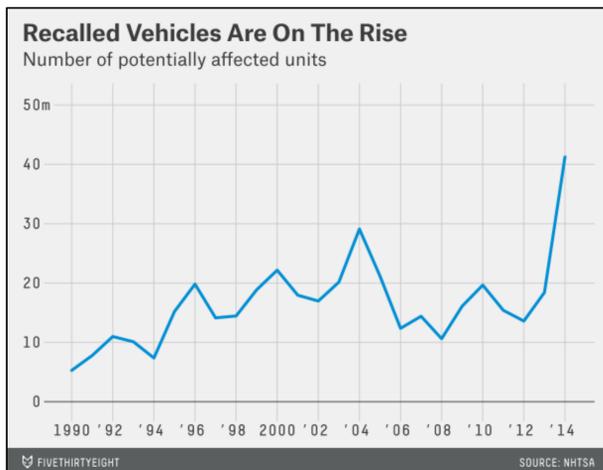
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### Abstract

Automotive manufacturers have a fiduciary duty to the consumer not only to provide transportation from point A to point B; their duty encompasses much more than that. The manufacturer is expected to design, produce, and market vehicles that protect the driver and passengers from bodily harm in the case of an accident. However, sometimes the manufacturer fails in this duty. When this happens, it is imperative that the manufacturer is clear about where and what went wrong. The manufacturer is expected to find an amicable solution to the problem and implement change where needed. We seek to look at what can go wrong, and has gone wrong before, and ask consumers to reflect upon these occurrences and to give a final judgment on who should be held accountable for these injustices. Additionally, we looked at how parts made internally or by an outside supplier change can the consumer's views.

### A Growing Concern



### Research Questions

Following previous research found on both manufacturer recalls and attribution theory I have outlined the following research questions to be answered:

Absent of any brand specific bias, does a consumer differentiate between a recall caused by ignorance and a recall caused by negligence?

How, if at all, does the difference in a part made by the manufacturer or an outside supplier affect the results seen in question one?

Who is to blame in these cases and how should damages be assigned?

### Methods

Using Qualtrics software, we designed an experiment that would randomly assign the participant to one of four distinct vignettes. One for each of the possible combinations between negligence, ignorance, manufacturer parts, and third party supplied parts. We incorporated an attributional manipulation check to test significant differences between the groups regarding blame. Respondents were asked, "In your opinion, who or what is to blame for the faulty sensors? Assign blame among the following (up to 100% for one if you believe that party is fully responsible)." Possible response options were 1.) Omega Motors, 2.) Outside Supplier, 3.) Bad Luck, or 4.) Large product line (increasing the chance of product defects). The final attribution is representative of a Task Difficulty attribution found in classical attribution theory. We then assessed reputational and purchase intention changes. Participants were then given the following instructions, "Now imagine that the injured owners and families of the deceased owners are pursuing a class action civil lawsuit against Omega Motors, and you have been selected to serve as a juror evaluating the case." After reading the statement, respondents were asked to reflect of Omega's legal liability, recommend damages, and managerial remedies.

### Hypotheses

The negative reputational effects of a recall will be greater when the recall is attributed to negligence, rather than ignorance.

Consumer purchase intentions will be more negatively affected by a recall attributed to negligence, rather than ignorance.

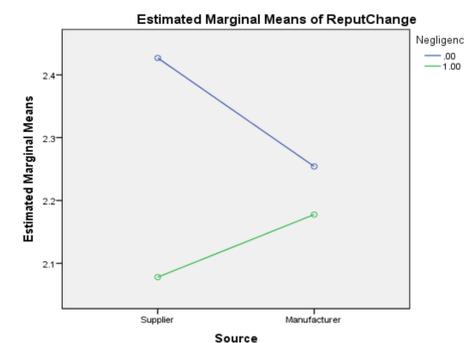
Civil damages proposed as a result of a recall will be greater when the recall is attributed to negligence, rather than ignorance.

The negative reputational effects of a recall will be lower when the recall is attributed to supplier negligence, rather than organizational negligence.

Consumer purchase intentions will be more negatively affected by a recall attributed to supplier negligence, rather than organizational negligence.

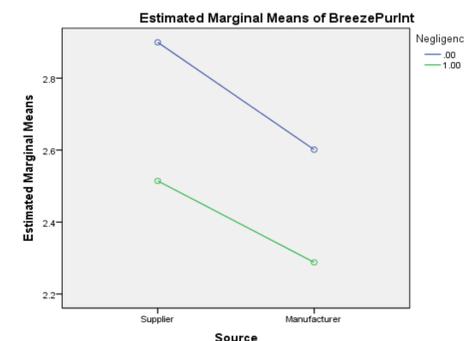
Civil damages as a result of a recall will be lower when the recall is attributed to supplier negligence, rather than organizational negligence.

#### Effect on Reputation



Covariates appearing in the model are evaluated at the following values: Employment = 1.323, Gender = 1.565, Age = 29.535, Education = 3.603, Ethnicity = 2.961, LawsuitExp = 1.923, JuryExp = 1.968, AutoSuppExp = 1.948, RecallExp = 1.632

#### Effect on Purchase Intentions

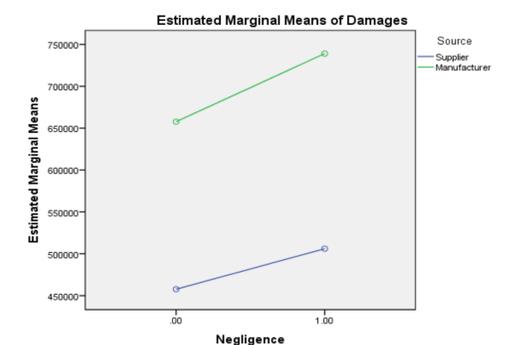


Covariates appearing in the model are evaluated at the following values: Employment = 1.323, Gender = 1.565, Age = 29.535, Education = 3.603, Ethnicity = 2.961, LawsuitExp = 1.923, JuryExp = 1.968, AutoSuppExp = 1.948, RecallExp = 1.632

### Results

After controlling for respondent employment status, gender, age, education, ethnicity, lawsuit experience, recall experience, and prior or current employment at an automobile manufacturer or supplier, the main effects of negligence vs. ignorance and supplier vs. manufacturer were statistically significant predictors of the combined outcomes. Significant differences in outcome variables were also observed based on age and prior recall experience. Hypotheses 1, 2, and 3, predicted that reputational damage, model purchase intentions, and civil damages, respectively, would be higher when the recall is attributed to negligence, rather than ignorance. Significant mean differences were observed for reputation change, model purchase intentions, but not civil damages based on the negligence vs. ignorance condition. Thus, the data support Hypotheses 1 and 2, while Hypothesis 3 was not supported. Hypotheses 4, 5, and 6 predict that reputational damage, model purchase intentions, and civil damages would be higher when the recall is attributed to the automobile manufacturer, rather than a supplier. Significant mean differences were not observed for reputation damage, but were observed for model purchase intentions and civil damages. Thus, Hypotheses 5 and 6 were supported, while the data did not support Hypothesis 4.

#### Assigned Damages



Covariates appearing in the model are evaluated at the following values: Employment = 1.323, Gender = 1.565, Age = 29.535, Education = 3.603, Ethnicity = 2.961, LawsuitExp = 1.923, JuryExp = 1.968, AutoSuppExp = 1.948, RecallExp = 1.632

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