

The Double Stigma Challenge: How Blocklisted  
Colleges from Montreal are Surviving After Fraud Accusations in 2020

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## ABSTRACT

### The Double Stigma Challenge: How Blocklisted Colleges from Montreal are Surviving After Fraud Accusations in 2020

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This study investigates how organizations overcome stigmatization attributed to their disapproved activities and amplified by negative events. Through a comparative case study of two out of ten sanctioned colleges in Montreal, and, by comparing the ongoing trajectories of both **these colleges** in managing their stigmas, I've investigated the strategies they adopted in response to their main audiences in order to survive. Using various data sources, including press articles, government publications, public company information, and interviews, this study shows that colleges followed different strategies according to their stigma intensity. The college with high stigmatization intensity followed a stigma containment strategy, focusing on actions to strengthen relationships with their allies, the students and partner-employers, creating a virtuous cycle within this group. The college with low stigmatization intensity followed a destigmatization strategy, focusing on collective action with other colleges through the provincial and national private college associations. This was achieved by actions that were mainly political, aiming to change the stigmatizer's perspective, the government, in their favor. This work contributes to the literature on organizational stigma, as well as discussions on legitimacy and reputation. It explores how different intensities of stigmas demand different strategies for similar institutions and proposes understanding how core and event stigmas interact, intensifying or reducing each other. The study also contributes to managerial practice by explicating strategies that stigmatized organizations can use.

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## INTRODUCTION

In 2020, the government of Quebec blocked ten private colleges because of their questionable recruitment practices. The government temporarily suspended the study permit treatment for students from these ten colleges in Quebec (Online, Appendix 3, note 3), creating uncertainty among students and organizations. Students were uncertain about completing their courses, the status of their immigration process, and the value of their diplomas in the job market. In 2021, the temporary sanctions on the study permits and the colleges' recruitment processes were lifted, however, colleges continued to be under investigation until the final government decision to no longer accept their diplomas for immigration purposes after September 2023 (Online, Appendix 3, note 1). This study draws on theories of stigma, legitimacy, and reputation to explore two questions: How are already stigmatized organizations surviving following a scandal that further stigmatizes them? And what strategies are these doubly stigmatized organizations using to overcome audience perceptions about them?

Stigma literature suggests understanding the origin of negative evaluations to devise strategies that change audience perceptions. These strategies can aid in recovering a company's reputation and restoring the organizational legitimacy threatened by stigmatization. The process involves identifying the main audience, understanding their motivations, and pinpointing fears that fuel the stigma towards the target organization (e.g., Hampel & Tracey, 2016; Helms & Patterson, 2014; Shymko & Roulet, 2017). According to Hudson (2008), there are two types of stigmas: "core stigma" and "event stigma." Core stigma pertains to a company's central activities, like industries offering controversial products or services from a societal perspective – such as the gun industry, which is stigmatized by certain non-governmental organizations (Durand & Vergne, 2014). Event stigma arises when a firm commits an unusual infraction that leads to a loss of reputation, as exemplified by Chapter 11 of the Federal Bankruptcy Code, acting as a negative label prompting depreciative behaviors from audiences towards the target companies (Sutton & Callahan, 1987).

Some studies investigate how to minimize stigmas (Vergne, 2012; Hudson & Okhuysen, 2009), leverage them to capture supporters' attention (Helms & Patterson, 2014), decouple from a stigmatized category (Barlow et al., 2016), or even extinguish them (Hampel & Tracey, 2016). Conversely, other research delves into how the group initiating the stigma spreads its beliefs among other stakeholders and frames it more persuasively (Roulet, 2014). However, limited

research has probed into how organizations respond to audience judgments, aiming to manage both core and event stigmas, especially when navigating environments lacking social and political approval.

To investigate this phenomenon, this study adopts an inductive approach, centered on the 2020 event when the Government applied temporary sanctions against ten private colleges in Montreal. This action stigmatized the blocklisted institutions, designating them as “investigated colleges,” implying irregularities in their practices. Before this, many private colleges had already been labeled “Immigration Colleges” by their former students due to their focus on recruiting international students and offering programs in English. This label further reinforced the disapproval from locals who opposed the educational business model in these colleges.

For data collection, this paper draws from archival data, including online news articles, comment sections, official governmental announcements, legal documentation, and interviews with college managers, staff, and students. The aim is to (1) reconstruct the narrative about how these two types of stigmas coevolved and developed over time, (2) analyze how colleges responded to negative evaluations and, in the end, (3) compare the effectiveness of their responses in overcoming the stigma.

In the findings, I discovered that colleges opted for different strategies based on the intensity of the stigma they experienced, which I term as "Stigma Intensity." This intensity is gauged by the type of stigma and the manner of its attribution—either individual or collective. College A, experiencing low stigmatization intensity with both core and event stigmas attributed collectively, followed a destigmatization strategy. By seeking legitimacy from the "outside in," College A dedicated more efforts to restore legitimacy with external audiences. This collective attribution allowed College A to liaise with private college associations (both provincial and federal) to regain legitimacy by persuading the government of their eligibility for subsidies.

Conversely, College B, which faced high stigmatization intensity with both core and event stigma attributed collectively and event stigma individually, was more focused on containing the stigma. Their primary aim was to safeguard their license, fortify relationships with their allies, students, and partners, and leverage these connections to dissuade the government from imposing stringent sanctions. In terms of outcomes, both colleges encountered distinct challenges. Intriguingly, at the time of writing, College A is undergoing downsizing due to dwindling student enrollments and grappling with operational risks. On the other hand, College B, despite inaugurating a new campus, is confronting institutional risks, particularly as their

permit hangs in the balance following scandals related to unethical and illicit dealings with students.

The primary contribution of this study lies in the realm of stigma literature, emphasizing strategies organizations should employ when facing negative evaluations from their core activities, further intensified by fraud scandals. This research introduces a model elucidating the interplay between core and event stigmas, exploring how one can either intensify or mitigate the other. Moreover, the study illuminates how varying types of required legitimacy influence the key audiences targeted by each stigma management strategy. Intended for both scholars and managers, especially those in private educational institutions, this work offers insights on effectively navigating sociopolitical pressures – emanating from the media, community, and government – to ensure organizational resilience and survival.

## **LITERATURE REVIEW**

### **Stigmatization and its typologies**

Stigmatization, originally a concept from individual behavioral literature, has recently found applicability in organizational studies. Goffman (1963) characterized stigma as a “discredited attribute,” encompassing prejudices tied to ethnic or religious backgrounds (termed “tribal stigmas”) and attributes counter to societal norms, such as certain physical conditions or abnormalities. Of these categories delineated by Goffman, the category most relevant to this research is “blemish of character,” encompassing societal deviations perceived as threats, like addiction, mental disorders, or even orientations viewed as taboo in certain societies. Goffman's insights paved the way for deeper explorations into the mechanisms underlying individual-level stigmatization. Driven by fears of the proliferation of abnormal behaviors or conditions that might disrupt the social fabric, society categorizes and sidelines deviant individuals (Clair, 2018). Both sociology and psychology contribute to our understanding of organizational-level stigma by defining what society views as harmful, leading to stigmatization, and illustrating the widespread fear of becoming tainted and consequently ostracized.

Building on the aforementioned perspective, Devers et al. (2009) describe organizational stigma as “a label that evokes a collective stakeholder group-specific perception that an organization possesses a fundamental, deep-seated flaw that deindividuates and discredits the organization.” (2009, p.155). They perceive stigma as an “organizational-level construct,”

distinct from concepts like reputation, status, and legitimacy. Yet, akin to the individual level as discussed by Goffman (1963) and Clair (2018), these authors view organizational stigma as a negative social evaluation. At the organizational level, this negative label can manifest through a categorization process, where audiences generalize depreciative judgments to entities sharing traits with the stigmatized target. By affixing such labels, audiences tether the organization to an unfavorable category, applying collective norms and values in a bid to uphold their social identity (Devers et al., 2009; Marques et al., 2001). Furthermore, Barlow et al. (2016) introduce the concept of stigma within product categories. They posit that audience evaluations are influenced by prevailing notions tied to specific product categories. Without such categorizations, audiences might struggle to discern between stigmatized products and those from distinct categories. This nuanced form of stigma aligns closely with the research context of this study.

In addition to concerns about stigma transfer and associations with particular categories, organizational stigma can be distinguished based on its inherent nature. Hudson (2008) advances this discourse by differentiating between “core” and “event” stigmas. An event stigma arises when an organization is blamed for “an anomalous event, a single episodic infraction, which dominates negatively the audience’s perceptions” (2008:253). While it diminishes the organization's reputation and societal acceptance, legitimacy loss from an event stigma is potentially recoverable over time, given its tie to a specific historical instance (Helms & Patterson, 2014). Hudson and Okhuysen (2009, p.134) note that under these circumstances, “organizations attempt to repair their image and to overcome their stigma, and the emphasis is on the mobilization of resources to recover lost social support.” Examples of organizations facing event stigma include those accused of fraud, bankruptcy, sweatshop involvement, and other infractions (e.g., Liao & Min, 2021).

In contrast to event stigma, core stigma proves more challenging to reverse, especially if linked to the central activities or operations of an organization. This is particularly evident in industries producing goods or services deemed detrimental to society (Hudson, 2008). For instance, segments of the population view the gun and tobacco sectors critically, associating them with promoting violence and health concerns (Hudson, 2008; Helms & Patterson, 2014). However, core stigma isn't limited to industries alone; it can also arise when a company's strategy aligns with publicly disapproved activities. Hampel & Tracey (2017) highlight a case where a travel agency's target market was scorned by the British elite, deeming it immoral to

offer affordable travel to the middle and lower classes. Embedded in their disdain and apprehension of social status dilution was the fear of immigrants introduced by the agency's travel packages.

### **Strategies to Manage Organizational Stigmas: Core and Event**

Companies targeted by stigma can strategically respond to regain their organizational legitimacy and reputation before the mounting pressure from stigmatizers pushes them towards obsolescence. The stigma literature includes several case studies where specific stigmatized organizations successfully managed their stigma, based on a keen understanding of the motivations driving their opponents (Major & O'Brien, 2005).

As illustrated by Hampel & Tracey (2016) in their case study of Thomas Cook's Travel Agency, organizations can eradicate a core stigma by employing targeted strategies for each key audience, primarily in two phases: (1) minimize stigma by demonstrating non-threatening attributes, and (2) extinguish stigma by converting stigmatizers into allies, showing that they provide services beneficial to society.

Alternatively, an organization can strategically engage with a core stigma, leveraging the attention generated by a negative label to attract supporters and work on refining their communication and organizational processes to achieve legitimacy. This approach was successfully employed by the Mixed Martial Arts (MMA) Industry (Helms & Patterson, 2014). In this study, the authors identified how the MMA industry transformed the aesthetic stigma—perceived by some audiences as promoting uncontrolled violence—into an acceptable and regulated fight performed by professionals in martial arts, guided by their technical knowledge and supported by medical personnel. Additionally, they successfully altered the audience's perception by promoting MMA as a form of self-defence (Helms & Patterson, 2014).

Vergne (2012) also contributes in his study about how the global arms industry could neutralize positive and negative social evaluations through the category-straddling process of business diversification. However, Hudson & Okhuysen (2009) identified that male bathhouses implement various boundary management processes to protect their partners, suppliers, and customers from stigma transfer and adverse attention. Their boundary processes vary from "isolating" to "conventional" approaches, depending on the level of acceptance in their environments.

Given that all the previously mentioned cases involve core stigma, it is important to note that strategies differ when addressing event stigma as discussed in the literature. The literature identifies two primary reasons for a company to experience event stigma: bankruptcy and involvement in a scandal due to some transgression.

When organizations declare bankruptcy, they are labeled as failures at both the organizational and individual levels. The CEO and management team are exposed and identified as responsible for the company's decline. They can be fired and may suffer emotional and reputational harm in their careers (Goffman, 1967). In a study by Sutton and Callahan (1987), companies adopted five strategies to overcome the stigmatization associated with filing for protection under Chapter 11 of the Federal Bankruptcy Code: concealing, defining, denying responsibility, accepting responsibility, and withdrawing. However, their model does not provide an assessment of the effectiveness of these strategies.

Another scenario of event stigma arises when companies are implicated in a scandal precipitated by an act that "violates society's standards" (Pfarrer et al., 2008, p. 730). In this scenario, the discrediting judgment may be directed at the institution responsible for the transgression, entities directly associated with the accused organization, or institutions categorized similarly to the implicated organization. Pfarrer et al. (2008) proposed a four-stage process for corrupt companies exposed in scandals to recover their legitimacy. The first stage involves acknowledging the transgression, where the company can either admit to the act and cooperate with investigations or deny and downplay the wrongdoing. The second stage involves providing explanations for the adverse event and clarifying the causes of the actions. The third stage involves accepting possible punishments based on the acceptance of the explanation provided in the previous stage. Finally, the rehabilitation stage requires the organization to implement necessary changes to avoid repeating the same mistakes. During this phase, executives may be dismissed, for example, to demonstrate that the organization has taken the necessary measures to reduce or eliminate transgressions. Throughout these stages, the organization's recovery speed will be directly proportional to its level of honesty, receptiveness, and cooperation during the investigations.

In a study conducted by Liao & Min (2021) on Japanese organizations that were publicly shamed and blocklisted by the government due to accusations of poor working conditions, it was found that these companies increased their Corporate Social Performance (CSP) efforts in a bid to shift audience perceptions in their favor. The exposure to the scandal and subsequent

blocklisting, in both scenarios, not only affected the companies' legitimacy but also significantly tarnished their reputation. Public shaming led to more aggressive judgments from the public, further vilifying these organizations and resulting in heightened sociopolitical sanctions against them.

### **The Interactions between Audiences' Evaluations: Legitimacy and Reputation**

A central aspect of all strategies aimed at reducing stigmatization involves understanding how audiences form their evaluations. This understanding is crucial for target organizations to define the type of responses expected from them to minimize social disapproval. Bitektine's (2011) theory of organizations' social judgments discusses this inquiry and its relationship between legitimacy, reputation, and status. In Bitektine's model, legitimacy is conferred if social actors perceive a company as part of an accepted group, a concept he refers to as "cognitive legitimacy judgment". Conversely, if a company is not perceived as part of an accepted group, audiences will assess whether there are any deviant actions that could threaten social norms - a process known as sociopolitical legitimacy judgment. If a company exhibits activities or characteristics that deviate from existing patterns, it may be perceived as a threat to social norms. As a result, the audience may question its right to exist, thereby delegitimizing the group with similar characteristics. This process of social evaluation is known as "institutionally prescribed judgments" – when the majority of public opinion accepts a given opinion about an event or type of business. Hence, the audience's negative judgment is responsible for the attribution of stigma (Hampel & Tracey, 2016). This stigma can also be transferred to those who interact with or contest public opinion (Hudson & Okhuysen, 2009).

According to Devers et al. (2009), reputation is the recognition of an organization's quality and appropriate behavior to meet audience's expectations (2009, p.155). If an audience perceives an institution as engaging in deviant actions or being associated with a company involved in transgressive activities, its reputation will be negatively impacted due to the violation of expected good behavior. In this sense, a lack of legitimacy does not necessarily lead to lower reputation or status. Status refers to an organization's ordinal classification, ranking, or positioning based on its competitors (Devers et al., 2009; Bitektine, 2011). If organizations are not legitimized by society, they maintain a status quo and do not have a reputation. However,

having a bad reputation leads to a lower status compared to other institutions and results in a loss of legitimacy (Bitektine, 2011).

Hudson et al. (2015) contribute to the aforementioned theories by explaining how organizations can overcome stigmatization and recover their legitimacy and reputation. According to them, legitimacy arises from a social evaluation conducted by a specific audience, which then bestows normative approval upon a particular organization. If an organization can change the audience's perceptions in its favor, it may lead the audience to view the organization's activities as beneficial to society. Therefore, it is possible to alter the negative perception and lack of legitimacy associated with an organization. If individuals who contributed to or perpetuated this negative perception no longer feel concerned about the organization in question, there may not be a need for the government to implement strict measures such as sanctions or extreme regulations against the target organization (Bitektine, 2011; Hampel & Tracey, 2016).

### **How to survive with both: core and event stigmas?**

Through the lens of legitimacy and reputation literature, it has been observed that it is possible to overcome stigmatization, whether it is attributed to socially disapproved core activities or a negative situation involving their public image. In all the mentioned cases, companies were able to manage, reduce, or even extinguish core or event stigmas. Nonetheless, the literature does not explain how organizations that face double stigmatization—judged by their core activities and publicly exposed in a scandal—survive. Considering that the key aspect is focusing on their social evaluators, I ask: How do organizations that are already stigmatized by their core activities manage to survive after being targeted by a scandal that triggers governmental sanctions against them? And what strategies are these organizations taking to change the perception of their most salient audiences to overcome both types of stigmatization?

To answer these research questions, I selected two cases to understand the strategies each organization applies to improve the perception of their audiences, thereby extinguishing core and event stigmatization and recovering their legitimacy and reputation.

## **METHODOLOGY**

### **Research Setting: The Ten Blocklisted Colleges in Quebec – From Core to Event Stigma**

With a stable and attractive economy, Canada is one of the world's main immigration destinations. Students from colleges and universities can convert their study visas into work visas, permanent residency, and even citizenship after completing a study program in Canada (Government of Canada, nd). The Province of Quebec, the only francophone province in the country, is known for having its own independent immigration process and a fair cost of living. Montreal has a COL index of 70, for example, compared to other metropolises like Toronto (COL of 74.86) or Vancouver (COL of 74.39), making this province one of the top immigration destinations for international students in Canada.

Consequently, private colleges in Quebec Province (Canada), and especially those based in Montreal, have proliferated over the years. The genuinely francophone province has few public anglophone options for post-secondary education, giving room to private institutions focusing on anglophone education to offer a comfortable option for international students who are not confident in studying French. Private colleges capitalized on the possibility of immigrating after completing certain study programs by promoting their programs' eligibility for the Quebec immigration study program as a key attraction for international students. In contrast, local students often have more access to public colleges, called CEGEPs, with free or lower tuition fees and other private institutions subsidized by the Quebec Government (Online, Appendix 1, Note 4).

Most locals in Quebec are only aware of publicly-funded institutions since these offer a more financially advantageous option for them. In Quebec, the government is the main provider of healthcare and education. Hence, many locals believe that for-profit educational institutions create a social imbalance in terms of education and society (Cooper, November 6, 2016). There's also a widespread belief that institutions subsidized by the government, also known as "accredited", are more legitimate than those that are not.

According to Bitektine (2011), one of the types of legitimacy is known as regulative, which is conferred by the government. Through a government evaluation of a given organization as conforming to their norms, public opinion perceives the target organization as belonging to the same categories as the existing ones (e.g., cognitive legitimacy). Obtaining a permit to operate is a basic requirement of regulative legitimacy that every educational organization must fulfill to operate freely in Quebec. Private institutions are only allowed to operate in the educational services or category of educational services indicated in their permit, which were previously

evaluated and approved by the Minister of Higher Education (Act respecting Private Education, 1992, c.68, s.11). Besides that, the government can choose some organizations to “accredit for the purposes of subsidies” (Act respecting Private Education, 1992, c.68, s.77), which increases not only the legitimacy of the chosen institutions but also their reputation and status compared to the non-subsidized ones. This happens because the evaluation process to become accredited is more rigorous. Private colleges wishing to receive government subsidies must be approved by the Minister of Higher Education in seven key areas:

(1) the quality of the institution’s educational organization and the criteria governing the selection of the teaching and managerial personnel; (2) the importance of the need expressed to which the institution proposes to respond; (3) the extent of public support, and community involvement; (4) the effects of accreditation on resources in the community; (5) the specific contribution to be made by the institution in terms of enrichment, complementarity or diversity; (6) the level of participation of parents in the life of the institution; (7) the compatibility between the institution’s objectives and the policies of the Minister or the Government. (Act respecting Private Education, 1992, c.68, s.78)<sup>1</sup>

In contrast, non-subsidized private education may in addition suffer from a lower status and reputation if it is perceived as prioritizing profit goals over educational excellence. In Bitektine’s theory (2011), when a target organization’s interest is seen as questionable by audiences, it triggers the normative evaluation, in which audiences evaluate morally and pragmatically whether the organization is beneficial to society (e.g., sociopolitical legitimacy). In the context of this study, such a perception can arise from treating students as clients rather than prioritizing their learning needs. In online news about private colleges from 2021, many locals exposed their political views against educational privatization: “Private = Exploitation... like the senior center. Make a profit point.”; “The capitalist system at its best! Everything is sold, even a degree!” (Online News Comments). Consequently, locals rarely acknowledge non-subsidized private colleges as they usually do not attend them. Some accredited private colleges have gained a favorable reputation among locals due to government support through subsidies. Thus, some locals have started to frequent these institutions and recognize the quality of their education standards. Conversely, even when non-subsidized private institutions are perceived as high-quality, locals also present concerns about their legitimacy. Having to pay to have access to an outstanding education can discredit public education in the long run, creating or reinforcing

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<sup>1</sup> Act Respecting private education: <https://www.legisquebec.gouv.qc.ca/en/document/cs/e-9.1>

socio-economic segregation, as in this news about conflicts between private and public high schools in Quebec.

No argument there. But the end result, as the authors suggest, is that the status quo perpetuates a “vicious circle” in which people lose confidence in the public system. (...) The underlying message is that if you value education, you should send your children to private schools. Of course, not everyone can afford private school and not everyone wants it. Regardless, students are effectively being “segregated” according to their socio-economic status and educational performance (Cooper, November 6, 2016).

Non-subsidized private colleges are essentially marginal for locals since these institutions were not built for them, but for foreigners. In this competitive market, numerous colleges engage in fierce competition to attract an increasing number of international students, a phenomenon that has caught the attention of the press. The majority treat education as a lucrative business by charging a premium for their programs.

While the government has already expressed concerns about the quality of education these institutions provide, Quebec is also concerned about the money flowing into this very lucrative market. (Online, APPENDIX 1, Note 15).

Among the immigrants, private colleges that followed this approach were labelled as "immigration colleges," which implies that the tuition fee justifies only the eligibility for the immigration program. Students couldn't expect more from the quality of education offered by some of these institutions.

We already knew about these things. Because the [College Name] was, as we [international students] used to say, "the fee for you to immigrate." It was like a blockage there. You give me the money, I pretend to teach you, you get the PGWP diploma, and you immigrate. (Student B, College B)

The international students who have heard about non-subsidized private colleges don't expect high quality education, nor do they take pride in being students. The stigmatization can also come from a student's family for choosing to study in a private college, as in the case of a student from College A, because of its lower status compared to other, more legitimate institutions.

Again, this college is right. Yeah, I mean, they [family members] were worried because I am not studying at Concordia or applied to McGill. In my case, private colleges were not considered to be something of a standard. (Student A, College A)

For a long time, many private colleges, regardless of their differences, were targeted as "immigration colleges" by their former international students due to their low-quality standards and high tuition fees, justified by the fact that they provided the simplest access to the immigration program. However, this label was reinforced by locals to only non-subsidized institutions, considering their own experiences and awareness of the accreditation process for government-subsidized institutions. Still, most of the "Immigration Colleges" offered programs in English, given that subsidized and public institutions were predominantly, if not exclusively, French-speaking, due to the language protection policies in Quebec, reinforced by Bill 101 in the Quebec Charter of the French Language. This gave many non-subsidized private colleges a competitive advantage in tapping into this high-demand target market in the province. In contrast, it also increased stigmatization among local Francophone citizens who disapproved of these colleges for bringing more anglophones to the Francophone province, as illustrated in the comment below from a local newspaper reader about the increasing number of Indian students in Montreal.

Quebec has agreed to open its border to international students if they come to Quebec to receive training in French only. Another brainwave of our federalists, who had already found ways to admit English-speaking students to public school boards. Now they've found a way to continue accepting international English-speaking students by creating private colleges and schools to welcome them to Quebec. When will the CAQ introduce a bill to protect the French language in Quebec? (online news comments)

More precisely, the core stigma, under the label "Immigration Colleges", was attributed to the group of non-subsidized private colleges for their unclear quality standards and focus on offering programs in English to international students interested in immigrating to Canada after their studies. It is important to highlight that these characteristics are in consonance with Hudson's (2008) definition of core stigma, which is attributed "due to the nature of an organization's core attributes - who it is, what it does, and whom it serves" (2008: 253).

### **The beginning of event stigma**

Since 2018, the exponential number of Indian students has caught the attention of the Government, mainly because they came to study in anglophone private colleges. Recent news from the French press (Schué, November 17, 2020) highlights a significant increase in Indian student permit requests. In 2017, there were only 2000 requests, while in 2019, there were 13000, a staggering 500% increase. This growth was attributed mainly to intermediaries who

promoted educational opportunities by emphasizing the possibility of immigration after completing studies. As a result, private colleges that specialize in recruitment from India faced increased scrutiny.

Radio-Canada notably reported on the proliferation of non-subsidized private colleges in the Montreal region and the sudden increase in Indian students who were promised Immigration to Canada. (Online, Appendix 1, Note 10)

The main problem, according to the news, was that the exponential growth of Indian students was alarming for the Quebec Government because they were primarily anglophones and were “using” the Quebec immigration program as a gateway to immigration to other anglophone provinces. Another concern was that having so many anglophone students in Quebec that didn’t have an interest in learning French represented a threat to the supremacy of the French language in Quebec (Online news, Appendix 1, notes 3, 4 & 5). Since the expansion of English-speaking education conflicted with the interests of the current Quebec government, the government has introduced several bills, such as 50, 96, and the review of 101, to discourage English education and promote francophone programs in all educational institutions. In this context, anything negative involving anglophone colleges or programs would be amplified in these language battle settings (Online news, Appendix 1, note 2).

Suspicious of fraud then emerged through the press, raising concerns among the population and the government, which opened an investigation against ten colleges that exhibited the same pattern of exponential growth, particularly of Indian students. According to the claims, the student permits of these colleges and their right to recruit for the next season would be blocked until the government could conclude investigations into their recruitment practices and educational standards.

### ***Trigger Event – Fraud Scandal: The arrest of three private colleges’ directors***

In November 2020, major media outlets in Montreal reported a scandal involving the directors of two private colleges, both from Group ABC, who were arrested for fraud. A third director from another private college in Montreal, who also owned an independent recruitment firm, was also arrested. The alleged infractions included document falsification, use of forgery, breach of trust, and fraud (Online, Appendix 1, Note 6). The three directors used to work for a public-school board at the time of the fraudulent activities but used their recruiting firms to

attract Indian students to other colleges in Montreal. In 2016, the owner of Group ABC was fired from the public-school boards but continued in the educational sector through the three private colleges owned by the group in Quebec, along with their recruiting firm. The other director arrested also had both a recruiting firm and one private college in Montreal (Online, Appendix 1, Note 7).

### ***1<sup>st</sup> Event – The Temporary Blocklist Sanction***

In December 2020, the government and press jointly published a list of ten "investigated institutions" suspected of fraudulent recruitment practices and processes. This scandal created the first event stigma against the investigated private colleges by associating their names with suspicions of fraudulent activities. The government temporarily suspended the processing of study permit requests from their current students (both renewals and new permits) and blocked colleges from enrolling new students for the next season until the investigations were concluded. As a result of a legal injunction from the affected colleges, on January 12, 2021, the government lifted the block on Indian student permits for the ongoing season. This decision allowed students to finish their studies while maintaining the suspension of college recruitment for the next term during the audit process. On January 26, 2021, the Government resolved the case, allowing the colleges to recruit again, but applied some restrictions to their licenses – a limitation on the number of students per institution, based on its physical structure and other specific requirements for each college (Online, Appendix 3, Notes 3,4&5 and Appendix 2, Notes 11,12 &13). Notably, no illegal activity was found in most of the blocklisted colleges. Of the ten blocklisted organizations, only three private schools were involved with fraud (Online news, Appendix 1, Notes 17 &18). Among the fraud-innocent colleges, one was a CEGEP, a public school, and the others were all private career colleges (see table 1 on APPENDIX 5). Two of the three colleges involved with fraud were owned by the same company, the ABC Group, and the third one by the former board director of a public school who also owned a private college. This event intensified the pre-existent disapproval stemming from their core stigma, resulting in private colleges being vilified by the press and society, which now called for more regulations and the extinction of these private colleges (Online, Appendix 3, Notes 3,4&5).

Taking advantage of the system's largesse and loopholes to line their pockets under the guise of "education" as a "big business," while circumventing as a "big market," while circumventing with immigration laws with impunity, and ESPECIALLY, by becoming active vectors of the anglicization of Quebec at high speed. This

is scandalous and if Jolin-Barrette and Legault don't remedy it in their revision of Bill 101, then they no longer deserve our trust (online news 'comments).

In this context, “government” involved two ministries: The Ministry of Immigration, “Frenchisation” and Integration (MIFI) and the Ministry of Higher Education (MHE). Although the MIFI could issue arrest orders against college leaders who commit criminal offenses related to their wrongdoings, the MHE was the only entity capable of fully delegitimizing an educational institution, through the removal of its operating permit. In an interview with a local online newspaper, the Minister of Higher Education at the time, Danielle McCann, publicly declared their willingness to revoke a permit if an institution does not adhere to their standards and regulations.

If we find that a college is unable to fulfill its mission by adequately training the international students it recruits, we will take action. This can go as far as revoking the college's permit. A quote from Danielle McCann, Minister of Higher Education (Online news, Appendix 1, Note 4)

Suchmann (1995) conceptualizes legitimacy as “a generalized perception of organizational actions as desirable, proper or appropriate within some socially constructed system of norms, values, beliefs and definitions” (1995:574). Contrarily, when an organization risks losing its permit, in the case of private colleges, it can become illegitimate and no longer operate due to *deslegitimization*. Hudson (2008) highlights that stigmatization is a form of illegitimacy, a negative legitimacy, which differs from *deslegitimization*, which is “the process by which some rules or actions lose their legitimacy” (2008: 255).

### ***2<sup>nd</sup> Event – The Bankruptcy Event***

The three colleges owned by the Group ABC declared bankruptcy in 2021, leaving hundreds of students without reimbursement for the anticipated yearly tuition fee they had committed upfront. The press started to report on the stress and frustrations of these students, who were waiting to begin their studies without their refunds to apply to other institutions. This fact triggered the second wave of event stigma, making society question the colleges' practices beyond questionable recruitment, such as the requirement for prepayment of tuition fees and questionable refund policies. The government designated a law firm to represent this group of students, and the case was partially resolved. The bankrupted colleges received a new buyer's proposal that attempted to honor the previous contracts with the students and reopen the colleges

from ABC Group, under the condition that the government returned their permit to operate (Online news, APPENDIX 1, notes 22&23). The Non-Subsidized Private College Association from Quebec (NSPCA) and the National Association of Career Colleges (NACC) also played a role in mediating this negotiation (interview with College A’s manager).

**3<sup>rd</sup> Event – The exclusion of 45 Private Colleges from the Immigration Program eligibility**

In June 2022, the Quebec government created a list of Designated Learning Institutions, which excluded all 50 non-subsidized private colleges in Quebec from the Immigration Program after September 1, 2023 (Online news, Appendix 1, Notes 21). Consequently, these private colleges are facing challenges in keeping their operations running and adapting to the new situation in terms of their target market. This policy change has also put them at a competitive disadvantage compared to public and subsidized institutions, since they can no longer offer immigration eligibility to new international students. Table 1 below provides a timeline of the three key events mentioned (refer to Appendix for table 2).

**Table 2.** Research timeline with the principal facts. (Source: Online news in APPENDIX 1)

Date	Event
<b>Trigger Event:</b> Arrest order against two colleges’ managers for fraud and forgery of documents for Immigration.	
2016	The Quebec government created the ACPU (Anticorruption Permanent Unit) to investigate immigration fraud in anglophone colleges suspected of defrauding French language proficiency tests.
2019-2020	Serie of news about the exponential growth of Indian Students' study permit requests to anglophone programs in private colleges of Montreal.
November 2020	Arrest order against directors of three colleges for fraud as a result of investigations from ACPU.
<b>1st Event:</b> Temporary blocklist of 10 colleges in Montreal accused of mismanagement, questionable recruitment practices and misuse of the immigration program.	
December 2020	The government announced the suspension of the ten colleges' recruitment and their new student permit request to proceed with investigations.
January 2021	Revoked decision: colleges won in court the resume of the study permit issued to their new international student.
June 2021	The government released blocklisted colleges to continue to recruit but apply restrictions on student numbers in their licence and demand correction in their administrative procedures (complete requirements in APPENDIX 3, Note 2).
<b>2nd Event:</b> The fraudulent colleges' bankruptcy and the tuition fee scandal.	
March 2022	The bankruptcy of the three fraudulent colleges from Group ABC left students stranded without a refund after demanding early tuition payment. Some blocklisted colleges are also questioned for adopting the same prepayment requests for new students.

**3<sup>rd</sup> Event:** Exclusion of all non-subsidized private colleges from the Immigration program eligibility list.

June  
2022

The government created a Designated Learning Institution List for the Immigration Program. It excludes all non-subsidized schools, a group of 50 colleges in Quebec, after September 2023.

It is important to note that this research will focus on Events 1, 2, and 3, as only these events affected the two colleges (cases) under investigation in this study. Colleges A and B were included in the blacklist issued in December 2020; however, they are not directly related to the fraud accusations associated with Group ABC, which operates the two colleges on the blacklist that subsequently declared bankruptcy (refer to Table 1 in Appendix 5 for the characteristics of all 10 blacklisted colleges). However, this analysis will also consider an additional event for College B, which involves negative publicity due to unethical issues reported by its students and investigated by the government in December 2022 (Appendix 2, notes 33 and 34).

### **Research Design & Data Collection**

To address the research questions, this study employs a comparative case study approach involving two affected colleges and their primary stakeholders – government, students, and press/society – to analyze the interactions between the actions of both organizations across the three main events that intensified the stigmatization of the ten blacklisted colleges. The two selected private colleges were implicated in the fraud investigation related to the blacklisting event and both shared similar characteristics, such as their age, size, and the wide variety of programs offered in multiple domains. Specifically, the units of analysis are (1) the strategies adopted by the colleges to combat both core and event stigma, (2) the perceptions of their respective stakeholders regarding stigmatization, and (3) the effectiveness of the colleges' initiatives in reducing negative evaluations.

The use of a case study approach is relevant to this investigation as it facilitates the understanding of behaviors, relationships, processes, and situations within a specific context (Yin, 2003; Eisenhardt, 1989). The selection of two colleges also increases the external validity of this study once I relate how similar organizations react differently under the same circumstances through the diversity of cases following a racing design (Eisenhardt, 2021).

As these phenomena are still ongoing, I utilized various data collection methods from March 2019 to July 2023 to reconstruct the sequence of events involving the blacklisted organizations, categorizing the data collected as either primary or secondary (see Table 3). For

secondary data, I collected press articles about the blocklist situation and their readers' comments sections, where I could gather evidence of negative evaluations, primarily from locals, the Quebec residents, about the non-subsidized private colleges. The news articles also reflected journalists' views, highlighting differences in anglophone versus francophone perspectives on Anglo education in the province. Additionally, I analyzed information on the colleges' websites and social media to ascertain their current status and to gather clues about their strategies in addressing the sanctions imposed on them. In addition to the colleges' statements, I used official government sources to triangulate the information provided by the press and the colleges' interviewees. The primary data consisted of interviews with individuals from four blocklisted colleges. I utilized data from the two unselected colleges to confirm the presence of stigmas related to the core and event stigmas common to the category of non-subsidized private colleges. For the strategy and outcome analysis, I used only interviews referring to the two selected cases and supplemented them with documents provided by the interviewees (secondary data). Examples of these documents include the colleges' emails communicating with students about their actions regarding the sanctions suffered, public domain social actions, such as the one moved by students against bankrupted colleges claiming the refund of their tuition fees, and other emails with the action plan from the private college association to respond to the latest government decision about the eligibility exclusion of non-subsidized private colleges from the immigration program for international students.

Overall, the data collection and analysis process took sixteen months, with the latest update from the interviews conducted in December 2022. I leveraged my network, snowball referral methods, and social media platforms such as LinkedIn (for staff members) and Facebook (for students) to contact and select the interviewees (Patton, 2002). I conducted semi-structured interviews to gather information from college managers (N=2), staff members (N=5), and students (N=9) across four colleges affected by the blocklist sanction. The data collected during the interviews encompassed the colleges' practices, participants' perceptions of the stigmas (both core and event), and their views on the colleges' ability to overcome the stigmatization challenge (see APPENDIX 5, Interviews Guide). Each semi-structured interview lasted approximately one hour and was recorded and transcribed. The transcriptions were then uploaded into NVIVO software for data coding and analysis.

For College A, I primarily identified strategies through manager interviews and then corroborated them with testimonies from students and staff members, as well as the online

sources mentioned above. For College B, since I was unable to interview any managers, I based my analysis on interviews with staff members and students, and corroborated the information with similar online sources. I analyzed the outcomes of the strategies by comparing interviews from students who studied at the college before the sanctions with those who studied afterward to gauge their perspectives on the responses.

**Table 3:** Data overview. (Sources: Interviews, Colleges’ websites and social media and online news)

<b>Data Category</b>	<b>Data Type</b>	<b>Quantity</b>	<b>Source</b>
<b>Secondary data</b>	Press News related to the blocklisting events and affected colleges	34	Online. French press (18) and English press (16).
	Comments on Online news about colleges’ sanction.	45	Online newspapers (Ici Radio Canada, Montreal Gazette, CBC News, Global News, Journal de Montreal, Le Devoir, among others).
	Total of College A and B’s official releases & news (latest news, social actions, tuition fee, permit to operate, types programs that they offer, institution age, available positions to hire)	<b>21</b>	Colleges’ website (pages “News,” “International Students,” “about us”, “Our programs,” the front page, Social Media as the college's official Facebook page).
	College A’s references	5	College’s website and College’s Facebook Posts and two from external press, being one YouTube program and one online news.
	College B’s references	16	College’s website and College’s Facebook Posts and three news from external press.
	Government announcements	7	Government of Canada, “Immigration, Francisation et Integration Quebec” and “Cabinet de la ministre de l’Enseignement supérieur”.
	PDF file of Collective action report regarding the plan for bankrupted colleges and other documents from colleges’ association	3	Lawyer Firm’s record (Public domain) – also available online.
	PDF file of Colleges’ Association Action Plan for Quebec government	1	Provided by interviewees.
	PDF file of the Minister of Education's Decision to private colleges.	1	Provided by Interviewees.
	PFD files of the College’s Emails with information about the sanction	2	Provided by Interviewees.

<b>Primary data</b>	Total of Semi-structured Interviews of the four colleges	<b>16</b>	Manager (2), Staff members/teachers (5) and students (9).
	College A's interviews	5	Manager (1), Staff members (2) and students 2, one student from before sanction and other after.
	College B's Interviews	6	Staff members (2) and students (4), two students before sanction and two after.
	College C's Interviews	4	Manager (1) and students (3), two before and during sanction and one after.
	College D's Interviews	1	Staff member (1).

### **Analytical Data Approach**

As a data analysis approach, I anchored on grounded theory methods (Glaser & Strauss, 2009) under the lens of legitimacy and social evaluations theory (Bitektine, 2011), using the theory of organizational stigmatization (Hudson, 2008) to regularly compare the collected data to these theories and constructs, moving back and forth with the literature (Eisenhardt, 2021).

The racing design method (Eisenhardt, 2021, p.150) was selected to guide the cross-case and cross-event analysis, wherein the trajectories of two out of the ten sanctioned colleges were compared across three critical events: (1) Governmental Sanction: when the colleges received sanctions from the government, (2) Bankruptcy Scandal: when the colleges became the subject of negative news due to their association with other private colleges that declared bankruptcy, leaving students without their tuition refund, and (3) Exclusion of Non-Subsidized Private Colleges from the Immigration Program: when the government removed post-diploma permit eligibility for students from non-subsidized private colleges. While identifying these key events, I also pinpointed the three main audiences responsible for the negative evaluations against colleges: the press, public opinion (including reactions from readers to online news), dissatisfied international students, and the Quebec government (comprising the Minister of Higher Education and the Minister of Immigration, Frenchisation and Integration – MIFI).

With regard to the research design, the racing design is particularly useful in this case to guide the criteria for selecting the two organizations that were part of the cluster of sanctioned colleges. These colleges share similar characteristics, such as being non-subsidized, located in the same region, having similar age and size, and offering a similar variety of programs, as well

as having a similar level of involvement in the fraud scandal (see Table 4). In the blocklisting, only three private colleges were directly associated with fraud and illegal activities. All the other seven suffered event stigma by association regarding the fraud accusations involving international students. Of these seven, one was a CEGEP, a public college, and the other six were non-subsidized private career colleges (Online News, Appendix 3, Note 5). I collected information from four colleges (College A, B, C, and D in Table 1 of Appendix 5), but I selected Colleges A and B as the main cases in this study due to their higher number of potential interviewees and available data, given that they are the largest and oldest private institutions on the list of 10 colleges, and they share similar characteristics in terms of the types of career programs offered. However, the fact that College B presented more event stigmas along its history unrelated to the blocklisting event was also an interesting factor that influenced its strategic choices to manage the event and the core stigmas differently than College A. College B had three more event stigmas than College A: (1) the claims in 2018, when they had to respond legally to a lawsuit from former students in the Nursery program, (2) the one in 2020 by their questionable tuition fee policies and lack of transparency in reporting information to the government, and unqualified instructors to teach their programs, which almost cost their license removal, and (3) the event in December 2020 when they had to respond to their aggressive recruitment practices of local students, fake advertising, and misleading students about their accreditation. The accusations in December 2020 were transmitted by a TV and newspaper channel and resulted in a major scandal targeting College B (Online News, Appendix 1, Notes 33 & 34).

**Table 4.** College’s profile and their similar conditions for racing design. (Source: APPENDIX 1 and 2)

College	Age	Size	Profile	Involvement with the fraud scandal
College A	56 years	Presence in three other Canadian provinces and other countries with 11 campuses	They offer more than 40 diploma and certificate career-focused programs in business, accounting, trading, information technology, early childhood education, design and architecture.	Indirectly associated through the group of the ten blocklisted colleges.  During blocklist, they answered about unethical practices as prepayment requests to international students. They also answered about having an excess number of students per class.

<p><b>College B</b></p>	<p>51 years</p>	<p>Presence in five other Canadian provinces with 23 campuses</p>	<p>They offer more than 20 diploma and certificate career-driven programs in business, technology, early childhood education, legal and healthcare.</p>	<p>Indirectly associated through the group of the ten blocklisted colleges but also the target of other types of scandals individually:</p> <ul style="list-style-type: none"> <li>• In 2018, they had to pay a significant amount in a lawsuit to former students in a nursery program for poor education.</li> <li>• In 2020, they were denounced to the government by a group of students for their questionable tuition fee policies, lack of transparency in reporting the student number correctly, and unqualified instructors to teach their programs. They almost had their licence removed by the government.</li> <li>• In 2022, colleges had to respond again for their aggressive recruitment practices, fake advertising and misleading students about their accreditation.</li> </ul>
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After collecting the data, I grouped it separately for each case. I organized the data according to the construct categories of “Stigma,” “Strategies,” and “Outcomes” (see Figure 3). As suggested by Eisenhardt (2021), I used a more objective criteria for data grouping to identify patterns in the colleges' strategies and develop an outcome table for comparing the efficiency of their strategies up until July 2023.

The first construct dimension, “Stigmas,” encompasses all comments from interviewees regarding the types of stigmatization experienced by the organizations in relation to negative events, and their perspectives on stigmatization for both cases, College A and B. I used data from interviewees of Colleges A, B, C, and D to extract their perceptions of the core stigma and its associated label, which I included in the research setting and findings. Comments from online news were coded to understand the various aspects of core and event stigmas, their interrelationships, and relevant aspects of reader perceptions that either intensified or diminished stigmatization. The data related to this construct was also used to reconstruct the narrative and establish the stigmatization analysis found in the 'Research Settings' section of this study and in the findings. I categorized the 45 comments from online news related to the three blocklisting events into two groups: “stigma mitigators,” which are perceptions that reduced or invalidated the effect of stigma on private colleges, and “stigma intensifiers,” which are perceptions that confirmed or intensified stigmatization of private colleges from the perspective of locals (society). Within the 'stigma intensifiers' category, I identified 31 comments against private colleges that negatively portrayed some aspects of the core stigmatization, such as the anglophone and for-profit nature of private colleges, their unclear quality standards, and their focus on international students, as reported in the findings section of this study. Some comments questioned the legality of private colleges' operating permits, indicating that local readers were

unaware of the regularity of private colleges. Among the collected comments were claims of “fake colleges” and “fake diplomas,” assertions that “private colleges are businesses and students are consumers,” and allegations that their students are not genuine.

For event stigmatization, I found evidence of the amplification of the core stigma with inflamed claims of “thieves” and “opportunists” regarding the misuse of immigration laws, coupled with harsh criticisms of the high tuition fees charged to international students. Additionally, I found declarations regarding the urgency to improve regulations and some extreme comments calling for the abolition of anglophone schools in Quebec. These comments served as evidence of stigma by association, since the majority of colleges were not found guilty of fraud but were still stigmatized for being mentioned in the news as targets of investigations.

In the 'stigma mitigators' category, I found 10 comments discrediting government motivations for the blocklisting event, mostly mentioning aspects such as the language battle in the political context, and four comments balancing the criticisms against private colleges with the poor quality of some public and subsidized schools (see table 5).

**Table 5.** Type of online News 'comments and evidences. Source: Online news about blocklisting events on Appendix 1.

Types of Comments	Number of Comments	Example of Evidences
<b>Stigma Intensifiers</b>	31	<p>“I wonder how these fake colleges are allowed to operate for so long.”</p> <p>“Some of these colleges are the back door to Canadian citizenship.”</p> <p>“These schools shouldn’t even be allowed...they aren’t accredited, and they provide no education that will lead to anything, just debt. Anything purporting to be education with diplomas should have to be regulated”.</p> <p>“There should be no English-only schools in Quebec, and the problem would be solved <i>subito presto</i>. But to do that, you have to become independent.”</p> <p>“Funny how these thieves and frauds run and hide when they get caught. And about the legal niceties that exist to hide behind. But, even more amusing, is how the authorities that were supposed to prevent such fraud are eagerly aiding and abetting this fraud and theft. Makes one wonder about how and why those authorities exist at all.”</p>

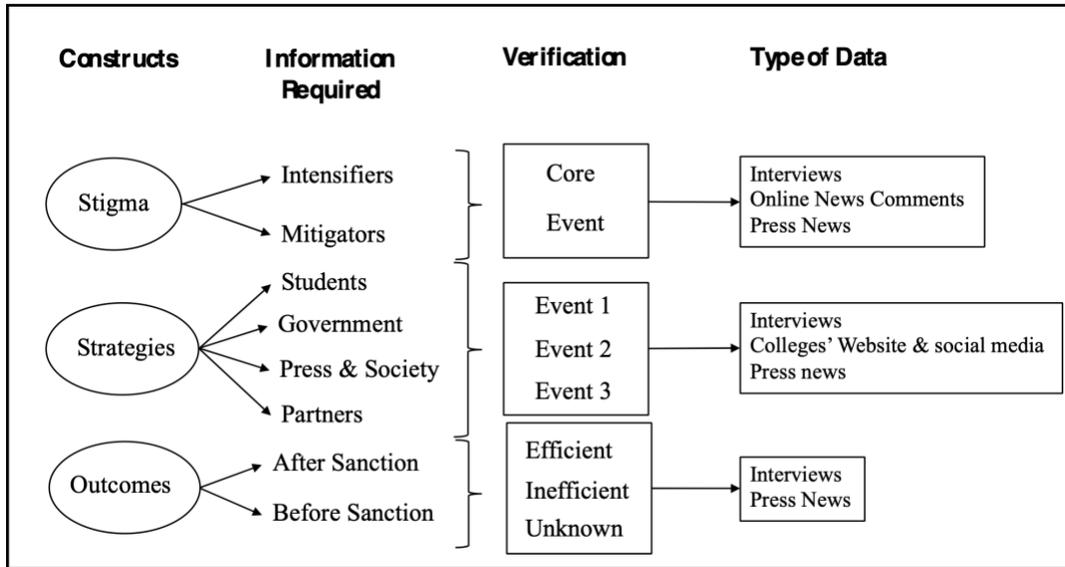
<p><b>Stigma Mitigators</b></p>	<p>14</p>	<p>“This kind of opportunistic corruption and mess is a product of Quebec's discriminatory language laws. The demand for access to an English language education may have diminished somewhat over time, but it is still a tremendous force and preference that cannot simply be swept away by bureaucratic chauvinism and bigotry. People will find a way.”</p> <p>“Ah little Quebec ...Here we go! All stubborn isolationists must shout indignation! Oh yes, the purely diabolical English language is here...waiting to crush poor little French Quebec. Perhaps in the same way that the poor little pure-bred French Québécois crushed the Aboriginals crushed the natives, who had been here for THOUSANDS of years ago!”</p> <p>“Please don't make the mistake of imagining that everything is rosy in the public sector too.”</p>
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The second construct dimension examined was "strategies," utilized for cross-case and cross-event analysis to determine the actions taken by the colleges. For College A, I relied primarily on the manager's testimony to collect their responses and cross-verified it with inputs from staff members, students, and online sources, such as their Facebook page and website. Additionally, I reviewed documents provided by the manager. In the case of College B, I couldn't find a manager, so I relied more on inputs from staff, students, and online sources, such as press news and management statements on their website and social media. I also reviewed documents provided by some interviewees regarding internal communications sent to them by e-mail by the directors of College B about the sanctions. Along with the codes from interviews, I used information found on the college's website and social media, listing all the actions per event, identifying the patterns in terms of legitimacy path. This identification in the findings of how the types of stigmas and their attributions influenced the responses taken by both colleges helped build the concept of Stigma Intensity. This concept aids in understanding the legitimacy path of Colleges A and B, along with their audiences' choices, which resulted in different objectives and strategies to deal with stigmatization.

The third dimension of the study focused on "Outcomes" to assess the effectiveness of the responses taken by colleges. I categorized the codes into two groups, "before" and "after sanction," to analyze the actions taken by colleges in both scenarios and the efficiency of these actions from the perspectives of both staff and students. Additionally, I used online data to triangulate the findings (Eisenhardt, 2021). Attempts to find more objective measures, such as the number of hirings, student numbers, and other possible measures, were made but ultimately dropped due to insufficient reliability. This was because I was able to interview the manager from College A but not the manager from College B. During this process, I could also identify and validate the stigma mitigators in the college's strategies, given by the context, such as the

language battle setting, which was used by the Manager from College A to discredit the government's motivations to apply sanctions. Another relevant stigma mitigator found was the context of the labor shortage area that prevented the transfer of stigma to the colleges' students and partners, as seen in the evidence from College B. This explained their growth despite facing more stigmatization than College A.

**Figure 1.** Data and content categorization of the primary constructs per case.



To streamline the data regarding the construct of "Strategy," I introduced an additional process to identify the strategy pattern of each college. I segregated all the open codes related to college actions, combining the audiences and events (Glaser & Strauss, 2009). I identified fourteen steps taken by College A and labeled them as first-order codes. Subsequently, I aggregated them into the second order, where I obtained six codes that were condensed into three aggregate dimensions, categorized into steps towards their destigmatization strategy (as shown in Table 6). Through this process, I identified the primary strategy of College A towards destigmatization, which was primarily focused on the government.

**Table 6.** Data Structure table from College A (Source: Interviews, college’s website and social media)

<b>College A – Strategy: Destigmatization Strategy</b>		
<b>Code Dimensions</b>		
<b>1<sup>st</sup> order Codes</b>	<b>2<sup>nd</sup> Order Codes</b>	<b>Aggregate Dimensions</b>
a) Deny or counterargument accusations to the blocklisted group. b) Question stigmatizer political motivations	<b>1. Defend themselves from the accusations</b>	<b>Step 1: Decouple from the stigmatized category</b>
c) Claim release of investigations d) Fight legally to release suspension of study permit and their recruitment process	<b>2. Challenge government to expose investigations</b>	
e) Restraint information given to students f) Keep operations normally working with their licence and accreditation g) Improve administration efficiency to reduce errors in immigration documents.	<b>3. Reduce repercussion inside the College</b>	<b>Step 2: Prevent More Stigma</b>
h) Share successful stories of students in their website and social media i) Offer free classes to stranded students from bankrupted colleges.	<b>4. Show they are a responsible and reliable College</b>	
k) Change target market to non-anglophones l) Focus on job market shortage areas m) Increase programs given in French	<b>5. Align with government political and societal interest</b>	<b>Step 3: Destigmatize: Proof they are worthy of being subsidized</b>
n) Negotiate restriction in their student number o) Show private colleges as part of a solution to government’s challenges	<b>6. Try to negotiate imposed restrictions</b>	

At College B, I analyzed the data and identified sixteen primary actions, referred to as first-order codes. These codes were further narrowed down to eight second-order codes, which ultimately resulted in three overall dimensions. Through this process, I noticed that their primary focus was on their allies, students, and partners, as they worked towards developing a strategy to contain their stigmas. (Please refer to Table 7 for more information.)

**Table 7.** Data Structure Table from College B (Source: Interviews, college’s website and social media)

<b>College B – Strategy: Contain Stigma</b>		
<b>Code Dimensions</b>		
<b>1<sup>st</sup> order Codes</b>	<b>2<sup>nd</sup> Order Codes</b>	<b>Aggregate Dimensions</b>
a) Restrain contact with press. b) Send legal resource to unlock student permit	<b>1. Minimize interactions with Stigmatizer</b>	<b>Step 1: Deflect Attention from scandals</b>
c) Blame competition for bad news about them. d) Apologize publicly for scandals specifically about them	<b>2. Deflect Attention</b>	
e) Keep current students updated about the sanctions f) Hire an external legitim auditor to show conformity in their process	<b>3. Reduce Student Evasion</b>	<b>Step 2: Improve relationship with allies</b>
g) Involve employers in college activities h) Contribute to employers through donations or charity campaigns	<b>4. Strengthen relationship with employers</b>	
i) Tranquilize students about the refund policy. j) Attempt to improve the quality level of their programs.	<b>5. Improve education and transparency in their process</b>	
k) Improve benefits to students l) Encourage positive online reviews	<b>6. Improve their Image</b>	
m) Offer donations to social institutions n) Show their economic contribution to Quebec Economy	<b>7. Promote themselves a great contributor to Quebec</b>	<b>Step 3: Prevent more Stigma</b>
o) Offer most courses in French and focusing in locals p) Show they have traditional francophone partners.	<b>8. Show they are committed to francophone policies</b>	

Given the impossibility of a member check to increase credibility, I included the news and all references in a special Appendix (Appendix 1, 2, and 3), with a direct link to the website where I obtained the information. I couldn’t achieve data saturation due to the difficulty in finding more interviewees because of the sensitivity of the subject. Many employees or former students were suspicious or felt uncomfortable disclosing their situations in the stigmatized educational institution. However, I was able to gather sufficient information to achieve the findings, complementing the information with the secondary data described above in this section. To increase rigour, all the first-order codes were represented by quotes from the interviews, colleges’ websites, and social media. (see Tables 8 and 9) (Lincoln & Guba, 1985).

\*\*\* Evidence Table 8 and 9 in APPENDIX 4 \*\*\*

## FINDINGS

### Construct “Stigma”

#### **The Core Stigma Intensification: from “Immigration” to “Ineligible” Colleges**

Core stigma impacted the ten blocklisted colleges differently. Before the first event, the depth of their core stigma was anchored in four characteristics: (1) the colleges' for-profit nature, (2) their unclear quality standards, (3) their anglophone nature and focus on international student recruitment, and lastly, (4) the fact they were not subsidized by the government. Not all of the ten blocklisted colleges were private, but the label of “Immigration College” was only applied to those who possessed these four layers of stigmatization or the majority of them.

#### ***1<sup>st</sup> layer – For-profit nature of Non-subsidized private colleges***

They attend so-called private colleges that are there to "make" money first and foremost don't forget it. It's not like welcoming foreign students to our recognized institutions. (Online News' comments)

Private colleges that are not subsidized (NSPCs) are often viewed negatively by locals due to their for-profit nature. Locals claim that these institutions prioritize profit over education quality. NSPCs offer accessible education for international students through standard programs. To attract international students, NSPCs provide eligible programs for immigration, making them an easier way for potential immigrants to obtain Canadian educational program certification compared to university programs. Despite being regulated with permits by the government, locals question the legitimacy of NSPCs, in contrast to CEGEPs, which are already recognized as public schools. To illustrate, among the blocklisted, one was a public college, a CEGEP, offering courses in English for anglophone international students. Unlike private colleges, this CEGEP received no negative comments online, indicating that for-profit organizations were more stigmatized than public institutions.

#### ***2<sup>nd</sup> layer – Unclear Quality Standards***

This second layer is an intensifier of the fact that they are for-profit. Private colleges charged a very high fee for education, around 20k per program, but the quality standard was mainly below the students' expectations.

I don't think you will get a good education in a private college. It's rare, it's very rare if you have a good teacher or professor, so you will surely have a good education, but It's a nightmare in some of the subjects for me. Also, it was a nightmare some of the topics I took. And the teacher was like, I cannot expect that kind of teacher even my secondary something like that classes. And I'm now studying a professional course so it's very hard for me in a private college to get a good education. So, for sure, they have the purpose of making profit only (Student B, College A).

What is considered and sold by most schools is that, right? You take this course because this course is PGWP eligible. I think, in this respect, it is in the same bag as all the others. (Student A, College C)

I had people come up to me and ask me how it was. I was very transparent. I told them I had a clear plan. Which is often not the plan of others, right? Sometimes the person wants to learn everything from scratch, and it's one year at an average college. You will have to deal with a scenario of a place where people are not very interested in learning. They are there to make ends meet, and that's it. My expectations were mediocre, and the college was mediocre. (Student C, College C)

It contributed to the investigations in which the government concluded that the immigration path offered by these colleges was the actual value of most of their educational programs. Low standards of education were also convenient for many students interested solely in immigration. Some wanted that because they didn't have enough educational background to follow more demanding educational institutions, and others because they already had qualifications or higher education than was required for CEGEPs. Thus, maintaining low education standards was a good deal for many colleges and non-genuine students interested only in immigrating

Many students accepted things because, as I said, their primary purpose was just to get the immigration thing, so they were not even interested in this study. (Student B, College A)

My husband and I wanted to come here to live. In fact, it wasn't even my intention to study, to tell you the truth, because I am 34 years old and I already have my courses, I am already graduated, I already have my job. In fact, we wanted to come here to stay, to immigrate, and if I had an English or French course as another way to immigrate, it would be much better for me. Under these conditions, it was this course and this college that I could do. (Student D, College B)

Interestingly, some subsidized colleges were equally criticized for not offering quality education, but the fact that individuals were fully paying for their education perhaps made them more vocal in complaints against some non-subsidized colleges.

Regarding teaching, I think it is part of the same group as College X, which is what I did. The class will be taught, of course, and there will be tests, of course, but I can't imagine, and I don't know if even for it to be a technical course, it needs to demand this level from the students (Staff A, College D).

The above fragment of the interview shows the situation of an immigrant who studied in a subsidized college and worked in a non-subsidized private college. The educational quality standards of both are perceived as similar. The interviewee didn't even realize that the college from which they graduated was subsidized, assuming that the institution was part of the group of non-subsidized colleges. This same interviewee affirmed that the administration of the non-subsidized college was more organized than that of the subsidized one.

### ***3<sup>rd</sup> Layer – Anglophone Nature and bringing a large amount of non-French speakers to the province– Threat of French identity***

These students study in English, have English-speaking professors working for them, support English-speaking colleges and work in English in businesses in Montreal. And some of these students will settle here to be English speakers who will work in English in Montreal and increase the English population in Montreal until the day French officially becomes a second official language in Montreal & where French-speaking Montrealers will be considered a linguistic minority with linguistic rights like the francophone French-speaking minorities in other provinces. (Online News 'comments)

The third layer is that these colleges offer many courses in English to fulfill international demand, which is also more significant than the French options. This represents a threat to the French identity of the Quebec Province per se, increasing the English market in Montreal, the largest city in Quebec. It creates an entire English chain where several jobs are primarily anglophone to serve this massive anglophone demand. It is a political battle, and locals eager to protect the French language in Quebec territory do not tolerate the idea that the anglophone institution is free to operate only in English, attracting more and more anglophone students. For this reason, this layer strengthens the need to regulate all anglophone institutions to limit the anglophone market bubble in Montreal since it can threaten the supremacy of the French language in the province. Because of this, since 2019, political activists have been extremely motivated to express their disapproval of Anglophone institutions. This was particularly evident when they attempted to pass Bill 50, which aimed to limit the powers of the English school board in Quebec.

The government recently placed the English Montreal School Board (EMSB) under trusteeship. It's also facing fierce criticism from the English community for its bill to abolish school boards, which Roberge said he hopes to pass by the end of next week. "It tends to be a pattern with this government that every time the educational network speaks out about Bill 40, there's some statement by the government that tries to discredit school boards," Copeman said (Fletcher, November 2019).

The opposition leader from Parti Québécois, Pascal Bérubé, implied that the government is indeed motivated to reduce English institutions in Quebec: "I don't want to know the sources of the journalists, that's secret, but if it comes from the minister himself... ' Bérubé said, before wondering if his intentions were 'for good reasons, or political reasons'" (Fletcher, November 2019, para. 7).

This political motivation and timing behind Bill 50 might explain why the government openly published and exposed the ten colleges and their students through the blocklist before concluding the ongoing investigations against them.

#### ***4<sup>th</sup> layer – The non-subsidized category focused on international students – Unknown by most of the locals in Québec***

The Quebec government offers multiple options to provide accessible education for its citizens. In the Quebec educational system, CEGEPs, the public colleges, are free for locals who study full-time but charge a certain fee from part-time students or if the student is Canadian but not from Quebec. For international students, the tuition fee is as expensive as the ones charged by private colleges, ranging from 13k to over 21k, but the government offers some exemptions, such as scholarships and financial aid, according to the type of course and market demand (SRAM, n.d.). Most locals attend public or subsidized institutions due to the benefits of lower costs provided by the government. Thus the non-subsidized colleges usually focus on recruiting international students to gain more competitiveness in terms of price and demand. This can represent a threat in the sense that many non-subsidized private colleges (NSPC) in Quebec are constituted to serve mainly international students. Locals often don't even know that private colleges are regulated by the government and have a permit to operate.

These schools shouldn't even be allowed. They aren't accredited and provide no education that will lead to anything, just debt. Anything purporting to be education with diplomas should have to be regulated.

(Online News 'comments)

Online comments revealed that many locals quickly associated the fraud scandal at Group ABC's colleges with all non-subsidized private colleges. According to Bitektine (2011), when audiences don't have enough information about an organization, they are more willing to develop a sociopolitical judgement, evaluating if the organization benefits or threatens society. In this context, disapproval directed at a deviant organization is often extended to the entire category of organizations that share similarities with it. This mechanism can be motivated by the fear of the unknown, which raises the need for regulation to enforce conformity with social norms (Hampel & Tracey, 2016; Bitektine, 2011). This generalization helped the government gain support from public opinion to impose sanctions on the ten colleges involved in the scandal and later exclude all private colleges from eligibility for the immigration program.

### **The Core stigma label: “Immigration Colleges”**

The categorization of each college as an 'Immigration College' depends on its primary audience's perception of its fit within the four layers. It is important to consider that some subsidized colleges may also be perceived as immigration colleges within the other three layers, as previously explained.

Hudson's (2008) analysis highlights that core stigma is influenced by multiple factors. These include discrepancies in values, beliefs, and ideologies between organizations and their audiences, the audiences' knowledge of the organizations' fundamental characteristics, and the size and impact of stigmatized audiences. The combination of these factors determines the severity of negative evaluations and their impact on the attribution of stigmatization to a target or group of organizations.

### **The event stigma label: “Fraudulent Colleges” across events**

In consonance with Hudson (2008), event stigma happens when an organization is held responsible for “an anomalous event, a single episodic infraction, which dominates negatively the audience’s perceptions” (253). Across the three events, the suspicion of illegal activities reduced the legitimacy of blocklisted colleges, impacting negatively on their reputation for being associated with fraud even when no evidence of breaching the law was found for most of the colleges (Appendix 1, Note 3). An analysis of press news and readers' comments about the blocklisting events revealed that stigmatization was directed towards non-subsidized private colleges. In contrast, the only public college mentioned was ignored by most readers. The event

stigma reinforced the core stigma, making public opinion associate the fraud actions with the entire group of private colleges, making more urgent the need for governmental intervention. It could be deduced from the analysis that newspaper readers expressed concern about the lack of regulation for blocklisted colleges, as well as their opportunistic and corrupt behavior towards lapses in the immigration process, calling for government intervention. Beyond the criminal offenses, public opinion diverged from the four layers of core stigmatization (e.g., for-profit nature, anglophone focus, unclear quality standards, and being made for immigrants) against private colleges. This divergence intensified the event stigma, reinforcing the perception that these colleges were not genuine educational institutions and posed a threat to Quebec society (see Table 10). These claims aimed to pressure the government to intervene with more regulation and even shutting down of the investigated colleges, as the blocklisted institutions were not compatible with Quebec values and principles (Bitektine, 2011; Hudson, 2008).

**Table 10.** Event Stigma Motivation and Evidences of intensification of Core Stigma’s layers with the Event stigma. (Source: Online news 'comments)

Motivations	Evidence (Comments from online news)
<p><b>Threat to Quebec society for the private college’s opportunistic and corrupt behaviour in misuse the immigration program to profit</b></p>	<p>“This shows only one thing, Quebec is a sieve and there are many small groups taking advantage of all while the government looks the other way.”</p> <p>“It would be all too easy to abuse things by setting up a private "college" (self-defined and unregulated) to entice foreign students at profitable fees to enroll in the "college" with the understanding that they could then work to become Canadian citizens. Regulation and control seem prudent.”</p> <p>“It is mainly a matter of bringing in candidates who will receive rudimentary or questionable training and who, for some, will never follow in what they learned in the courses and will possibly work under the table. A gateway to bypass immigration requirements and a very lucrative business for the organizers.”</p>

### **The Core and Event Stigmas Interrelationship**

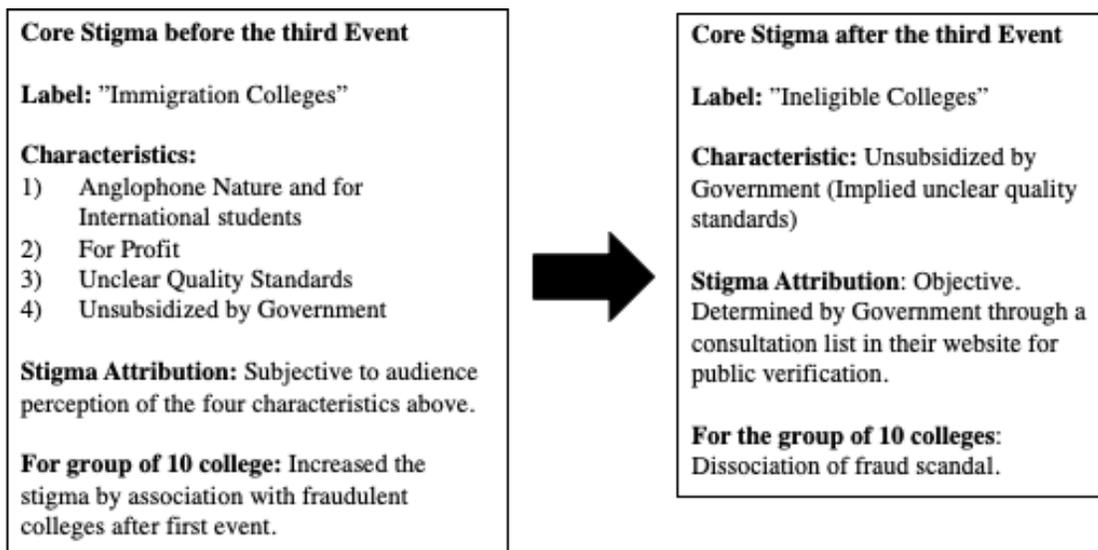
In this particular scenario, the stigmas surrounding the event were a direct result of the underlying core stigma associated with 'Immigration colleges.' For years, activities of 'Immigration colleges' were overlooked, with no clear distinction made between subsidized and non-subsidized colleges for international students. This is because only permanent residents or Canadian citizens were eligible for lower fees or subsidies. Some subsidized colleges were also perceived as avenues for immigration because they shared similar characteristics with

unsubsidized colleges, such as high tuition fees and low quality of education. However, the exponential increase in study permit applications from anglophone students, particularly Indians, to the ten colleges was the catalyst for the first event stigma.

The Quebec government could not legally stop certain colleges from recruiting anglophone students who were only interested in using their immigration program as a gateway to settle in other provinces. As a result, the government created the 'Designated Learning Institution' list, which limited the eligibility of non-subsidized private colleges for their Immigration program until September 2023 (Official sources, Appendix 3, Note 1). This decision solidified the core stigma against all 50 private colleges as they can no longer be referred to as 'Immigration Colleges.' After this new regulation, non-subsidized private colleges acquired the label of 'Ineligible Colleges,' which puts them at a competitive disadvantage compared to subsidized and public colleges. The government intensified the core stigma by officially categorizing the colleges as ineligible on their website, thereby implying that their standards are not trusted by the government.

While core stigma intensified with the new categorization created by the government, the event stigma diminished for the ten blocklisted colleges. They were able to dissociate themselves from the group accused of fraud and join a larger group of 50 unsubsidized colleges in Quebec. Overall, blocklisted colleges reduced their stigma intensity when moved to a less stigmatized category (Figure 1).

**Figure 2.** Change of Core Stigma after 3<sup>rd</sup> event. (Source: Government publication, press news and comments)



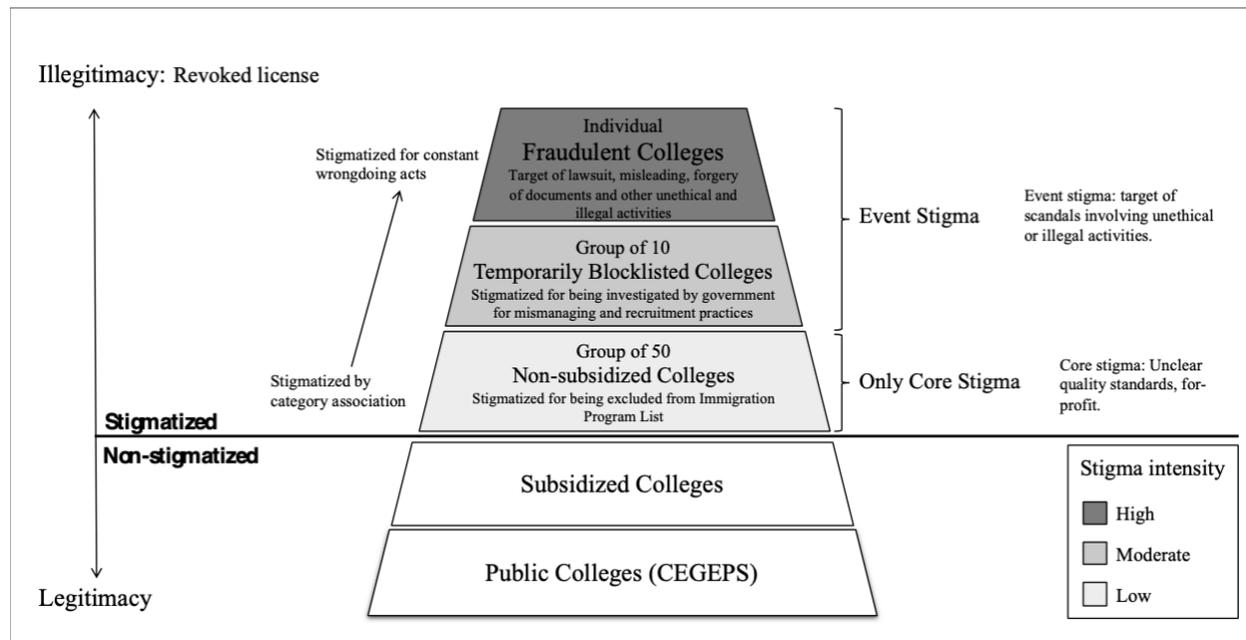
## The Stigma Intensity as a strategy predictor

To understand colleges' strategic choices regarding how to address the stigmatization, I created a scheme (see Figure 3). In this scheme, I categorized their level of stigmatization and created a measure that I called 'Stigma Intensity.' This measure considers (1) the types of stigmas attributed to colleges regarding the three events, whether they are core and event stigmas (e.g., blocklist scandal and isolated fraud scandal) or just core stigmas (e.g., being part of the group of non-subsidized private colleges), and (2) how event and core stigmas were attributed, whether individually or collectively. Based on the two outcomes of a college's 'Stigma Intensity,' I was able to classify the stigmatization level of each college across the three events as low, medium, or high. Additionally, I could identify the direction they were moving towards after the third event, either towards legitimacy or illegitimacy.

In the 'Private Colleges' Stigmatization Scheme,' it is evident that high 'Stigma Intensity' can pressure the government to intervene by applying sanctions or removing the college's permit, thereby forcing the organization to cease its operations. For this reason, fraudulent colleges involved individually in illegal scandals are at the peak of illegitimacy (Hudson, 2008), given that they are more exposed to social disapproval. Given that in Quebec, the government is expected to offer public education, the existence of public schools is legitimated by society regardless of their quality standards or the incidence of negative events. When it comes to subsidized colleges, the consequences of any deviations from regulations are more severe. If an institution in this category fails to meet the standards set by the government, it may be removed from the subsidy list and placed in the unsubsidized category. Furthermore, if an investigation reveals unethical or illegal activity, the institution will face temporary sanctions, and, finally, the educational institution may be placed at the top of the pyramid if found guilty of fraud. This can result in a loss of legitimacy and generate a bad reputation. In this case, if the sanctioned organization is unable to comply with the corrective measures enforced by the regulatory authorities, they can lose their permit to operate and close their doors. It is also possible for organizations to gain or regain legitimacy over time, depending on their strategies and goals. However, core stigma will require more effort than event stigma to be diminished or extinguished, given that core stigmas are permanent negative categories that discredit organizations, and event stigmas are punctual situations that occur at a specific time in the organization's history (Hudson, 2008). In the model below, given that all the event stigmas were

built on the pre-existing core stigma in the two selected cases, the more individualized the stigma attribution (as in the case of stigmatization attributed individually to a specific college), the more exposed to public disapproval the college will be, and the fewer resources they will have to manage the new event stigma. In this sense, it is easier for a college to deny accusations or decouple from the stigmatized category if the accusations or scandal were attributed collectively, as this is less intense than when attributed individually.

**Figure 3.** Private Colleges’ Stigmatization Scheme.



As explained earlier, Colleges A and B took different directions. Below, the aggregate dimensions and second-order codes are presented to understand the three steps of their strategies, followed by an overview of their strategies across each event.

### Construct “Strategies”

#### College A Strategy: Destigmatization

College A’s destigmatization strategy passed through three main steps, *decoupling from the stigmatized category of unethical colleges, preventing more stigma, and destigmatizing.*

#### ***Step 1: Decouple from the stigmatized category of unethical colleges***

In the first step, decoupling from the stigmatized category, they focused on two actions: defending themselves from the accusations and challenging the government to expose investigations.

**Defending themselves from the accusations.** When they received the temporary sanction, College A denied all the allegations against them. They spoke publicly and openly to various media outlets to claim innocence and counter the accusations against the entire group (Appendix 2, Notes 4 and 10). They decided to show that they didn't have anything to hide, using their 50-year history of a clear past to support their defense.

We don't think we did anything wrong. We've been operating the same way for 50 years, so sure, we grew very much in 2019-2020, and it we grew international student-wise, and we grew specifically Indian student-wise. But that was all according to regulation, the law. We expanded the way you're allowed to, more space within your physical location that we already had, so we did absolutely nothing wrong, so I don't think we really made any changes because of this (Manager A, College A).

Their purpose was to prove that they were mistakenly sanctioned for two reasons: first, the unfair association with colleges that already proven to be conducting illegal activities, and secondly, the unfair generalization due to political interest in containing the exponential growth of anglophone students in the province. Their primary concern was to emphasize that private colleges are not all alike and should not be treated or penalized equally (Schue, June 8, 2022; Interview with College A Manager). College A expressed strong dissatisfaction with the government's inquiries into private colleges, citing a lack of individuality in the colleges' judgment and asserting that they are victims of political persecution due to their success in attracting anglophone students to Quebec

You know, they could have approached each school individually. You know, without the big noise in the press, "Let's make something in the press to impress all of our Francophone voters" or whatever they were trying to do. They could have easily just approached us. "You know what? We've got concerns about this. We want you to stop your recruitment." No problem, we all schools would have cooperated. You don't have a choice, it's the Ministry. But they wanted. They wanted the flare, they wanted the persecution. It's unfortunate. But that is exactly what they're up to (Manager, College A).

College A continued to counter critics and complaints, attempting to mitigate the stigmatization. They were confident they had followed the law in all their procedures and denied

minor complaints from some students such as lack of room for students in the classroom due to excessive recruitment (Students A and B interviews).

College A's decoupling actions are also supported by the theory from Elsbach (1992) in the study on organizational associations with controversial actions. Their first proposition states that: "When a formal organization is structurally decoupled from members' illegitimate or controversial actions, spokespersons' subsequent use of defences of innocence for those actions will be more successful in helping their organizations acquire legitimacy than they will be when such decoupling is not present" (1992, p.730). Interestingly, College A also leveraged its unblemished history, organizational age, and size to create moral distance from the fraudulent colleges.

**Challenge government to expose investigations.** Through the private college association, College A pressured the government to release the findings of the investigations during the temporary blocklisting event. They wanted the information about illegal activities to become public to individualize these criminal suspects, thereby decoupling from the entire group of 10 colleges.

"The department's investigations should have identified these colleges and addressed the problems directly. Instead, the government implemented a unilateral policy based on the findings of a report that no one had a chance to read," says Ginette Gervais, president of ACPNS (Non-subsidized Private College Association)." (Schue, Jun 8, 2022)

College A director general said his institution is among those being punished for the problems at a select number of colleges. "We did nothing wrong, and we're getting penalized," he said, adding that he would have liked to work with the provincial government to come up with a plan that helps meet the province's labour shortage and recruit more international students who speak French. (...)

Along with the pressure to individualize government measures against specific private colleges, they also fought in court to suspend the block on their student permit processing and, later, to regain their right to recruit (Interview with Manager, College A).

### ***Step 2: Prevent More Stigma***

The second step was to prevent further stigma against College A, to sustain their discourse of innocence, and ensure that no potential dissatisfaction could harm their credibility. Therefore,

College A aimed to minimize repercussions by demonstrating that they are a responsible and reliable institution.

**Reduce repercussions inside the College.** In this strategy, College A decided to limit the information given to students to reduce panic and anxiety. Although they communicated openly with the press, the communication with students within the college was minimal. After receiving complaints from students, the college published an official note on their social media to inform about their legal battle with the government and their subsequent victory in court against the government's decision.

“There is no communication, no warning, no conversation, no instruction. The only instruction is "tell the students that we are going to wait and that we are going to take some actions," but they never said what the actions were, and at the moment when there was communication between students and direction. When I saw the students' demand for this communication, I asked for it to be discussed because I warned that students were cancelling their enrollment soon.” (Staff member, College A)

Despite the dissatisfaction with communication, it ultimately helped to reduce panic afterward.

Yeah, it's not about College A because College A was actually quite silent. At College A, my experience was actually quite different compared to what others experienced (in other colleges). At College A, even the students weren't very worried. They were very calm about it, in terms of, they were like, “Oh, something is happening,” but since nothing was said, they also did not worry because College A didn't make much of a deal of it. So, people thought it might not be a big deal, I think, let's say, people just “moved on” at College A. Everybody else was picking up issues here, so, yeah. (Student A, College A)

Despite remaining silent on the issue, College A opted to maintain normalcy for its students by adhering to their usual procedures. This continuation of operations served as a validation of their legitimacy.

For me, if the College is operating, it is in accordance with the law, and with the education permit, everything is OK! There was nothing that could be proved against them. Because you have an audit, it doesn't mean you did something wrong. And I think it's also the fact that they try to improve their service. And that it was also something that was done. (Staff member, College A)

College A also enhanced its administration to prevent student dissatisfaction. They hired additional employees to double-check immigration-related documents, thereby reducing potential errors in their students' immigration process.

[...] As far as I could see, they were more conscious. So, they basically created more jobs within the administration and hired people to deal with these things, the immigration department. The students were also aware that this was happening and that there was more data handling than before. So, I only realized it because of my previous meeting with the TAs, so, in my eyes, it was being handled, and they were more cautious (Student A, College A).

**Show they are a responsible and reliable College.** College A needed to project a positive impression towards their students. As a result, they decided to leverage the opinions of former and current students who had good experiences with their programs. They shared success stories of students on their website and social media to inspire others to trust the institution and look forward to their future after completing their studies.

Firstly, of course, we're relying a lot more on student testimonials. So, two student testimonials about how great their experience was, so that's a big push right now, so we've got all those out there in the media. (Manager, College A)

None of the interviewees perceived the result of this action. However, during the second event, blocklisted colleges were investigated by the government regarding the prepayment of tuition fees, considering the situation that occurred with bankrupted colleges. College A explained its stance on this matter, noting that they had a trust account to maintain students' prepayments as a safety measure (interview with Manager A, College A). Moreover, they offered free classes to stranded students from bankrupted colleges as a goodwill gesture. Other colleges, engaged with the College Association to reduce the negative stigma transferred from bankrupted colleges, took similar actions to College A. However, in the news, College A appears as the sole author of this goodwill gesture. In parallel, private colleges were mediating a solution to handle the situation of the bankrupt colleges, such as the new buyer proposal, wherein a new investor would reopen the bankrupt colleges and honor its previous contracts with students if the government granted them the license to operate (Interview with Manager A, College A).

In light of the recent private college closures in Québec, College A is committing itself to ensure any affected students can complete their education at no additional cost. Financial credit for tuition paid up to the entire cost of a program and credit for courses already completed will be fully accepted at College [...] (name), College President, said, "The College A's Educational System has graduated over 40,000 students in Canada over the past 53 years – You can count on us! We don't want any students deprived of their education as a result of this turn of events." (Online News, Appendix 2, Note 14)

While some stranded students initially viewed College A's gesture with suspicion, it was ultimately accepted by some (Online news, Appendix 2, Note 14). This action proved beneficial for both the students and staff of College A, instilling a greater sense of stability and responsibility.

Since other colleges lost a permit and closed, they had to turn their students away. So, my college received these students when other colleges were closed and went bankrupt. (Staff member, College A)

The intention of College A with the public announcement of the goodwill gesture was targeted at the government and society. They wanted to demonstrate their responsibility, distinguishing themselves from the fraudulent colleges. The primary evidence is that, although they had direct contact with the student association of stranded students from bankrupted colleges, they opted to publicize their noble gesture in the local news.

In an effort to demonstrate to the government that they are responsible and concerned about the students' situation, they also showed a willingness to align their operations with the government's political interests, in a bid to prove that they are worthy of being subsidized.

### ***Step 3: Destigmatize: Proof they are worthy of being subsidized***

College A dedicated its efforts to negotiate with the government at this stage.

**Align with the government's political and societal interests.** To demonstrate their recognition of the province's need for more potential Francophones, the initial step taken was to shift their target market towards non-Anglophones. The subsequent action proposed was to focus more on programs that addressed the labour market shortage, highlighting their potential to help alleviate this provincial issue. Lastly, they suggested expanding French language programs to break down the stigma surrounding Anglophone programs. After completing the investigations, in June 2021, the Minister of Higher Education, Danielle McCann, expressed, among the 14 new actions to regulate the recruitment of international students, their determination to integrate French language skills into the academic program (Appendix 3, Note 2).

**Trying to re-negotiate imposed restrictions.** The last action toward destigmatization was to renegotiate limitations on the number of students, based on their physical capacity listed in their permit, after the government auditing in loco. Considering that private colleges acquired the permit to teach online during the pandemic, they tried to lobby the government to be more

flexible about some of these imposed restrictions, which they did notably through the non-subsidized private college association. College A claimed to be able to enroll more students online than its physical space allowed.

They come up with a quota on your physical capacity, so if you have three classes a day, three days a week and another three days, we could handle 1900 students. OK, that's fine, but what about another thousand students online? No, you can't do that. They have to be part of the 1900. Well, that makes no sense. That's one of the things we want to talk to him (Minister of Higher Education) about, too (Manager, College A).

Along with these negotiations, College A has been deeply involved in lobbying actions taken by non-subsidized private college associations to show the government that serious private colleges can be part of a solution to the government's challenges. The coalitions of private college associations, being the Quebec Career Colleges Association for provincial and the National Association of Career Colleges for national matters, also gave them more authority to face the government with greater legitimacy. Although both associations had the same members from Quebec, together, they exerted more pressure to have their requests heard by the Quebec Government.

The Quebec Association hired a lobbying firm, as did the NACC (National Association of Career Colleges). So I have the latest whatever flyer that they or information piece that they put together. I'll send you that because, basically, it makes it clear what kind of damage they're doing to Employment opportunities and things like that, by making this change. You know, so many jobs right now that they can't fill, and private colleges attract people, international students and local students that are into technology, early childhood, business, anything that there is a need. And they're just cutting us off from all that, so we're trying to explain that to them. We got to the bottom of the, you know, the IRCC was blaming the province (Manager, College A).

Although actions from College A remained political, College B, which was also a member of the associations, didn't rely much on collective actions.

### **Overview on College A's Stigmatization Across Events**

College A was categorized under moderate stigma intensity during the first event, the temporary blocklist. When the government initiated an investigation, College A adopted a defensive stance, asserting that it had been wrongly accused of fraudulent activity. Although the government implemented certain administrative measures, such as limiting the number of

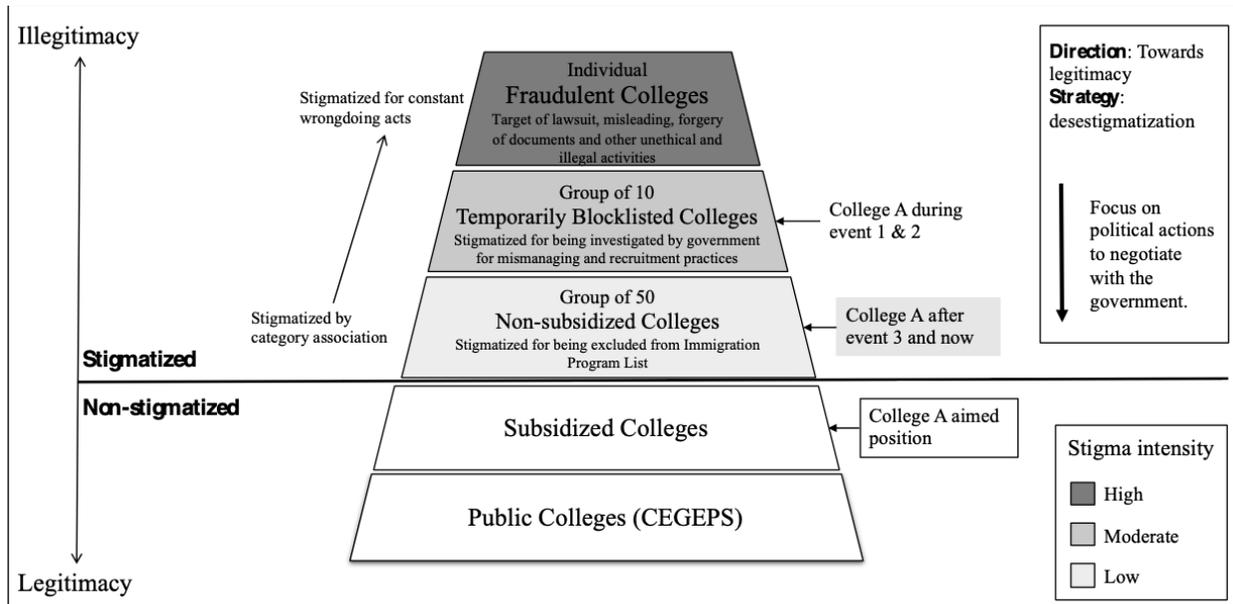
students the college could enroll based on physical capacity (see Appendix 3, Note 3), no evidence of wrongdoing was discovered against College A.

During the second event, when fraudulent colleges went bankrupt and the tuition fee scandal emerged, College A spoke openly about the issue. They also acknowledged that they demanded advance payment of tuition fees but never touched the upfront money from students because they left it in a third-party trust account in case of reimbursement requests (Interview, Manager A, College A). They also argued that the provincial and federal governments had conflicting rules. While the federal government requested proof that students could pay for the entire program, the provincial government condemned the upfront payment of the total program tuition fee. To prove their trustworthiness and differentiate themselves from other fraudulent colleges, College A offered free classes to stranded students from bankrupt colleges. Until this second event, College A remained in the moderate group of stigma intensity.

However, after the third event, the exclusion from the Immigration Program's Designated Learning Institution list, their core stigma increased as they were now categorized as a college not trusted by the government. In contrast, their event stigma lessened, as they became dissociated from the group of 10 colleges suspected of fraud and were now part of the larger group of non-subsidized colleges, totaling 50 institutions in Quebec. In terms of legitimacy, this non-subsidized college group is closer to the category of subsidized colleges, moving towards more legitimacy. Interestingly, through the intensification of core stigma in a larger group, the impact of event stigma arising from the blocklisting was considerably diminished.

These movements across events allowed College A to gain legitimacy through a destigmatization strategy. Now that they have a low stigma intensity, all the colleges in this category can join forces through the Quebec and National non-subsidized private college associations (ACPNS & NACC) to lobby for the possibility of obtaining subsidies from the government.

**Figure 4.** College A across the three events



### College B Strategy: Contain Stigma

Given that College B had incidents of individual negative events both before and after the three events addressed in this research, their strategy differed from that of College A. Their stigma containment strategy was carried out in three steps: *deflecting attention from scandals, improving relationships with allies and showing they benefit society economically and socially.*

#### ***Step 1: Deflect Attention from Scandals***

**Minimize Interactions with Stigmatizers.** The first response from College B was to minimize interaction with the government, press, and dissatisfied students, their main stigmatizers. Considering they had negative repercussions in 2018, 2020, and 2022, beyond the three events, College B aimed to deflect attention from their particular scandals (Appendix 1, Notes 1,9, 33, and 34). During the time when the group of 10 colleges was on the blocklist, College B chose a strategy of staying out of the spotlight and letting the college associations take the lead. They avoided speaking to the press about the negative events and did not make any public statements on the matter. They also had minimal interaction with the government, but, like College A, they also sent a legal injunction to unblock the processing of their students' permits instead. This approach successfully resolved the issue.

We are relieved to have won our case in the Quebec Superior Court. Ministerial Order 2020-008 had put thousands of students in an untenable situation and they feared for their future. The government would have left them with no choice but to pack up their bags and give up their education. (Communicate to Students, College B's Direction)

**Deflect Attention.** The second action of the first step was to identify a culpable target for the negative news about them, to reassure students about the blocklisting event. By providing a plausible explanation for the bad news involving them, College B could sow doubt in their students' minds, thereby weakening the external repercussions. They blamed the competition for the current events, diverting students' attention away from the true stigmatizers: the government and the group of dissatisfied alumni. Students would easily sympathize with the opinions of former students, and bringing up their argument about political motivations could attract even more unwanted attention from the government towards them.

We are aware that unfounded rumours about College B's status continue to circulate, and we want you to know that these are tactics employed by competitors with an obvious agenda. The staff at College B remain dedicated to supporting all of our students, and we hope to receive further clarification from IRCC with respect to your applications (College B Website, Appendix 2, Note 5).

However, in December 2022, College B faced a new negative event, an accusation from former students stating that the administration misled students about their accreditation and avoided refunding students who could not continue the program for medical reasons, among other dissatisfactions (Appendix 1, Note 33). This was broadcasted by a popular TV channel that investigated the situation, seeking answers from different provincial governments, former students, employees, and later, the leader of College B. In this scenario, College B responded briefly and formally, through a letter, apologizing for the occurrence and expressing a willingness to improve their activities, albeit indirectly.

College B says it has graduated tens of thousands of Canadians who have gone on to new and rewarding careers throughout its 50-year history. The college acknowledged there have been issues in several areas of delivery, and said it is committed to continually evolving and improving its delivery of education. "All feedback received is reviewed and changes implemented **if we find flaws** in any of our processes or policies." (Online news, Appendix 1, Note 34)

According to Coombs & Holladay (2015), in a recognition or reception strategy, the challenged institution accepts the complaints from stakeholders and the issue but does not promise any action to repair the wrongdoing. From this perspective, the crisis created by the problem is somehow decoupled from the institution, arguing that the organization wasn't aware of the issue or had no control over it (Benoit, 1995). This type of response is prevalent when organizations want to deflect attention from their wrongdoings. Assuming responsibility for their faults gives the impression that they are willing to change, which effectively reduces stigmatization even if the changes are not substantive. In College B's case, they merely wanted to pacify all the stigmatizers to avoid another backlash. They also gave the benefit of the doubt, mentioning that they would change something "if" they found something wrong in their processes or policies. This response reflects their approach of managing these audiences without committing to significant changes to address the issues.

### ***Step 2: Improve relationship with allies***

After facing intense backlash at a national level, College B focused on their internal audiences, those directly related to their business, such as current students and partner-employers. They needed to strengthen the relationship with their key audiences to ensure the continuity of their organization.

**Reduce Student Evasion.** With all the noise surrounding the scandals against them, College B decided to strengthen its connection with their current students. A primary action was to dedicate significant effort to keeping current students updated about the sanctions. The idea was to provide students with enough information and support to trust the institution and not transfer to another college. This abundance of information was also a strategy to keep them satisfied with the provided information, avoiding conflicting information from external sources. They contacted students in various ways, including formal letters sent to students' emails, publications on their website, and posts on their social media. Additionally, they trained their staff to inform students about the updates regarding the government's sanctions related to the three events.

I received one email from College B. Actually, several, including those from the legal department, said that they would appeal to the court and that they had succeeded. I received this information, but it would never affect me because I had already graduated. (Student A, College B)

It was always among the staff and sometimes with the students. There were times when board meetings were always set up, and different staff or different teachers would always be sent back to their students to have conversations or have meetings with them (Staff B, College B)

Actually, we started to talk with our classmates, and we started to ask the teacher and also the counsellor and, uh, after, the director of the college came to our classroom and they start to explain to us like “OK guys, I know you are worried. I know the situation is putting you in a really, really bad situation, not only you, b also to us, as a college, it's a really bad situation. So, they told us “please can you give us like one week two to discuss that between the directors. They will decide what we can do for you”. And after one week, they talked with us again to inform “OK guys, this is the solution that we have!” (Student D, College B)

This action was very positive. Many students remained at the college because of this openness in discussing the issue and because the college kept them apprised of the progress they were making in their battle against the government regarding the release of the study permit treatment, which was previously blocked by the government to conduct investigations on the ten colleges.

College B took another step towards ensuring conformity in their processes by hiring an external auditor who could validate their operations. As the government did not disclose the results of their audits and investigations, it was necessary for College B to legitimize its operations. To achieve this, they hired a former Supreme Court judge who would formalize their conformity and provide suggestions for improvements in their processes. The outcome of this initiative was only shared internally through their website, social media, and with current students.

In the meantime, College B retained the former Chief Justice of the Quebec Superior Court, the Honorable Francois Rolland, of the law firm Langlois, to conduct an internal audit of the recruitment practices of College B and its recruitment partner(s). We are pleased to announce that Judge Rolland, working with his colleague Sophie Perreault, has identified no illegal activities on the part of College B or its recruitment partner Gautam Services, based on the documentation provided, the interviews conducted and the scope of the audit. (College B Website, Appendix 2, Note 6)

No student, however, confirmed the effectiveness of this action. In addition to that initiative, College B implemented other measures aimed at improving their relationship with partner employers.

**Strengthen relationships with employers.** In an attempt to strengthen relationships with employer partners, College B began inviting managers or specialists from potential employers' institutions to participate in the college's activities as guest speakers and to participate in hiring events within the college. Technical visits to companies from employers were also among the actions that increased networking between their students and employers (Appendix 2, Notes 1 & 4). This relationship helped students secure job positions after their internships at these partner institutions, benefiting both students and employers. Additionally, this relationship was crucial for College B's legitimacy as it created a virtuous cycle involving students, employers, and the college.

Thanks to the fifty or so employers who were on site, our June 14 Career Day was a resounding success. Students, graduates and members of the public were able to chat with those employers, ask all their questions and drop off their resumes. Many thanks to all participants and employers who came to our Montreal campus, and stay tuned for future events. (College B Facebook page, Appendix 2, Note 3)

The second action to improve relationships with employers involved contributing to donations or charity campaigns related to, or organized by, their institutions. College B was extremely engaged in charity campaigns, encouraging their students to participate in various social campaigns such as blood donation, food bank drives, and other campaigns pertinent to their partners in the Health Care area (Appendix 2, Notes 1 and 3). In this way, they could enhance their image as socially responsible and strengthen their relationships with employer institutions that accepted their students as interns.

As part of its community outreach program, College B presented a cheque for \$2,000 to the LaSalle Hospital Foundation yesterday to help the foundation with its mission to improve the care and services offered to LaSalle Hospital patients through the purchase of state-of-the-art equipment and technology. College B maintains a strong partnership with LaSalle Hospital as, from January 2019 to December 2021, there were 59 groups of College B students who completed their internship at LaSalle Hospital for a total of 295 students. In addition, LaSalle Hospital hires approximately 40 students each year as a result of these internships. (College B Website, Appendix 2, note 1)

**Improve education and transparency in their process.** After receiving government recommendations and feedback from their hired auditor, College B dedicated efforts to improve their programs and procedures. This was necessary to reduce complaints from students and also minimize negative publicity in the media. In a news article published against them in 2022, the

Quebec Government announced to the press that they "...listed a total of 24 complaints received for the period April 1, 2019, to November 24, 2022, for College B, concerning vocational training. A total of 118 complaints were received for 11 private vocational colleges for the same period." (Appendix 1, Note 34). It was clear that they needed to improve services for their students in many ways, both academically and administratively.

The first action towards this goal was to address students' concerns about the refund policy. This was one of the main complaints from former students, a situation exacerbated by the second event when certain colleges went bankrupt without refunding students. College B decided to post an announcement about their refund policy on their social media.

Please be aware that we process refund requests for visa refusal as quickly as possible and within the prescribed time limits. We would like to assure you that there is absolutely no reason for you to worry about the status of your refund. College B is part of a system that operates nationally with 40 campuses in five different provinces throughout Canada, educating over 15,000 students every year. (College B website, Appendix 2, note 8)

When sharing this information, College B relied on their size and past results to reinforce their willingness to comply with the refund demands, given the spillover effect of the negative news about bankrupted colleges' students affecting other blocklisted colleges' students. This clear message demonstrated that they were aware of the anxiety of these students who were waiting for a refund and wanted to reassure them that the College would honor this commitment.

College B was transparent with students when they received the news about the exclusion from the Immigration Program in September 2023. A student reported in an interview that College B showed concern about the students' situation and was open about their new solution to make classes more intense to allow them to graduate in time for still applying for graduation in 2023 or dropping the course.

They are like a professional school. So, I feel comfortable with my school, and I think they are supporting us by giving us the option to finish before September 2023. I heard about other schools. I have a friend in another college with the same problem, and the college told her that they could not do anything. [...]. So, at least, I feel like I'm really, really lucky. My college supports us by saying, "OK, guys, we have this solution. Even though if you don't want to take it, you can drop the course and apply for another college." This decision was actually taken by many students. (Student C, College B)

A second action taken to improve College B was regarding the quality of its programs. Although it was difficult to identify if there was any structured action from the management,

students reported perceiving an improvement in the quality of education they received. One student, enrolled in the Early Childhood Program, mentioned in an interview that they noticed College B's attempt to improve education.

The teachers, they're taking it seriously. I mean, at least my teachers. They care a lot about the kind of education they're giving us. It's like, "You have to learn this because, in the future, it's going to be important because you're the first person the children are going to come into contact with, more than the parents." Because if the daycare goes from seven o'clock in the morning until six o'clock in the evening, they have more time with you. So yes, I feel very comfortable with my teachers. And I think I'm getting very well prepared for it. So yes, I'm very comfortable with my faculty. (Student C, College B)

Another student who was interviewed did not express the same level of satisfaction, but also acknowledged the college's efforts to enhance their educational standards.

I think they are trying. They are pushing a lot of things on us that didn't exist before. They are trying to improve in their own way. So, I feel we are kind of an experimental group. "So now we are going to have this class because it is going to be cool, we are going to do this project here." But it is such a mess. (Student D, College B)

**Improve their Image.** The next action from College B was to be more proactive in changing the students' perspectives. They decided to improve the benefits to students by promoting activities to make the student experience more positive. They created contests with prizes to engage students in certain campaigns, offered free seminars, and even provided scholarships to make the price more competitive with subsidized schools (interview and social media posts from College B).

Yeah, they tried to do some stuffs, like, I remember at that time they tried to organize little seminars to, you know, keep the students and try to, you know, change the narrative that the students have up there. (Staff B, College B)

College B is currently offering a \$2,000 scholarship to qualified applicants who enroll in the Financial Management Program with classes starting this month (College B's Social Media post, Appendix 2, note 3)

After implementing some of the above activities and obtaining external validation from the hired auditor, College B began encouraging staff and students to spread positive news about them through word of mouth and online reviews.

They have already asked us to give feedback on Google. The management asked the teachers. Yeah, they sent it to the teachers and asked them to talk to the students, so that people could give feedback on the College on Google Maps, I think. (Staff A, College B)

Another idea was to offer financial incentives for the referral of new students, which provided a cash amount to students, teachers, and other employees of College B (Interview with Staff A, College B).

These actions were an attempt to change the organizational climate internally rather than externally. College B understood that the genuine and honest opinions of current students would help them recover their reputation and image, thereby protecting their legitimacy.

### ***Step 3: Show they are beneficial to society economically and socially***

In addition to the virtuous inner cycle created by College B, they also needed to shield themselves from further social and political disapproval that could result in the loss of their license and the right to operate. For that reason, College B published a report in December 2020, during the first event, highlighting their economic and social contributions to the Quebec province.

**Promote themselves as a great contributor to Quebec.** Through donations to social institutions, College B demonstrated their concern for the issues faced by Quebec society. They donated \$500,000 in scholarships to an institution that supports indigenous education, as well as to hospitals, women's shelters, among others (Appendix 3, Note 6 and 15). Although these donations were made before the blocklisting event, an increase in their frequency was observed after 2020, possibly as an attempt to diminish the stigma associated with past scandals (Lange & Washburn, 2012)

Another action was towards their economic contribution to Quebec's economy. A single official report illustrated how much money the college injected into the Quebec economy - a total of 35 million from 2019 to 2020, along with their high placement rate of 86% for ACS (Attestation of College Studies) programs and 92.7% for DVS (Diploma of Vocational Studies) (Appendix 2, Note 6). This information was released during the blocklisting event in December 2020 when they were fighting against the government. It represented two aspects: the first was their importance to Quebec society in terms of addressing areas of shortage in Quebec's job market and creating opportunities for the employment of its students. The second aspect was the

negative impact on Quebec's economy and society if they closed down. If true, these outcomes could discourage the government from applying more drastic measures against them, considering that the benefits of leaving them open outweigh the benefits of revoking their license. If well-managed, College B can continue their practices by just managing government demands and taking necessary measures to prevent future backlash.

**Show they are committed to francophone policies.** The final element of their strategy was to ensure that political motivations would not negatively impact a potential decision to revoke their license. To avoid this, College B took two actions: demonstrating that they offered most courses in French and showing that they have traditional Francophone partners. Although they always offered some courses in French, they became more Francophone than Anglophone after the sanctions, given that the reason for being among the 10 blocklisted colleges was the exponential number of Anglophone international students, especially from India.

For example, this campus is the only one that offers this program in English. The others are all in French. The other courses, I think, are all offered in both languages but on different campuses. (Teacher A, College B – After sanctions)

College B also invested in their relationship with traditional and governmental Francophone partners to demonstrate shared values. This was also an effective way to increase acceptance within these respected institutions, thereby enhancing their moral legitimacy as an educational institution committed to the learning of their students and the betterment of society. As an illustration, College B invited representatives from Quebec government institutions, such as the Montreal University Institute of Geriatrics, to facilitate a workshop.

Ms. Lucie Delwaide from the Observatoire vieillissement et société of the Institut universitaire de gériatrie de Montréal came to facilitate a workshop on ageism for our health program cohorts at the Laval campus earlier this week. The event was very well attended, and all participants came away with a great deal of satisfaction. (College B Facebook page, December 22, 2022)

College B developed a partnership with the traditional institution, Friends for Mental Health (Les amis de la santé mentale), which was founded in 1981 in Montreal's West Island. This partnership was established between the Pointe-Claire Campus of College B and the social institution. Friends for Mental Health confirmed that they received donations and technical support from College B for the creation of their learning management system.

It is with the purpose of helping those close to people with mental illness that the Friends for Mental Health organization was founded in Montreal's West Island in 1981. It provides counseling, support, and training to families and loved ones of all ages who feel helpless with someone else's mental health issues. [...] 'This partnership is important to us. College B has already helped us build the learning management system that we are currently using, which is more important than ever in the circumstances,' said Johanne Bourbonnais, Executive Director of Friends for Mental Health. For its part, College B benefits from the insightful advice of the Friends for Mental Health team, which has proved invaluable throughout the recent months (College B Website, November 2, 2021).

College B also developed a partnership with the Laval Social Pediatrics Center (Centre de pédiatrie sociale Laval), a non-profit organization that offers activities for local children and adolescents in marginalized areas of the city who suffer from developmental, socialization, or health issues.

"Most of the children we work with don't plan on pursuing post-secondary education," said Ms. Du Bois. "Particularly some of the girls who don't see the point of studying or working, especially if they plan on getting married later." As part of this partnership, female instructors, students and graduates of College B will be able to share their experience with these young girls and, with a little luck, plant the seeds that will help change their lives forever (College B Website, August 5, 2021).

The final partnership they developed was with a public francophone college (CEGEP) in the Early Childhood Program in January 2023. This not only lent them legitimacy through association with a CEGEP, but also provided a good source of international students via the immigration eligibility maintained by the CEGEP (College B Website, January 20, 2023).

### **Overview of College B's Stigmatization Across Events**

In contrast to College A, College B encountered a far more challenging situation. Its history is marred with significant negative incidents, including recent protests from former students and documented complaints about mismanagement reported by CBC News (Appendix 1, Note 1 and 33). Consequently, College B's strategy was to contain the stigmatization, both during and after these events.

During the first event, they had an advantage over other colleges that were being overshadowed in the group of 10 colleges, of which only three were implicated in fraudulent

activities such as forgery of documents and fraud of language proficiency tests (Schué, 2020, November 17). The fact that this category also included colleges that were legally innocent helped College B to join the non-subsidized private college association's claims for de-categorization, which resulted in minimizing the stigma from the blacklist sanctions. The College followed the same strategy as the group of ten colleges, demonstrating that they hadn't done anything wrong. They hired a legitimate auditor, the former Chief Justice of the Quebec Superior Court, to verify their procedures and testify that they were in conformity with government determinations. In this process, they attempted to establish their own regulatory legitimacy (Bitektine, 2011).

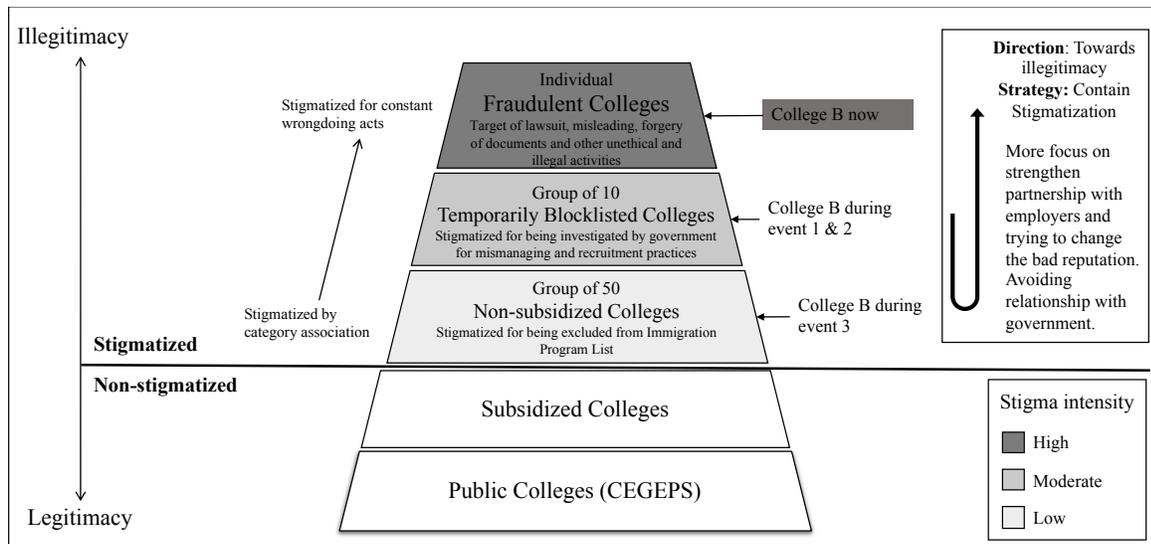
In the tuition fee scandal, the second event, College B publicly announced on their website that they would proceed with a refund as promised, but did not mention anything about the accusations that their procedures were incorrect (Appendix 2, Note 11). Hence, during the third event, College B benefitted from being included in the non-subsidized college category from the perspective of event stigma, but not at its core. Being categorized with a majority of colleges that were legally correct is better than being associated with the category of fraudulent colleges. However, being excluded from the Immigration program had its consequences.

After the third event, College B invested intensively in local recruitment (Appendix 1, Note 34). However, their predatory approach to enrolling new students made them a target of backlash reported by CBC News, which used some former students' experiences to showcase the college's wrongdoing acts, such as misleading students regarding their accreditation and refusing to refund students due to abusive clauses in their service contract (Appendix 1, Note 33). After the government threatened to revoke their license for not providing a suitable response to these accusations, the college publicly apologized and proposed some structural changes in their activities (Appendix 1, Note 34). This episode revealed that College B's strategy is not to get closer to the government, as with College A, but to keep the government at a distance, communicating with them only when inevitable and focusing on the internal environment of students and partners. Thus, this college has been intensively investing in making students their allies, along with the employers-partners. Through scholarships, contests, free seminars, and other celebrations, College B attempts to increase students' satisfaction and engagement. For their partners, they increase commitment through donations, participation in social campaigns to help partners, and inviting employees of partner institutions to participate as guest speakers in their scholarly events or classes (College B's social media posts). Lastly, to prevent more

stigmatization, College B attempted to show that they are a great contributor to Quebec's economy and society, aligned with government francophone interests.

In sum, College B's stigmatization trajectory was similar than College A until the third event, starting with moderate stigma intensity during the first and second event (e.g. blacklist and tuition fee scandal), and reaching the low stigma intensity during the third event (e.g. exclusion from the Designated Learning Institution list eligible for immigration). However, their last scandal with local students positioned them on the top of the pyramid, in high level of stigmatization intensity.

**Figure 5.** College B across the three events



### Cross Case Analysis: From the Stigma Intensity to the Legitimation Path

We have observed that both colleges adopted different strategies. I identified that the level of stigma intensity experienced by each college across events was correlated with the type of legitimacy that both colleges were attempting to obtain to manage their stigmas, which I have termed the 'Legitimacy Path.' In the Legitimacy Path, I analyzed the type of audiences each case dedicated more efforts towards, which provided me with a basis to identify the source of legitimacy they needed to manage their stigmas and how this legitimacy would help them achieve their goals.

## **Stigma Intensity**

Stigma intensity could be identified through two aspects: (1) Type of Stigma and (2) Attribution. For the type of stigmas, both cases showed that they had both core and event stigmas. However, College B had more event stigmas than College A. The second aspect is stigma attribution. In this setting, core stigma is attributed and re-attributed collectively to an entire category rather than to a single organization (see Figure 1). This allowed organizations to join forces with others from the same category and stigma intensity to deal with stigmatization collectively. However, event stigma was attributed to both organizations in the group of 10 colleges during the blocklisting episodes, and to College B individually after the three events. When the stigma is attributed to a single organization, the responses will be mainly individual as the situation is concerned with the target organization. A high concentration of disapproval towards a single organization makes it more exposed to government sanctions and social disapproval since their name is clearly evident in the negative news. College A had both core and event stigmas attributed collectively; they belonged to the group of private colleges labeled “Immigration Colleges” (core stigma), then to the “10 blocklisted colleges suspected of fraud” (event stigma), and now to the group of “50 non-subsidized private colleges excluded from the Immigration program”(new core stigma). It is understandable why most of their responses were also taken through a collective arrangement. With no new event stigma incidence against them since the blocklisting, College A could dedicate themselves to extinguishing their core stigma, lobbying for renegotiating sanctions, and receiving subsidies. College B had to contain the new wave of event stigmatization attributed exclusively to them, dedicating more efforts to safeguard their right to keep operating.

Given that the stigma intensity determined the level of urgency in addressing each stigma and how to address it (collectively or individually), another key differentiating factor is the identification of key audiences in each strategy.

## **Legitimacy Path**

In addition to stigma intensity, the target audience was a major point of divergence between the two colleges. For College A, the primary audience was the government, including the Minister of Higher Education (MHE) and the Minister of Immigration, *Frenchisation*, and Integration (MIFI), whereas for College B, it was their students. This conclusion was drawn from analyzing their approaches to addressing each audience and the number of actions directed

towards each (see Table 11). This choice was also influenced by the type of legitimacy the colleges were seeking to achieve and their desired outcomes from each strategy.

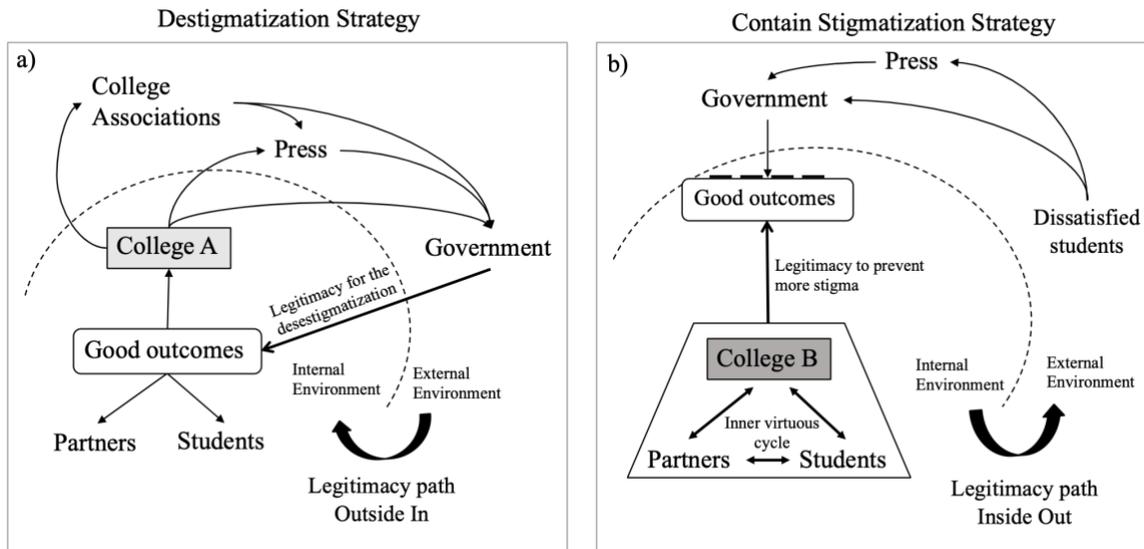
**Table 11.** Comparison of main strategic differences between College A and B towards their main audiences.

Institution	Audiences		
	Government	Students	Press & Society
<b>College A</b>	Try to ally with government and talk directly to prove innocence.  <b>Tools:</b> Used legitim associations as college associations to dialogue with government through political lobby and the press.	Show reliability and stability to current students.  Constraint information about sanctions to only concerning students.  Change target market to please government.	Openly talking about all the issues to defend themselves and dialogue with government.  Press is actioned to also inform good actions they are doing to protect affected students from bankrupted colleges.
	<b>Main claims:</b> a) Denying accusations from the category stigma or counter-argument. b) Demand to expose and punish bad colleges to prove that they are different. c) Show to government that they are complying to their political and societal interest.		
<b>College B</b>	Avoid talking to government.  <b>Tools:</b> Use indirect type of communication as formal letters to answer government inquiries.  <b>Main claims:</b> a) Apologize by wrongdoing acts and show practical actions to adapt to the law.	Maintain constant and close communication to tranquilize students about changes in immigration program.  Offer tuition fee discounts as scholarship for students.  Encourage positive online reviews and reward referrals.  Show students that they are well accepted in Quebec Society and by concerning job market. <ul style="list-style-type: none"> <li>• participation of specialists from legitim organizations in their programs;</li> <li>• encourage students to participate in charity campaigns for these social institutions.</li> <li>• Diffusion of economic and satisfaction research to students.</li> </ul>	Avoid talking to the press. Use formal letter to respond specific accusation about them.  Diffuse positive news about them as their donations and social responsible actions(charity campaigns) towards social institutions.

**Outside In.** College A’s legitimacy path was from outside in (Figure 6a). The legitimacy needed for destigmatization must be granted by a core actor within their external audience, which, in this case, is the government. To achieve destigmatization, they needed to alter the perspective of the stigmatizers. This explains their extensive efforts to demonstrate to the government that they were not a societal threat, but rather an ally willing to align with francophone and economic interests. If College A successfully destigmatizes, several positive outcomes can be expected, including increased enrollment, more interested partners, and a new source of income. These benefits will primarily result from the approval of the Minister of Higher Education, who will provide subsidies to the college. Additionally, being subsidized will enhance the college's reputation and status compared to non-subsidized ones (Bitektine, 2011).

However, this approach is only effective if the organization can demonstrate its intentions through a clear profile or a noticeable and effective change (Lange & Washburn, 2012; Short & Toffel, 2010).

**Figure 6.** Comparison of strategies and legitimacy paths.



**Inside out.** College B had to contain the extreme stigmatization they were facing. After three events, they were verging on illegitimacy and risking the loss of their permit. Although they also successfully obtained a legal injunction during the first event, their strategy drastically diverged from that of College A. College B recognized that destigmatization was not a viable option for them. Consequently, their main audience became their own students. Investing in their current students' relationships helped them create new allies to counterbalance the negative student experiences from the past months that precipitated the latest scandal. Along with their students, employer-partners were the final component needed to maintain high employability, creating a virtuous cycle internally. This system allowed them to sustain College B's legitimacy through its own outcomes. Their legitimacy path was from the inside out, focusing on their allies and internal audience to justify their existence through the outcomes of this inner cycle (Figure 6b). To maintain this cycle, College B primarily invested in their relationships with students and partners. They aimed to enhance transparency and education quality to prevent dissatisfaction and increase the benefits to their students, thereby making them allies in the process of improving their image and morale. They also increased benefits to their partners through donations, invitations to college events, and other charity campaigns, thereby bolstering

commitment with partners and traditional institutions from Quebec. This investment allowed them to indirectly demonstrate results to the government, thereby averting potential sanctions. College B avoided communicating with the government and, when questioned, responded via formal letters. Their approach to the press was similar to their approach to the government concerning negative events. They sought to minimize publicity from the press and groups of dissatisfied students to prevent further sanctions.

### **Construct “Outcomes”**

#### **College A: Downsizing – Facing Operational Risks for lack of students**

College A is downsizing its structure to comply with government regulations. It was severely impacted by the loss of students as it primarily relied on international students interested in immigrating, a fact confirmed by staff and students during the interviews. With the loss of a competitive advantage to both subsidized and public colleges, which are now receiving more governmental incentives to recruit internationally, College A is struggling to survive. In 2022, the Quebec government announced an allocation of \$80 million over four years to receive more international students in the francophone programs in public or subsidized colleges in certain regions (Miekus & Dumitrascu, 2022, July 22). Interviewees confirmed that College A is downsizing its structure due to a lack of new students.

Everyone has the same perception. The biggest thermometer is the students who are there every day. Through their expression, their concern, the questions they ask, the whole team feels an effect. The second biggest thermometer is the number of registrations we receive. That also shows that things are not going well. From the conversations I have had with staff, and this has also caused insecurity, what everyone is talking about is 'where am I going to be next year? What am I going to do next year?'. (Staff A, College A).

I don't think they are doing well. Since I went to college, there have been no new classes and no new students. It was like there was a ghost in the building, like it was always a whisper. Everyone was saying to each other, "No new classes, no new classes," so it seems to have had some effect. (Student A, College A)

Although their strategy to destigmatize themselves with the government seems more solid and beneficial in the long run, government strategies are leaning more towards the empowerment of public colleges, not private ones. In this sense, investing in improving the relationship with the

government will only allow them to continue their operations and prevent more sanctions, but it is unlikely to make the government change certain restrictions, such as the exclusion of non-subsidized colleges from the Immigration Program. Even if the government decides to include more colleges in its subsidy list, it might give preference to those colleges on the list of 50 institutions that never had any involvement in scandals. In this context, College A has a lot of work to do to improve their reputation and, primarily, their status regarding the others in the unsubsidized group, to regain the government's trust and be chosen for a subsidy.

Interviewees also criticized that College A was focusing more on external factors rather than internal ones. For them, investing more substantially in the quality of education or other strategies within their organization would have been a more efficient way to survive the restrictions imposed by the government.

Through the media, through the social network, I see this on the part of the College, but I don't see any internal action to really change the root of the problem. I don't see any kind of change in the process in which their teaching is given and in the quality itself of the course. I see more of an external fight so that it is not affected, but not an understanding of what should be done to really improve it. (Staff A, College A)

But I think we should have done maybe something that is more robust, drastic steps. I don't know the solution, but I know that what they did was definitely not the complete solution because if they had a complete solution, then they wouldn't be facing problems right now. So, I think they should have taken drastic measures that could change the entire system itself, but that is quite a bit. So, I don't know. (Student A, College A)

In sum, the strategies adopted by College A are more long-term oriented but involve operational risks associated with the exponential decline of students. Before the events, this college relied largely on international students, but after the sanctions, they had to focus on locals and explore other ways to align their educational programs with the immigration path of their potential international students. In this setting, College A's perspective is to continue facing a prolonged period of business contraction, especially after September 1, 2023, when their ineligibility comes into effect. Another factor to consider is that College A recently started to offer programs focused on job market shortage areas for locals (Appendix 2, Note 2). Their success in these new programs will be crucial for their survival if the policies regarding the Immigration Program remain unchanged.

### **College B: Expanding - Announced a new Campus but facing institutional risks**

College B refrained from interacting with the press and government, focusing instead on managing both groups to contain their disapproval. They dedicated more efforts to improving their network, creating value in their inner circle of partners, employers, and students. As announced in their communication channels, they are opening a new campus in Montreal (Appendix 2, Note 1). This expansion is justified by the fact that College B had already invested in local student recruitment and key programs for job market shortage areas even before the negative events (Appendix 2, Notes 1 and 2). After the three events, their former students, who are now local residents in Quebec, also noticed an increase in marketing from the college through social media.

For some reason, I've been getting a lot of publicity from College B on my Instagram, on social media. I think they are investing in that, especially in digital marketing by geolocation, which is in Canada, which is in Quebec. I think they are investing a lot in advertisements for the people of Quebec, for those who are here and already want to study. For people who have immigrated, who don't have so much problem with their visa and want to learn a course. I think they are now looking for more places. At least, that's what I imagine. (Student A, College B)

Investing in targeted marketing was not the only investment College B made in local recruitment. In December 2022, CBC News conducted an investigation into the college, during which a former employee from College B explained how aggressive their recruitment strategy was (Appendix 1, Note 33). The list of complaints was extensive, exerting pressure on the government to intervene. College B sent a formal letter to CBC News to apologize and propose changes. They committed to improving training for their employees and increasing transparency in their communication with students to mitigate complaints.

Despite being extremely stigmatized, College B's longstanding relationship with social institutions such as hospitals and daycares ensured future job access for their students, maintaining their legitimacy through high employability. This demonstrates their contribution to society by providing qualified workers for areas experiencing extreme shortages. Another advantage of College B's strategy was the allocation of resources to maintain legitimacy among their inner circle of partners-employers and current students. Consequently, the government and broader society were not prioritized. Interactions with these two stakeholders were brief and assertive to discourage further negative events involving their name, such as the complaints from dissatisfied students publicized by the press (Appendix 1, Note 33). College B focused on actions

to maintain its economic sustainability. However, if they do not improve their ethical standards, they may face more negative events, which could pressure the government to revoke their permit.

### **An overview of the outcomes**

Colleges A and B followed different trajectories during the three events, leading them to different situations. College A chose a political approach through lobbying, which is more long-term oriented but faces operational risks due to a lack of students. This approach aligns with the type of stigma (core) they were trying to eliminate. College A mainly faced core stigma after the three events. They aimed to remove the "Ineligible colleges" label, change their category, and gain legitimacy from the government. This legitimization would bring immense prosperity to College A in terms of student flow and government funding. However, this goal seems very unlikely, as they still need to rebuild their image and gain the government's trust to join the subsidized group. Opting for downsizing shows their willingness to take time to rebuild their strategy with more consistency and prudence. However, it might create a competitive disadvantage over time if their lobbying efforts do not yield the expected results. In terms of efficiency, College B appears to have more control over its actions and outcomes since they were directed at its internal environment. Despite facing more stigmatization, they knew how to mitigate the negative effects of stigma to grow their business. I identified five main factors that enabled College B to expand.

### **Stigmatization was contained in the international students 'environment**

College B recognized earlier than College A that the stigmatization was confined to the sphere of international students. Outside this bubble, not many locals were aware of or even remembered the scandals involving private colleges. Therefore, intensifying the recruitment of local students from the onset of the scandals proved to be very efficient for College B.

For the society itself, nobody ever commented anything to me. I think that the population that is not involved or is not an immigrant, they don't even know about it. (Staff, College B)

College A understood that the stigmatization was limited to the immigrant population but chose to remain focused on political matters.

But the rest is mainly political right now really, because the local student, a lot of people, especially local students, which is our market now, haven't heard about this. Now it's, it's still very, very contained. You know, if you're an international student, you know all about it. If you're a local student, you don't really know all that. You might not care. So, we're mainly concentrating on the politics now and on getting the straight answers from the federal government, and provincial government, obviously, trying to. (Manager, College A)

### **Invest in substantive changes**

This intense focus on political lobbying caused College A to overlook the importance of internal relationships with students and their own staff. While employees and students at College B noticed significant changes, at College A, the perception was that the college was declining and not taking any measures to change.

The people who work there today, at least in administration, at the reception, they are all hired from last year. Even the director is new. (Staff, College B)

Through the media, through the social network, I see this on the part of the College, but I don't see any internal action to really change the root of the problem. I don't see any kind of change in the process in which their teaching is given and in the quality itself of the course. I see more of an external fight so that it is not affected, but not an understanding of what should be done to really improve it. (Staff, College A)

### **Longer history with employers-partners**

Their long-standing partnership with key organizations helped them demonstrate that they are more of an asset than a liability to the government. This also helped them maintain a high employability rate even after the scandals. Their partners had been accepting their students for years before the sanctions and were already familiar with the qualifications of their students.

Having worked in healthcare, I think the vision of healthcare remains untouchable. College B is known as a College that qualifies a lot of nurses.” (Student B, College B)

### **Clear benefits to society discouraged the government from deactivating college**

The pandemic also created an emergent situation that played in favor of College B. College B was known for training nurses for traditional hospitals in Quebec. Many hospitals were facing a dire shortage of employees due to the COVID epidemic. This fact underscored the importance of College B to society, even in the face of some backlash from certain student groups. The need

for additional healthcare professionals outweighed any societal pressure to enforce penalties on College B amidst the pandemic.

College B maintains a strong partnership with LaSalle Hospital as, from January 2019 to December 2021, there were 59 groups of College B students who completed their internship at LaSalle Hospital for a total of 295 students. In addition, LaSalle Hospital hires approximately 40 students each year as a result of these internships. (College B Website, Appendix 2, note 1)

### **Programs in High Demanded Areas**

College B focused on programs in high-demand areas earlier than College A. This helped them maintain higher employability for their students because the stigmas weren't transferred to the students. It allowed them to dedicate more effort to maintaining key partners and employers in these fields. Due to market need, there weren't any signs of stigma transfer to students in these areas. Employers weren't concerned about the College's reputation, seeing that there was more demand than supply.

I've already started looking for a job in a daycare center for the internship and stuff, so I know there are a lot of daycare centers that are asking for workers. And they do it a lot. So, I know that daycare centers need teachers, from what I've seen. (Student C, College B)

Here, they need many teachers (for Early Childhood Education). I chose the right course. I already got a job the second week I was here. (Student D, College B)

Even with many mitigators of stigma, College B couldn't follow a destigmatization strategy like College A. Side by side (see Table 12), it is evident that the destigmatization strategy required the organization to have low stigma intensity. This is because, to be able to destigmatize, the organization needs to change the perspective of the stigmatizer. The only way to eliminate stigma is through interactions with their stigmatizers (Hudson, 2008; Hampel & Tracey, 2016). In this sense, it is important to note that College A's stigmatizer was clearly the government and its political interest. To eliminate the core stigma, College A needed to change the government's attitude towards them. College B had to contain event stigmas, which were generated mainly by their own dissatisfied students. Although the government had the power to sanction them, their students' dissatisfaction (e.g., lawsuits and press news) triggered the latest event stigma against them. Another important fact to highlight is that students are a cyclical audience. They leave the educational institution as soon as they conclude their programs. This

explains the College's choice to improve their internal environment, aiming to preserve the current students and improve their image to recruit the next groups.

It is interesting to note how both colleges approached legitimizing themselves in their discourse (Haack & Wickert, 2012). Both utilized their age and size as evidence of their responsibility to their students, in an effort to ease concerns regarding the imposed sanctions. However, College A went a step further and used their 'clear past' to discredit the accusations against them and distance themselves from the ten other blocklisted colleges. College B, on the other hand, emphasized their outcomes, such as high employability rates, as proof of their value to society.

Both colleges also sought validation from credible external partners to demonstrate their integrity. College A called upon both provincial and national college associations to exert more pressure on the government in their favor. In contrast, College B relied on partner employers, local social institutions, and an external auditor to verify their conformity to established processes. Unlike College A, College B avoided a relationship with the government and addressed the imposed sanctions internally. They hired a figure of legitimation to ensure conformity to the government's processes and created their own scholarships to offer students as an alternative to government subsidies. Ultimately, College B opened a new campus to regain some of the students they lost due to physical space limitations after being blocklisted. This explains how they were able to expand despite facing institutional risks.

**Table 12.** Outcome table

<b>Criteria</b>	<b>College A</b>	<b>College B</b>
<b>Strategy</b>	<b>Destigmatization</b>	<b>Contain Stigma</b>
<b>Stigma Intensity</b>	Low	High
<b>Goal</b>	Eliminate Stigma	Manage Stigma
<b>Relationship with Stigmatizers</b>	Engage (Increase interactions)	Avoid (Minimal interaction)
<b>Main Audience</b>	Stigmatizer	Allies
<b>Legitimacy path</b>	Approval from Outside in Focused on Government and press/ society at large	Approval from the Inside out Focused on their Students and Employers- Partners
<b>Mode of most strategies</b>	Collective	Individual
<b>Main Legitimizers</b>	Internal: Age, Size and clear past of scandals.	Internal: Age, Size and High Employability

	External: College Associations	External: Employers, Social institutions and External auditor.
<b>Operational Situation</b>	Downsizing	Expanding
<b>Strategy Risks</b>	Operational	Institutional

## DISCUSSION

The strategies of the colleges to overcome stigmatization yielded interesting results. From a stigmatization perspective, there was a weakening in event stigma for College A but an intensification for College B. The core stigma changed and intensified due to the objectivity of government categorization. However, the colleges were able to decouple from the fraudulent group, substantially reducing the event stigma by association. Since the resolution of the case in 2022, no more news involving the blocklisted private colleges as a group emerged. It seems that the exclusion of non-subsidized private colleges from the Immigration program was a fair decision for all, except for the innocent colleges in the group of 50 non-subsidized private institutions that suffered sanctions without having done anything illegal or unethical to deserve this restriction. For them, fighting through lobbying and collective political actions was the most hopeful way to recover their business, but first, they needed to align with francophone political interests and implement these structural changes with no guarantee that any of the current government decisions would be revised. It is still uncertain if they will make progress in their rights, but given the current government's direction towards empowerment and boosting their own public colleges (CEGEPS) to receive more international students, it seems that non-subsidized private colleges will be deprived of the capacity to grow for a couple more years (Miekus & Dumitrascu, 2022, July 22).

In the U-brew case study, Bitektine & Nason (2020) found that legitimacy could be enhanced through the aggregation of three meso-level domains of the validation process – the public, administrative, and legal. According to the authors, these three domains “also serve as ‘battlegrounds’ where actors compete over which legitimacy judgment should be ‘validated’ by the domain” (2020, p.57). The findings in this study are in consonance with this theory, as during the three events, legal legitimacy allowed colleges to remove the blocklisted sanction regarding their right to recruit and the processing of their students' study permits. However, the

administrative domain, which concerns the government's actions and political interests, led these colleges to be harshly punished. Most of the public domain was also siding with the government until the second event, encouraged by the press. After the third event, actions from College B, for instance, were able to create a balanced opinion through their actions with partners, which discouraged the government from taking further action.

In the Thomas Cook Travel Agency case study (Hampel & Tracey, 2016), the company managed to eliminate stigma over the years. Their strategy can be compared to that of College A, given that both organizations had never committed any illegal acts and aimed to change the perspective of the stigmatizers. However, the contexts of both institutions were different. For the travel agency, societal evolution contributed to the destigmatization of travel agencies for the middle and lower classes, which were considered immoral by the press and society in the nineteenth century. In the case of the private college, it is still too early to assume that a significant change in the political context in Quebec could also have a positive impact on non-subsidized private colleges.

Interestingly, when comparing College B's strategy with previous literature, I noticed some similarities with the study by Liao & Min (2021) regarding Japanese companies. After being publicly shamed for poor working conditions, Japanese organizations started to invest more in their Corporate Social Performance to improve their image in society. Similarly, College B also increased its investments in donations, charity, and other beneficent activities after the scandals, but mainly focused on institutions that could employ their students. Nevertheless, the practices followed the same direction. There is a tendency among organizations to try to improve their public image through social actions after committing wrongdoings (Pfarrer et al, 2008; Hudson & Okhuysen, 2009). This phenomenon is also discussed in the literature on Corporate Social Irresponsibility (Lange & Washburn, 2012), which explores how deviant organizations may increase their investments in social causes or sustainability activities to improve public perception. Likewise, College B's responses align with most of the four stages of recovery for companies involved in scandals outlined by Pfarrer et al. (2008). Notably, the final phase of rehabilitation, where the company removes executives to demonstrate their dedication to rectifying their actions, was also implemented by College B.

### **Theorizing on cases**

Based on the two cases above, it is evident that College A and B adopted different strategies based on varying stigma intensities. Their stigma intensity was influenced by the types of stigma they encountered, whether core and/or event, and how this stigma was attributed, either individually or through a category. These two characteristics shaped their strategies, actions, and key audiences.

***Proposition 1:*** Colleges tailored their strategies according to the stigma intensity, which encompasses the types of stigma (core and event) and their attribution (individual or collective).

Given that College A adopted a destigmatization strategy, their objective was to eradicate stigma by becoming subsidized by the government. To achieve this, they engaged in groups through college associations to amplify pressure on the government's decisions. College A chose to openly communicate with the press, alongside the president of the College Association, to bolster the legitimacy of their claims of innocence from fraud accusations. Their principal audience was the government, which was also their main stigmatizer. Being a salient audience, College A had to forge alliances with other colleges facing the same stigma intensity to collectively destigmatize the category, as they did in the first event but not in the third.

When organizations have a strong chance of proving their innocence, they will strive to destigmatize. Their strategy will be more long-term oriented, albeit supporting less growth in the short term, if the long-term benefits outweigh it.

***Proposition 1a:*** Low stigma intensity leads educational institutions to adopt a destigmatization strategy, focusing on main stigmatizers, such as the government, to enhance their legitimacy.

While organizations are enduring high stigmatization intensity, they hold no hope of altering the opinions of stigmatizers. Hence, they dedicate themselves to cultivating a fruitful ecosystem to safeguard their business operations. They channel more energy into fortifying partnerships with their allies. The outcomes of this relationship are utilized as a legitimizing factor to underscore their significance to society and the economic implications of their existence

or non-existence. Their interaction with stigmatizers, such as the government, is minimal; they merely manage it to avert new negative events and potential sanctions.

***Proposition 1b:*** High stigmatization compels educational institutions to concentrate more on containing the stigma to preserve their legitimacy, bolster their relationships with allies, and avoid stigmatizers.

### **Theoretical and Practical Implications**

This study offers numerous contributions to both managers and academic researchers in the field of management. For managers, it provides theoretical tools to address stigmatization based on its intensity and organizational goals, thereby defining their path to legitimacy. For researchers, it seeks to uncover some blind spots in the current literature on stigma and legitimacy, specifically within the context of the educational industry, as outlined below:

#### **Stigma intensity as a predictor to define strategy**

Contrary to the stakeholder theory (Mitchell et al., 1997), which defines the salience of each stakeholder as a predictor to define the strategy, here addressed as the audience, this work contributes to the understanding of the intensity of the stigma as a predictor of an organization's behaviour. It also recognizes the importance of stakeholders but does not imply that more actions will be designated to the definitive stakeholder in terms of Power, Urgency, and Legitimacy. In the two cases of double stigmatization, only College A focused on the government as their main audience throughout the three events because they were attempting to drop their core stigma fixed by the government. College B recognized the importance of the government, but most of their actions were towards their students and partners once they were managing a new event stigma originated by the press and dissatisfied students. This study indicated that the way the stigma is perceived and categorized (its attribution and type) influences the strategies used; for instance, if organizations will act collectively, individually, and which type of stigma they are trying to manage.

#### **Stigma transfer to students, employees or partners**

Previous theories about stigmatization have identified that stigmas could be transferred from the target organization to its customers or partners (Hudson, 2012). In this study, few or no incidents of stigma transfer occurred to students or employers (partners or not). This implies that certain environmental factors, such as a labor shortage, can diminish the impact of stigma on how audiences perceive it, leading them to suspend judgment against the stigmatized category when it conflicts with their interests. Furthermore, the side-effects of stigmatization are asymmetrical and depend on how organizations or individuals evaluate the activities of the targeted organization as harmful or against their values (Lamin & Zaheer, 2012; Hampel & Tracey, 2016).

### **Blend with other areas to dilute, or shield stigma**

In the gun industry (Vergne, 2012), producing unrelated products helped to dilute the stigma towards these firms. In the educational context, this dilution should be strategized differently. It is not the product itself that is stigmatized, but the type of students and how colleges used to operate. Focusing on local or non-anglophone students and francophone programs certainly helped colleges to reduce animosity from stigmatizers. However, it didn't help them to diminish their core stigma. Shielding stigma would not be an option because of the stigmatizers' characteristics. In the gun industry (Vergne, 2012) or gay bathhouses (Hudson & Okhuysen, 2009), stigmatizers are not the firm's customers. In the educational context, groups of dissatisfied students also attributed negative labels to private colleges. Therefore, stigma dilution or shielding strategies are more likely to occur when the stigmatizer is not the company's client or does not make part of their internal environment.

### **Stigmatization in Educational Institutions in Immigration Target Countries**

An important contribution of this research is to bring a fairly explored setting of stigmatization in educational institutions into focus. The findings of this study generalize across national contexts, as the situation of non-genuine students using a career college program as solely an excuse to immigrate is not particular to Canada. Ireland, Australia, and New Zealand are some examples of countries in which private education might target “immigrant students,” causing similar issues to those in Canada. In this sense, this study can help government workers and politicians better understand their regulations and their limits to maintain the popularity and acceptance of their decisions.

## **Limitations and Future Research**

Given that this study is ongoing, it remains inconclusive whether the two cases will survive in the long run or how permanent the changes adopted at the present moment will be. The private colleges will officially lose eligibility for the Immigration program starting from September 2023. Only after that period will it be possible to verify the efficiency of strategies taken to destigmatize or contain stigma. Another hurdle in this highly political process was the difficulty with access to potential interviewees. Staff members, managers, and students were afraid to speak about such a currently stigmatized event, which demanded more effort to collect information. I had to rely on unofficial sources to guide my research due to the informants' fear of being identified in the researched institutions.

A limitation of this study is also one of the reasons for its main contribution: there are few theoretical accounts of the stigmatization process in blocklisted organizations. This lack of theoretical reference increased the challenge in the iteration process during the development of the findings. However, no other case of stigmatization in educational institutions has been studied yet. This setting is particularly interesting to be further explored because, in essence, educational institutions should be examples of ethical behavior. For that reason, psychological factors about stigmatization in educational institutions at the individual level would also be a relevant point to be investigated.

Apart from studying a specific stigma, double stigmatization is another topic addressed in this research that remains unexplored in literature. The interrelationships of different types of stigma themselves offer a way to manage them and present a valuable research window for understanding managers' strategies.

In summary, future studies should test the propositions found in this research to assess their generalizability across other industries and settings. Given the specificities of educational settings and the challenges of double stigmatization, this research provides a valuable foundation for further exploration.

## **CONCLUSION**

This study provides organizational scholars and management practitioners with tools to better understand, recognize, and manage double stigmatization, especially in the educational industry, a sector that remains scarcely explored in management literature. It presents a model to comprehend the interrelationships in the double stigmatization of core and event stigmas. Additionally, it proposes models to understand strategy choices based on the legitimacy path and its key audiences to either contain stigma or destigmatize. In such a controversial and dynamic environment as the career private colleges, this analysis appears urgent and relevant. It is crucial to understand how to best manage critical situations that can threaten the existence of legacies that have endured for over 50 years.

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**APPENDIX 1, APPENDIX 2 AND APPENDIX 3 WERE REMOVED FROM THIS  
VERSION**

## APPENDIX 4

**Table 8.** Evidence Table of Codes Dimension and Representative Quotes – College A

<b>College A – Strategy: Destigmatize</b>	
<b>Dimension</b>	<b>Representative Quotes</b>
<b>Step 1: Decouple from the stigmatized category</b>	
<b>1. Defending themselves from the accusations</b>	
a) Deny or counterargument accusations to the blocklisted group.	We don't think we did anything wrong. We've been operating the same way for 50 years, so sure we grew very much in 2019-2020 and it we grew international student wise and we grew specifically Indian student wise. But that was all according to regulation, the law, we expanded the way you're allowed to, more space within your physical location that we already had, so we did absolutely nothing wrong, so I don't think we really made any changes because of this (Manager College A).
b) Rely on their past to prove innocence.	So that's something we that's the biggest change we've made to how we talk to groups of students and agents now, that this kind of thing that's got so many people scared about. Why would I go to a private college and come back if that can happen, but we explain that it can't happen as College A. It's more than just the fact that we've been here 50 years. We can't touch that money that you've prepaid until you come to school (Manager, College A)
c) Question stigmatizer political motivations	You know they could have approached each school individually. You know without the big noise in the press or “Let's make something in the press to impress all of our Francophone voters” or whatever they were trying to do. They could have easily just approached us. “You know what? We've got concerns about this. We want you to stop your recruitment.” No problem we all schools would have cooperated. You don't have a choice, it's the Ministry. But they wanted. They wanted the flare, they wanted the persecution. It's unfortunate. But that is exactly what they're up to (Manager, College A).
<b>2. Challenge government to expose investigations</b>	
a) Claim release of investigations	So, this lobby group is hopefully going to get us face to face meeting with the with the Education Minister or sub minister to try to clear that up if they can do something, or remove it. Say that the results were that they didn't find anything wrong. Do something about it, some type of closure to this investigation that is still listed there, and then there's nothing after, there's no results whatsoever (Manager, College A).
b) Fight legally to release suspension of study permit and their recruitment process	Ah, then the following day we contacted a lawyer, I spoke to other colleges. I didn't want a conflict of interest, getting the same lawyer. It wasn't a joint you know was strictly College A at that point. So, I we got a personal lawyer who sent correspondence that day. So, two days later to the ministry, and by that time or sometime later that day, the ministry had

already backed off on their on their original suspension of processing, all CAQs (Manager, College A).

## Step 2: Prevent More Stigma (reduce evasion of current students)

### 1. Reduce repercussion inside the College

a) Restraint information to students (few information for students)

I didn't receive any an e-mail or anything shared by the college saying that we wouldn't be affected. Or what they are doing about it, anything. They didn't send us any publication about that. Uh, maybe because we were not affected by that, so they haven't. But maybe they sent something to who got affected by those things, maybe. I think they did. They might have contacted (Student B, College A).

There is no communication, no warning, no conversation, no instruction. The only instruction is "tell the students that we are going to wait and that we are going to take some actions", but they never say what the actions are, and at the moment when there was communication between students and direction. When I saw the students' demand for this communication, I asked for it to be talked about, because I warned that students were canceling their enrollment soon. (Staff member, College A)

b) Keep operations normally working with their licence

If the government provides the permit and if the college is operating normally, everything is being done according to the law, according to the regulations. Everything that has gone before, I don't feel has any impact. In terms of reputation, it was very negative for the College, of course. I think they were harmed, but I also think they got into a bundle, and nothing was proven against them. That's my opinion (Staff, College A).

c) Improve administration efficiency to reduce errors in immigration documents.

I think they got a little bit active in supporting the student for applying for the immigration documents. When I applied for the work permit, they were like pretty active. They helped out, uh, in every way. Oh yeah, I think they got a little bit active. What I know from their procedure it is because I could call them. I feel like they were working on the things that I wanted to get done so they were more cooperative and active, I think (Student A, College A),

### 2. Show they are a responsible and reliable College

a) Share successful stories of students in their website and social media

Firstly, of course, we're relying a lot more on student testimonials. So, two student testimonies about how great their experience was, so that's a big push right now, so we've got all those out there in the media. (Manager, College A)

b) Offer free classes to stranded students from bankrupted colleges.

I mean, it's good for private colleges if other private colleges clean up the mess of the ones that did something terrible like this. Someone got to fix it. The government is not going to fix it, so that's why College A stepped up and I don't think we're the only one. I saw other things little glimpses of other colleges

doing the same thing. I think most private colleges were trying to help in that way but College A might have been the only one that made it public, you know and put it out there for all the students to know (Manager, College A).

### Step 3: Destigmatize: Proof they are worthy of being subsidized

#### 1. Align with government political and societal interest.

a) Change target market to non-anglophones

The only thing that changed, well, obviously, it's not because they told us to, we can read between the lines. We are concentrating more on obtaining francophone international students, but targeting African countries that where French is one of the primary languages, so that has so more concentrating on South America and French speaking mostly North African countries are the two biggest changes (Manager, College A).

b) Focus on job market shortage areas

There's a bunch of provincial funding available. For technology courses, there's a huge shortage of IT workers in Quebec, so they release all this funding to go to school and study that. But you can't go to a private college, so we're exempt from that. So, we'd like to talk to them about that, because we can help them (government) solve the problem of shortages in it, but they won't even let students come to our college (Manager, College A).

c) Increase programs given in French

So, if we're not going to get any international students and we're only going to have local students, that means I have to grow my French market and I have to grow my online market which are possible, but they're going to take years, so I'm thinking 2022 and 2023 will be heavy losses for College A for sure. But branding and getting the right programs available in French and online, I think by 2024 we should be able to be profitable (Manager, College A).

#### 2. Try to negotiate imposed restrictions

a) Negotiate restriction in their student number

They come up with a quota on your physical capacity, so if you have three classes a day, three days a week and another three days, we could handle 1900 students. OK, that's fine, but what about another thousand students online? No, you can't do that. They have to be part of the 1900. Well, that makes no sense. That's one of the things we want to talk to him (Minister of Higher Education) about too (Manager, College A).

a) Show private colleges as part of a solution to government's challenges

The Quebec Association hired a lobbying firm, as did the NACC (National Association of Career Colleges). [...] You know there's so many jobs right now that they can't fill and private colleges attract people, international students and local students that into technology, early childhood, business, any anything that there is a need. And they're just cutting us off from all that, so we're trying to explain that to them. We got to the bottom of the, you know, the IRCC was blaming the province (Manager, College A).

**Table 9.** Evidence Table of Codes Dimension and Representative Quotes – College B

<b>College B – Strategy: Contain Stigma</b>	
<b>Dimension</b>	<b>Representative Quotes</b>
<b>Step 1: Deflect Attention from Scandals.</b>	
<b>1. Minimize Interaction with Stigmatizers</b>	
a) Restrain contact with press.	None
b) Send legal resource to unlock student permit	We are relieved to have won our case in the Quebec Superior Court. Ministerial Order 2020-008 had put thousands of students in an untenable situation and they feared for their future. The government would have left them with no choice but to pack up their bags and give up their education. (College B Manager)
<b>2. Deflect Attention</b>	
c) Blame competition for bad news about them	We are aware that unfounded rumors about College B’s status continue to circulate, and we want you to know that these are tactics employed by competitors with an obvious agenda. The staff at College B remain dedicated to supporting all of our students, and we hope to receive further clarification from IRCC with respect to your applications (College B Website, Appendix 2, Note x).
d) Apologize publicly for scandals specifically about them	As a higher education institution, one of our core values is continual learning – and we always strive to improve our offerings, from management to academics. We acknowledge that there have been issues in several areas of delivery and are continuously working on several initiatives to address those short-comings. We exist to serve our students and therefore will continue to employ rigorous best practices that reflect changes as needed, and continue to provide excellence in education. (College B Website, Appendix 2, Note 13)
<b>Step 2: Improve relationship with allies</b>	
<b>3. Reduce Student Evasion</b>	
e) Keep current students updated about the sanctions	I received one email from College B. Actually, several, including those from the legal department, saying that they were going to appeal to the court and that they had succeeded. I received this information, but it would never affect me because I had already graduated.(Student A, College B)
f) Hire an external legitim auditor to show conformity in their process	In the meantime, College B retained the former Chief Justice of the Quebec Superior Court, the Honorable Francois Rolland, of the law firm Langlois, to conduct an internal audit of the recruitment practices of College B and its recruitment partner(s). We are pleased to announce that Judge Rolland, working with his colleague Sophie Perreault, has identified no illegal activities on the part of College B or its recruitment partner Gautam Services, based on the documentation provided, the interviews conducted and the scope of the audit. (College B Website, Appendix 2, Note 6)

#### 4. Strengthen relationship with employers

g) Involve employers in college activities

Thanks to the fifty or so employers who were on site, our June 14 Career Day was a resounding success. Students, graduates and members of the public were able to chat with those employers, ask all their questions and drop off their resumes. Many thanks to all participants and employers who came to our Montreal campus and stay tuned for future events. (College B Facebook page, 2022 June 16)

h) Contribute to employers through donations or charity campaigns

Our students from the Special Care Counselling - JNC.1U program at the Longueuil campus recently went to the Old Brewery Mission. The field trip was organized by instructor (instructor name) in connection with the mental health section of the program. The group travelled from Longueuil to downtown Montreal to deliver food and warm clothing to the homeless. The coordinator of the organization, Mr. Sébastien Dulude, showed them around and even invited our students to do their internship there (College B Facebook page, 2022 October 19).

#### 5. Improve education and transparency in their process

i) Tranquilize students about the refund policy.

Please be aware that we process refund requests for visa refusal as quickly as possible and within the prescribed time limits. We would like to ensure you that there is absolutely no reason for you to worry about the status of your refund. College B is part of a system that operates nationally with 40 campuses in five different provinces throughout Canada, educating over 15,000 students every year. (College B website, Appendix 2, note 8)

j) Attempt to improve the quality level of their programs.

I think they are trying. They are pushing a lot of things on us that didn't exist before. They are trying to improve in their own way. So, I feel we are kind of an experimental group. "So now we are going to have this class because it is going to be cool, we are going to do this project here". But it is such a mess.(Student D, College B)

#### 6. Improve their Image

k) Offer benefits to students (scholarship)

College B is currently offering a \$1,500 scholarship to qualified applicants who enroll in the Institutional and Home Care Assistance with classes starting this month.(Post from College B Facebook)

l) Encourage positive online reviews

They have already asked us to give feedback on Google. The management asked the teachers. Yeah, they sent it to the teachers and asked us to talk to them, to talk to the students, so that people could give feedback on the College on Google Maps, I think. There is also a referral system. If you refer a student, the student gets a cash prize. If the teacher refers, he or she also wins. If the administration person refers, he or she also wins. (Teacher A, College B).

#### Step 3: Prevent more Stigma

#### 7. Promote themselves a great contributor to Quebec.

m) Offer donations to social institutions

As part of its community outreach program, College B presented a cheque for \$2,000 to the LaSalle Hospital Foundation yesterday to help the foundation with its mission to improve the care and services offered to LaSalle Hospital patients through the purchase of state-of-the-art equipment and technology. (College B Website, Appendix 2, Note 16)

n) Show their contribution to Quebec Economy

College B currently employs 500 people across the province. These are dedicated and knowledgeable employees who believe in the importance of education. Each year, approximately 1,000 students graduate from College B. The placement rates for graduates of College B are remarkable: 86.3% for ACS programs and 92.7% for DVS programs. Furthermore, College B has made a contribution of \$ 36 million to the Quebec economy over the past two years. (College B Website, Appendix 2, Note 16)

**8. Show they are committed to francophone policies**

o) Offer most courses in French and focusing in locals

For example, this campus is the only one that offers this program in English. The others are all in French. The other courses, I think, are all offered in both languages, but on different campuses. (Teacher A, College B)

p) Show they have traditional francophone partners.

Ms. Lucie Delwaide from the Observatoire vieillissement et société of the Institut universitaire de gériatrie de Montréal came to facilitate a workshop on ageism for our health program cohorts at the Laval campus earlier this week. The event was very well attended and all participants came away with a great deal of satisfaction. (College B Facebook page, December 22, 2022)

Collège B is pleased to announce a partnership with Collège Lionel-Groulx. This partnership is aimed at international students enrolled in the Childhood Education Techniques program (College B Website page, January 20, 2023)

## APPENDIX 5

**Table 1.** Characteristics of ten blocklisted colleges regarding their involved with immigration fraud scandals.  
(source: Colleges’ website and for Group ABC’s college, see Appendix 3, note 7)

Investigated institutions	Profile	Involvement with Fraud scandal	Type of Institution
<b>College A</b>	Located in Montreal, this education group has more than <b>55 years of existence</b> in other three provinces and other countries. They provide career-focused, post-secondary career-oriented programs in business, accounting, trading, information technology, early childhood education, design and architecture.	Indirectly involved	Non-subsidized private college
<b>College B</b>	College exists in Montreal and five other Canadian provinces adding more than <b>50 years of experience</b> . They offer career-driven programs in business, technology, and health care areas.	Indirectly involved	Non-subsidized private college
<b>College C</b>	The college placed in downtown Montreal, more than <b>17 years</b> and is specialized in AEC programs in information technology.	Indirectly involved	Non-subsidized private college
<b>College D</b>	Located in Montreal, this career college with <b>10 years</b> of existence, proposes to prepare students for the job market by offering specialized-secondary level programs in Business, Technology and Engineering. The license enables Quebec students enrolled in AEC programs to provide financial assistance.	Directly involved	Non-subsidized private college
<b>College E</b>	This college exists for over <b>60 years</b> . It is the only one that is governmental and French but offers programs in English for international students. Their main areas are fisheries and aquaculture, but they also offer programs in law, healthcare, accounting, education, tourism, and information technology under graduation and technician levels.	Indirectly involved	Public College
<b>College F</b>	The bilingual college was placed in Gatineau, with <b>more than 20 years</b> of existence. It offers a wide range of AEC programs, both pre-university and technical in social sciences and communication.	Indirectly involved	Private Career College. Became subsidized in 2020.
<b>College G</b>	This career-oriented college has existed for over <b>15 years</b> in Montreal, and it offers technician courses in the information technology area.	Indirectly involved	Non-subsidized private college
<b>College H</b>	This career college has <b>10 years</b> in Montreal, offering technician courses in business, marketing, and education.	Indirectly involved	Non-Subsidized Private College
<b>College I</b>	Located in downtown Montreal with <b>less than 5 years</b> , it was the main focus of recent news when its board director was involved in a fraud scheme along with College J. Offered short-term courses focused on Indian immigration groups mostly.	Directly involved (Group ABC)	Non-Subsidized Private College /
<b>College J</b>	Same case than above. Belong to the same group.	Directly involved (Group ABC)	Non-Subsidized Private College /