The frontstage-backstage of organizational identity and management control system: the tale of British Petroleum’s embarrassment in DWH

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Abstract

Purpose – This study aims to investigate the dynamic interplay between the management control system (MCS) and organizational identity (OI) in the Deepwater Horizon incident involving British Petroleum (BP). It examines how the MCS manages challenges, particularly those addressing the embarrassment stemming from identity disparities between external portrayal (frontstage) and internal operations (backstage), with a focus on the often-underestimated influence of the media.

Design/methodology/approach – This study builds upon the frameworks developed by Ravasi and Schultz (2006) and Malmi and Brown (2008) to construct a theoretical framework that profoundly investigates the relationship between MCS and OI. The framework developed guided the research design and incorporated a qualitative approach complemented by an illustrative case study. The research data was rigorously gathered from diverse sources, including official BP documents and influential media outlets, with a particular focus on well-established American and British newspapers.

Findings – BP’s MCS plays a dual role: it exposes discrepancies in safety, leadership and values, causing embarrassment and identity damage, yet catalyses a sense-making process leading to organizational transformation and shifts in the OI. This transformation influences sense-giving and prompts changes in MCS. The study reveals an intricate interplay in identity management between frontstage audiences (e.g. influential media) and backstage actors (e.g. BP’s senior management). It highlights interdependencies both within and between MCS and OI, emphasizing their roles in interacting within identity management. The longitudinal recovery is intricately tied to mutual political interests between BP and the USA, which are significantly facilitated by the media’s role.

Research limitations/implications – This study acknowledges limitations that point future research opportunities. Interventions could provide a more dynamic understanding of MCS changes and organizational transformations. Investigating the role of leadership, particularly the new chief executive office, and the influence of political versus organizational factors in shaping identity claims is essential. Additionally, the effectiveness and historical context of interdependencies should be quantitatively assessed. Theoretical limitations in the OI and MCS frameworks suggest the need for context-specific categorisations. This research serves as a foundation for further exploration of the intricate dynamics between MCS, OI and organizational responses to crises.

Practical implications – This study offers valuable insights with practical implications for organizations facing identity challenges in the wake of significant incidents. Organizations can better navigate crises by recognizing the multifaceted role of MCS in identity damage and restoration. It underscores the importance of addressing both

This paper benefited from participant feedback at a series of research seminars hosted by Qatar University’s College of Business and Economics Departments and the Asia-Pacific Management Accounting Association (APMMA) Conference held in Qatar in 2018. The author would like to thank the three anonymous reviewers as well as the editor of SAMPJ for their insightful comments, suggestions, and guidance. Their feedback has resulted in a significant improvement in the overall quality of this paper. However, the author is solely responsible for any remaining errors and omissions.
frontstage and backstage aspects of OI while managing identity discrepancies, thereby enhancing transparency and credibility. Additionally, understanding the intricate interdependencies within OI and MCS can guide organizations in implementing more effective identity restoration strategies. Furthermore, the study highlights the significance of media influence and the need to engage with it strategically during crisis management.

**Social implications** – This study’s findings have significant social implications for organizations and the broader public. By recognizing the multifaceted role of MCS in shaping identity, organizations can enhance transparency and credibility, rebuilding trust with the public. Additionally, the study highlights the critical role of media in influencing perceptions and decision-making during crises, emphasizing the importance of responsible and ethical reporting. Understanding the intricate interplay between MCS and OI can inform better crisis management strategies and improve how organizations respond to and recover from incidents, ultimately benefiting society by promoting more accountable and responsible corporate behaviour.

**Originality/value** – This study’s distinctness lies in its innovative exploration of MCS, which transcends traditional methodologies that focus narrowly on front or backstage aspects of OI and often adhere to predetermined MCS practices. It underscores the importance of concurrently addressing both the front- and backstage audiences in managing the embarrassment caused by identity discrepancies and restoration. The research uncovers multifaceted interdependencies within MCS and OI, and these extend beyond simplistic relationships and emphasize the complex nature of identity restoration management.

**Keywords** Organizational identity, Identity discrepancies, Embarrassment, Management control system, BP and DWH

**Paper type** Research paper

1. **Introduction**

The Deepwater Horizon (DWH) incident on April 20, 2010, was one of history’s most catastrophic offshore drilling accidents. Operated by British Petroleum (BP), this tragedy resulted in the loss of 11 lives and the release of approximately 4.9 million barrels of oil into the Gulf of Mexico (GoM) over 87 days, culminating on July 15, 2010. This disaster had far-reaching consequences, severely damaging the environment, the economy, society and the regulatory framework. The marine and coastal ecosystems in the GoM suffered long-lasting harm, adversely affecting fish, birds, marine mammals and their habitats. Fishing communities endured contaminated grounds, leading to livelihood losses. At the same time, the tourism sector faced a decrease in visitors and revenue due to polluted beaches. Both the incident and BP garnered extensive media attention, exposing weaknesses in offshore drilling regulations (Goldenberg, 2010; Kirchgaessner, 2010). BP also faced extensive litigation, including environmental damage claims and compensation disputes, and the crisis threatened its existence (BP-PLC, 2011; see also, Clark, 2010; Robinson, 2010; Wood, 2010). This study aims to investigate how BP navigated the aftermath of the DWH crisis, addressing the massive environmental, social and regulatory challenges.

The incident posed a significant challenge for BP in managing its organizational identity (OI). The chief executive officer’s (CEO’s) assurances regarding safety, given before the incident, exacerbated the situation, leading to a public backlash due to the perceived identity discrepancies between BP’s proclaimed commitment to safety, frontstage and its actual practices, backstage (Amernic and Craig, 2017). The incident revealed a substantial identity dissonance between BP’s carefully crafted public image, which emphasized safety, environmental responsibility and responsible operations frontstage (BP-PLC, 2009), and its internal practices in the backstage, which often prioritized cost-cutting and profit maximization (Amernic and Craig, 2017), an inconsistency which has been called organizational hypocrisy (Cho et al., 2018). It created significant embarrassment when it was magnified by intense media scrutiny, particularly from popular the US and the UK newspapers, scrutinizing BP’s crisis management, communication strategies and its perceived preference for commercial interests over environmental concerns (cf. Bower, 2010). Even BP acknowledged this as being “intense political and media scrutiny” (CEO Letter, BP-PLC, 2010, p. 10), highlighting the challenges and public perception of BP’s recovery
capabilities. The media backlash tarnished BP’s corporate reputation, eroding trust among external stakeholders, such as shareholders, local communities, government agencies, environmental groups and creditors (BP-PLC, 2010). Over nine years, however, the media wondered about BP’s adopted approach, which Mufson (2016) described as “shrinking to greatness”. This incident suggested this investigation carried to gain insights into theory and practice relating to how BP addressed identity discrepancies during the DWH crisis, both publicly and behind the scenes.

Paradoxically, BP initiated an independent investigation, which revealed further embarrassment when the DWH incident was shown to stem from a complex interplay of technical and management control system (MCS) factors (Bly, 2010). From a technical perspective, a series of failures involving BP, Transocean and Halliburton, which related to well and rig operations, contributed to the disaster. BP, headquartered in London, is a global energy giant involved in oil and gas exploration, production and distribution. In the DWH incident, BP operated the Macondo Well. Transocean, a Swiss offshore drilling contractor, owned and operated the DWH rig on the Macondo Well. Halliburton, an American multinational, handled cementing operations for that Well. Their actions were pivotal in the DWH incident, contributing to a series of failures that lead to the 2010 GoM disaster. Whilst BP failed to oversee operations properly, resulting in critical errors in well management, Halliburton supplied faulty cement that did not prevent oil leakage, and BP failed to implement adequate preventive measures. These technical failures exposed deficiencies in MCS practices. Firstly, the MCS’ inadequate risk assessment and mitigation procedures could not address the blowout risks that were associated with DWH drilling. Secondly, flawed MCS practices in communication and coordination among the parties involved delayed the response to the incident. Thirdly, ineffective MCS failed to assign accountability and responsibility for safety and risk management, thus hampering measures to prevent such incidents. Inadequate MCS oversight of drilling regulations and risk monitoring exacerbated the situation. These combined failures led to a 36-h explosion and fire and, ultimately, the Well collapsed. The consequences of these safety and MCS lapses exposed BP to significant embarrassment. These revelations raise questions about the MCS’ capacity to bridge identity discrepancies among the public-facing persona (frontstage) and internal operations (backstage).

The DWH incident has sparked several research inquiries, with some concentrating on attributing the incident to corporate governance failures, despite corporate governance representing just one aspect of the broader control practices within the MCS (Osofsky et al., 2011). Others have explored BP’s use of disclosure strategies and incident readiness plans for reputation management. However, their effectiveness remains questionable (Summerhays and de Villiers, 2012). Criticism has arisen regarding the effectiveness of BP’s communication strategies, particularly in terms of their limited interaction or outreach to those shareholders who were impacted by the incident (Horsley and Hutchins, 2022). Yet, research that delves into the unfolding processes of reporting practice changes as integral components of a recovery strategy is scarce. Additionally, certain studies have highlighted the significant cost to BP and its impact on share prices, but they do not explore the mechanisms BP employed to generate funds in response to the incident (Gyo Lee et al., 2018). While existing research has made valuable contributions to understanding various aspects of BP’s response to the DWH incident, our study seeks to bridge this gap by examining the processes and mechanisms within BP’s MCS.

This study explores BP’s management of the DWH crisis, specifically focusing on the interplay between MCS and OI mechanisms in addressing the embarrassment caused by identity discrepancies between the front- and backstages. It aims to offer valuable insights into the theory surrounding this interplay, shedding light on multifaceted ecological crisis management practices. The remainder of this study is organized into five sections. The prior
studies on the DWH incident are reviewed in Section 2. In Section 3, we develop a theoretical framework that guided our research design process presented in Section 4. Section 5 presents the theoretically informed findings. Section 6 articulates the research insights and the consequent implications for both theory and practice.

2. Literature review

The DWH incident triggered several studies exploring crisis communication strategies, reputation restoration, corporate governance, leadership language, environmental reporting and organizational ethics. While they have advanced our understanding of crisis management practices, limitations in examining the underlying processes through which these practices emerged have called for further research to fill the gap that has been perceived.

2.1 Communication and reputation

Studies considered in this subsection have provided valuable insights into BP’s crisis communication strategies and reputation restoration efforts after the DWH oil spill. A study by Muralidharan et al. (2011) found that BP’s social media image restoration strategy (e.g. corrective action) failed to sway public opinion (see also Michelon, 2013). Similarly, environmental disclosures were challenged to deflect attention away from DWH, owing to the high-profile nature of the incident (Summerhayes and de Villiers, 2012). In this sense, BP’s crisis communication was weak in relation to its crisis management strategy, highlighting mistakes made by BP’s leadership, culture and public relations (Valvi and Fragkos, 2013). Despite their operations’ actual environmental impact, BP’s green image success shows that narratives may strongly influence public perception (Abdelrehim et al., 2015; Matejek and Gössling, 2014). However, the communication strategies employed by BP were found to be dynamic, and they shifted both before and after the DWH accident (Khan, 2016). This shift was shaped by mitigating factors, such as innocence, silence, potential legal action, crisis scope and response promptness (Arendt et al., 2017). BP predominantly (e.g. in relation to reputation management strategy) also employed a corrective actions strategy by emphasizing its plans to solve the problem, rather than highlighting its social and environmental actions during the disaster (Arora and Lodhia, 2017). However, the primary focus of these studies was on the frontstage activities, and this often results in the overlooking of the backstage dynamics and the broader role of MCS in shaping the processes involved.

2.2 Governance and leadership

The second subset of studies is concerned with corporate governance and the language of leadership and offers valuable insights into the DWH oil spill’s context. In corporate governance, Lin-Hi and Blumberg (2011) highlight deficits in the institutional environment and the consequences of MCS prioritizing profitability at the expense of environmental stewardship. Ososky et al.’s (2011) study identified four core governance challenges from the BP DWH oil spill: scientific and legal uncertainty, simultaneous overlap and fragmentation, difficulties balancing efficiency and inclusion and inequality and the resultant injustice. Similarly, Windsor and McNicholas (2012) identified systemic governance failures that were attributed to the lack of risk governance, according to Elsayed (2022). The emergence of sustainability governance was BP’s response to managing their legitimacy following the GoM oil spill, according to Elsayed and Ammar (2020). Turning to leadership language, O’Connor (2011) found that BP executives initially responded appropriately by promptly accepting responsibility, expressing regret and pledging to address the harm caused. However, the CEO’s weariness with the transgressor role and the executives’ differing social backgrounds, contributed to public relations problems for BP. In this sense, Amernic and Craig (2017) analysed the BP CEO’s, (Tony Hayward’s) speeches, including his address on
April 15, 2010, at the Annual General Meeting, along with 18 prior speeches. This analysis revealed that Hayward’s language promoted an ideology of economic efficiency and cost control rhetorically, and this conflicted with the sustaining of a safety-oriented culture. Similarly, the autobiographical vignettes in the CEOs’ letters may serve as strategic rhetorical devices through which to facilitate management control, to drive change, to shape leader-follower relationships and to maintain self-legitimacy (Craig and Amerinic, 2019). While these studies emphasized the importance of the backstage dimensions of MCS, such as corporate governance and leadership communication, they do not delve deeply into the underlying processes and mechanisms that were at play.

2.3 Ethics and hypocrisy
This subset of studies has contributed valuable insights into our understanding of ethics, hypocrisy, reputation restoration and environmental reporting and performance, in the context of the DWH oil spill. An increase in environmental disclosures, specifically, disaster readiness plans, is documented in the year after the spill, particularly among firms with poorer pre-spill environmental performance (Heflin and Wallace, 2017). In this sense, Gyo Lee et al.’s (2018) study revealed that the ultimate cost to BP of the DWH oil spill was $144.89bn, significantly higher than the $62.59bn that was reported by BP in its income statement. This significant difference might be attributed to a combination of factors, or to the study’s consideration of a broader scope of costs, including indirect and hidden costs, such as long-term environmental impacts and legal expenses, accounting policy differences, insurance recoveries and quantifying reputational damage. Mena et al. (2016) have suggested that external stakeholder mnemonic communities and collective forgetting have contributed to the long-term impact of corporate irresponsibility. For Schwartz (2020), the DWH was rooted in ethical failures within both BP and the market. Bellucci et al. (2021) also proposed that companies (e.g. BP) that are exposed to environmental and social scandals are more likely to disclose information about the scandal and to receive external coverage through counter-accounts. However, conflicts emerged during communication, potentially compromising ethical standards (Horsley and Hutchins, 2022). Nonetheless, these studies demonstrate some limitations when exploring MCS and delving into the backstage processes that are aimed at comprehending the motivations behind disclosures and the strategies.

2.4 Identity, crisis and management control system
The studies conducted by Abrahamsson et al. (2011) and Rikhardsson et al. (2021) have made notable contributions to the overall field of MCS and OI. Abrahamsson et al. (2011) illuminate a reciprocal relationship between management accounting practices and OI, shedding light on their influential and legitimizing role in shaping OI. Similarly, Rikhardsson et al. (2021) enquired into utilizing MCS during the financial crisis, emphasizing the simultaneous deployment of organic and mechanistic controls to guide behaviour, alter perceptions and establish accountability. However, they do not delve deeply into the intricacies of MCS and their broader impact on other facets of the MCS framework.

This research addresses gaps in understanding crisis management of DWH by examining the relationship between MCS and OI. We focus on how the backstage processes influence, or are influenced by, MCS, enriching our grasp of how MCS manages OI and vice versa, in an organizational context. To guide our inquiry, we now turn to developing a theoretical framework that is based on a central research question about the roles of MCS in causing and managing identity discrepancies.
3. Theoretical framework

The development of a theoretical framework is motivated by a research question that seeks to comprehend the consequences of MCS for identity discrepancies and management. The framework incorporates concepts from OI (Ravasi and Schultz, 2006), MCS (Malmi and Brown, 2008) and the frontstage-backstage notions (Cho et al., 2018). We also elucidate how this framework will steer our investigative inquiry during its development.

3.1 Organizational identity

The organizational identity (OI) is distinguished from one organization to others (Dutton and Dukerich, 1991; Gioia et al., 2000). According to Dutton and Dukerich (1991), the OI is viewed as an outcome of the interplay between culture and image (see also, Sung and Yang, 2008). The cultural side reflects an internal definition of OI that refers to the perceptions of senior internal audiences (e.g. the Chair, the CEO, the Board of Directors [BOD, hereafter] will be our focus). It underlines “a set of shared mental assumptions that guide organization interpretation and action by defining appropriate behavior for various situations” (Ravasi and Schultz, 2006, p. 437). In contrast, the image side represents an external definition of OI. It refers to external audiences’ perceptions and underlines what group members believe those external stakeholders (e.g. shareholders, community and government) perceive to be their characteristics (Dutton and Dukerich, 1991).

However, the divergence between the intended or desired OI (how the organization wants to be perceived) and the perceived or experienced OI (how external and internal stakeholders, such as employees or the public, perceive the OI) describes an identity discrepancy (Dutton and Dukerich, 1991; see also McLaren and Appleyard, 2022). For instance, the BP’s OI showed discrepancy between public facing “frontstage” persona (e.g. demonstrating a culture of safety) and its internal “backstage” operations (e.g. demonstrating a culture of cost-cutting). The frontstage concerns how the BP’s OI is perceived by its external audience (e.g. GoM communities, governments, scientists, creditors and the media), whereas the backstage refers to the realization of senior internal audiences (e.g. the Chairman, the BOD and the CEO) of BP’s image, as it was perceived by its external audiences post-DWH. This may eventually trigger external stakeholders (e.g. the media, activists and analysts) to assess the exposure and interfere with internal business practices, such as corporate governance and risk management systems (Hatch and Schultz, 2002). Due to this interplay between culture and image, OI is assumed to be fluid and unstable when an identity discrepancy is pursued (Gioia et al., 2000). As Hatch and Schultz (2002) suggest, this interplay is facilitated through four processes: mirroring, reflecting, expressing and impressing, which are further illustrated in Figure 1 below.

![Figure 1. Interplay between organizational identity and management control systems](image-url)

Source: Adapted from Hatch and Schultz (2002)
The “expressing” is the first sub-process in which culture makes itself known through identity claims, e.g. BP’s claims about safety. These claims are conveyed to the frontstage audiences through “impressing”, which defines the second sub-process through which expressions of identity leave impressions on others. However, DWH exposed identity discrepancies between BP’s reported activities and those they had undertaken, which exposed organizational hypocrisy that created massive embarrassment. Then, “mirroring” may be initiated through the third process, in which identity is mirrored in the images of others in relation to the activities undertaken by BP. Acknowledging discrepancies between both may trigger the fourth sub-process, “reflecting” a process, which questions the identity that is embedded in the cultural understandings of BP’s members. As shown in the red boxes in Figure 1, “expressing-impressing” represents the ways in which BP communicates to its frontstage audiences, expressing the organizational culture of BP, including the priority of safety (Amernic and Craig, 2017). The green boxes in Figure 1 indicate a direction from the front- to the backstage, where the realization of and reflection upon, the way in which senior internal audiences’ perceptions of BP, through processes of “mirroring-reflecting”, is overlooked by the DWH-related studies that are outlined in Section 2.

In this sense, Ravasi and Schultz (2006) have advanced our understanding of how organizations respond to identity threats and discrepancies in three phases:

1. interpreting the identity threat;
2. formulating a response; and
3. implementing the response.

In the first phase, interpreting the identity threat, the framework proposes that senior internal audiences may engage in a sense-making process through which individuals or groups attempt to make sense of ambiguous or complex situations, often by constructing narratives or interpretations through which to understand and navigate these situations effectively (Ravasi and Schultz, 2006). One key aspect of this phase is the construed external image, which refers to the ways in which external audiences (e.g. local communities, governments, environmental groups, creditors and the media) perceive the organization. Such a construed external image may trigger BP’s senior internal audiences to reflect on BP’s existing values and to develop new identity claims that highlight organizational distinctiveness, on the one hand, and thus to respond to a threat to its existing identity. “New identity claims” refer to the new values or identities an organization seeks to adopt in response to a threat to its existing identity (Ravasi and Schultz, 2006). In the second phase, formulating a response, the framework proposes that senior internal audiences engage in sense-giving, so as to craft a response that aims to restore OI (see Figure 1). Sense-giving refers to the intentional efforts made by individuals or organizations to influence others’ interpretations and understandings of a situation or event, often to align perspectives with a particular narrative or agenda (Ravasi and Schultz, 2006). The new identity claims provide a ground for the “desired future image”, which refers to the image an organization aims to project to its external audiences (Ravasi and Schultz, 2006). This may include shifts in the organization’s priorities, values or strategic goals. However, organizational transformation is facilitated by “projecting a desired image”, which refers to specific actions or initiatives that are used to project its desired image to external audiences (Ravasi and Schultz, 2006). The third phase of implementing the response proposes that the organization must align its actions and behaviours with the new identity claims to ensure that external audiences perceive the desired identity and successfully restore it. However, these components of OI are interdependent (Ravasi, 2016). Nevertheless, Ravasi’s works provide a valuable
theorization for understanding the dynamics of OI and the roles of control practices (e.g. MCS) through which these elements interplay.

3.2 Management control system and interdependence
The OI presents a context of sense-making and sense-giving in which we conceptualize the roles of MCS. In this sense, it is suggested that MCS provides benefits such as better alignment with organizational strategy. Malmi and Brown classified the controls of MCS into five categories (2008, p. 291):

(1) clan controls;
(2) administrative controls;
(3) planning controls;
(4) cybernetic controls; and
(5) incentive controls.

Firstly, clan controls refer to the informal values, beliefs and norms that shape the behaviour of individuals in an organization. These controls are deeply embedded in an organization’s culture. Secondly, administrative controls, encompassing formal procedures and policies, pertain to managing an organization’s operations. In this context, the absence of well-defined procedures for safe and ethical conduct, along with regulatory compliance, stand out as contributory factors to the failure of the MCS. Thirdly, planning control involves setting goals and objectives for an organization and developing a plan through which to achieve them. BP was criticized for focusing on financial interests, rather than on addressing environmental damage, eventually losing public trust (Schwartz, 2020) in the short, rather than the long term (Lin-Hi and Blumberg, 2011). Fourthly, cybernetic controls use feedback loops to monitor and control organizational performance. These controls may be financial (Gyo Lee et al., 2018) or non-financial (Elsayed and Ammar, 2020) and they are used to address problems and to improve the status quo. Fifthly, incentive controls motivate and reward employees for achieving organizational goals. However, BP may not have considered the potential risks and hazards associated with the drilling operation. Challenges arise when implementing such controls, including the potential for conflicting goals and a lack of understanding of the interdependencies among these components when the impact of external factors is being examined (Grabner and Moers, 2013; Malmi and Brown, 2008). Interdependence refers to the extent to which the different components of a control system work together in a coordinated and integrated manner to achieve the organization’s goals. Grabner and Moers (2013) suggested that control practices are collections of interdependent MCS that work together to achieve specific organizational objectives and vice versa, and a lack of coordination between BP, Transocean and Halliburton exemplified this.

To sum up, this framework guides our inquiry into the roles of MCS that revolve around the contexts of sense-making and sense-giving, which are shaped by the interplay between audiences’ perceptions of the front- and backstages. Furthermore, it extends prior studies about interdependence beyond the direct relations between MCS and OI to include the interdependence among the components of MCS and OI (Abrahamsson et al., 2011; Rikhardsson et al., 2021). To this end, the units of analysis will include the following research constructs:

- OI is captured through different research constructs: construed external image, new identity claims, the desired future image and the projection of the desired image (Ravasi and Schultz, 2006).
4. Research design

4.1 Research strategy

This study adopts a qualitative approach to examine the implications of MCS within an organizational context, specifically focusing on identity discrepancies and management. We use an illustrative case study strategy, owing to its suitability in demonstrating the new and innovative practices that companies develop, and also to provide an empirical exemplar of the embodiment of theories (Scapens, 2004). In the context of DWH, MCS is our illustrative case study, and it aims to understand its implications for identity discrepancy and identity restoration between BP’s public-facing “frontstage” persona and its internal “backstage” operations. Previous research on post-DWH crisis management, as reviewed in Section 2, has focused on the causality of DWH and the frontstage management, whereas underlying processes have been overlooked. This study explores how MCS influences disclosure strategies, financial decisions and crisis responses to address this gap. More specifically, this study seeks to understand how BP deployed its MCS to manage the recovery process, despite its role in contributing to the identity discrepancies demonstrated. This aspect involves exploring changes in MCS following the crisis. The study offers valuable insights into effective MCS practices that are implemented in real-world situations by examining BP’s practical actions and strategies.

4.2 Data collection and analysis

The study covers the period 2010–2020, with 2009 being included so as to establish a pre-DWH context, which is vital for understanding BP’s OI and MCS changes. The inclusion of 2009 emphasizes BP’s public commitment to safety at their annual meeting, in contrast to the later DWH incident, thus exposing the significant gap between their assurances and the safety failures that both led to the crisis and put BP in an embarrassing situation. This 12-year span encompasses the evolving aftermath of the DWH incident in April 2010, extending to 2020, when a significant portion of the associated costs was paid. For text selection, we applied three qualitative criteria: authenticity, plausibility and transferability (Baxter and Chua, 2008). We used two diverse data collection sources, to address authenticity and to capture the outlined theoretical research constructs. BP’s accounts represented the cultural aspect of OI, whereas media sources and BP’s self-acknowledgement reflected the image aspect. These dual accounts constituted secondary data, each serving a distinct purpose. BP’s own accounts, including letters of senior leadership, offered insights into perceptions of internal audiences. On the other hand, the media sources, particularly the coverage in the US and the UK newspapers that concerned DWH, shed light on the external perceptions of OI of BP. By considering these two sets of audience perception–research data, we gained essential sources for sense-making, which was crucial in comprehending the role of MCS in OI restoration management. To reinforce our approach, we consistently compared internal and external audience perspectives regarding BP’s OI (see Table 1).
The study used a multifaceted approach so as to gain comprehensive insights into BP’s MCS and OI. Internal perspectives were drawn from various BP sources, including the BP Annual Report and Form 20-F, sustainability reports, corporate governance reports and correspondence from the Chairman and the CEO. External perspectives were enriched by analysing newspapers, for several vital reasons. Firstly, newspapers remain readily accessible over time, unlike TV news, which is often unavailable unless specifically requested. Secondly, newspaper data is more convenient for analysis, as it is already in written form and does not require the transcription of extensive TV news broadcasts. Thirdly, newspapers were a more popular medium for news dissemination during the chosen time frame, offering a reliable data source. Finally, newspapers provide a more organized structure for data, which is particularly advantageous when dealing with events such as the DWH incident. We focused on newspaper articles from both the USA and the UK, the countries that were most directly impacted by the DWH incident. The study selectively focused on respected and widely trusted newspapers to ensure the reliability and credibility of the data sources [1]. It is important to note that media coverage preceding the DWH incident in 2010 primarily centred around remarkable events, such as the Texas refinery explosion in 2005. Apart from these specific incidents, politically oriented media outlets may not have exhibited the same level of interest in covering business-related news or concerns that were related to BP’s safety and governance practices.

Through a manual process, we collected metadata on titles, including the newspaper’s name, origin, whether American or British, article title, link, date, author(s), format of text (i.e., report or article) and the content. A total of 173 articles from 11 newspapers, with the most significant amount of coverage being provided by the *Financial Times*, were manually

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Table 1. Research data sources

Source: Created by the author
collected and analysed. British newspapers were more engaged with the DWH incident than their American counterparts. This interest might be attributed to BP’s British origin and the political tensions caused by the USA and the UK crises, as discussed in Section 5. Alongside these, 55 BP sources were collected, to understand how the organizational responses to the crisis mobilized its MCS. This two-fold research data collection approach helped to capture the perceptions of both internal and external audiences on BP’s OI, thus enhancing the trustworthiness of the study’s findings and the research saturation (Baxter and Chua, 2008). Second, the plausibility criterion of making outcomes sensible was considered through the following processes:

4.2.1 Step 1: data preparation. The process began by creating a new NVivo 12 Plus project entitled “BP-DWH”, which served as the data preparation and analysis repository. The collected data from both sources (the BP accounts and the newspapers) were uploaded into the NVivo 12 Plus project for analysis and they were organized into separate folders.

4.2.2 Step 2: data analysis (coding and review). The data analysis comprised of two phases. We reviewed and coded the relevant sections or sentences from the data provided in the initial phase, associating references with appropriate nodes or themes (e.g. phrases, sentences, statements or paragraphs). This coding process was iterative, encompassing both sets of data (BP accounts and media sources), ensuring comprehensive coverage and analysis accuracy. Two primary nodes/themes emerged:

(1) “DWH repercussions”, encompassing the impacts and consequences of, and fallout from, the DWH incident; and
(2) “BP responses/changes”, focusing on BP’s actions, measures and adaptations following the incident.

In the second phase, the content of each node/theme underwent thorough review and further analysis. This process followed a methodology that was similar to Hutchisona et al. (2010), thoroughly scrutinizing and examining coded data to extract meaningful insights and patterns. For instance, the identified “DWH repercussions” and “BP responses/changes” were further dissected and categorized into the distinct challenges that were encountered, and the controls implemented, by BP.

4.2.3 Step 3: reporting emerging (sub-)themes. Upon completing the data analysis, we reported the emerging themes and sub-themes that were identified during the analysis. These themes and sub-themes are presented in Table 2, which provides a structured and organized overview of the key findings from the analysis.

Table 2 provides insights into the recurring themes (challenges and responses) over the years. The most prominent theme was “identity crisis/restoration”, followed by “government reform”, “challenges of environmental and economic threats” and “cash crisis and divestment”. However, these themes will be used in Section 5 to both support our analysis and to be developed further in the subsequent section.

4.2.4 Step 4: theoretically informed development. The findings in Table 3 were guided by a theoretically informed approach that closely connected the research data with theory-driven interpretation. Using the MCS and OI frameworks that were outlined in Section 3, we organized and interpreted the emerging themes from Table 2 into Table 3. We rigorously reviewed these preliminary findings to ensure a coherent analysis that was aligned with the theoretical constructs of MCS and OI. For example, the theme “identity crisis/restoration” was identified based on the theoretical OI construct and the data referencing identity-related challenges and organizational changes. This critical step established a close logical connection between empirical evidence and theory-driven interpretation. When BP declared “trust, safety,
“...to be organizational values, we recognized this as research data that aligned with the concept of new identity claims, from the OI perspective, as previously proposed by Ravasi and Schultz (2006). These values also formed critical components of organizational norms, a vital aspect of clan control within BP’s MCS. Building on this connection, we inferred the consequences of these new norms or identity claims through BP’s actions, such as renovating OpenTalk and the code of conduct, as reflected in actual policy and procedure data. Following Malmi and Brown (2008), these actions were identified as practices of administrative control. This systematic alignment between research data and theory-driven interpretation was meticulously applied to each of the themes identified in the analysis. This facilitated a deeper understanding of how BP’s MCS and OI influenced their crisis response in distinct phases, following the framework proposed by Ravasi and Schultz (2006).

Period 1 (2010) focused on understanding and sense-making. Period 2 (2011–2015) focused on sense-giving and responding, and Period 3 (2016–2020) on discrediting. In Period 1, administrative and operational controls mirrored the frontstage onto the backstage, to address DWH’s consequences. The media influenced politicians’ perceptions (e.g. that of the US President) regarding BP’s response to the DWH incident. In Period 2, they were reporting changes in administrative control and implementing projected desired images. In contrast, the frontstage reports emphasized strategic planning and image projection. New identity claims were unveiled, and administrative controls were reformed. The focus of the newspapers shifted, in line with BP’s organizational transformations and changes in its MCS. In Period 3, the frontstage reporting focused on clean/renewable energy, cybersecurity risks and new identity claims. In contrast, the stability of the identity claims was reported to the

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Table 2. Emerged research themes

Source: Created by the author
|---------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| • Constrained external image | Process of mirroring the frontstage into the backstage:  
• Constrained external image (e.g. DWH consequences) was “mirrored” by administrative control (e.g. the establishment of the GoM Committee)  
• Constrained external image (e.g. DWH consequences) was addressed by operational control (e.g. GCRO) | Process of reporting the frontstage undertaken changes in the backstage:  
• Changing top leadership of administrative control (e.g. selecting new CEO)  
• Regularly reporting damages restoration status  
• Regularly reporting the compensation process | Reporting responsibility to the frontstage:  
• Wondering about survival and forward movements |
| • Administrative controls | • Media provocation and BP’s responsibility | | |
| • Operational controls | | | |
| • Desired future image | Process of reflection on the OI-MCS in the backstage:  
• Desired future image (e.g. the new role of BP in the US)  
• Administrative control change (e.g. CEO change) | Process of reporting the frontstage undertaken changes in the backstage:  
• Projecting the desired image (e.g. remodelling BP around upstream)  
• Declining new strategic planning control (e.g. a re-focused strategy)  
• Actioning strategic plans (e.g. divestment/dispersing of assets) | Reporting forward-looking to the frontstage:  
• Focus on clean/renewable energy  
• Concerning the risk of cybersecurity and consideration of Blockchain |
| • Administrative controls | | | |
| • Projecting the desired image | Political interventions and negotiation into:  
• Desired future image (e.g. the new role of BP in the US)  
• Administrative control change (e.g. CEO change)  
• Media provocation (e.g. BP’s responsibility) | Process of reporting the frontstage undertaken changes in the backstage:  
• Unveiling new identity claims (e.g. trust, safety and values)  
• Reforming administrative controls (e.g. updating procedures of the code of conduct, activating the policy of OpenTalk to show tight monitor)  
• Tightness of administrative controls (e.g. establishing geopolitical committees and governance changes) | Reporting stability to the frontstage:  
• Identity claims (trust, safety and value) remained stable |
| • New identity claims | | | |
| • Clan controls | • Revising existing identity claims  
• Clan controls (e.g. review the existing organizational culture of cost-cutting) | Process of reporting the frontstage undertaken changes in the backstage:  
• Unveiling new identity claims (e.g. trust, safety and values)  
• Reforming administrative controls (e.g. updating procedures of the code of conduct, activating the policy of OpenTalk to show tight monitor)  
• Tightness of administrative controls (e.g. establishing geopolitical committees and governance changes) | |
| • Administrative controls | | | |
| • Projecting the desired image | Process of mirroring the frontstage into the backstage:  
• Deploying financial controls (e.g. cashflow management) to monitor litigations  
• Deploying non-financial controls (e.g. damages) to estimate restoration cost | Process of expressing MCS changes in the backstage and being reported to the frontstage:  
• Deploying financial controls (e.g. cashflow management) to monitor litigations  
• Deploying non-financial controls (e.g. damages) to estimate restoration cost  
• Enfolding DWH consequences through changing reporting practices in reporting organizational and MCS changes | From the backstage to the frontstage:  
| Management control system | Reporting an interest in climate change | | |

Source: Created by the author
backstage. An interest in climate change was reported to the frontstage. This analysis provided valuable insights into the transformation of BP’s MCS and OI both during and after the DWH incident and the shaping of their responses and communication strategies during distinct phases.

Finally, we performed a structural analysis, as detailed in Table 4, to follow shifts in corporate governance structures. This analysis substantiates our central argument, particularly regarding the role of MCS within the corporate governance framework, as conceptualized by Malmi and Brown (2008). The Table 4 provides a comprehensive view of recurring changes and their temporal patterns, illuminating structural transformations in corporate governance as BP strove to restore its OI. These changes are connected to the interplay between MCS and OI, underscoring the importance of this analysis, as will be discussed in Section 5.2.2.

4.2.5 Step 5: visualizing the story. The transferability of our research to both theory and practice was also addressed by visualizing the interplay patterns between MCS and OI. Following McLaren and Appleyard (2022), we revised the theoretical framework proposed

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Source: created by the author. C = Chair; M = member; A = Attending. NED = Independent non-executive director; Safety, Ethics and Environment Assurance Committee - SEEAC.
in Section 3, the findings of which have been articulated in Table 3, resulting in a detailed Figure 2, which depicts the interplay between the different components of MCS and OI.

This visualization highlighted the contrasts and distinctions in how these components influenced and shaped each other during the different periods of BP’s response to the DWH incident. By presenting these relationships in a nuanced way, Figure 2 has provided a valuable guidance tool for Section 5 of our analysis, in which we explore our findings’ practical and theoretical implications.

5. Theoretically informed discussion
The first part of this section unfolds how identity discrepancy was caused by DWH and the embarrassment that implicated BP’s MCS in facilitating the interactive processes between the audiences on the front- and backstages. In the second part, we also uncover how OI transformation provides a context of sense-giving through which MCS was steadily reformed, to respond to both the incident and the frontstage of BP’s audiences.

5.1 Embarrassment and sense-making
5.1.1 Construed external image and identity discrepancy. We discuss the identity discrepancy between both sides of BP, the culture presented by BP’s accounts and the image that the media perceives. This approach is similar to that used by McLaren and Appleyard (2022). The DWH incident significantly impacted upon various aspects of BP once the latter understood the implications of DWH, as noted in Period 1 of Table 3.

5.1.2 Safety: reputation and culture. The first aspect of BP’s embarrassment was the identity discrepancy between their claims regarding safety and how they were perceived by the media (newspapers), which brought BP’s reputation into question. In 2009, BP’s strategy claimed a corporate culture that prioritized “safety, people, and performance” (BP-PLC, 2009, p. 6). On Page 14 of the 2009 report, BP repeatedly emphasized that it prioritizes safety in all its operations, with safety protocol efforts to ensure employee safety and to protect the environment. As revealed in Table 2, our analysis presents a stark contrast in the media’s coverage, highlighting increasing concerns over compromising BP’s safety practices in favour of cost savings. More specifically, Table 2 shows that the DWH triggered a coverage of 13 titles between 2010 and 2011 concerning its safety procedures and readiness (cf. Crooks, 2010). This triggered accusations of negligence and shortcomings in the company’s

Source: Adapted from Hatch and Schultz (2002)
risk management protocols. In this sense, Hayward, who was the CEO of BP during the crisis, admitted to the media that BP had not prepared for the spill because “the vessel's written safety procedures appear to have made it difficult to respond swiftly to a disaster” (Blackmon et al., 2010). Ironically, the speeches of BP's CEO, Tony Hayward, given at the 2010 Annual General Meeting, assured BP's safety status, even though Hayward's language rhetorically promoted an ideology of economic efficiency and cost control and ideology which conflicted with the sustaining of a safety-oriented culture (Amernic and Craig, 2017).

This contradiction triggered the media to analyse BP's safety culture. It reported that “red flags were ignored aboard […] and BP's decisions to forge ahead with key work on the DWH despite some worrisome tests” (Gold and King, 2010). In addition, “[a] Halliburton technician gave testimony […] suggested he did not see warning signals that BP’s Macondo Well might suffer a blowout because he had left his post just before 9 p.m. to smoke a cigarette” (McNulty, 2010). The media concluded that BP's culture had “a history of cost-cutting” over safety measures, leading to operational deficiencies and lapses in risk management (Bower, 2010). In other words, the media's coverage depicted a disconnect between BP's claimed culture for safety and its observed actions. In the self-acknowledgement, the DWH revived BP's history of poor safety “combined with other recent events in the US (including the 2005 explosion at the Texas City Refinery and the 2006 pipeline leaks in Alaska)” (BP-PLC, 2010, p. 29). In the aftermath of this catastrophic event, the final incident investigation report indicated that BP incurred a substantial penalty of $700m due to the findings and recommendations presented in the report (BP-PLC, 2010). One of BP's responses to its recommendations led to the introduction of a new organizational structure to focus on these issues, including a new senior group vice president for safety and operations, a role that was filled by the senior executive who led the investigation into the Texas city incident. This suggests a disconnect between BP's perceived safety governance and its actions, thus tarnishing its reputation.

5.1.3 Trust: leadership and transparency. Another aspect of BP's embarrassment was the identity discrepancy between BP's claims regarding responsible leadership and transparency and how they were perceived by the media (newspapers). According to a 2009 letter from BP's Chairman, Carl-Henric Svanberg, BP claimed that “his spirit can be seen clearly within the executive team, under the leadership of Tony Hayward”, and their focus on safety operational performance and culture had produced great results (BP-PLC, 2009, p. 4). The media's coverage of criticism to BP's leadership, which directed towards the CEO, Tony Hayward, during the crisis, was a concern in nine titles, according to Table 2. It reported that BP's crisis management was also poor because “Mr Hayward made unwise statements to the media, which appeared to play down the spill's size” (Financial Times View, 2010). In doubting the credibility of the ex-CEO, Hayward, the media reported that “Tony Hayward, the chief executive of BP, sold £1.4 million of his shares in the fuel giant weeks before the Gulf of Mexico oil spill” (Winnett and Robert, 2010). This underscores a stark discrepancy between BP's claims of responsible leadership and how the leadership, especially the CEO, Tony Hayward, acted during the DWH incident. In his words, “embarrassingly, we found ourselves having to improvise on prime-time TV and slap bang in the middle of the glare of the global media” (Tremlett and Giles, 2010). This statement conveys the difficulty and pressure experienced by BP in managing its communication and actions in the public eye. It implies that BP had to respond and adapt to the demands and challenges of live television coverage, indicating the significant impact and visibility of the incident in the media landscape.

Furthermore, the media closely examined BP's transparency in communication and actions. They portrayed a lack of transparency in the information provided by BP. For
instance, “BP was accused of lying to Congress. A US congressman says the company’s worst-case assessment of the leak was 20 times higher than the public estimate” (Webb and Pilkington, 2010). Instead of being transparent, BP attempted to make investigation results more complicated, selling the idea of joint responsibility, at one time and minimizing the implications of DWH, at another. It implies that BP presented the notion of responsibility shared among the different parties involved in the incident, such as Transocean and Halliburton (see Section 1). This strained its relationships with partners, causing some to distance themselves. For instance, it was articulated that “ExxonMobil, Chevron, Total, and Royal Dutch Shell have all willingly partnered with BP over the years but have sought to distance themselves following revelations about BP’s well design and operational decisions at the Macondo Well” (McNulty and Hoyos, 2010). As reported under the 10 titles in Table 2, industry regulation has been brought to the audiences’ attention. One reported that “the majority of people in the US believe oil companies should be more regulated in the wake of BP’s oil spill in the Gulf of Mexico” (Boxell and Pfeifer, 2010). Overall, BP’s claim of responsible leadership and transparency during the DWH crisis was contradicted by media reports of a mishandled crisis response, questionable leadership actions and inadequate communication, resulting in strained partnerships and calls for more regulation.

5.1.4 Value: compensations and position. There is another embarrassment for BP regarding identity discrepancy between BP’s claims relating to performance and compensation in financial matters and how the media perceived them. BP’s CEO, Tony Hayward, claimed that “BP’s experience, skills, capability, technology, and market access enable resource holders to maximise returns over the long term” (BP-PLC, 2009, p. 7). The media closely monitored BP’s performance and focused on the financial impact of the oil spill. As per Table 2, this created financial challenges, as 10 titles recounted, and legal challenges, as four titles reported from 2010 to 2011. One reported that “BP was locked in legal battles over its liabilities from the Gulf of Mexico oil spill for many years” (Peel et al., 2010). The coverage also assessed BP’s ability to recover financially and regain stability. Owing to the substantial financial toll of the oil spill on BP’s performance, the media’s coverage questioned the company’s financial resilience. Reports also indicated that BP’s financial struggle had wider ramifications, ones that affected investors and the insurance market, raising concerns about the overall economic impact. In interviewing the ex-CEO, “Hayward admits banks stopped lending to BP” (Thompson, 2010). The financial position was analysed in relation to the cash crisis, share prices and access to funds needed to survive BP’s discrediting as a result of the event, in the best scenario. The cash crisis was reported by 12 titles, as shown in Table 2. Some articles were critical of BP’s financial performance and its impact on external stakeholders (e.g. shareholders and creditors). For instance, the media reported a challenge: “BP shares fall after US sues for $21 billion” (Crooks and Pfeifer, 2010) and “Lloyd’s of London warns of ‘perfect storm’ threat to the insurance market “the Gulf oil spill has made it a tough year for the insurance market” (Kollewe, 2010), making investors fret over the oil spill’s total cost. This extends to thoughts that “FTSE said BP would be excluded from FTSE4Good” (Ishmael, 2010) and “triggered rumours about the potential bankruptcy of BP” (Robinson, 2010). In other words, the media speculation in relation to BP’s potential bankruptcy signalled a severe threat to BP’s long-term viability, sharply contrasting with the company’s robustness claims.

Despite BP’s claims to prioritize safety, responsible leadership, transparency and strong financial performance, media coverage following the DWH oil spill shaped an external image that suggested severe discrepancies in these areas, undermined BP’s corporate image
and incited an identity crisis. As articulated in Table 3, this section has concerned BP’s position in understanding DWH’s implications. The following part discusses sense-making and BP’s reactions to these discrepancies on the backstage during Period 1:

- Identity discrepancy and sense-making context

This concerns the key players in the senior internal audiences (e.g. the chairman, the BOD and the CEO) of BP and the understanding of their sense-making in relation to the identity discrepancies outlined above. It focuses on Period 1 and, specifically, the period between July and September, 2010:

- Realization and emergent controls

BP’s future was subject to media speculation and negotiations with politicians, including the US President. According to Table 2, 18 titles provoked the politicians in one way or another to be more involved and to step up to BP, because they attempted to avoid responsibility for DWH and to involve Transocean and Halliburton instead. One title was “Is Barack Obama the man for a crisis?” (Spillius, 2010). Speaking at the “White House news conference [Obama] admitted that his administration is dealing with BP officials” (Zeller, 2010). By highlighting the involvement (or lack thereof) of politicians, the media underscored the breadth of the crisis and the need for a coordinated, comprehensive response. Another article pointed out that “the President and senators on Capitol Hill demanded explanations from BP—referring to it persistently and anachronistically as British Petroleum—and promised to keep their feet on the necks of its management” (Alleyne, 2010). However, this was about creating political tension between the USA and the UK. For instance, The New York Times reported that “investors and politicians in Britain are increasingly upset at America’s criticisms of BP” (NYT Editorial, 2010), and The Guardian responded that “Cameron and Osborne are involved in a delicate balancing act, facing calls to stand up to Barack Obama’s criticisms of BP and the anti-British sentiment on which the US President seems to be trading” (Tremlett and Giles, 2010). US politicians’ involvement was considered necessary, but it potentially inflated political tensions between the USA and the UK. It is worth mentioning that British newspapers showed a more profound interest in the DWH disaster, if compared to American newspapers, due to the historical and economic significance of BP in the UK. This unique point made the crisis a subject of greater importance and scrutiny for the British media.

In the meantime, BP was observing the media’s exposure, as mentioned above, and monitoring how the construing of external images evolved; as reported, “we also found ourselves in the midst of intense political and media scrutiny” (BP-PLC, 2010, p. 10). This put the BOD into emergency status, and “the board met 25 times as we responded to events in the GoM and subsequently in the financial markets, meeting at least weekly as the crisis developed” (BP-PLC, 2010, p. 90). Two months after the incident, one response from BP was that “In June 2010, following the GoM incident, we established the Gulf Coast Restoration Organization (GCRO) and subsequently equipped it with dedicated resources and capabilities to manage all aspects of our response to the accident” (see BP-PLC, 2010, p. 14). The GCRO was led by Dudley, who later became the new CEO of BP, as will be elaborated upon in the subsequent section. The GCRO was task-forced “to enable the company to manage the operations and transactions arising from the incident, including clean-up and restoration costs, claims management, and litigation” (see BP-PLC, 2010, p. 104). Malmi and Brown’s (2008) framework states that these tasks are fundamental to operational planning controls. In addition, this delegation aimed to free the CEO and non-executive directors to dedicate their time to more strategic issues related to BP’s image. The image was monitored
by establishing a corporate governance mechanism called the GoM Committee. Table 4 shows 8 references to this committee during 2010. The committee was also responsible for monitoring operational controls assigned to GCRO, mentioned above, as stated by the Chairman, Carl-Henric Svanberg:

During the summer [of 2010], we formed the Gulf of Mexico committee, whose primary responsibility was the oversight of the Gulf Coast Restoration Organisation and whose work is described further in this report (BP-PLC, 2010, p. 90).

While GCRO was accountable to the GoM Committee for actions to repair damage, the GoM Committee was, in turn, accountable to the Board. According to Malmi and Brown, the GoM Committee is considered a mechanism of corporate governance that is an integral part of administrative control. Furthermore, the committee also played a vital role in realizing identity discrepancies, as reported by BP:

[...] the committee has monitored the political landscape and the views of the American people, in part from independent polling data relating to many aspects of BP’s response to the incident. This has helped inform many of the committee’s discussions, and the committee will continue to receive polling data on a regular basis in 2011 (BP-PLC, 2010, p. 102).

This quotation describes Sub-process 1 of Figure 2, in which the responsibility of the GoM Committee is to mirror media exposure and construe an external image (the frontstage) to the BOD (the backstage). Further, and fundamental, consequences of these realizations are accordingly discussed:

- Executive leadership change

Sub-process 2 of Figure 2 articulates BP’s leadership change, another reflection resulting from the interplay between the front and backstages. The media’s intervention demanded the removal of Tony Hayward from leadership, as understood:

Hayward moves into [Barak] Obama’s line of fire: Barack Obama has launched a scathing attack on initial comments made by BP Chief Executive, Tony Hayward, which seemed to suggest there would be a minimal environmental impact from the Gulf of Mexico oil spill (Lemer, 2010).

This involvement of the US President ceased speculations and politicians’ interference. However, it renegotiated BP’s relationship with its desired future presence in the GoM. As stated by the Chairman, Carl-Henric Svanberg, the meeting was a trajectory of organizational change:

Our meeting with President Obama on 16 June 2010 provided reassurance to the US government that BP would do the right thing in the Gulf, and this marked a turning point (BP-PLC, 2010, p. 6).

As described above, and in the three titles in Table 2, this meeting was a turning point for reasons that had been raised by the BWH crisis. Following this meeting, we underscored several of the responses made by BP. Firstly, “BP Finalise $20.8 Billion”, as articulated by Barrett (2015) and BP. This fund compensates individuals, businesses, government entities and others who had been impacted by the oil spill (see Table 2). The fund aimed to secure public trust in BP and to prove its commitment to responsibility. However, this was insufficient, and the media doubted BP’s capabilities after the founding of the Trust Fund. Secondly, BP’s BOD deliberated on the direction the company should take in the future, and he considered which leader would be best suited to lead BP in this next phase:

In late July, the board and Tony Hayward agreed that he would step down as group Chief Executive on 1 October, to be succeeded by Bob Dudley, and would leave the company and the
board at the end of November. This decision was made following a series of extensive discussions by the board as to what strategic focus BP, as a company, should have in the longer term, and what leadership was best equipped to embark on this next phase (BP-PLC, 2010, p. 91).

This statement highlights the transition in leadership at BP and the strategic considerations that led to this decision. The selection of Bob Dudley was driven by the industry, the operation and the geopolitical experience required for the role. In 1997, he had previously been the strategy manager for Amoco. He was appointed to a similar role at BP following the merger between BP and Amoco in 1999. More importantly, he led the GCRO, with which BP responded to DWH’s ramifications. However, according to the media, this was not enough, and they stated that “Hayward’s end is just the first step for BP, and organizational reform should go beyond his departure” (Financial Times View, 2010). For instance, Obama was asked “to take control […] and seize BP campaigners” and “BP faces ExxonMobil takeover bid speculation” (Clark, 2010). Thirdly, BP provided $500m for the GoM Research Initiative to investigate the impacts on affected ecosystems. According to the new CEO, Dudley stated that “the 10-year programme will examine the spread and fate of the oil and other contaminants, the degree of biodegradation, the effects of the spill on local ecosystems, and detection, clean-up, and mitigation technology” (BP-PLC, 2010, p. 36). This turned a well-respected external audience (e.g. scientists and environmental friends) from opponents to partners of BP in addressing DWH’s implications.

To summarize, permitting the continuation of BP in the GoM reflects the mutual interests of BP and the USA. While the USA needed BP’s strengths in exploring deep water, BP was still interested in exploring DWH, but needed a chance to meet all the DWH-related litigation and damages. BP gained the chance after offering $20bn as a Trust Fund, while remaining accountable for the ramifications of DWH. These organizational transformations and MCS changes have been regularly reported to the public. As discussed in the next section, this denotes Sub-process 4 in Figure 2:

- Transparency and reporting changes

BP’s Annual Reporting and Forms 20-F structure and presentation changed notably. The 2010 Annual Report and Forms 20-F was the most critical, and it introduced two messages, from BP’s Chairman and the CEO, respectively. The Chairman’s message focused on highlighting the GoM incident, setting three critical objectives: assuring the shareholders’ dividends by cash management focusing on the disposal of assets; corporate governance changes that highlighted skilled actors (e.g. the Head of the US Nuclear Navy); and executive management changes, highlighting Bob Dudley and drawing the shareholders’ attention to the priority of regaining society’s trust. Additionally, the CEO’s message also focused on highlighting the GoM incident, gave assurance about safety and reliability, highlighted the restoration processes relating to the GoM incident, emphasized the ramifications of the GoM incident, outlined the financial provisions related to DWH’s consequences, underscored the strategic decisions relating to investments, drew attention to the Bly Report and its implementation, emphasized a need to improve the risk management system, linked confidence, trust and BP’s position and, additionally, emphasized BP’s strength in exploration. Later, BP disclosed that the preparation of Annual Report and Forms 20-F was put under governance, as stated:

The committee is responsible for the overview of the BP Sustainability Report 2017. The committee reviewed content and the revised presentation, and worked with the external auditor with respect to their assurance of the report (BP-PLC, 2017, p. 85).

These documents were prepared by a disclosure committee which was concerned with both periodic and Annual Reporting and Forms 20-F preparation; the Safety, Ethics and Environment
Assurance Committee (SEEAC) monitored them, and the latter is part of BP’s board committee. Overall, BP’s immediate responses were more defensive and aimed to stop the media’s exposure, on the one hand, and to restore BP’s reputation after DWH, on the other. More importantly, BP was given another chance to continue after paying the price, not only for the implications of DWH but also for the intervention in MCS changes (e.g. leadership).

5.2 Transformation and sense-giving

The construed external image, which was discussed in the preceding section, shaped the boundary of OI transformation in relation to the desired images and MCS during Period 2, shown in Table 3.

5.2.1 Desired image and management controls. We focus on the new CEO, Bob Dudley, alongside key players relating to the plans for transformations developed during late 2010 (October–December), then articulating the transformations (i.e. MCS-OI) in Period 2, shown in Table 3:

- Future image and clan control

Having been given an intensive coverage, BP realized that the media were dominating external audiences’ perceptions, including speculation about BP’s future, as reported by the new CEO, Bob Dudley:

Following the tragic DWH accident of 2010, BP entered 2011 facing a range of uncertainties. These included concerns about our ability to operate safely in deep water, meet our financial commitments in the Gulf of Mexico, and recover the trust and value we had lost. We were also subject to intense speculation around the future and direction of the company (BP-PLC, 2011, p. 14).

Reflecting on BP’s past performance in relation to safety, prior to DWH, Dudley, as the new CEO, stated that:

Before April 2010, BP had drilled safely in the deep waters of the Gulf of Mexico for 20 years. The governments of Egypt, China, Indonesia, Azerbaijan and the UK have shown confidence in our ability to operate safely at depths, having signed new Deepwater drilling agreements with us in the second half of 2010 (BP-PLC, 2010, p. 11).

The DWH held back BP’s BOD and questioned their beliefs in regard to BP’s distinctiveness (e.g. OI) due to a significant threat to the existence of BP, according to the Chairman, Carl-Henric Svanberg, who gave a retrospective statement that:

We were faced with a crisis in 2010 that could have threatened the very being of the company. [...] It required resolute action on many fronts to see us through and it is a great tribute to everyone in BP that the foundations were laid for our recovery. This involved doing things differently and thinking differently. We had to act simultaneously on many fronts (BP-PLC, 2017, p. 6).

These reflections denote Sub-process 2 of Figure 2, creating a sense-making context, which shaped the perceptions of BP’s senior internal audiences in relation to movement from the construed external image to a desired future image. After long rounds of meetings, BP revealed new identity claims to explain to the external audiences what BP is about, as the Chairman, Carl-Henric Svanberg, stated:

The board set three priorities for BP. Safety must be enhanced and embedded. Trust must be regained. Value must be created through a clear strategic plan. While these priorities are simple to express, substantial activity is required to turn them into tangible and lasting change (BP-PLC, 2011, p. 8).

While these pillars are considered to be new identity claims, according to Ravasi and Schultz’s definitions (2006), they are considered organizational norms, according to
Malmi and Brown (2008). The realization of these values has revealed a significant and lasting change. The new identity claims of trust, safety and value aimed to address society’s concerns and to negotiate with US politicians, as explained in Section 5.1. There was an aim to encourage trust to repair BP’s damaged relationship with society, safety to counter the negligent image portrayed by the media and value to prioritize quality and generate funds for environmental and financial issues. Concisely, the identity discrepancies shaped a sense-making context that was facilitated by administrative control (e.g. the GoM Committee), identifying BP’s central and distinctive features and creating a sense-giving context of change.

These new identity claims worked as an influential perceptual lens in Sub-process 3 of Figure 2, through which the interpretations and actions could be cascaded down, as mentioned:

[…] capture what we strive to stand for as a company–our renewed values. They are an expression of work done across BP in 2011 to define and renew our principles and values. This work was carried out in response to the events of recent years, which have caused us to reflect on what is important and how we do what we do (BP-PLC, 2011, p. 31).

Furthermore, they created a context of sense-giving. They exposed MCS to express these claims’ processes (cascading down) at the executive level. This articulation denotes Sub-process 3 in Figure 2. In this sense, we discuss two changes in administrative controls: policies and procedures (e.g. the code of conduct) and OpenTalk. Firstly, in 2010, the code of conduct was renovated to clearly emphasize precautions against the potential implications of misconduct in relation to shareholders’ values, as BP stated that ethical misconduct or breaches of the applicable laws by their employees could be damaging to their reputation and to shareholders’ values (BP-PLC, 2010, p. 29). In 2012, the new CEO emphasized a further infusion of new identity claims, indicating that “we worked on embedding BP’s values into many of our group-wide systems and processes, including our recruitment, promotion, and development assessments” (BP-PLC, 2012, p. 55). However, to prevent potential violations of the code of conduct, BP raised an initiative called OpenTalk:

The company’s employee concerns programme, OpenTalk, has been adopted by the committee for whistle-blower monitoring, and all financial issues that have been flagged are reviewed by the committee (BP-PLC, 2011, p. 128).

OpenTalk is an independent, confidential helpline that is designed to enable those who work for BP to raise, in confidence, any concerns about improprieties so that they can be appropriately investigated. One of the US judges occupied this role. Its records were monitored internally by an audit committee and externally by a US judge, to address concerns over its reputation, as reported by BP (BP-PLC, 2012, p. 11). This strategy may be intended to rebuild trust with external stakeholders (e.g. GoM communities and businesses, the US Government and environmental groups), demonstrating that BP was taking meaningful action to address the DWH-related issues. Concisely, the articulation of OI, mentioned above, created a context of sense-giving, constituting one part of Period 2 in Table 3. This context has questioned the MCS, especially the planning of strategic controls, as discussed below.

- Projecting image and strategic controls

In moving towards an OI transformation, BP devised a strategic plan that was primarily anchored on safety, trust and value creation, as stated by Carl-Henric Svanberg, BP’s Chairman:

Clearly, after a very troubled and demanding 12 months, BP is a changed company. As a board we have much to do, and we are working with the executive team to ensure successful
implementation of a refocused strategy built on the pillars of safety, trust and value creation (BP-PLC, 2010, p. 7).

The execution of this strategy unfolds Sub-process 3 in Figure 2, which was considered critical by the BOD and the CEO to facilitate BP’s transformation. As Carl-Henric Svanberg, BP’s Chairman, declared, the 10-point plan was built around three of BP’s priorities, and it was intended that these should be achieved by 2014, as follows (BP-PLC, 2011, p. 15):

- You will see a continuing, relentless focus on safety and risk management.
- You will see the company play to its strengths – exploration; managing Deepwater activity; giant fields; gas supply chains; our world-class downstream business; and our capabilities in developing technology and building relationships.
- You will see a simpler and more focused company due to a major divestment programme.
- You will see a company that is organized effectively and applies its standards consistently.
- You will see more visibility from us on our businesses.

BP’s new strategic outlook emphasized the desired future image by leveraging its strengths in exploration and simplifying BP via a substantial divestment program. Furthermore, the five-points that follow underline the projected image that BP desired and intended to achieve:

- You will be able to measure the effects of active portfolio management as we invest more in our areas of strength and generate cash through further divestments.
- You will be able to measure the contribution of new upstream projects with higher margins as they come on-stream over the next three years.
- You will be able to measure operating cash flow, which we expect to be around 50% higher by 2014.
- We plan to use around half of the increased cash flow for investment, and half for other uses, including increased distributions to shareholders.
- [...] you will be able to measure balance sheet strength.

BP’s strategy focuses on portfolio management, capitalizing on strengths and on divestment for cash generation. BP is undergoing transformation and remodelling, emphasizing upstream activities involving finding and extracting crude oil and natural gas. With this vision, we shift our analysis to the backstage changes relating to strategic divestment decisions and the reshuffling of BP’s investments worldwide, as denoted in Sub-process 3 in Figure 2. In the new CEO’s message, Bob Dudley (2012) acknowledged significant changes:

We have since sold around 50% of our upstream installations, 32% of our wells and 50% of our pipelines, while only reducing our proved reserves base by approximately 10% and our production by about 9%. We have traded mature assets with declining cash flows so we can concentrate on assets with greater potential for growth (BP-PLC, 2012, p. 25).

These changes were regularly communicated to the public, including to their counterparts in the market, as denoted in Sub-process 4 in Figure 2. In the updated oil market, the new CEO of BP, Dudley, presented the company’s portfolio and outlook in 2012. Subsequently, BP announced multiple divestment programs, including $10bn in 2013, $3–5bn in 2016, and ongoing divestments of around $2–3bn annually. This strategy, post-DWH, reflects a value-
driven approach, shifting away from volume-focused operations. By implementing a series of divestments, BP transitioned from a crisis response to trust restoration and development, demonstrating resilience and the ability to redefine its future path despite adversity.

5.2.2 Management control changes. In cascading new identity claims and refocusing strategy at the operational level, we discuss additional changes in MCS, namely, the risk management system, corporate governance and reporting practices. These changes are facilitated by Sub-processes 3 and 4 in Figure 2:

- Renovation risk management

Safety protocols and operational procedures were thoroughly reviewed in response to the DWH incident. As outlined in Section 5.1, BP recognized the urgent need for substantial improvements to prevent similar incidents in the future, as reported:

While [t]he ‘bottom-up’ process starts at the day-to-day level with businesses and functions identifying and managing their risks using existing company standards and practices [...], risk is examined by the board to apply a ‘top-down’ perspective (BP-PLC, 2010, p. 32).

As denoted by Sub-process 3 in Figure 2, BP’s post-DWH strategy aimed to integrate risk management across all levels of the organization, from daily operations to strategic planning at the board level. This risk management system consisted of three pillars: risk governance, deployment and assessment. The restructuring of board committees to prioritize strategic risks illustrates active engagement in risk governance, ensuring effective risk oversight and addressing the lack of a safety culture, which was noted in Section 5.1. BP intentionally created a risk culture by establishing six executive management committees to address significant risks. These committees, led by critical executives, handle safety, environment, operations, finance and trading risks, legal and regulatory compliance, ethics, financial reporting, personnel and investment decisions. They are responsible for developing new risk metrics that are consistent with the risks identified by BP’s board and its monitoring committees. Furthermore, the Executive Committees’ involvement in risk identification and assessment processes reflects a conscious disruption of existing practices, emphasizing a proactive approach to risk management:

- Governance control reforms

Table 2 shows that BP’s corporate governance was another part of its MCS that experienced change, as evidenced by 36 references from 2011 to 2015. However, these reforms were triggered by the refocused strategy and were facilitated by Sub-process 3 in Figure 2. Nevertheless, they were developed and approved by the new CEO, Dudley and the BOD, and this has brought BP’s corporate governance to change, as reported by BP:

The [nomination] committee keeps this mix under review and regularly maps the skillset of our existing board membership against the likely tenure of individual directors. This is viewed against the potential demands placed on the board due to developments in our strategy and business activities (BP-PLC, 2011, p. 120).

Reporting such information to the public may be an attempt to ensure transparency and endorse trust by demonstrating good governance. Table 4 describes BP’s governance changes that have been mobilized to deliver the desired outcomes. Alongside the GoM Committee, in 2015, BP formed an additional control body called the Geopolitical Committee, which was tasked with the following responsibilities (BP-PLC, 2015, p. 74):

To monitor the company’s identification and management of primary and correlated geopolitical risk and to consider reputational as well as financial consequences.
To review the company’s activities in the context of political and economic developments on a regional basis and to advise the board on these elements in its consideration of BP’s strategy and the annual plan.

The assigned activities are prospective, focusing on geopolitical disruptions. In 2015, BP kept the GoM and Geopolitical Committees so as to tighten control over OI. The former involved a defence role (e.g. identity restoration), whereas the Geopolitical Committee involved a proactive role (e.g. identity governance). However, both are held accountable to BP’s Chairman, as stated in BP’s report:

The committee’s work is fully integrated with that of the board on strategy, reputation and financial planning. The committee chairman provides verbal reports at board meetings, and all directors are invited occasionally to attend and observe committee meetings. Meeting minutes are sent to the board for review, and the board retains ultimate accountability for oversight of the group’s response to the DWH accident (BP-PLC, 2012, p. 124).

Another form of interdependence between committees was that members of the GoM Committee have a cross-membership with the SEEAC and the Audit Committee, thus helping to inform discussions of matters within the Committee’s remit (see Table 4). While the SEEAC monitors non-financial risk, the Audit Committee monitors financial risk. These Committees ensure their agendas do not overlap or omit coverage of critical risks during the year. As per Table 4, the SEEAC was under the chairmanship of three different non-executive directors: Sir William Castell (2011), Paul Anderson (2012–2015) and Alan Boeckmann, all of whom share global experience and leadership skills. In addition, Brendan Nelson joined BP in 2010 and took on the role of leading the Audit Committee until 2011 (see Table 4). The Geopolitical Committee was under Antony Burgmans in 2015, before he left the company when he retired. It was then led by Sir John Sawers (2016–2017), who spent 36 years in the UK public service, working on foreign policy, international security and intelligence. Some significant members were also on the committee, especially Admiral Frank Bowman, who has deep expertise from serving for more than 38 years in the US Navy and at the Nuclear Energy Institute. The above-mentioned organizational and MCS transformations were regularly reported to the public through Sub-process 4 in Figure 2:

- Reporting practices

BP’s Annual Reports changed notably between 2011 and 2015. BP performed in three ways to address its construed external image as it related to the embarrassment caused by the DWH damages: environmental restoration, economic recovery and tourism and wildlife recovery (BP-PLC, 2010, p. 39). Firstly, BP initiated a set of actions leading towards environmental restoration. For instance, it is reported that the National Fish and Wildlife Foundation funded several projects in 2011, using funds provided by BP in 2010. These funds came from selling oil that was recovered from the spill. By the end of 2013, BP had paid approximately $1bn to support the assessment process through which a wide range of societies became involved in restoring the organization. Secondly, managing economic recovery during the DWH crisis was also essential. BP supported local economic recovery through various actions, such as establishing the “$100 million Rig Worker Assistance Fund” (BP-PLC, 2011, p. 78) to financially support those affected by the DWH incident. In addition, BP engaged in efforts such as compensation and environmental restoration projects to mitigate the oil spill’s impact on the affected communities. By December 31, 2014, BP had spent $13.4bn on economic recovery, including claims, advances, settlements and other payments, such as state tourism grants and funding for state-led seafood testing and marketing. Thirdly, tourism and wildlife recovery were other cornerstones of impression
management. In 2011 BP committed $92m, over three years, to supporting tourism promotion within the affected areas (BP-PLC, 2011, p. 78). BP’s response to the DWH incident went beyond mere damage control. This strategy of reporting organizational changes helped to rebuild public trust, to reinforce its new strategic focus and to establish the company’s resilience in the face of a severe crisis.

To sum up, the construed external image (e.g. embarrassment) shifted to discrediting the event from 2011 to 2015. The media’s tone was more empathetic with BP when it reported that “the investigators concluded the blowout preventer failed due to a design flaw, not because of misuse by BP or any of the other companies involved” (Casselman and Gold, 2010). BP’s recovery, post-DWH, was facilitated by their MCS, which leveraged a tight interdependence among corporate governance, strategic planning and increased coordination within governance. This trust and value, coupled with a refocused strategy prioritizing safety, allowed BP to rebuild its image, enhance operations and ensure long-term resilience.

5.3 Stability and continuity
Period 3 of Table 3 focuses on the post-event discrediting between 2017 and 2020. The DWH-related new identity claims remained unchanged and then continued as they were until the end of the time period covered by this study. By 2017, no more accounts relating to the GoM oil spill appeared in the Annual Report and Forms 20-F, nor were they reported upon by the media. The focus of operational control shows that the discrediting of DWH’s implications is almost done, and attention has turned from DWH to future energy, as reported by Carl-Henric Svanberg, BP’s Chairman:

The record since 2010 BP’s performance in 2016 was based on the foundations rebuilt following the 2010 DWH accident – an event that could have put the very existence of our company at risk. He added that: Bob and his team have guided BP from a time of crisis in 2010 to a position where we have sound prospects for greater value creation and growth in the years ahead (BP-PLC, 2016, p. 4).

However, we noticed Bob Dudley’s retirement from being BP’s CEO after ten years of leading the company’s survival. The attention of BP has shifted to clean energy and digitalization as a desired future image, in a field in which BP is expected to play a role. The meaning attached is intended to show BP’s commitment to preventing climate change. Furthermore, BP shows another commitment to shareholders by investing in blockchain technology to protect the company from potential cybersecurity attacks. In addition, BP is re-emphasizing the Geopolitical Committee’s role, to assure strategic control over potential strategic (e.g. geopolitical) risks, owing to the Arab Spring in the Middle Eastern countries and political instability in areas where BP is risking significant investment.

In approaching the 10th anniversary of the crisis, the media focused on the positive image of BP’s activities. They reported that “BP had survived the disaster, but the company had paid a steep price for it” (Uhlmann, 2020). Comparing before and after, a newspaper reported, “Baseball to beaches: Coast is different ten years after spill” (Reeves, 2020). The resilience of BP is recognized by an article that says the oil giant was compelled to reduce its size to achieve greatness. However, as reported, the cost was high: “the accident shaved off one-third of the market capitalization of the company. It is a miracle that the company is still in business” (Mufson, 2016), and Bob Dudley was the leader of this survival as reported by the media that “BP boss Bob Dudley will step down as chief executive a decade after steering the oil major back from the brink of collapse following the DWH disaster” (Ambrose, 2019). Bob Dudley’s leadership was vital in this transformation and his role in guiding BP through the crisis and ensuring its survival was widely recognized. This
narrative shift reflected BP’s substantial efforts in addressing the crisis’s aftermath, including environmental restoration, financial settlements and strategic shifts.

6. Implications, limitations and future research
This study, enriched by the incorporation of MCSs and their mechanisms, unveils and discusses two pivotal insights that have profound implications for theory and practice.

6.1 The frontstage and the backstage
Understanding the dual roles of MCS as contributors to identity damage and restoration was more complex than that concerning the frontstage/backstage of OI or examining an isolated MCS practice. Alternatively, this study indicated that understanding the interplay between OI and MCS’s frontstage and backstage aspects is crucial in managing identity discrepancies and restoration. MCS exposed BP’s identity discrepancies (e.g. culture, safety and environmental practices) and facilitated BP’s organizational transformation and reputation restoration. Now, we discuss the implications of this for prior studies, which are outlined in Section 2, so as to understand how identity discrepancies were bridged, as outlined in Section 5.1.

6.1.1 Reputational focus. Previous research has extensively scrutinized BP’s strategies for reputation management and crisis communication following the DWH incident (Abdelrehim et al., 2015; Arora and Lodhia, 2017; Michelon, 2013). While prior studies often focussed on surface-level reputation restoration efforts, primarily through communication strategies (Summerhayes and de Villiers, 2012), our research delves deeper into the driving forces of organizational transformation, including significant changes in OI and MCS. We emphasize MCSs’ practices’ crucial role, echoing Sung and Yang’s (2008) insight that reputational management encompasses backstage organizational dynamics that go beyond external communication. We have uncovered ethical failures in BP’s conduct during the DWH incident, thus highlighting a disconnect between BP’s professed principles and crisis responses, thus eroding trust. To address this, BP implemented comprehensive administrative control measures, which are exemplified by the GoM Committee for Corporate Governance, overseeing external stakeholders’ perceptions and the GCRO actions to address environmental damage. Political engagement and a $20bn compensation Trust Fund played pivotal roles in reputation recovery, and this was facilitated by the mutual interests of BP and the USA, driven by BP’s deep-water expertise and the USA’s needs. These backstage interventions were complemented by changes in executive leadership, which were collectively aimed at rectifying the embarrassment caused by ethical failures, rebuilding trust and contributing to broader organizational reputation restoration. This underscores that communication strategies are the outcomes of backstage processes, including MCS practices.

6.1.2 Safety focus. A comprehensive body of research has explored diverse aspects of corporate governance challenges (Ososky et al., 2011), sustainability and risk governance (Elsayed and Ammar, 2020), organizational ethics (Schwartz, 2020) and leadership (Amerinc and Craig, 2017; O’Connor, 2011). Our research enriches this scholarly discourse by incorporating MCS into examining safety issues, yielding valuable insights into how BP encountered identity discrepancies that were linked to safety. BP’s ethical failures, including the glaring absence of a safety culture, communication breakdowns and a focus on cost-cutting, precipitated a cascade of issues that were exacerbated by the DWH incident and its environmental and public relations consequences. BP implemented extensive organizational transformations and MCS modifications to ameliorate these ethical shortcomings. These encompassed revisions to clan control mechanisms to underscore trust and safety; the introduction of OpenTalk for improved communication, and a comprehensive overhaul of
the code of conduct to instil a safety-oriented culture and to address ethical concerns. Simultaneously, administrative control adjustments, such as appointing a new CEO (Dudley), aimed to address mismanagement issues and enhance corporate governance, while strengthened cybernetic controls aimed to prevent future incidents and mitigate the consequences of cost-cutting. These multifaceted efforts collectively sought to rectify ethical shortcomings and to rebuild trust in BP’s commitment to safety and environmental responsibility. These efforts include those made to make external stakeholders unintelligible and collective forgetting, contributing to the long-term impact of corporate irresponsibility (Mena et al., 2016). While prior studies have often emphasized causal factors, our research has delved deeper into MCS’s underlying processes and mechanisms, shedding light on how BP addressed the embarrassment caused by safety deficiencies and cultivated a safety-centric culture within its operational landscape.

6.1.3 Financial focus. Studies, in this group, have explored the financial implications and reporting practices that are related to the DWH oil spill, e.g. crisis costs (Gyo Lee et al., 2018), shareholder wealth effects (Heflin and Wallace, 2017), corporate irresponsibility (Mena et al., 2016) and non-financial disclosure (Bellucci et al., 2021). Our research contributes to these studies by incorporating MCSs, exploring qualitative aspects and the underlying mechanisms and addressing the financial discrepancies exposed by the incident. By considering MCSs, we provide insights into crisis cost management and BP’s efforts to regain financial stability. A complex series of changes unfolded within the MCSs in response to specific ethical failures. Initially, a politically motivated decision regarding BP’s future role set the stage for subsequent shifts in clan control dynamics. These changes were primarily driven by the need to prioritize more valuable assets. BP implemented various control measures, including divestment and strategic repositioning, that were focused on upstream activities to mitigate downstream risks. Notably, BP’s survival was partially attributed to securing a substantial Trust Fund and to divesting itself of over $40bn worth of assets, with the remainder of the final cost managed through annual profits. These actions were essential responses to the ethical failures and challenges that were posed by the DWH incident, reflecting BP’s commitment to addressing its responsibilities and mitigating the fallout. Without a deal with the US President, BP might have faced bankruptcy. Our research offers a comprehensive understanding of the ways in which BP managed financial concerns through MCS, both during and after the DWH oil spill, thus going beyond previous studies, which have focused solely on costs and financial impact.

6.2 Multifaceted interdependences
This study has highlighted the intricacies between MCSs and OI, uncovering a multifaceted interdependence that extends beyond these domains and that permeates their individual components. These interdependencies played a pivotal role in facilitating the process of addressing BPs’ embarrassment (e.g. identity restoration), as discussed below.

6.2.1 Interdependence between the domains of management control systems and organizational identity. The interdependence of MCSs and OI has been recognized in the literature (Abrahamsson et al., 2011; Rikhardsson et al., 2021). In this regard, our case has provided additional evidence about the reciprocal relationship between OI and MCSs. However, this interdependence is more complicated than a simple direct relationship. We suggest that the interdependence between the MCS and OI domains is shaped by interdependence among the components of each domain as outlined in Section 3.

6.2.2 Interdependence among organizational identity domains. The concept of interdependence extends to the components within the OI domain itself. One notable interdependence is observed between the construed external image and the desired future...
image. The latter was developed to reposition BP upstream and to leave the industry downstream, corresponding to the identity discrepancies that are outlined in Section 5.1. However, we noticed that the desired future image existed before the formation of new identity claims. It highlights a theoretical distinction from Ravasi and Schultz’s (2006) study. This may be attributed to the profile of DWH (Summerhays and de Villiers, 2012) and the involvement of politicians, including the US President, provoked by the media. In addition, there is an interdependence between the new identity claims and the desired image, even though political factors may influence the formulation of identity claims. Understanding these interdependencies has provided valuable insights into identity restoration and the aligning of organizational actions with the desired future image.

6.2.3 Interdependence among management control system domains. Interdependence was also an outcome of the interactions among the components of MCS. In responding to calls to avoid shortcomings in examining individual control (Chenhall, 2003), our study reported that administrative control (e.g. the GoM Committee) triggered a reform of clan controls around new organizational values (e.g. trust, safety and values), but this, in turn, exposed further changes that are needed in administrative controls, such as developing new policies for monitoring inappropriate actions through OpenTalk and new procedures to control actors’ behaviour through a code of conduct. More importantly, clan and administrative controls, including new forms of corporate governance, were dedicated to more strategic issues, such as restoring reputation (e.g. GoM Committee) and maintaining a new identity (e.g. Geopolitical Committee). Furthermore, there was another interdependence between administrative control (e.g. the GoM Committee) and operational planning controls (e.g. GCRO), where the latter was held accountable to the former. Another interdependence we reported upon was among the controls of strategic planning (divestment and cash generation) and operational planning (e.g. GCRO for restoration), which were facilitated by cybernetic controls (e.g. the financial controls of cash flow management).

6.3 Practical implications
The practical implications of this study are significant for organizations dealing with the embarrassment of identity incongruities, particularly in the context of OI. Firstly, organizations should integrate their MCS to understand the complexities of crisis management, recognizing the mutual influence of MCS and OI and the inherent interdependencies within each domain. Secondly, folding the embarrassment of identity discrepancies between the frontage and backstage requires a holistic view that considers the interplay between MCS and OI, spanning the external and internal audiences. Thirdly, traditional communication strategies may be inadequate for managing reputation discrepancies after significant crises, thus necessitating a comprehensive approach that explores organizational transformation involving MCS and OI shifts. Fourthly, understanding the role of MCSs in crisis cost management and financial stability is essential and goes beyond mere cost considerations. Finally, recognizing the multifaceted interdependence between MCS and OI domains and their components, sheds light on the complicated relationships shaping organizational actions, image projection and reputation restoration, thus facilitating more effective decision-making and strategy development.

6.4 Limitations and future research
The research findings of this study are not without their limitations. Firstly, OI comprises images and cultures that reflect audiences’ views on the back- and frontstages, respectively. To obtain a more dynamic view, conducting interviews would reveal more insights into the rationality of MCS changes and organizational transformation. Secondly, exploring the roles of leadership and institutional logic that the new CEO introduces to BP would be interesting
for future research. More specifically, it was noted that the new, desired, future image was politically negotiated, and this requires further investigation to be undertaken into whether the choice in appointing the new CEO was political, to ensure compensation or organization, survival or balance. Thirdly, we did not quantitatively measure the effectiveness of interdependences, nor did we know unsuccessful attempts had previously been made to reach these final forms of interdependences (Grabner and Moers, 2013). Finally, we noted theoretical limitations in both the frameworks we mobilized: MCS and OI. The former was silent about explaining the intervention of politicians in deciding a new, desired future image and its leading role in new identity claims, rather than the other way around, according to the theory (Ravasi, 2016; Ravasi and Schultz, 2006). Regarding the MCS framework, it was not easy to follow predetermined control practice categorizations, as Malmi and Brown (2008) suggested. For instance, the administrative control of the GoM Committee was formed to monitor the media’s, rather than the employees’ behaviour, according to their framework. The research data we collected was therefore interpreted according to the context and theoretical framework that was outlined in Section 3. However, recasting the same research data in a different context and theoretical framework might lead to another conclusion.

Note
1. According to a Pew Research Center study conducted in 2020 that ranked the most widely circulated newspapers in the USA: www.pewresearch.org/journalism/fact-sheet/newspapers/

According to a survey conducted by the American Press Institute the most trusted newspapers in the United States: www.americanpressinstitute.org/publications/reports/survey-research/how-americans-get-news/

According to a report by the Alliance for Audited Media, which tracks circulation and readership data for newspapers and magazines: https://auditedmedia.com/

References


Further reading

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