# Understanding Processes in Recruitment – A Closer Look at Perceptions and Pre-Hire Outcomes

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#### **ABBREVIATIONS**

ANCOVA Analysis of Covariance

ANOVA Analysis of Variance

AVE Average Variance Extracted

CFA Confirmatory Factor Analysis

CFI Comparative Fit Index

CMV Common Method Variance

CR Composite Reliability

df Degrees of Freedom

GEE Generalized Estimating Equation

HR Human Resources

ICC Intraclass Correlation Coefficient

MGSEM Multi-Group Structural Equation Modeling

NFC Need for Cognition

NFI Normed Fit Index

OCP Organizational Culture Profile

P-O fit Person-Organization Fit

RJP Realistic Job Preview

RMSEA Root Mean Square Error of Approximation

S.D. Standard Deviation

SE Standard Error

SEM Structural Equation Modeling

TLI Tucker-Lewis Index

VIF Variance Inflation Factors

# INTRODUCTION

Individuals who work at an organization are a potential source of competitive advantage (Campbell, Coff, & Kryscynski, 2012), and their performance is crucial to the organization's success (Breaugh, 2017). Thus, recruiting qualified employees is a critical success factor. To productively recruit their future workforce, organizations need to know what determines why people become part of them (Goldstein, Pulakos, Passmore, & Semedo, 2017). Organizations need to understand why jobseekers want to join a certain organization and why they are selected by recruiters. Given that recruitment is such an important task (Chapman, Uggerslev, Carroll, Piasentin, & Jones, 2005), insight into processes that are relevant to recruitment is crucial. Particularly, a better understanding about perceptions and pre-hire outcomes is necessary.

First, understanding how the perceptions of the parties that are involved in the recruitment process emerge is important. Perceptions have received much attention in recruitment literature because they influence recruitment outcomes (see, e.g., Avery et al., 2013; Harold, Holtz, Griepentrog, Brewer, & Marsh, 2016; Walker, Bauer, Cole, Bernerth, Feild, & Short, 2013). Insight into the formation of perceptions gives us a deeper understanding about processes in recruitment. Knowing how perceptions of key variables are formed increases our understanding and might allow us, to some extent, to steer this process. Thus, insight into the evolvement of perceptions is essential. The perception of person-organization fit has proved to be an important variable in recruitment. It has a high influence on the attractiveness of an organization (Pfieffelmann, Wagner, & Libkuman, 2010) and on post-hire recruitment outcomes like commitment or turnover (Oh et al., 2014). Therefore, investigating person-organization fit perceptions is imperative.

Second, it is of importance to investigate variables that influence pre-hire recruitment outcomes. Pre-hire recruitment outcomes are recruitment-related attitudes, intentions, and behaviors (Allen, Scotter, & Otondo, 2004), for example, organizational attraction, job pursuit intentions, or job choice (Frasca & Edwards, 2017). They determine whether a person remains in the pool of potential employees. Knowing which factors affect these outcomes and in which way is hence highly relevant. Moreover, it is important not only to know whether and how such variables affect outcomes directly but also to investigate whether and how they affect the effect of other central variables on these outcomes. Top employer awards are an often-used (and costly) recruitment tool (Dineen & Allen, 2016) but are not very well understood. Insight into their effects on outcomes and a deeper understanding regarding their influence on the effectiveness of other key variables are necessary.

Third, it is relevant to not only know what influences outcomes but also how perceptions are affected. Besides knowing how perceptions are initially formed, it is also important to investigate how they are later influenced. Knowing which factors induce a change in perceptions and in which way is necessary to understand perceptions and their effects on outcomes. Since jobseekers are subject to a multitude of information, perceptions of the sources that send these messages are especially relevant, as they determine their effects (Heil & Robertson, 1991). Therefore, it is relevant to not only examine the main actors in recruitment – potential employees and the organization – but also investigate external sources. Given that potential applicants obtain information from company-independent sources (van Hoye, Weijters, Lievens, & Stockman, 2016) and that these sources influence recruitment outcomes (van Hoye & Lievens, 2005, 2007), they must be considered.

The aim of this dissertation is to explain processes in recruitment by gaining a better understanding of how perceptions evolve and how recruitment outcomes and perceptions are influenced. To do so, this dissertation takes a closer look at the formation of fit perceptions, the effects of top employer awards on pre-hire recruitment outcomes, and on how perceptions about external sources are influenced.

# **RESEARCH QUESTIONS**

This dissertation focuses on three main research questions. The first research question is regarding the formation of person-organization fit perceptions. Personorganization fit can be defined as "the compatibility between people and organizations that occurs when: (a) at least one entity provides what the other needs, or (b) they share similar fundamental characteristics, or (c) both" (Kristof, 1996: 4–5).

Schneider (1987) proposed that individuals select themselves into organizations where they perceive that they fit (attraction), that organizations tend to hire people who fit in (selection), and that individuals that do not fit eventually leave the organization (attrition). This so-called attraction-selection-attrition framework was supported by subsequent research. High levels of person-organization fit not only positively influence pre-hire recruitment outcomes, such as attractiveness of an organization (Uggerslev, Fassina, & Kraichy, 2012), job pursuit intentions (Chapman et al., 2005), job choice (Cable & Judge, 1996), and recruiters' hiring recommendations (Kristof-Brown, 2000) but also post-hire outcomes, such as job satisfaction (Wheeler, Gallagher, Brouer, & Sablynski, 2007), commitment, and turnover (Oh et al., 2014; Verquer, Beehr, & Wagner, 2003). Given its crucial role in recruitment, person-organization fit constitutes an important process variable that deserves attention.

Thus far, researchers have primarily concentrated on the effects that personorganization fit has on pre- or post-hire outcomes. While research on the effects of personorganization fit is of great value, more research on the formation of fit perceptions is indispensable (Swider, Zimmerman, & Barrick, 2015). Even though it is known that the objective fit affects the perceived fit (Cable & Judge, 1997; Dineen, Ash, & Noe, 2002; Leung & Chaturvedi, 2011), this effect might not be unbiased and could be influenced by other variables. Research that investigates this relationship is scarce (one notable exception is a study from De Goede, Van Vianen, & Klehe, 2013). Consequently, there are still many open questions about how the formation of fit perceptions works. This dissertation aims at gaining more insight into the development of fit perceptions. Thus, the first research question is the following:

Research Question 1: How do person-organization fit perceptions evolve?

The second research question deals with the inducement of pre-hire recruitment outcomes. It looks at top employer awards, as they represent a popular tool to attract applicants, albeit the knowledge on their actual effects is limited. Top employer awards seem to have a positive effect on pre- and post-hire recruitment outcomes (Collins & Han, 2004; Dineen & Allen, 2016; Turban & Cable, 2003). However, it is not completely certain that these positive effects indeed stem from the awards, as prior studies did not examine awards in a controlled setting. Therefore, research is needed to verify the positive effects of awards on recruitment outcomes (Dineen & Allen, 2016).

Moreover, it is unclear whether top employer awards influence how other key variables, such as person-organization fit, affect recruitment outcomes. Examining

employer awards in isolation does not reveal whether and how they interact with other information, thus investigating such signals in isolation is not sufficient (Akdeniz, Calantone, & Voorhees, 2014). Therefore, this topic requires further investigation, which leads to the second research question, as follows:

Research Question 2: How do top employer awards affect pre-hire recruitment outcomes?

The third research question goes one step further in the process of perception development and investigates how credibility perceptions of an external source are influenced by another source. It seeks to uncover what happens when different sources provide different and, particularly, conflicting information. This research question focuses on external sources. Given that potential applicants obtain information from many sources (Moser, 2005; van Hoye et al., 2016), which are not all company controlled, independent sources need to be considered as well (van Hoye & Lievens, 2005). Research shows that external sources affect not only pre-hire recruitment outcomes, such as attraction to the organization and application decision (van Hoye et al., 2016; van Hoye & Lievens, 2005, 2009) but also post-hire recruitment outcomes, such as turnover (Weller, Holtom, Matiaske, & Mellewigt, 2009). Thus, a better understanding of what determines the effectiveness of such company-independent sources is important.

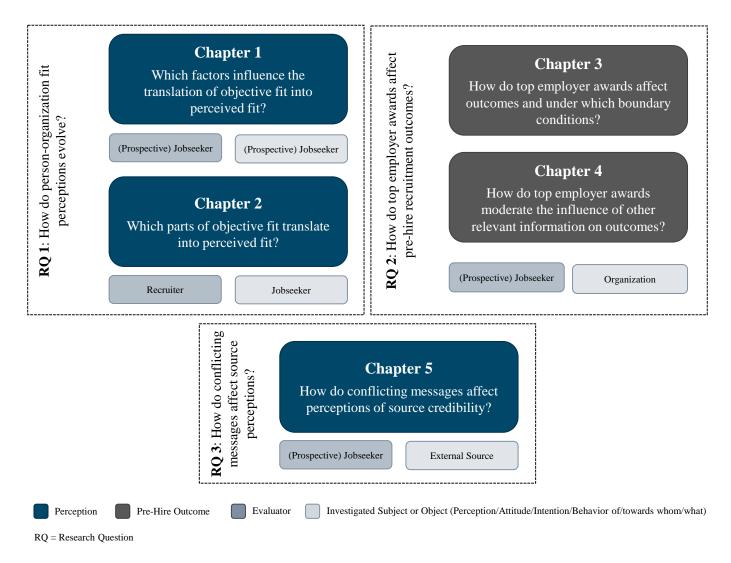
Perceptions of source credibility are highly relevant in this context, as they determine the weight of a message from that source (Heil & Robertson, 1991; Kareklas, Muehling, & Weber, 2015; Wilson & Sherrell, 1993). By getting information about a potential employer from (multiple) external sources, jobseekers are likely to encounter

positive and negative information (van Hoye & Lievens, 2005). While the second research question focuses on positive signals (top employer awards), this research question concentrates on conflicting messages. Conflicting information from different (external) sources might influence source credibility. Investigating these effects is relevant because the credibility of external sources is of interest for recruitment. It also allows us to draw a more accurate picture of the jobseekers' reality by including conflicting information. Therefore, the third research question is as follows:

Research Question 3: How do conflicting messages affect source perceptions?

This dissertation aims to answer the three presented research questions in five chapters. Chapters 1 and 2 focus on the first research question. They take a closer look at jobseekers and the evolvement of perceptions of their fit within an organization by examining them from different angles – themselves and recruiters. The second research question is investigated in the third and fourth chapters. These chapters focus on recruitment outcomes and examine how organizations are evaluated by investigating how top employer awards affect jobseekers' attitudes, intentions, and behaviors toward an organization. The last research question is assessed by the final chapter. It examines how source perceptions are influenced. While the other chapters examine how jobseekers or organizations are evaluated, this chapter focuses on external sources. It investigates how perceptions of sources are induced by examining them from the perspective of jobseekers.

Figure 0-1: Overview of the Dissertation



#### **OUTLINE AND CONTRIBUTION**

In the following paragraphs, a more detailed description of the content of the individual chapters and their contributions to answering the respective research questions are given.

Chapter 1 is co-authored by Prof. Dr. Matthias Baum, Bjørn-Thore Bietz and Prof. Dr. Rüdiger Kabst, and a similar version of this chapter was published in the Journal of Managerial Psychology in 2016. It investigates how fit perceptions of jobseekers evolve by looking at moderators of the relationship between objective and perceived fit. Thereby it examines how the influence of jobseekers' objective person-organization fit on their perceived person-organization fit is moderated by advertisement attractiveness and organizational image. Introducing these two central moderators in the discussion adds to understanding what affects the evolvement of correct fit perceptions. Furthermore, the importance of the different stages of the job search in this context is highlighted by emphasizing that the stages influence how these moderators affect the evolvement of correct fit perceptions. This chapter illustrates that correct fit perceptions are not just a question of providing the necessary information. From whom and to whom this information is presented must also be considered. However, the formation of fit perceptions is not solely relevant when assessing jobseekers. Recruiters must also evaluate the fit of an applicant. The next chapter takes a closer look at recruiters and investigates which parts of objective fit most strongly influence their fit perceptions of an applicant.

The second chapter is co-authored by Prof. Dr. Matthias Baum and adds to fit and recruitment research by demonstrating that not all parts of objective fit are equally relevant for recruiters when forming their fit perceptions. This chapter provides deeper

insight into which aspects of objective fit translate into perceived fit. Moreover, this chapter highlights that this process of fit formation is not stable and is subject to the circumstances under which recruiters are evaluating potential employees. The accuracy of fit perceptions is thus influenced by the situation, which shows that such aspects need to be considered and, if possible, controlled to ensure a high quality of fit assessment by recruiters.

The third and fourth chapters set out to answer what effects employer awards have on pre-hire recruitment outcomes. Chapter 3 is also co-authored by Prof. Dr. Matthias Baum and is forthcoming in the *International Journal of Human Resource Management*. In addition, a short version of this chapter will be published in the practitioner-oriented journal *Personal Quarterly* in 2018. This chapter analyzes the effect of top employer awards on job pursuit intention and examines how this effect is moderated by corporate brand. In doing so, it offers some insight regarding the actual effect of top employer awards on potential applicants' intentions by investigating them in a controlled setting. Moreover, it points out that award familiarity determines the effectiveness of top employer awards by highlighting that well-known awards are stronger. Beyond that, this chapter underlines that corporate brand constitutes an important boundary condition in this context, as it influences the effect of awards. Therefore, this chapter not only examines the general effect of awards but also calls attention to the aspects that need to be considered when determining the influence of awards.

Chapter 4 is co-authored by Prof. Dr. Matthias Baum as well and draws attention to the influence of top employer awards on the ability of jobseekers to correctly self-select into an organization based on their fit. It explores how top employer awards, in combination with corporate brand, moderate the influence of person-organization fit on

attraction to an organization (and indirectly on a proxy for application decision). This chapter shows that, in combination with a well-known brand, top employer awards can reduce applicant pool quality by reducing the influence of person-organization fit on attraction to organizations (and a proxy for application decision). Thus, this chapter emphasizes that awards may disturb other processes, which are relevant for effective recruitment. Since, in reality, top employer awards and corporate brands occur together, investigating multiple signals simultaneously is necessary to gain insight into their effectiveness under more realistic circumstances.

Chapter 5 seeks to explain the effects of conflicting messages on source perceptions. It investigates how the perceived credibility of external sources, in the view of (prospective) jobseekers, depends on the consistency of their messages with messages from other sources. By showing that message consistency influences source credibility, this chapter highlights that source credibility is subject to change and depends on other sources. It also incorporates source variety by looking at whether the sources differ in type. This chapter points out that the type of source is relevant to this process, as a different type of source (compared to the focal source) inhibits an even greater effect of message consistency on source credibility. Thus, we gain a deeper understanding of factors that influence source credibility.

# CHAPTER 1 THE CONTINGENCIES OF PERSON-

# ORGANIZATION FIT PERCEPTIONS<sup>1</sup>

#### **Abstract**

The purpose of this paper is to build on previous studies on the link between objective and perceived person-organization fit (P-O fit) and argue that the strength between objective and perceived fit is contingent on advertisement attractiveness and organizational image. Therefore, the authors observe if advertisement attractiveness and organizational image help to strengthen the objective-perceived P-O fit relation. It is shown that ad advertisements positively moderate the relation between objective and perceived fit. Moreover, advertisement attractiveness moderates the relationship between objective and perceived fit for prospective jobseekers, while the moderating influence of advertisement attractiveness is not significant for actual jobseekers. Organizational image, however, is shown to act as a negative moderator, particularly for the actual jobseeker sample. The authors aim to contribute to prior research by emphasizing how the link between objective and perceived P-O fit can be elevated by cues such as advertisement attractiveness and might be disturbed by a very good organizational image.

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<sup>&</sup>lt;sup>1</sup> Chapter 1 is co-authored by Prof. Dr. Matthias Baum, Bjørn-Thore Bietz and Prof. Dr. Rüdiger Kabst. This chapter was published in the *Journal of Managerial Psychology* in 2016. Please refer to that version for citation.

#### 1.1 INTRODUCTION

Individuals with high P-O fit<sup>2</sup> are more motivated (Bretz & Judge, 1994), have a higher level of commitment (O'Reilly, Chatman, & Caldwell, 1991; Ruiz-Palomino, Martínez-Cañas, & Fontrodona, 2013), better job performance (Oh et al., 2014) and are less likely to quit their jobs (Weller, Holtom, Matiaske, & Mellewigt, 2009). Thus, researchers (Collins & Han, 2004; Dineen & Williamson, 2012) believe further inquiry is required in order to enhance the understanding of P-O fit (Cromheecke, van Hoye, & Lievens, 2013).

Previous research has suggested that job applicants self-select into organizations with which they perceive fit (Kristof, 1996; Schneider, 1987). The applicants' (subjective) beliefs regarding their fit with the organization are formed on the basis of information from different sources (Dineen, Ash, & Noe, 2002; Kutcher, Bragger, & Masco, 2013). During this process, individuals' objective fit (their actual level of fit), as conveyed by this information, translates into a perception of perceived fit. Extant research has underscored this mechanism by showing that objective fit is a predictor of perceived fit (Chatman, 1989; Dineen et al., 2002; Judge & Cable, 1997). However, insight into the efficiency of this transition remains limited. Therefore, the question of how correct fit perceptions may be fostered necessitates further attention. Previous studies have already criticized the narrow focus in terms of the outcomes of P-O fit and have called for more research into the formation and accuracy of fit perceptions (Ehrhart, 2006; Kutcher et al., 2013).

The present study tries to address this research gap by examining factors that moderate the relationship between objective and perceived fit. Specifically, we focus on

<sup>&</sup>lt;sup>2</sup> P-O fit is defined as the compatibility between individuals and organizations (Kristof, 1996).

advertisement attractiveness and the image of the organization as moderators because, as will be illustrated later, these are two of the most essential factors influencing fit perceptions during the critical initial contact with a job advertisement. Therefore, the fit literature will be complemented by this work through its description of how these elements impact correct fit perceptions.

Furthermore, the stages of the job search process will be examined. This is important because information processing changes the closer prospective jobseekers (people who will have to look for a job at some point in the future) are to being actual jobseekers (people looking for a job at the moment). It will be demonstrated that based on high elaboration likelihood, actual jobseekers, unlike prospective jobseekers, will not be influenced in terms of their fit perceptions by advertisement attractiveness. However, contrary to expectations, image seems to have a negative effect for actual jobseekers. Possible explanations for this and consequences thereof are discussed. With that, the second contribution of this study is through the focus on the impact of different stages of the job search process.

#### 1.2 CONCEPTUAL FRAMEWORK

#### 1.2.1 P-O Fit

The existing fit literature argues for multiple types of fit that a person can establish with his or her environment (for a review, see Kristof-Brown, Zimmerman, & Johnson, 2005). Two prominent concepts are objective and perceived P-O fit. Objective P-O fit includes an objective comparison of a person's as well as an organization's characteristics (Judge & Cable, 1997; Kristof, 1996; Tsai, Chen, & Chen, 2012) and perceived fit is based on the judgment of how well an individual believes he or she fits with an

organization (Cable & Judge, 1996; Kristof, 1996). Individuals evaluate the attractiveness of an organization based on the subjective comparison between an organization's attributes and personal characteristics (Cable & Judge, 1997; Gardner, Reithel, Cogliser, Walumbwa, & Foley, 2012) and tend to prefer organizations that offer a high perceived fit. This is because individuals think that such highly fitting organizations match their personal needs and values (Bretz, Ash, & Dreher, 1989; Cable & Judge, 1997; Chatman, 1989). Therefore, individuals' job choice decisions are ultimately based on perceived fit (Judge & Cable, 1997; Verquer, Beehr, & Wagner, 2003). The relationship between objective fit and attraction, however, is rather weak (Dineen, Ling, Ash, & Del Vecchio, 2007). The majority of studies view perceived fit as a more proximate predictor of peoples' attitudes and their behavioral patterns than objective fit (Cable & Judge, 1997; (Chapman, Uggerslev, Carroll, Piasentin, & Jones, 2005; Verquer et al., 2003) and perceived fit has been demonstrated to be a mediator between objective P-O fit and attraction (Judge & Cable, 1997; Dineen et al., 2002).

Several lines of investigation have shown that objective fit predicts perceived fit (Cable & Judge, 1996; Chatman, 1989; Dineen et al., 2002; Judge & Cable, 1997; Kristof, 1996; Leung & Chaturvedi, 2011). Motivated by these previous findings, the intent in the present study is to follow Edwards, Cable, Williamson, Lambert, and Shipp (2006) and Leung and Chaturvedi (2011), putting forth that, based on the principles of cognitive accessibility (Wyer, 1980; Wyer & Srull, 1986), objective fit influences perceived fit because "objective" information input is needed in order to form subjective fit perceptions. A reverse relationship is rather unlikely because subjective judgments can only influence the actual levels of the individual (not of the organization) that influences objective fit (Edwards et al., 2006). A change in actual values or demands because of

discrepancies in subjective fit perceptions should not occur during the rather short time period needed to evaluate a job advertisement.

Accordingly, if fit perceptions are incorrect, poorly fitting individuals will apply (or well-fitting individuals will refrain from applying) (Dineen et al., 2007). This shows that companies need to strengthen the link between objective and perceived fit.

# 1.2.2 The Moderating Roles of Advertisement Attractiveness and Organizational Image

Jobseekers often review job advertisements in order to find attractive employers (Baum, Schaefer, & Kabst, 2016). Recruitment advertisements are among the most commonly used forms of job advertising (Jones, Schultz, & Chapman, 2006) and a vital source of information for jobseekers (Allen, Mahto, & Otondo, 2007; De Cooman & Pepermans, 2012). Additionally, they are usually amidst the first recruitment channels with which potential applicants have contact (Dowling, 1988; Blackman, 2006).

During the initial contact with such an advertisement, jobseekers can base the decision to apply for a job on three main points: the image he or she already has in mind about the employer (Allen et al., 2007; Gatewood, Gowan & Lautenschlager, 1993; van Hoye, Bas, Cromheecke, & Lievens, 2013), the attractiveness of the advertisement (Twedt, 1952; Walker, Feild, Giles, & Bernerth, 2008), and the content of the message (Barber & Roehling, 1993; Jones, Willness, & Madey, 2014). Although jobseekers look for more information, it is likely that, in order to reduce search costs, they will predominantly use the information they have on hand to screen out employers in the first round (Dineen & Noe, 2009; Nelson, 1974).

In order to enhance our understanding regarding moderators of the relationship between objective and perceived fit, we decided to focus on two of the main factors (advertisement attractiveness and organizational image) that influence applicants initially as they come into contact with job advertisements.

It is already known that companies need to pay attention to advertisement attractiveness, though the goal is usually to increase attractiveness in order to enhance attraction (Baker & Churchill, 1977; Buunk & Dijkstra, 2011; Xiao & Ding, 2014). However, advertisement attractiveness may also foster information processing and thereby facilitate correct fit perceptions. Image is another important factor in the recruitment process (Baum & Kabst, 2013). A good image can foster correct fit perceptions as a result of the increased motivation of jobseekers to process information because they want to belong to a company (Allen et al., 2007). Therefore, the aim is to contribute to prior research by emphasizing how the link between objective and perceived P-O fit can be elevated by these cues.

#### 1.3 HYPOTHESES

#### 1.3.1 Moderators

It is assumed that cues like advertisement attractiveness and organizational image moderate the objective-perceived fit relationship because of deeper information processing. According to the elaboration likelihood model, information can be processed via a central or peripheral route (Petty & Cacioppo, 1986). If the message itself is evaluated closely, the central route is utilized. However, if instead of the message content, peripheral cues are assessed, peripheral processing occurs (Petty & Cacioppo, 1986; Walker, Feild, Bernerth, & Becton, 2012). A more central route of processing is necessary

to properly evaluate the content of a message, such as fit information, (Kitchen, Kerr, Schultz, McColl, & Pals, 2014; Petty, Cacioppo, & Schumann, 1983).

Individuals will use the central route if they are able and motivated to process the information (Petty & Cacioppo, 1986). Actual jobseekers probably have more experience with the evaluation of job advertisements and a greater distinctive self-concept (as they already started looking for a job and spent some time reflecting on themselves), and this should increase their ability to process job advertisements. However, their ability should not differ significantly from the ability of prospective jobseekers. In general, both prospective and actual jobseekers should be able to read and comprehend the information provided in a recruitment advertisement and spend as much time as they like reading them. However, they may not be motivated enough to do so. As such, motivation is the restraining factor and advertisement attractiveness or image might be able to increase it and therefore foster central processing. If recruitment advertisements are considered attractive, they initiate arousal (Kroeber-Riehl, 1979), and individuals are drawn to them. Accordingly, they are motivated to invest more time and cognitive effort (Dineen et al., 2007) and consequently process the presented information more deeply (Petty & Cacioppo, 1986). This deeper information processing causes individuals to analyze the advertisement's attributes with greater attention (Park & Hastak, 1995; Petty & Cacioppo, 1986), allowing them to form a more accurate opinion of their level of fit with an organization.

It is expected that image moderates the objective fit-perceived fit relationship, as well. Individuals are interested in belonging to a company with a favorable image (Cable & Turban, 2003; Collins, 2007; Allen et al., 2007) and may be more motivated to process information about such a company compared with information about a company they are

not interested in. In consequence, organizations with better images increase the willingness to evaluate fit. So, the relationship between objective and perceived fit would most likely be strengthened if the company has a positive image. Summing these arguments, the following assumptions are arrived at:

H1: Advertisement attractiveness moderates the relation between objective fit and perceived fit such that the relation is stronger when the advertisement is more attractive.

H2: Organizational image moderates the relation between objective fit and perceived fit such that the relation is stronger when the image is more positive.

#### 1.3.2 Comparing Prospective and Actual Jobseekers

It is known from previous inquiry that the intensity of information processing increases with the motivation to process the information supplied (Morris, Woo, & Singh, 2005; Petty & Cacioppo, 1986; Walker et al., 2012). The motivation to process information in turn is augmented by the personal relevance of this information for the individual (Petty & Cacioppo, 1986). The need to find a job is a situational source of personal relevance and, therefore, the level of relevance is expected to be transitory and to vary across situations (currently needing a job or not) (Celsi, Chow, Olson, & Walker, 1992). Personal relevance, and thus motivation, is accordingly higher for actual jobseeker since they are currently in need of a job.

Prospective jobseekers, on the other hand, are confronted with communication materials, such as recruitment advertisements in magazines, newspapers or web pages,

during periods of low elaboration likelihood. Yet, even when they are not actively searching for jobs, they still form perceptions about potential employers, which could become relevant later when they become actual jobseekers. In order for the information to be cognitively processed and to become relevant for the evaluation process, prospective jobseekers have to be motivated to process it. If motivation is low, peripheral factors, such as advertisement attractiveness, influence the effectiveness of information processing (Dineen et al., 2007). For that reason, particularly attractive recruitment materials will draw prospective jobseekers' attention as strongly as needed to perceive and process the displayed recruitment information properly and enhance fit evaluation. This mechanism is particularly important to prospective jobseekers (Jones et al., 2006), as in low elaboration likelihood settings, peripheral cues without contextual meaning, like advertisement attractiveness, elevate the extent of processing, whereas in high elaboration settings, this might not be the case (Morris et al., 2005).

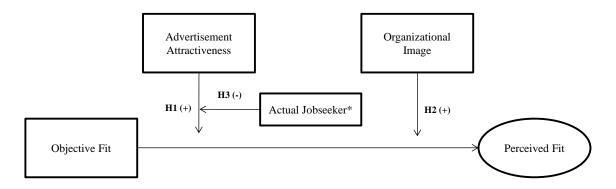
Actual jobseekers are already motivated to process the information and additional visual stimulation should not affect them. Moreover, because actual jobseekers have already invested time into a job search, they potentially have more search experience than prospective jobseekers. Prior literature shows that jobseekers with more search experience are less influenced by peripheral cues (Walker et al., 2008). Therefore, advertisement attractiveness will potentially reduce the discrepancy between objective and perceived fit in prospective jobseekers.

A positive corporate image, compared to advertisement attractiveness, a mostly visual and thus rather weak stimulus, conveys contextual meaning. A high-image company is therefore more attractive for both kinds of jobseekers (Cable & Turban, 2003; Collins, 2007; Allen et al., 2007). In this scenario, prospective as well as actual jobseekers

are more likely to be willing to process information. Therefore, motivation and thereby the probability of correctly assessing fit should be equally enhanced. While advertisement attractiveness is only important for prospective jobseekers, image increases elaboration likelihood for both types.

H3: There is a three-way interaction between perceived fit, advertisement attractiveness and jobseeker status: The level of objective fit is highest for prospective jobseekers in combination with high perceived fit and high advertisement attractiveness.

Figure 1-1: Conceptual Model



Note: indices are represented by a rectangle and latent variables are represented by an ellipse

#### 1.4 METHOD

# 1.4.1 Sample and Procedure

The data for this empirical study were gathered through a survey conducted among undergraduate and graduate students at a mid-sized German university. In total 35 different advertisements were selected from online editions of student magazines.

<sup>\*</sup> A negative relation from the moderator "Actual Jobseeker" means that the relation will be stronger for prospective jobseekers, as opposed to actual jobseekers

Original ads were chosen to increase external validity and because the assessment of organizational image is only possible if actual organizations are investigated (Allen et al., 2007).

An online survey was sent to students who registered with a university mailing list (containing approximately 9,000 individuals). Two €15 vouchers for an online retailer and two laptop locks as a motivation to participate were offered. Participants were randomly assigned to one of the 35 advertisements. In total, 942 completed questionnaires were received. The majority (75.27%) were undergraduate students, 68.37% were female, and the mean age was 24.65 years (S.D.=4.23). In total, 313 individuals were currently looking for a job (33.23%).

#### 1.4.2 Measurement

**Perceived P-O fit.** We measured perceived fit with three items on a 7-point Likert scale (from -3 to +3) adapted from Cable and Judge (1996), one example item being "To what degree do your values, goals, and personality 'match' or fit this organization?". For reasons of scale purification, we skipped one item due to insufficient factor loadings. Cronbach's alpha was 0.86.

**Objective P-O fit.** Following Kristof (1996), objective fit was operationalized as the absolute difference (|X - Y|) between individual and organizational attributes. Organizational attributes were operationalized as the mean of the beliefs of all respondents participating in the study regarding important features of the organization (one example item being "A job at this organization would have a good working environment"; Cronbach's alpha=0.86). Individual attributes were measured by asking the same questions with respect to their importance for each individual (one example item

being "How important are the following characteristics of an employer for you?: Good working environment"; Cronbach's alpha=0.75). The scales were adapted from Collins and Stevens (2002) and Collins (2007). Afterwards, the absolute difference between each individual (importance) item and each organizational item was calculated and multiplied by -1 so that the highest value represented high fit. To minimize the effects of mutual interactions, the importance scale was assessed within the context of sociodemographic information.

**Advertisement attractiveness.** We used six items adapted from Wells (2000), one example item being "The ad is attractive" (measured on a 7-point Likert scale from -3 to +3). Cronbach's alpha was 0.86.

**Organizational image.** This six-item scale was adapted from Gatewood et al. (1993). It was measured on a 7-point Likert scale (-3 to +3). A sample item is, "Please rate this organization in terms of social responsibility." The Cronbach's alpha was 0.86.

**Job-search stage.** Hereby we asked participants whether they were currently looking for a job. We labeled persons who indicated that they were currently looking for a job as "actual jobseekers" and those who stated that they were not currently looking for a job as "prospective jobseekers."

**Need for cognition (NFC) (common method variance (CMV) control).** In order to calculate CMV based on the marker technique, it was necessary to add a latent construct to the model (Richardson, Simmering, & Sturman, 2009). In this study, we used the NFC. Consistent with Epstein, Pacini, Denes-Raj, and Heier's (1996) scale, NFC was measured with five items on a 7-point Likert scale from -3 to +3. An exemplary item is, "I don't like to have to do a lot of thinking." Cronbach's alpha was 0.75.

Control variables. In line with several authors like Dineen et al. (2007), Judge and Cable (1997), McElroy, Summers, and Moore (2014), and Roulin, Bangerter, and Levashina, (2014), we controlled for the following demographic variables: age, sex, amount of application processes passes through (0; 1-2; 3-4; 4-5; >5), and years of work experience (no work experience; 0-1 year; 1-2 years, 2-3 years, 3-4 years, >4 years).

We also controlled for organizational familiarity (three items adapted from Collins (2007), e.g. "I am familiar with this company as an employee", Cronbach's alpha=0.62), image congruity (three items adapted from Speed and Thompson (2000), e.g. "The ad fits to the image of the company", Cronbach's alpha=0.76), and media richness (seven items adapted from Allen, van Scotter, and Otondo (2004), e.g. "This advertisement communicated a lot of information", Cronbach's alpha=0.87). All scales were measured on a 7-point Likert scale from -3 to +3.

#### 1.4.3 Reliability and Validity

After testing the reliability of each scale showing sufficient alpha values, confirmatory factor analysis (CFA) was employed to further evaluate the reliability and validity of the measurements. A measurement model containing organizational image, advertisement attractiveness, objective fit and perceived fit, as well as the control variables, was outlined. The model showed an appropriate fit ( $\chi^2(df)=9.17(10)$  n.s., CFI=1.00, TLI=1.00, RMSEA=0.00).

To ensure content validity, approved scales were used and the average variance extracted for all reflective constructs was calculated, which were acceptable (above 0.50), suggesting convergent validity (Fornell & Larcker, 1981). Furthermore, discriminant validity was tested for, which can be assumed if the squared correlation between two

factors is below the average variance extracted (AVE) of each of the corresponding factors (Fornell & Larcker, 1981). Additionally, one- and two-factor models were generated for each pair of variables and their chi-square values were compared (Anderson & Gerbing, 1988). All of the chi-square values of the one-factor models were above the chi-square values of the two-factor models (the lowest difference was  $\Delta\chi^2(df)=22.039$  (1), p<0.001). Thus, discriminant validity was assumed for all measurements (O'Leary-Kelly & Vokurka, 1998).

#### 1.4.4 Assessing Common Method Variance

To control for CMV, the CFA marker technique recommended by Richardson and colleagues (2009), was used. Specifically, a model is supplemented with a construct (marker) that is theoretically irrelevant to the other variables (Lindell & Whitney, 2001). The variance shared between the marker and the remaining constructs represents the CMV (Richardson et al., 2009). The authors used NFC as marker and compared two models based on their change of fit: In one model, loadings from the marker on the indicators of the other constructs are restricted to zero (no-CMV model) while loadings are freely estimated in the other model. A non-significant fit difference between the models indicates that CMV is non-existent. Comparing both models yielded an insignificant fit difference of 0.425 (p=0.515) indicating low risks of CMV.

# 1.5 RESULTS

We performed structural equation modeling (SEM) using the maximum likelihood algorithm of AMOS (see Table 1-3). As the analysis for Hypothesis 3 is based on two sub-samples (actual and prospective jobseekers), multi-group structural equation modeling (MGSEM; see Table 1-4) was performed. The effects, including the direct effects of the control variables on the dependent variable in the SEM are reported. The fit indices for both models are reported in Table 1-2. The variance explained in perceived fit was 0.29 in the SEM and 0.31 in the MGSEM.

Table 1-1: Descriptive Statistics, Correlations, and VIFs

Variables	Mean	S.D.	VIF	Perceived fit	Advertisement attractiveness	Image	Objective fit	Age	Gender	Application experience	Work experience	Organizational familiarity	Image congruity	Media richness
Perceived fit	-0.63	1.39	-											
Advertisement attractiveness	0.10	1.57	1.32	0.29 ***										
Image	0.48	1.02	1.22	0.32 ***	0.22 ***									
Objective fit	-1.97	0.61	1.03	0.19 ***	0.04	0.08 **								
Age	24.65	4.23	1.14	-0.03	-0.09 **	-0.01	-0.01							
Gender (female=0, male=1)	0.32	0.47	1.03	-0.04	-0.05	-0.01	0.03	0.13 ***						
Application experience	1.60	1.23	1.13	-0.02	-0.06	-0.03	-0.04	0.25 ***	0.00					
Work experience	0.85	0.36	1.12	-0.02	0.03	-0.02	-0.02	0.23 ***	-0.01	0.26 ***				
Organizational familiarity	-1.35	1.29	1.15	0.18 ***	0.12 ***	0.32 ***	0.06	0.05	0.00	0.04	0.06			
Image congruity	0.46	1.12	1.30	0.29 ***	0.35 ***	0.26 ***	0.07 *	-0.04	-0.06	-0.03	0.01	0.13 ***		
Media richness	-0.54	1.08	1.40	0.40 ***	0.43 ***	0.25 ***	0.10 **	-0.08 *	-0.10 **	-0.05	0.02	0.18 ***	0.40 ***	
Actual jobseeker (prospective seeker=0, actual seeker=1)	0.33	0.47	1.02	0.02	0.02	0.03	0.00	0.00	-0.04	0.00	0.06	0.10 **	-0.01	0.02

Note: n = 942. VIF = Variance inflation factor. \*\*\* Coefficient is significant at the 0.001 level (2-tailed). \*\* Coefficient is significant at the 0.01 level (2-tailed). \* Coefficient is significant at the 0.05 level (2-tailed).

**Table 1-2: Goodness of Fit Indices** 

Goodness of fit index	SEM	MGSEM
$\chi^2$	10.55 (p = n.s.)	32.75 (p = n.s.)
df	12	25
$\chi^2/df$	0.88	1.31
CFI	1.00	1.00
TLI	1.01	0.97
NFI	1.00	0.99
RMSEA	0.00	0.02

 $Note: CFI = Comparative \ Fit \ Index. \ TLI = Tucker-Lewis \ Index. \ NFI = Normed \ Fit \ Index. \ RMSEA = Root \ Mean \ Square \ Error \ of \ Approximation.$ 

**Table 1-3: Results of the Structural Equation Modeling** 

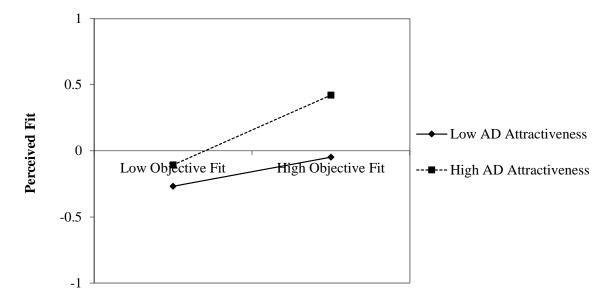
Deletion between a constant	Complete sample (n=942)				
Relation between constructs	Estimate	p-value	r <sup>2</sup>		
Main effects					
Objective fit $\rightarrow$ Perceived fit	0.14 ***	0.000	0.04		
AD attractiveness → Perceived fit	0.12 ***	0.000	0.09		
Image → Perceived fit	0.19 ***	0.000	0.10		
Interaction effects					
Objective fit x AD attractiveness (H1) → Perceived fit	0.06	0.073	0.00		
Objective fit x Image (H2) $\rightarrow$ Perceived fit	-0.05	0.087	0.01		
Control variables					
Age → Perceived fit	0.00	0.993	0.00		
Gender (female=0, male=1) → Perceived fit	-0.00	0.933	0.00		
Application experience → Perceived fit	0.02	0.478	0.00		
Work experience → Perceived fit	-0.03	0.398	0.00		
Organizational familiarity → Perceived fit	0.05	0.130	0.03		
Image congruity → Perceived fit	0.10 **	0.005	0.08		
Media richness → Perceived fit	0.27 ***	0.000	0.16		
Actual jobseeker (prospective seeker=0, actual seeker=1) $\rightarrow$ Perceived fit	0.00	0.896	0.00		

Note: Reported coefficients are standardized. \*\*\* Coefficient is significant at the 0.001 level (2-tailed). \*\* Coefficient is significant at the 0.01 level (2-tailed).

In H1, the prediction is advertisement attractiveness moderates the effect between objective and perceived fit. In order to interpret the moderator effect, the predictor and moderator variables were z-standardized. This reduced the threat of multicollinearity and made the product term independent of the first-order effect terms. The different values of the main effects as well as their directions and significance do not change compared with the model without the moderator. Accordingly, all the effects can be interpreted (Little, Bovaird, & Widaman, 2006). The results of the SEM (Table 1-3) only partially confirm the expected positive effect of advertisement attractiveness on the relationship between objective and perceived fit ( $\beta$ =0.06; p<0.10). While the interaction effect is only significant at the 10 percent level, the plot (Figure 1-2) reveals that the slope of perceived fit is steeper for high advertisement attractiveness indicating a positive interaction effect of advertisement attractiveness on the relationship between objective and perceived fit. Thus, H1 is partially supported, meaning that the effect of objective fit is slightly stronger for attractively evaluated advertisements.

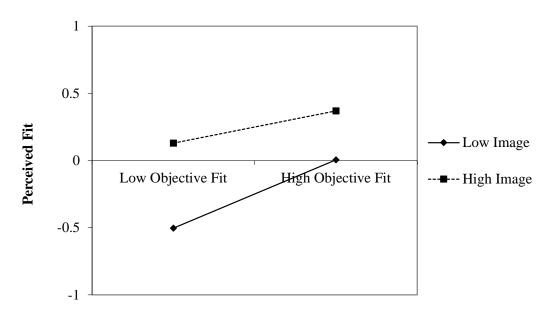
The results do not support Hypothesis 2 as the relationship between objective and perceived fit was not stronger for organizations with a better image. Moreover, in contrast to our expectations, the plot (Figure 1-3) demonstrates that a positive organizational image seems to decrease the effect of objective on perceived fit (Table 1-4).

Figure 1-2: Moderating Effect of Advertisement Attractiveness (H1)



Note: n=942.

Figure 1-3: Moderating Effect of Organizational Image (H2)



Note: n=942.

**Table 1-4: Results of the Multiple Group Structural Equation Modeling** 

Relation between constructs	· ·	obseeker m n = 313)	odel	Prospective jobseeker model (n = 629)				
	Estimate p-value r <sup>2</sup>		r²	Estimate	p-value	r²		
Main effects								
Objective fit → Perceived fit	0.11 *	0.037	0.02	0.17 ***	0.000	0.04		
AD attractiveness → Perceived fit	0.19 **	0.002	0.11	0.07	0.084	0.07		
Image → Perceived fit	0.09	0.128	0.08	0.24 ***	0.000	0.11		
Interaction effects								
Objective fit x AD attractiveness (H3)a, $b \rightarrow$ Perceived fit	-0.04	0.478	0.01	0.09 *	0.023	0.00		
Objective fit x Imagea, $c \rightarrow Perceived$ fit	-0.12 *	0.037	0.03	-0.01	0.905	0.00		
Control variables								
Age → Perceived fit	-0.05	0.151	0.01	0.04	0.254	0.00		
Gender (female=0, male=1) → Perceived fit	0.04	0.436	0.00	-0.03	0.495	0.00		
Application experience → Perceived fit	0.07	0.199	0.00	-0.02	0.686	0.00		
Work experience → Perceived fit	0.10	0.062	0.01	-0.07	0.070	0.00		
Organizational familiarity → Perceived fit	0.09	0.144	0.05	0.03	0.425	0.02		
Image congruity → Perceived fit	0.13 *	0.038	0.09	0.09 *	0.024	0.08		
Media richness → Perceived fit	0.22 ***	0.000	0.15	0.31 ***	0.000	0.16		

Note: Reported coefficients are standardized. <sup>a</sup> We calculated the  $\chi^2$  difference between a model where the moderator is constrained to be equal for both subsamples and a model where the moderator is unconstrained. In these models we entered the interactions one at a time, <sup>b</sup> ( $\Delta\chi^2$ (df) = 6.26(1); p = 0.012), <sup>c</sup> ( $\Delta\chi^2$ (df) = 4.74(1); p = 0.030). \*\*\* Coefficient is significant at the 0.001 level (2-tailed). \*\* Coefficient is significant at the 0.01 level (2-tailed).

<sup>\*</sup> Coefficient is significant at the 0.05 level (2-tailed).

Considering different job search stages, the effect of advertisement attractiveness turned out to be non-significant for actual jobseekers ( $\beta$ =-0.04; n.s.) and significantly positive for prospective jobseekers ( $\beta$ =0.09; p<0.05). The difference between the two effects is significant, as well ( $\Delta\chi^2$ (df)=6.26(1); p<0.05). Thus, H3 was accepted. For a better visualization the interactions were plotted (Figure 1-4).

Figure 1-4: Moderating Effect of Advertisement Attractiveness for Actual and Prospective Jobseeker Samples (H3)

Note: n=942.

Against our implicit assumption that the effect of image does not depend on the job search stage, differences were indeed found. Whereas the effect was not significant for prospective jobseekers ( $\beta$ =-0.01; n.s.), it turned out to be significant and negative for actual jobseekers ( $\beta$ =-0.12; p<0.05). The difference between the two effects is significant, as well ( $\Delta\chi^2$ (df)=4.74(1); p<0.05). The interactions were plotted to visualize the effects (Figure 1-5) showing that the effect of objective on perceived fit is considerably diminished for actual jobseekers if image is high.

1
0.5
---(1) Actual Jobseeker, Weak Image
---(2) Actual Jobseeker, Strong Image
---(3) Prospective Jobseeker, Weak Image
---(4) Prospective Jobseeker, Strong Image

Figure 1-5: Moderating Effect of Organizational Image for Actual and Prospective Jobseeker Samples

Note: n=942.

We conducted several robustness checks to secure our findings. First, we calculated ordinary multiple moderated regression analyses, which confirmed our hypotheses tests. Second, we ran generalized estimating equations (GEE) in order to account for potential nesting effects on the advertisement level. GEE derives maximum likelihood estimates and accommodates for non-independent observations (Ballinger, 2004). GEE confirmed our previous results and all hypotheses tests were the same as in the SEM and MGSEM. Summing up, the results remained stable in different analyses settings, enhancing our confidence in our findings.

## 1.6 DISCUSSION

As subjective fit perceptions are known to often be incorrect, research into the factors facilitating correct fit perceptions is needed (Ehrhart, 2006; Furnham, 2001). The present study examines the moderating effects of advertisement attractiveness and organizational image on the relationship between objective and perceived fit and extends

the fit research in various ways. First, while earlier studies concentrated mainly on how fit contributes to applicant attraction and behavior (Uggerslev, Fassina, & Kraichy, 2012) and its effect on employee outcomes (Kristof-Brown et al., 2005), this study examined the relationship between objective and perceived fit. In that regard, the present study argued that advertisement attractiveness and image would enhance the relationship between perceived and objective fit. However, the results showed that the effects of advertisement attractiveness and image are not that simple and that they depend on the respective job-search stage of the individual. While advertisement attractiveness seems to have a small positive effect on correct fit perceptions, organizational image might even reduce the link between objective and perceived fit.

To delve deeper into the moderating effect of advertisement attractiveness and organizational image our study further shows that the effects of these moderators are dependent on the stage of the job search. In particular, the moderating effect of advertisement attractiveness is stronger for uninvolved individuals (Collins, 2007; Walker et al., 2008). As expected, attractive advertisements may increase the motivation of prospective jobseekers and encourage them to process (fit) information, whereas the elaboration likelihood of actual jobseekers is already too high to be affected by a peripheral cue. Consequently, the route of processing can be affected by increasing motivation with cues. These findings are in line with Dineen et al. (2007) that found that appealing aesthetics bolsters information processing and thereby correct self-selection. However, they used a fictional company and did not examine organizational image. This study therefore adds an additional element worth considering to the extant literature.

The results of this work indicated that evaluation of organizational image is not, as expected, positive and relevant in both early and later stages. Contrary to our

expectations organizational image shows a negative moderating effect on the relationship between objective and perceived fit for actual jobseekers. This counterintuitive finding is intriguing – it suggests a potential downside for organizational image. While a positive image enhances applicant attraction (Highhouse, Thornbury, & Little, 2007) and thus applicant pool quantity (Gatewood et al., 1993), it seems to hamper the self-selection process. Despite being counterintuitive, this finding might be explained by several mechanisms. Jobseekers might use image as an anchor, and additional information about the potential employer only adjusts this initial opinion about the firm. This phenomenon of anchoring and adjustment is well known within the marketing domain and has been shown to have an effect on product and price evaluations (e.g., Furnham & Boo, 2011; Yaday, 1994). The present study's findings suggest a comparable mechanism in the job search process, leading to a negative impact from image on the objective fit-perceived fit relationship. Moreover, it could be that especially actual jobseekers want to belong to a high-image company and therefore would need to fit. Therefore they might ignore the information which implies a low fit and thus avoid cognitive dissonance (Earl, 1986; Hattwick, 1989). This finding is especially delicate because actual jobseekers are the most crucial target group for recruiting companies and future research is needed to further enhance our understanding of organizational image in the recruiting process.

#### 1.6.1 Limitations

There are limitations of this study worth highlighting. First, the response rate was rather low. However, as students were contacted via their university-supplied email account, often unused on a regular basis, not all students read the email quickly enough, potentially causing the low response level. Still, the sample does not differ from the

overall population at the university regarding central characteristics (e.g. demographics) and thus it is believed that no selection bias took place and the results are not compromised.

It assumed that the moderating effects are attributable to the effects of activation and an increased motivation to process information (Petty & Cacioppo, 1986). However, these processes were not measured directly. Therefore, future studies should take a closer look at motivation (and ability) to obtain a more accurate picture of the mechanisms behind the evaluation of fit.

### **1.6.2 Practical Implications**

As companies fight hard for qualified applicants, they try to attract not only actual but also prospective jobseekers (Lemmink, Schuijf, & Streukens, 2003). Thus, recruitment advertisements in particular have to be attractively designed as they appear in large-scale media and in media which is particularly relevant to prospective jobseekers (Walker et al, 2008). Otherwise, individuals will not evaluate fit information properly and companies will not be able to alter fit perceptions constructively at that point. Advertisement attractiveness can apparently be influenced by design- and content-related aspects (e.g., Baum & Kabst, 2014; Kaplan, Aamodt, & Wilk, 1991; Stevens & Szmerekovsky, 2010), however, looking at further determinants seems valuable for the future. Of course, companies should, apart from ensuring the attractiveness of their advertisements, pay attention to highlighting information which is fit-relevant.

Firms also need to clearly communicate values, supplies and demands to foster the formation of correct fit perceptions as early as possible. If confronted with fit information right from the beginning, jobseekers are less likely to form inaccurate perceptions and will disregard conflicting information they may engage with later. Moreover, positive image companies need to be very careful in this regard or unfit individuals will apply, especially companies with many applicants and/or with limited resources (for selection) that would suffer with increasing numbers of unfit jobseekers. One option may be a fit test applicants have to take prior to their application, providing feedback (Lyons & Marler, 2011) or other practices that require self-reflection on the part of the applicants. Low test results may discourage unfit jobseekers to apply. Doing so, companies may reduce recruitment costs and benefit from better-fitting and therefore better-performing employees.

# **CHAPTER 2** FORMATION OF FIT PERCEPTIONS:

# RECRUITERS ASSESSMENT OF APPLICANTS'

# PERSON-ORGANIZATION FIT<sup>3</sup>

#### **Abstract**

This study investigates how recruiters' person-organization fit (P-O fit) perceptions of applicants are formed. We expect that recruiters' perceived P-O fit of an applicant is primarily based on attractive values. Moreover, we assume that a shortage of qualified applicants has a negative moderating effect on the relationship between the objective aversive P-O fit of applicants and their perceived P-O fit in the view of the recruiters. To test our assumptions, we conducted a field study that allowed us to investigate the formation of fit perceptions of recruiters during the actual recruitment process and thus in an especially realistic manner. As expected, we discovered that recruiters resort mostly to attractive values, followed by aversive values and neutral values. We also found that when qualified applicants are rare, the effect of aversive P-O fit on the perceived fit is diminished.

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<sup>&</sup>lt;sup>3</sup> Chapter 2 is co-authored by Prof. Dr. Matthias Baum.

#### 2.1 INTRODUCTION

Evaluating the fit between an applicant and the recruiting organization is one of the main tasks of recruiters, given that employees with high levels of P-O fit are said to be more committed, more satisfied, and are less likely to quit their jobs (Bretz & Judge, 1994; Kristof-Brown, Zimmerman, & Johnson, 2005; O'Reilly, Chatman, & Caldwell, 1991). Moreover, following the attraction-selection-attrition (ASA) framework of Schneider (1987), individuals do not only feel attracted to organizations to which they are similar, they are also selected by organizations based on their similarity. The importance of recruiters' fit perceptions of applicants has accordingly been outlined in previous research (Bretz, Rynes, & Gerhart, 1993; Kristof-Brown, 2000).

Past research subliminally expected that objective fit translates into perceived fit without bias (Adkins & Caldwell, 2004; Cable & Judge, 1997; Dineen, Ash, & Noe, 2002; Erdogan & Bauer, 2005; Jehn & Mannix, 2001; Maden & Kabasakal, 2014). However, P-O fit research also shows that recruiters quite often seem to fail to correctly and reliably evaluate applicant's values, as the actual values of an applicant relate little to the values that a recruiter perceives an applicant to have (Adkins, Russell, & Werbel, 1994; Cable & Judge, 1997; Sekiguchi, 2004). Thus, there seems to be a discrepancy between the actual (objective) value fit of an applicant and how the value fit is perceived by a recruiter. More recently, it was postulated that individuals only use a part of the actual value profile (De Goede, Van Vianen, & Klehe, 2013). Still, if only a part of the value profile is used by recruiters to inform their P-O fit perceptions, which values are used is not well understood. Given the mentioned discrepancies between actual and perceived fit outlined in previous work, a better understanding is equally desirable for researchers and

practitioners, especially since recruiters' hiring recommendations substantially influence organization's hiring decisions (Cable & Judge, 1997).

We seek to address this issue within this study and argue that the low correspondence between objective and subjective fit reported in previous work stems from a systematical bias in the processing of fit information by recruiters. Specifically, following De Goede et al. (2013), we argue that distinct types of fit (fit on attractive, aversive, or neutral values) exist and that these have distinct effects on recruiters' fit perception. Attractive fit is present when a person and an organization correspond on values that are characteristic for them, and aversive fit is present when they correspond on values that are uncharacteristic for them, whereas neutral fit means that a person and an organization correspond on values that are neither characteristic nor uncharacteristic for both parties (De Goede et al., 2013). Since evaluating a person on all values and in what way they are characteristic for him or her is an enormous endeavor, we presume that recruiters focus on certain sets of values and do not assess the whole value profile equally thoroughly.

Our paper offers two main contributions to address these shortcomings. First, this paper adds to the current fit research by giving some reasoning for the low correspondence of the actual fit of a candidate and the perceived fit in the eyes of a recruiter. So far, it is unknown how recruiters develop their judgments regarding an applicant's P-O fit. Therefore, we undertake a first step to gain some insight into the processing of fit information on the part of recruiters by investigating which aspects of objective fit leave their mark on recruiters' fit perceptions. Following previous work (De Goede et al., 2013), we propose that recruiters do not consider the whole value profile when determining the value congruence of an applicant with their organization, and

instead focus on a specific set of highly visible values, explaining the low correlation found between actual (objective) and perceived value congruence in past research. Thereby, we provide insight into the formation of recruiters' fit perceptions and expand previous research by showing that objective fit does not have an unbiased, overall influence on perceived fit.

Our second contribution provides a more nuanced picture by highlighting that the process of forming fit perceptions is not transfixed and can be affected by external influences, such as the number of qualified applicants. Since P-O fit is probably not the main criterion when selecting applicants, the strength of its influence should vary depending on whether recruiters have a limited choice of qualified applicants or a larger choice. A limited choice should decrease the usage of P-O fit as an instrument to differentiate between applicants. Therefore, it is productive to examine the number of qualified applicants as a boundary condition. We show that a shortage of qualified applicants further increases the bias in fit perceptions. Thereby, we highlight that the formation of recruiters' fit perceptions is subject to external factors. This underlines that the formation of fit perceptions is more complex than it was presumed to be. A better understanding of recruiters' fit evaluations is not only relevant from a theoretical perspective but also for practitioners. Knowledge of the formation of fit perceptions allows companies to intervene and to optimize this process, which should result in better fitting applicants. Moreover, we point out circumstances under which a comprehensive evaluation of applicants' fit is particularly challenging. Consequently, this allows companies to apply additional measures specifically when they are needed most.

#### 2.2 THEORY AND HYPOTHESES

The P-O fit refers to the compatibility between a person and an organization, with an emphasis on value congruence between both (Cable & DeRue, 2002; O'Reilly et al., 1991). Perceived P-O fit is conceptualized as the "judgement that a person fits well in an organization" (Kristof, 1996: 11). This means that P-O fit depends on the perception of a person, regardless of whether characteristics are indeed similar to the organization (Kristof, 1996). Objective P-O fit however is based on a "comparison between separately rated individual and organizational characteristics" (Kristof, 1996: 11). This reflects actual fit because similarity is measured in a verifiable manner (Kristof, 1996).

In past research, objective fit was often assessed with the organizational culture profile (OCP), which was explicitly developed by O'Reilly et al. (1991) to measure objective P-O fit. It allows for a comparison of the value profile of an individual and the value profile of an organization (Cable & Judge, 1997). The greater the correspondence between these two value profiles, the higher the P-O fit of that individual with the organization. To assess the effect of objective P-O fit on perceived P-O fit, previous studies measured the objective fit (by calculating the overall similarity between the value profile of the individual and the organization) and then assessed its overall influence on perceived P-O fit (Adkins & Caldwell, 2004; Cable & Judge, 1997; Dineen et al., 2002; Erdogan & Bauer, 2005; Jehn & Mannix, 2001; Maden & Kabasakal, 2014). This presumes that objective fit has an even and unbiased effect on perceived fit.

However, on one hand, individuals do not necessarily process all information given when making a decision. Due to bounded awareness, some aspects receive more attention than others, leading to a decision that is consequently based on biased information (Chugh & Bazerman, 2007). On the other hand, even if all information is

processed, people might not weigh all given information equally. The more important information is, the higher the weight (Anderson, 1974). Therefore, objective fit might not translate unbiased into perceived fit. Therefore, we want to investigate whether certain sets of values are more pronounced in their effect on perceived fit.

As mentioned, P-O fit can be divided in attractive fit, aversive fit, and neutral fit. Assessing an applicant's fit by evaluating fit with every single value is a very cumbersome and challenging task. However, recruiters have limited time to assess an applicant's fit with the organization; thus, they usually cannot assess an applicant to the smallest detail. Thus, we argue that recruiters focus on specific value sets.

#### 2.2.1 The Influence of Attractive, Aversive and Neutral Fit on Perceived Fit

We know from previous literature that people who have to evaluate other people pay greater attention to traits they deem to be relevant, and, consequently, these traits are assessed more accurately (Gangestad, DiGeronimo, Simpson, & Biek, 1992). We assume that recruiters deem highly characteristic and highly uncharacteristic values more relevant than neutral characteristics because they are of great importance for a successful integration of new employees into the organization. Since values are rather stable over time, the level of P-O fit should not be subject to drastic change (Meglino, Ravlin, & Adkins, 1989). Thus, individuals with a low P-O fit might not be able to adapt. When the values of an employee and an organization are incongruent, the person will suffer from cognitive dissonance, dissatisfaction, and negative job attitudes (Cable & Edwards, 2004; O'Reilly et al., 1991). This negative experience should be especially pronounced for highly characteristic (uncharacteristic) values, since they are especially inalterable as well as more noticeable and distinct. Values that can be described as highly characteristic or

uncharacteristic are an especially fundamental part of the personality, which makes it even more difficult to influence and change them. Moreover, values that are most characteristic (or most uncharacteristic) are more salient. A person who is very risk taking and informal will soon encounter difficulties if the company is not risk taking and rather formal. Differences on very characteristic or uncharacteristic values will, due to their dominance and salience, soon become obvious, leading to conflicts and hence impeding successful integration. Consequently, these values are especially crucial.

Therefore, recruiters will focus more on the extreme values (which are highly characteristic/uncharacteristic), than spending too much time on values that are less pronounced to assess the fit of an applicant. Therefore, we assume that recruiters pay close attention to find someone who has the characteristics that are wanted (attractive fit) and who does not have unwanted characteristics (aversive fit), thereby neglecting neutral fit.

H1a: The effect of applicants' objective attractive P-O fit on recruiters' perceived applicant fit will be stronger than the effect of their objective neutral P-O fit.

H1b: The effect of applicants' objective aversive P-O fit on recruiters' perceived applicant fit will be stronger than the effect of their objective neutral P-O fit.

We already described why attractive and aversive fit should have a greater influence on perceived fit than neutral fit. Thus, the question remains which set of values is most dominant – fit on attractive values or fit on aversive values. Regulatory focus theory (Higgins, 1997) argues that, in pursuing a goal, people follow two independent

orientations: promotion orientation and prevention orientation. A promotion focus emphasizes hopes, wishes, and aspirations, whereas a prevention focus emphasizes duties, obligations, and responsibilities (Higgins, 1997). While a promotion focus emphasizes attainment of positive outcomes, a focus on prevention emphasizes the prevention of negative outcomes (Higgins, Shah, & Friedman, 1997). The difference between these two orientations lies mainly in the size of the gap between the current state and the desired end-state (Brodscholl, Kober, & Higgins, 2007). If there is a large discrepancy between the current state and the desired end-state, people want to improve the current situation and will follow a promotion orientation. A prevention orientation in turn will dominate, if the current state is close to the desired end-state, as a person would want to preserve the current situation and prevent it from worsening in this case. We also know that momentary situations can temporarily bring on either a promotion focus or prevention focus (Higgins, 1997). This means that an individual can follow a promotion focus in one situation and a prevention focus in another situation, depending on the discrepancy between the current state and the end-state in these situations. Following Kuhn (2015), recruiters will especially try to acquire beneficial employees, and thereby follow a promotion orientation, if the success of their decision will be judged by the performance of the new employee. Compared to low-level jobs, leadership positions and professional positions are primarily evaluated by noticeable success (Kuhn, 2015). This is because high-level positions are supposed to achieve noticeable success and to improve the current state, whereas low-level positions should not draw negative attention and maintain the current state. In our study, we focus on such high-level jobs, since a high P-O fit is particularly crucial for such positions (compared to e.g., assembly-line workers).

Therefore, when evaluating such positions, recruiters will follow a promotion focus and rather concentrate on attractive values (than on aversive values).

H2: The effect of applicants' objective attractive P-O fit on recruiters' perceived applicant fit will be stronger than the effect of their objective aversive P-O fit.

### 2.2.2 Moderating Influence of the Shortage of Qualified Applicants

Next, we want to investigate the shortage of qualified applicants as a boundary condition. According to regulatory focus theory research, the more a situation draws attention to goal attainment, the more it will dispose decision makers to be sensitive to attainment goals rather than to maintenance goals (Brodscholl et al., 2007; Higgins, 1997; Higgins et al., 1997).

If recruiters do not have enough qualified applicants, they will try even less to assess the full value profile of an applicant. In general, recruiters will first ensure that an applicant fulfills at least the absolutely necessary requirements (like education or work experience), and then check his or her P-O fit (Bretz et al., 1993), as this is not the most crucial feature of an applicant. Just imagine two persons: 1) Person A, who has no managerial expertise and is poorly educated but has perfect P-O fit and 2) Person B, who has comprehensive managerial expertise and a profound education but low P-O fit. Who should be hired as a manager? If basic qualifications are not given, the P-O fit becomes less relevant, and the focus is more on finding a person who is at least capable of doing the job. If there are not many qualified applicants to choose from, recruiters should first focus on identifying the one applicant with the most promising profile and the necessary skills. However, if there are several qualified applicants, recruiters should use P-O fit as

a tool for a more fine-tuned selection. Therefore, if there are not many qualified applicants to choose from, recruiters will not spend valuable interview time exploring the P-O fit of an applicant in detail. Instead, they will just assess the most important values. Since they have a promotion focus, values that belong to attractive fit should be most crucial for them; therefore, they should restrict themselves to the assessment of attractive fit and refrain from assessing aversive fit. Thus, we propose that shortages of qualified applicants will force recruiters to pay even less attention to aversive values.

H3: With a greater shortage of qualified applicants, the effect of applicants' actual aversive P-O fit on recruiters' perceived applicant fit is smaller.

#### **2.3 METHOD**

#### 2.3.1 Study Design and Samples

We decided to conduct a field study, in which we worked with actual recruiters working for the same company. These recruiters gave us their evaluation of actual applicants they were interviewing at the time. Field studies are a valuable and accepted method in recruitment research (e.g., Becton, Feild, Giles, & Jones-Farmer, 2008; Powell & Goulet, 1996; Schreurs, Derous, van Hooft, Proost, & Witte, 2009). Using this method allowed us to get a valid and realistic picture of the evaluation processes, as the outcome of the interview actually affects applicants as well as recruiters; thus, the involvement was at a realistic level, which it would have not been in an experiment (Higgins & Judge, 2004). Moreover, the process of evaluating a persons' value fit with an organization is difficult to assess using an experiment, since the employment interview and the presentation of values are difficult to imitate in a realistic manner. Therefore, an

experiment might have impaired the validity of our results. Since P-O fit is especially important for high-level jobs, we chose a company where such positions are primarily needed. The positive outcomes of P-O fit, like low intention to quit and increased commitment, satisfaction, and productivity are less relevant for low-level jobs since these positions are easier to fill and the work of a single person is less crucial for the success of the company. A person who does not fit is less harmful (or beneficial) in such a position than an individual could be in a management position. Therefore, we chose to work with a rather young (less than 10 years), high growth company that provides professional services and is therefore a) looking for employees and b) primarily searching for employees for strategic, relevant positions. Moreover, the company we examined has around 2,000 employees and a rather large human resource department, which allows us to control for the individual differences of the recruiters.

To investigate our hypotheses, we used an empirical setup that allowed us to evaluate a) the organizational values of the company in the eyes of the recruiters, b) the individual values of the applicants, and c) the perceptions of the recruiters of the value congruence between the applicants and the organization. Accordingly, we conducted three distinct studies at various levels (recruiter and applicant levels) to collect the required information. The first survey investigated the OCP of the organization where we did our investigation. The second survey assessed the individual characteristics of the applicants, which were needed to determine their objective fit. These first two surveys were necessary to assess the objective fit of the applicants. The third survey assessed the recruiters' perceptions of the fit of the applicant with the organization for each applicant who participated in the second survey.

We further administered the three different surveys at three different points in time in order to reduce potential endogeneity and common method bias issues (Podsakoff, Scott, Lee, & Podsakoff, 2003), an approach that has previously been used in recruitment studies (e.g., Carless, 2005; Griepentrog, Harold, Holtz, Klimoski, & Marsh, 2012) In the following section, we will provide additional details on each survey.

**First survey.** The first survey assessed the values of the organization from the perspective of the recruiters. Moreover, 89.90% of the respondents were female (one person chose to not answer this question), and the average age was 26.83 years (S.D.=4.21). On average, recruiters had 2.68 years of work experience in human resources (S.D.=2.08). Recruiters were first asked to complete the OCP for the organization. At the end of this survey, we assessed their demographics. Throughout the whole survey, they were informed about how their data would be used and that supervisors would not have access to their individual answers.

**Second survey.** The second survey assessed the value profile of the applicants based on the OCP. A total of 1,218 applicants received an invitation to the second survey and 210 (17.2%) completed the questionnaire. Of these 210 individuals, we matched 71 with the evaluation of a recruiter. In addition, 33.80% of these 71 applicants were female, and the average age was 26.72 years (S.D.=2.77). The majority, 78.87%, held an academic degree (bachelor=42.25%, master=35.21%, and PhD=1.41%). The rest had a high school diploma (5.63%) or a different educational background. Participants could give multiple answers to the question for what position they applied: 26.76% applied for an internship, 5.630% for a traineeship, 23.94% for a junior or entry-level position, 32.39% for a mid-level position, 26.76% for a lead or senior position, and 14.08% for a head or C-level position. Therefore, our sample consists mainly of professional and

leadership positions and does not contain low-level workers. All applicants received an invite to our online survey via the same email address used by the company for correspondence about their application. Participants have been informed before and throughout the survey regarding how their data would be used and that it would not influence the course of their application in any way, and they were ensured that recruiters (or other members of the organization) would not be able to access their answers.

Third survey. The third survey assessed recruiters' fit perceptions of the applicants. This last survey was sent to the recruiters after a job interview with an applicant who completed the second survey. This survey asked recruiters to evaluate the applicant regarding his or her fit with the organization. It also assessed whether there were few or many qualified applicants available for this position. Sixteen recruiters agreed to evaluate applicants, and we reached a final sample size of 71 applicants who we could match with an evaluation of a recruiter.

#### 2.3.2 Measures

Objective P-O fit. To calculate objective fit, we compared the value profile of an applicant with the organizational value profile given by the respective recruiter. Since we were interested in investigating recruiters' formation of fit evaluations as accurately as possible, we used the individual organizational value profiles given by each recruiter to assess actual fit for the respective applicants. 4 This approach is more precise than using an overall organizational value profile that is generated by calculating the mean values

of the values. The recruiters achieved a single measure ICC of 0.60, which can be classified as good (Cicchetti & Sparrow, 1981); therefore, the agreement between the raters is sufficiently high. However, for the reasons mentioned, we still used the individual organizational profiles for our analysis.

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<sup>&</sup>lt;sup>4</sup> To determine whether the recruiters reported similar organizational profiles, we also looked at the intraclass correlation coefficient (ICC) to examine the agreement between the recruiters regarding the rating

across all recruiters. To assess these individual organizational value profiles as well as the value profiles of the applicants, the OCP from Cable and Judge (1997) was employed. Thereby, participants were asked to rank 40 value statements into nine categories ranging from "this value is not at all characteristic of my organization/of myself (recruiter/applicant)" (1) and neutral (5) to "this value is very characteristic of my organization/myself (recruiter/applicant)" (9). We used Q-sort methodology; therefore, less values were allowed at the ends to force participants to decide. Otherwise, since these statements are rather positive, low variance due to socially desirable answers could have distorted our results. The values were distributed as follows: 2-3-4-6-10-6-4-3-2 (see appendix A).

Then, we calculated attractive fit, aversive fit, and neutral fit by estimating the congruence between the organizational values given by the recruiter and the values of the applicant who was assessed by this recruiter. Following the approach of De Goede et al. (2013), we picked the five highest (and lowest) values to assess attractive (and aversive) fit. To assess neutral fit, we picked the 10 values in the middle of the distribution, which are neither attractive nor aversive. Then, attractive/aversive/neutral fit was calculated by point for each value (out of the previously determined giving attractive/aversive/neutral organizational values given by the recruiter) that was likewise denoted by the applicant as personally attractive/aversive/neutral (Categories 8 and 9/Categories 1 and 2/Category 5). Thereby each applicant could receive between 0 and 5 points for attractive and aversive fit and 10 points for neutral fit.

**Perceived P-O fit (recruiters' perspective).** We used four established items from Kristof-Brown (2000) to indicate recruiters' perception of applicants' P-O fit (e.g., "To

what degree does this applicant fit with your organization"). All items were rated on a 5-point Likert scale (1=not at all, 5=completely). Cronbach's alpha was 0.93.

Shortage of qualified applicants. We assessed the moderator variable shortage of qualified applicants with one item "Compared to the average for this position, did you have enough qualified candidates to interview for the position?" on a scale from 1=not at all enough to 5=more than enough, which we reversed prior to our analysis. We chose this approach over a more specific measurement because asking for an actual number would not have served our purpose. Having an exact number of qualified applicants does not reveal whether or not the recruiter considers this number as high enough to find a suitable person to adequately fill the position in question.

Control variables. Since perceived similarity of a job applicant can affect the judgment of an interviewer in determining P-O fit (Chen, Lee, & Yeh, 2008), we included it as a control variable. We measured perceived similarity with three items adapted from Howard and Ferris (1996) 1) "This applicant and I have many of the same beliefs and values", 2) "This applicant reminds me of myself", and 3) "My personality is similar to the applicant's personality." The items were measured on a 5-point Likert scale (1=strongly disagree, 5=strongly agree). Cronbach's alpha for this scale was 0.77. Furthermore, we adapted Cable and Judge's (1996) measurement for the importance of fit because it might affect recruiters' attention toward applicants' P-O fit. The items are 1) "In general (with no specific vacancy in mind), how important is fit (values, personality, interests, and goals match those in the organization) in a candidate?" and 2) "To what degree is your candidate evaluation based upon the 'match' or interpersonal fit between the candidate's values, personality, and goals and those of the organization?" Cronbach's alpha for this scale was 0.72. Time for interview was assessed based on a

five-item scale adapted from (Herrington & Capella, 1995), with one example item being "I had to rush to complete my interview in time." The items were measured on a 5-point Likert scale, and Cronbach's alpha was 0.84. We assessed time for preparation and time for post-processing on a 5-point Likert scale, with the respective items being "Compared to the average for this position, did you have enough time to prepare for the interview?" and "Compared to the average for this position, did you have enough time to evaluate the candidate after the interview?" These control variables were included because more time for preparation, for post-evaluation, and during the interview might affect the accuracy of P-O fit assessment. We assessed recruiters' sex and age to control for demographic differences. We also controlled for their working experience in human resources (in years) and their tenure with the organization (in years). More experience might increase their general ability to assess P-O fit, as over time they should learn how to evaluate an applicant and become better at it. Tenure with the current organization might also affect the ability to evaluate an applicants' P-O fit since the longer a recruiter is with the organization, the better he or she is able to assess an applicants' P-O fit with this particular organization correctly. From the applicants, we assessed their sex and age to control for demographics. We also controlled for their education, and we asked them about the level of the position they applied for (internship, traineeship, junior level – entry position, midlevel – manager position, senior level – lead position, C-level – head position). If an applicant applied for different levels of positions, we calculated the mean value of the levels. These control variables are important, as they are an indicator for the level of the position and thus for the importance of P-O fit. The higher the level, the more recruiters might seek a long-term solution, which should increase the importance of P-O fit. Replacing a trainee is easier and has fewer negative effects on the wellbeing of the organization than replacing a strategic relevant position like a lead position, as they do not affect other employees as much. Moreover, the higher the level, the more contact people might have with other people across the whole organization, which might also increase the importance of P-O fit. Furthermore, strategic decisions are made by people in high positions; therefore, high P-O fit should be especially important for these positions, as such decisions should be in the best interests of the whole organization.

#### 2.4 RESULTS

Since the evaluation of the applicants lies with the recruiters, we tested our hypotheses by utilizing generalized estimating equations (GEE) with exchangeable correlation matrices, a method that accounts for within-subject correlation of responses on dependent variables (Ballinger, 2004). The descriptive statistics and correlations are displayed in Table 2-1.

**Table 2-1: Descriptive Statistics** 

	Mean	S.D.	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.
1. Sex (recruiter) <sup>a</sup>	0.09	0.28																	
2. Age (recruiter)	26.72	2.77	0.04																
3. Tenure (recruiter)	1.68	1.62	-0.22 †	-0.01															
4. Experience in HR (recruiter)	2.63	2.06	0.41 ***	0.71 ***	0.11														
5. Perceived similarity (recruiter)	2.71	0.59	0.09	0.16	-0.13	0.13													
6. Importance of fit (recruiter)	4.04	0.69	-0.46 ***	-0.07	0.05	-0.42 ***	-0.15												
7. Time for interview (recruiter)	3.92	0.88	-0.23 †	0.04	0.21 †	0.10	-0.14	-0.09											
8. Time for preparation (recruiter)	3.35	0.79	0.07	0.14	0.08	0.32 **	0.04	-0.35 **	0.42 ***										
9. Time for post-processing (recruiter)	3.35	0.76	0.14	0.25 *	0.18	0.35 **	0.00	-0.37 **	0.36 **	0.72 ***									
10. Shortage of qualified applicants (recruit	2.59	0.92	-0.03	-0.09	0.04	0.05	-0.13	0.06	0.14	0.28 *	0.27 *								
11. Sex (applicant) <sup>a</sup>	0.66	0.48	0.11	0.09	0.10	0.17	-0.05	-0.06	0.18	0.05	0.14	0.01							
12. Age (applicant)	27.81	4.94	-0.01	0.27 *	0.12	0.23 †	0.31 **	-0.19	0.09	0.08	0.12	-0.26 *	0.23 †						
13. Education (applicant)	11.34	14.47	0.28 *	-0.05	-0.11	0.09	-0.14	-0.18	-0.09	0.04	0.05	0.08	-0.07	0.18					
14. Level of position	3.41	1.62	0.04	0.28 *	-0.32 **	0.28 *	0.25 *	-0.20	-0.02	0.25 *	0.36 **	-0.07	0.21 †	0.62 ***	0.12				
15. Attractive fit	0.93	0.82	-0.10	-0.12	0.08	-0.19	-0.07	0.12	-0.08	-0.20 †	-0.12	-0.04	0.12	-0.22 †	0.10	-0.01			
16. Neutral fit	2.77	1.19	-0.16	0.00	-0.05	-0.11	0.01	0.23 †	-0.13	-0.10	-0.20	-0.20 †	-0.01	-0.04	-0.03	0.06	0.26 *		
17. Aversive fit	0.93	0.99	-0.09	0.09	-0.11	-0.04	0.29 *	-0.02	0.08	0.14	0.05	-0.09	0.10	0.12	-0.08	-0.01	0.06	0.10	
18. Perceived fit (recruiter)	3.36	0.88	0.02	0.14	-0.05	0.09	0.61 **	-0.07	-0.15	-0.07	-0.07	-0.22 †	0.03	0.07	-0.13	0.12	0.33 **	0.27 *	0.31 **

Note:  $^a$  0=female, 1=male. \*\*\* Coefficient is significant at the 0.01 level (2-tailed). \*\* Coefficient is significant at the 0.05 level (2-tailed). \*\* Coefficient is significant at the 0.01 level (2-tailed). \*\* Coefficient is significant at the 0.05 level (2-tailed). \*\* Coefficient is significant at the 0.05 level (2-tailed). \*\* Coefficient is significant at the 0.05 level (2-tailed). \*\* Coefficient is significant at the 0.06 level (2-tailed). \*\* Coefficient is significant at the 0.07 level (2-tailed). \*\* Coefficient is significant at th

#### 2.4.1 Main Analysis

Prior to our main analysis, we assessed whether the values show enough variance to ensure that not all applicants had the same characteristics (for example due to self-selection). We found that out of all 40 values, 19 values did not achieve complete variance since they did not occur in all nine categories. Additionally, 14 values covered eight out of nine categories, four values covered seven out of nine categories, and one value covered only six out of nine categories. However, since even the value with the lowest range still covered 66.67% of the categories, we have an adequate distribution of the values.

For our main analysis, we grouped mean centered attractive fit, aversive fit, neutral fit, and shortage of qualified applicants and then built the interaction terms by computing the product of the group-centered main effects.

Following Brambor, Clark, and Goldner (2006), we do not interpret the variables that are used to calculate our interactions as unconditional effects. Instead, we use Model 1a (all interactions excluded) to interpret Hypotheses 1a, 1b, and 2 and Model 1b (two-way interactions included) to interpret Hypothesis 3.

Moreover, two control variables (level of position and age applicant) had two missing values and another control variable (sex of the recruiter) had one missing values, which resulted in altogether five cases with missing values. Since multiple imputation increases the validity of the analysis (Fichman & Cummings, 2003), these values were imputed prior to calculating the GEE.

**Table 2-2: Results of the Generalized Estimating Equation** 

		Test of	hypotheses	Robustness check of the interactions				
		Model 1a	Model 1b	Model 2a	Model 2b	Model 2c		
Step 1: Control variables,	Recruiter							
independent variables and	Sex $(0 = \text{female}, 1 = \text{male})$	0.08	-0.03	0.04	0.08	0.00		
moderator variables	Age	0.02	0.02	0.02	0.01	0.02		
	Tenure	0.02	0.05 **	0.02	0.03	0.04 *		
	Experience in HR	0.03	0.03	0.03	0.04	0.03		
	Perceived similarity	0.83 ***	0.68 ***	0.83 ***	0.81 ***	0.17 ***		
	Importance of fit	-0.09	0.05	-0.05	-0.07	0.01		
	Time for interview	-0.07	-0.13	-0.08	-0.11	-0.09		
	Time for preparation	-0.04	-0.11	-0.08	-0.04	-0.07		
	Time for post-processing	0.01	0.25	0.06	0.05	0.18		
	Applicant							
	Sex $(0 = \text{female}, 1 = \text{male})$	-0.09	0.10	-0.04	-0.06	0.05		
	Age	-0.03	-0.02	-0.02	-0.03	-0.01		
	Education	0.00	0.00	0.00	0.00	0.00		
	Level of position	0.01	0.01	0.00	0.02	0.01		
	Shortage of qualified applicants (SQA)	0.09	0.08	0.08	0.10	0.08		
	Attractive fit (AttF)	0.30 ***	0.24 ***	0.30 ***	0.26 ***	0.29 ***		
	Neutral fit (NF)	0.14 *	0.21 ***	0.13 *	0.16 **	0.19 ***		
	Aversive fit (AvF)	0.12 *	0.12 *	0.13 *	0.15 ***	0.09 †		
Step 2: Interaction variables	AttFxSQA		-0.05	-0.08				
	NFxSQA		-0.10 †		-0.11			
	AvFxSQA		-0.35 ***			-0.35 ***		

Note: Unstandardized coefficients are reported. \*\*\* Coefficient is significant at the 0.001 level (2-tailed). \*\* Coefficient is significant at the 0.01 level (2-tailed). \* Coefficient is significant at the 0.05 level (2-tailed). † Coefficient is significant at the 0.10 level (2-tailed).

When examining the results of the GEE (see Table 2-2), we found some preliminary support for Hypothesis 1a, which stated that objective attractive fit (B=0.30, p<0.001) has a stronger effect on perceived fit than objective neutral fit (B=0.14, p<0.05) and for Hypothesis 2, which stated that objective attractive fit (B=0.30, p<0.001) has a stronger effect on perceived fit than objective aversive fit (B=0.12, p<0.05). However, when comparing the relative importance of the two predictor variables, it is recommended to not rely on statistical measures like the p-values (Budescu & Azen, 2004). Thus, to have a quantitative measure of the relative importance of each predictor, we utilize a procedure presented by Johnson (2000), which computes the relative weights of each predictor (see Table 2-3). This procedure constitutes a superior alternative to the traditional approaches for determining predictor importance, as it is able to capture the individual influence of each variable, especially when some of the variables are correlated (Tonidandel & LeBreton, 2010), and it is an accepted method in recruitment studies (e.g., Kausel, Culbertson, & Madrid, 2016; Merkulova, Melchers, Kleinmann, Annen, & Tresch, 2014; Slaughter, Cable, & Turban, 2014).

The results show that attractive fit has a greater relative weight than neutral fit (0.098 versus 0.044), which confirms our assumption stated in Hypothesis 1a. Hypothesis 1b, which assumed the same effect as Hypothesis 1a for objective aversive fit, also receives some support since the relative weight of aversive fit is greater than the relative weight of neutral fit (0.047 versus 0.044). Moreover, since the relative weight of attractive fit is greater than the relative weight of aversive fit (0.098 versus 0.047), Hypothesis 2 is supported as well. Therefore, the results suggest that objective attractive fit indeed has a stronger effect on perceived fit than objective aversive fit. In Hypothesis 3, we argued that the effect of aversive fit should be diminished if the shortage of qualified applicants

is substantial. We found support for this assumption since the interaction effect in the GEE is negative and significant (B=-0.35, p<0.001).

**Table 2-3: Results of the Relative Weights** 

Dependent variable: Perceived fit							
	Relative weights						
Recruiter							
Sex	0.002						
Age	0.007						
Tenure	0.002						
Experience in HR	0.007						
Perceived similarity	0.304						
Importance of fit	0.006						
Time for interview	0.010						
Time for preparation	0.004						
Time for post-processing	0.002						
Applicant							
Sex	0.002						
Age	0.010						
Education	0.011						
Level of position	0.006						
Shortage of qualified applicants	0.021						
Attractive fit	0.098						
Neutral fit	0.044						
Aversive fit	0.047						

Moreover, it is noticeable that, among the control variables, the perceived similarity has a strong and significant positive effect on subjective fit (B=0.83, p<0.001); this finding will be discussed later.

#### 2.4.2 Robustness Check

Since our sample is rather small, we executed several robustness checks to ensure the reliability of our results. First, we calculated Model 1a and 1b without the nonsignificant control variables. While aversive fit is, in this condition in Model 1a, only marginally significant and neutral fit is not significant, attractive fit remains highly significant. When looking at the weighted effects, we can see that attractive fit is still most important, followed by aversive fit and then neutral fit. Therefore, our results regarding Hypothesis 1a, Hypothesis 1b, and Hypothesis 2 remain basically stable, even if the bias toward attractive fit seems to be more pronounced in this condition. However, since this is in line with our general assumptions, this robustness check does not contradict our findings; on the contrary, it underlines them. In Model 1b the interaction of neutral fit remains no longer marginally significant, but the interaction of aversive fit still is highly significant. This is not against our assumptions; therefore, we can see that our results under this condition remain stable as well (and are even more definite). This further supports our third hypothesis.

Second, we calculated both models without any control variables. The results of Model 1a in this condition show that attractive and aversive fit are highly significant, whereas neutral fit is no longer significant. The weighted effects show that attractive fit remains most important, followed by aversive fit and after that neutral fit. Therefore our results regarding Hypothesis 1a, Hypothesis 1b, and Hypothesis 2 do not change in this condition as well. Moreover, in this condition the interaction of neutral fit in Model 1b is no longer marginally significant. However, the interaction of aversive fit remains highly significant. Therefore our results regarding Hypothesis 3 remain also stable in this condition.

Third, we calculated the interactions separately (all control variables included, Table 2-2), which led to the same results, although the interaction of neutral fit and applicant shortage is no longer marginally significant. However, this does not contradict

our assumptions and the interaction of aversive fit and applicant shortage is still negative and significant. Therefore, Hypothesis 3 remains supported. Overall, our results remain stable over different specifications of our model and do not refute our suppositions; therefore, we do not think that our results are affected by the small sample size.

## 2.5 DISCUSSION

This study sought to give a better understanding of how recruiters evaluate applicants' P-O fit. We questioned that fit perceptions are formed on all values equally and proposed that mainly attractive and aversive fit influence recruiters' fit perceptions. Even though one might assume that professional recruiters should be particularly thorough when evaluating the fit of applicants, we argued that they still do not utilize all values to form their opinion. Thus, our study offers some insight regarding why past research found such a low correlation between the actual value fit of applicants and recruiters' perception of applicants' value fit.

Thus, we enhance fit literature by a) drawing a conceptually clearer picture of how recruiters' fit perceptions are formed and by b) highlighting that there are boundary conditions that influence the formation of these fit perceptions.

Our study was conducted in a field setting; therefore, we investigated how real recruiters evaluate actual applicants under authentic circumstances. This gave us the opportunity to gain valuable and genuine insight into the formation of fit perceptions. Our results suggest that recruiters' P-O fit evaluations (for high-level positions) are mostly based on fit on attractive values, followed by fit on aversive and neutral values.

Our findings offer some explanation for the low correspondence between objective and perceived fit. Recruiters seem to be heavily biased toward attractive values,

which is probably the reason past studies found rather low correlations. We show that not all values are equally important and demonstrate that attractive fit is the main driver for perceived fit. These findings are of high importance, not only for the fit literature but also for the recruitment literature, since they point out that the mechanisms behind the fit formation do not function as expected and need more discussion.

Moreover, we highlight the importance of the shortage of qualified applicants as a moderator for our research context and show that the effect of certain sets of values on recruiters' perception of fit does change depending on the availability of qualified applicants. The shortage of qualified applicants was found to negatively moderate the relationship between objective aversive fit and perceived fit. This finding underlines our assumption that recruiters will neglect fit on less important values, if their choice is rather limited. This also means that higher numbers of qualified applicants make aversive fit more important. It seems that aversive fit is utilized to further filter applicants when there are enough qualified applicants to choose from, whereas the importance of attractive fit does not change due to applicant numbers. By highlighting this, we underline the importance of boundary conditions in the fit research. We show that recruiters do not form their fit perceptions uniformly and that the importance of fit on certain value sets is changeable, depending on the circumstances. Still, we can see that only aversive fit is affected, since the interactions with attractive fit (B=-0.05, p=n.s.) and neutral fit (B=-0.10, p<0.1) are not significant. Thus, even when confronted with a limited choice, recruiters probably still assess attractive fit in the same way. This finding further underlines the specific importance of attractive fit.

Our study offers some insight for practitioners as well. Companies need to be aware, given the high importance of fit in the organizational context, that recruiters are not as accurate as expected in evaluating an applicant's fit. Therefore, they should use more reliable methods to assess fit, like an online fit test (Lyons & Marler, 2011), or sensitize their recruiters to pay more attention to fit. Especially the high influence of perceived similarity underlines that recruiters do not act as professionally and objectively as one may expect. However, Gangestad et al. (1992) and Parsons, Cable, and Wilkerson (1999) showed that people are able to correctly assess the values of another person, if they deem them important or are told to pay attention to them. Therefore, it is crucial to ensure that the values of the organization and their importance are clear to all recruiters. This is especially important when there is a shortage of qualified applicants, as recruiters tend to neglect aversive fit even more under such conditions.

# 2.6 LIMITATIONS AND AVENUES FOR FUTURE RESEARCH

Like all studies, ours has limitations as well. One limitation is our sample since a larger sample size would have been desirable to increase the power of our tests. However, even though our sample size is rather moderate, we found support for our hypotheses, underlining the strength and importance of these effects.

Moreover, we were only able to examine one company. Future studies should investigate different companies in different branches and/or countries to verify whether the effects we found remain stable across other branches or cultures. Moreover, it could be productive to examine family firms in this context, as values and thus P-O fit might be even more crucial in such companies.

In addition, we examined rather high-level jobs; however, in the fit context, these are the most important ones. First, high P-O fit reduces turnover, an effect that is particularly desirable for high-level positions since finding and attracting applicants for

such positions is particularly complex and therefore costly for an organization. Second, finding well-fitting applicants for these positions is crucial for an organization since these positions are of strategic relevance and should have high levels of commitment, satisfaction, and productivity. These outcomes are positively influenced by high levels of P-O fit. Therefore, investigating fit is especially relevant and important in the context of high-level positions. Regardless, it would be interesting for future research to also investigate low-level positions.

Regarding the control variables, the relatively strong effect of similarity on perceived fit is an interesting finding. Recruiters are expected to evaluate applicants' fit based on their fit with the organization and not on their fit or similarity with themselves. However, it seems that they are not as objective as they should be. This might be because recruiter judgments of P-O fit are driven by a "similar-to-me" bias (Adkins et al., 1994). Another explanation could be that recruiters perceive their own fit to be high and consequently assume that applicants who are similar to them must have a high fit as well. Future studies should look at this phenomenon to investigate the reasons for this finding.

Furthermore, future research should explore which fit (attractive, aversive, or neutral) primarily determines the positive outcomes of P-O fit. It may be that not all value fits are equally important to achieve the beneficial outcomes that have been found to stem from high P-O fit. This would be especially important for recruitment since recruiters could focus on assessing the fit on the most crucial value set.

With our research, we showed that recruiters do not use all values equally to build their fit perceptions. As assumed (for high-level positions), recruiters favor attractive fit particularly when evaluating an applicant. Aversive fit however has considerably less influence, and neutral fit is the most neglected fit. This bias is aggravated when there are insufficient qualified applicants to interview, as recruiters pay even less attention to aversive fit under such a condition. Our findings highlight that the formation of fit perceptions differs from the subliminally assumed transfer of the whole value profile into the perceptions of fit. We also can see that boundary conditions, such as applicant shortage, influence the formation of fit perceptions, which points to future research avenues focusing on additional boundary conditions.

CHAPTER 3 WHEN DO EMPLOYER AWARDS PAY OFF AND
WHEN DO THEY NOT? THE IMPACT OF
AWARD FAMILIARITY ON APPLICANTS' JOB
PURSUIT INTENTIONS AND THE MODERATING
ROLE OF CORPORATE BRAND AWARENESS<sup>5</sup>

# **Abstract**

Employer awards are increasingly utilized in the recruitment context in order to provide positive signals to potential applicants. However, the impact of employer awards on applicants' job pursuit intentions still requires empirical proof. This study elaborates on this impact and assumes that it is contingent upon corporate brand awareness. We show that employer awards only positively impact applicants' job pursuit intentions if the award is well known and the recruiting firm is not. Well-known employers however do not profit from the placement of an award, on the contrary, if the award is unfamiliar, its influence on job pursuit intentions is even deleterious.

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<sup>&</sup>lt;sup>5</sup> Chapter 3 is co-authored by Prof. Dr. Matthias Baum. This chapter is forthcoming in the *International Journal of Human Resource Management*. Please refer to that version for citation. In addition, a short version of this chapter will be published in *Personal Quarterly* in 2018.

## 3.1 INTRODUCTION

In modern times, where information becomes more easily available, potential recruits increasingly turn towards information sources which are not, or not entirely, controlled by the recruiting firms, when making their application decisions. Employer rating platforms like Glassdoor (founded in 2007, more than eight million evaluations available), Kununu (founded in 2011, more than one million evaluations available) or InHerSight (founded 2014) show the rapid increase in (and usage of) easily available third-party evaluations. Therefore, information from (neutral) third-parties about the qualities of a recruiting firm gain weight for the creation of applicant attraction.

Employer awards are such a third party induced quality signal, however they have been seldom examined. An Employer award, like *Great Place to Work* ® or *TOP 100 Ideal Employer*®, is a seal or logo which third party organizations use to certify employers. Employer awards are intended to provide positive signals about the job and the company and thus to enhance a firm's attractiveness as an employer. The positive impact of awards has been observed for consumer goods (Dean & Biswas, 2001) and the movie industry (Gemser, Leenders, & Wijnberg, 2008). Findings from these research fields suggest that awards have an impact on consumers' behavior. Even though one can assume that employer awards unfold the same positive effects like product related awards, until now, this assumption has not been explicitly tested and we do not know whether previous findings from product awards can actually be transferred to the recruitment context. So far, there exist a few studies which suggest that award-winning companies get more applications (Collins & Han, 2004; Turban & Cable, 2003). However, these effects may not stem from the depiction of the award(s) and hence recent studies call for additional research which manipulates award exposure in an experimental setting (Dineen

& Allen, 2016). Knowing about the impact of employer awards is relevant from both, a theoretical and a practical angle. From a theoretical perspective, our study offers three main contributions.

First, there is only limited research on employer awards (Collins & Han, 2004; Dineen & Allen, 2016; Fulmer, Gerhart & Scott, 2003; Turban & Cable, 2003), which however does not look at awards in a controlled setting. While we have considerable understanding of other third party quality signals, like word-of-mouth or newspaper articles, we lack research that observes the effects of employer awards on recruitment outcomes. Employer awards are different from other third party signals, because they are not from the direct social environment of the potential applicant and because firms can more directly influence their application and communication. Thus, some tenets from research on third party signals, like information source familiarity, may not be accurate for the context of employer awards. Our study examines the signaling effect awards have on jobseekers in an early stage of recruitment in a controlled setting and is therefore able to shed light on their actual impact. Thus we contribute to the human resource recruitment literature by emphasizing the impact of employer awards on applicants' job pursuit intentions early in the recruitment process. This is novel and important, since we have a lack of understanding about whether or not employer awards account for favorable perceptions of potential applicants.

Secondly, our study investigates the role of signal strength in this context by examining different kinds of awards (known versus unknown). We looked at award familiarity because it is essential for the effectiveness of an award and thus should determine how strongly an award affects applicant reactions. This adds to recruitment

literature, since so far research only focused on "award" versus "no award", thereby neglecting differences in award familiarity.

Third, employer awards are quality signals of an employer, which are usually displayed in tandem with other signals, like the corporate brand. However, we don't know if and how corporate brand awareness interacts with the effects of awards. Thus, we need to clarify how different signals work jointly together and interact with one another (Connelly, Certo, Ireland, & Reutzel, 2011). Thereby we contribute to signaling theory, as well as recruitment literature, by highlighting the importance of boundary conditions.

From a practitioner perspective it is important to study employer awards because many firms imprudently place employer awards on their recruitment material. In doing so, companies spend valuable resources on awards. As highlighted by Dineen and Allen (2016) companies spend several millions of dollars each year to enter award programs. Moreover, companies have to prepare themselves for the application and evaluation process which involves additional costs. Consequently, since companies have to invest time and money, as well as advertisement space, for the application of employer awards, it is important to know whether these investments pay off, if they are inefficient or, even worse, unfolding negative consequences for applicant attraction.

Our results show that employer awards only unfold a beneficial impact on applicants' job pursuit intentions if the award is well-known This is in line with recent award literature, showing that only well-known awards unfold a significant influence on the perception of the awarded organization (Dean & Biswas, 2001; Yang, Hung, Sung, & Farn, 2006). Moreover, we highlight that the impact of employer awards on applicants' job pursuit intentions not only depends on the strength of the signal, but is further moderated by the corporate brand awareness of the recruiting firm. More specifically, we

reveal that only unknown companies will profit from (well-known) awards. Well known, reputable companies however seem not to benefit from award usage, even if they apply a well-known employer award. On the contrary, well-known companies actually face negative consequences when placing an unknown award on their recruitment advertisement. Thus, we highlight that corporate brand awareness is of crucial importance, as it does not only determine the magnitude of the impact of employer awards, but also changes the direction of an award's effect under certain conditions. Thus, findings from other fields can only be partially transferred to the recruiting context, making a more fine-grained perspective unavoidable.

## 3.2 SIGNALING THEORY AND AWARD LITERATURE

Signaling theory (Spence, 1973) has been applied to the recruitment context several times, especially to explain communication aspects in recruitment (Turban, 2001). According to signaling theory, neither the firm nor the potential applicants have complete information about each other (Ehrhart & Ziegert, 2005). Therefore one may consider mutual uncertainty as a main component in the application process which both, companies and applicants alike, try to reduce. Potential applicants interpret firms' visible activities and characteristics as signals of how working for the respective company would be like (Turban, 2001). Positively evaluated signals such as an attractive employment advertisement lead to positive inferences about the potential employer. However, for applicants it is difficult to know in advance whether a company indeed provides a 'great place to work' without actually having worked for it. There is thus a motivation for potential applicants to look for signals such as, for example, employer awards that help them determine the quality of a firm as an employer before actually joining it.

Third-party signals, like word-of-mouth or endorsements from third-party organizations, are known to influence behavioral outcomes (van Hoye & Lievens, 2009; Masters & Sanogo, 2002). The most prominent feature of third party signals is their perceived independence, which in turn creates credibility (Deaton, 2004). If a source is perceived as credible, there is, in general, a positive effect on attitude change (Acarlar & Bilgiç, 2013; Wilson & Sherrel, 1993). Thus, third-party certification, like an employer award, may be an effective way to reduce uncertainty and signal quality.

Awards have been proven to function as quality signs in consumer marketing. They influence consumer behavior (Dean & Biswas, 2001; Parkinson, 1975), the market value of a firm (Hendricks & Singhal, 1996) or movie success (Dodds & Holbrook, 1988). They are usually seen as valid indicators of product quality, since third party quality signals are generally judged to be more trustful than producer induced signals (Cable & Yu, 2006). Existing literature on consumer behavior indicates that awards or quality signs enjoy high levels of appreciation and are perceived as an important source of product related information (Grant, 1969; Laric & Sarel, 1981; Parkinson, 1975). Consumers use quality signs to evaluate products and services. Quality signs act as information cues and comprise producer induced signals such as the packaging, brand name, or price, but also third party induced signals, such as awards (Orth & Krška, 2002). Those signals provide highly compressed information and thus help customers to overcome information deficits and to avoid information overflow.

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<sup>&</sup>lt;sup>6</sup> The content provided by third party quality signs may be classified into three categories: factual certification, which certifies the presence of a certain characteristic (e.g., geographical origin), warranty certification, which certifies warranty commitments and evaluative certifications, which certify a certain quality. While factual and warranty certification have some importance for consumer goods, they are less likely to be influential on recruitment outcomes. Thus, we focus on the evaluative certification category, which is also the most observed certification characteristic in consumer research and less restrained from institutional conditions (Laric & Sarel, 1981).

Awards moreover function as signals of unobservable product quality (e.g., the reliability of the product). By providing an evaluation of the products based on product characteristics, third party quality signs can reduce uncertainty and risk perception in a purchase situation (Dean & Biswas, 2001). Accordingly, awards enable customers to more efficiently conduct purchase decisions (Zeithaml, 1988).

#### 3.3 HYPOTHESES DEVELOPMENT

The results of previous award literature may be transferrable to the recruitment context as job-seekers behaviour parallels the consumer's behaviour in that regard that both search for reliable information about the potential quality of the decision subject (i.e., potential employer or product) (Maurer, Howe, & Lee, 1992). The search for a job may reflect the situation of searching for a high-involvement good, which is a product or service that involves a stronger information gathering and central routes of information processing (Petty, Cacioppo, & Goldman, 1981). Even though potential recruits will devote energy and time for screening potential employers (Cable & Yu, 2006), individuals do not have complete information about potential employers and third parties can contribute to closing this information gap (Orth & Krška, 2002; Taylor, 1958). Research on message credibility (Stiff, 1994) consistently shows that the expertise and trustworthiness of a communicator enhances the believability of a message (Breaugh & Starke, 2000; Fisher, Ilgen, & Hoyer, 1979). Messages from neutral sources, like awards, are regarded as trustworthy information sources and thus influence opinion building and decision making (Chaiken & Stangor, 1987).

The influence of an award is, however, not without boundaries. An employer award will particularly unfold a positive influence on applicants' job pursuit intentions, if it is

well-known in terms of having a high level of awareness among the members of the target group. Such well-known awards are more capable to provide a positive image transfer to the recruiting firm, since they are more likely to constitute a strong brand on their own. The brand alliance literature shows for example, that a strong brand is a better partner for leveraging the potential of a product that is jointly presented by two companies (Levin, Davis & Levin, 1996).

Another reason why well-known awards may have a stronger effect than less familiar awards are so called 'bond costs' (or 'signal costs'), known from the signaling literature (e.g., Connelly et al., 2011), which are associated with quality signals. Bond costs are potential costs for the award provider if the quality signal is false and the certified company is of low quality (Ippolito, 1990). The higher the bond costs, the more credible, and thus stronger, is the quality signal (Dean & Biswas, 2001; Ippolito, 1990). A false award would tax the reputation of the award provider, which is perhaps his most valuable asset (Dean & Biswas, 2001). Therefore, awards which are more familiar have higher bond costs than less or unknown awards. An award provider with a high level of awareness has invested much more in order to achieve that level, thus the potential reputational losses (and thus bond costs) are higher for a well-known award provider. Such award providers have a great incentive to make sure that certified companies are indeed of high quality in order to protect their reputation, therefore they are more credible. Credibility on the other hand increases the strength of a signal (Dean & Biswas, 2001). Therefore, the (perceived) strength of a quality signal depends on that signals' credibility, which is determined by its bond costs. The bond costs of award providers in turn are contingent on the potential reputational losses – and these are higher for well-known awards. Thus, a well-known award constitutes a strong quality signal and will therefore

positively influence applicants' job pursuit intentions because the firm will be perceived more positively and becomes more desirable. If consumers are not familiar with a third party's quality sign the award might not be able to credibly signal quality and thus is not able to modify their attitudes (Doney, Cannon, & Mullen, 1998; Jiang, Jones, & Javie, 2008). Therefore, the following hypothesis is derived:

H1: Recruitment advertisements with well-known employer awards will cause higher levels of job pursuit intentions than recruitment advertisements without employer awards and advertisements with unknown awards.

Furthermore, we assume that the impact of employer awards is contingent upon corporate brand awareness, which is here specified as being known versus being unknown by the target group.

Prior recruitment studies provide preliminary evidence that the efficiency of recruitment activities depends on the corporate or product brand awareness (e.g., Collins, 2007; Walker, Feild, Giles, & Bernerth, 2008). The usage of employer awards may be nested into the category of low-information recruitment practices, which comprise recruitment ads among others. Low-information recruitment practices send rather general (positive) signals, but do not provide highly detailed information and thus can be processed without much effort. They have been found to influence application decisions the most when corporate or product brand awareness is low (Collins, 2007). Thus, according to extant research (Walker, Feild, Giles, Bernerth, & Short, 2011), the impact of employer awards should be contingent on corporate brand awareness in such that an

unknown company may profit from employer awards while a well-known company might not.

Employer awards may have an increased positive impact on unknown firms since potential applicants do not hold any information about these firms (Fombrun & Shanley, 1990; Gatewood, Gowan, & Lautenschlager, 1993). Accordingly, an award does not only adjust or enrich previously established information about the company but builds the employer image itself to a greater extent. Furthermore, the low prominence of an unknown firm can be equalized by an award so that an award for an unknown firm has a greater positive impact on applicants' job pursuit intentions. The study by Hendricks and Singhal (1996) shows that winning an award is much more relevant for and has a greater impact on small firms compared to larger ones. The authors argue that small firms are less expected to win awards, increasing the positive signal. For large and well-known companies winning an award is less of a surprise or even taken for granted, which is why potential applicants' perceptions may be less influenced in that case. Therefore, we assume that employer awards will more positively influence applicants' job pursuit intentions when corporate brand awareness is low.

Moreover, when looking at well-known companies, extant studies argue that they may not gain from implementing low-information recruitment practices (e.g., Collins, 2007). Additional information needs to be highly specific in order to influence perceptions of companies that have already built a high level of awareness in the minds of potential job seekers. However, specific information is less likely provided by low-involvement recruitment practices such as employer awards. The extant level of information may restrict the influence of any additional bit of information conveyed by employer awards since they might be interpreted as redundant. In line with this

argumentation Rao and Ruekert (1994) state that combining two brands can serve as quality signal when the individual brand is unable to successfully signal quality by itself. Using signaling theory they show that if quality is not easily observable, any reputable ally could serve to signal quality, as long as the ally adds a functional benefit. They illustrate that, if the sole purpose of a brand alliance is to provide a (quality) signal, brand alliances should not be observed when there is no information asymmetry.

However, well-known companies might not require an award to guarantee their quality. Well-known companies usually have more media exposure than unknown companies, which makes them more visible and in turn they attract more public attention and scrutiny (Bansal, 2005). This engenders the risk of losing employer reputation if such firms do not treat their employees well, potentially scaring of applicants. Therefore, well-known companies have an extra incentive to avoid deficient personnel politics. This will be anticipated by potential applicants who will expect that well-known companies uphold a certain standard in their human relations.

For this reason, a well-known brand and an award fulfill a comparable purpose – they signal that the working environment is up to a certain standard. However, if applicants already anticipate the quality of an employer, the addition of an award does not add much value, since it does not reduce the applicant's information asymmetry and thus search cost (Rao & Ruekert, 1994). Unknown companies, on the other hand, cannot rely on previous quality expectations of potential applicants. Therefore, signaling employment quality may particularly be useful if the company in question is unknown (Kirmani & Rao, 2000). Accordingly corporate brand awareness decreases the effect of employer awards on applicants' job pursuit intentions.

In summary, we derive following hypothesis:

H2: Corporate brand awareness moderates the impact of awards on job pursuit intentions. The positive effect of employer awards will be stronger for unknown brands and weaker for well-known brands.

## 3.4 METHOD

We decided to use a between-subject experimental design for our study. Experimental data with manipulated independent variables does not suffer from endogeneity problems (Antonakis, Bendahan, Jacquart, & Lalive, 2010) and is less prone to common method bias (Brannick, Chan, Conway, Lance, & Spector, 2010; Richardson, Simmering, & Sturman, 2009) thus providing higher levels of internal validity than ordinary survey data. Having manipulated rather than measured the independent variables is particularly important, when the dependent variable is a perceptual self-reported measure, such as job pursuit intention (Walker et al., 2011). Moreover, we utilized genuine companies and awards in order to ensure external validity.

In order to conduct our study, we have to choose recruitment material to which both stimuli, the employer award and the corporate brand can be attached to. Since the employer award and the brand are both pictorial elements which are commonly used on recruitment material in the early recruitment stages, we decided to use recruitment advertisements as material. Recruitment advertisements are an important mode of recruitment (Collins & Stevens, 2002) and are among the most commonly used recruitment practices (Born & Taris, 2010; Jones, Shultz, & Chapman, 2006) in early recruitment stages. Moreover, they are used in different media (in printed form as well as online).

In the next section we describe our pretests. We made two separate pretests: in the first, we check different manipulations of the employer award and the corporate brand awareness, in the second one, we test different recruitment advertisements.

#### 3.4.1 Pretests

As this experimental study is focused on the effects of employer awards and corporate brand awareness, we performed a manipulation check for both independent variables. Therefore we surveyed in a pretest 360 students at a German university testing their knowledge about different awards and companies. We found the 'Fair Company ®' award to have highest awareness among the observed students while the 'CASH®' award was unknown (mean difference=0.25, p<0.001; Item: Please indicate if you know the following company, even if it is just by name; 0=no-1=yes). In order to cover a high level of variance of the independent variable the best-known award 'Fair Company ®' and the unknown award 'CASH ®' were chosen as manipulations in our experimental setting for specifying the award variable. Furthermore, corporate brand awareness was measured. For this purpose we listed firms from several top employer rankings. Another firm (hereafter called 'Unknown') was additionally included to test the assumption that this firm is unknown. The survey's results showed that a big German aviation company (hereafter called 'Known') was not only well-known to all participants, but that genderspecific biases in the evaluation as potential employer did not occur either. Moreover, it was, and still is, ranked among the leaders in comparative employer ratings like "Germanys Top 100 Employers". Therefore the company is not only well-known, but also reputable. Furthermore, none of the participants knew 'Unknown'. Therefore,

'Known' and 'Unknown' were chosen to be included into the main study to measure the moderating effect of corporate brand awareness.

After awards and corporate brands were chosen, a second pre-test study (n=45) was conducted to choose the recruitment advertisement. A total of ten advertisements were tested in a within-subject design. Due to the fact that 'Known' and 'Unknown' feature a quite similar corporate design, existing pictures of advertisements by 'Known' were used for the test. In this process two central criteria were examined. First, we aimed at assuring that the advertisements were unknown, i.e. that the advertisements were not associated with 'Known', to avoid biases. Furthermore, the advertisement's activation potential should be low to avoid strong distraction from the award. The general activation was tested according to Thayer (1967) with a 7-step Likert scale ranging from 1 ('Does not apply at all') to 6 ('Fully applies') using 10 items. An exemplary item is 'the advertisement is very vivid'. Two of the displayed advertisements were completely unknown. We chose to use the advertisement with the lower general activation level out of the two (mean=1.99; S.D.=0.71 on a 7-point Likert scale reaching from 0 to 6, with 0 representing very low activation and 6 representing very high activation).

#### 3.4.2 Main Study

The final sample consisted of 703 participants with 75.39% students. The majority of these students were enrolled in economics, psychology, or other humanities. The average age was 24.09 years (S.D.=3.95) counting 27.88% male participants and 30.03% actual job-seekers. The work experience was 1.86 years on average (S.D.=3.44). The survey was conducted online and participation was voluntary and participants were

invited to a lottery where they could win one out of three Amazon vouchers (each worth 10€). We distributed the survey link via the newsletter of the university.

In the main study, we presented different combinations of firm logo and employer award. Since we tested three sets of awards (no award, low-awareness award, high-awareness award) with two firm logos (known corporate brand, unknown corporate brand) we ended up with a 2x3 design. The advertisement used was the same for all six groups and was based on an e-card of 'Known' which could be downloaded from the firm's website. For the advertisement of 'Known' the logo could be left in the advertisement, whereas for the other groups the logo of 'Known' was replaced by the 'Unknown' logo (for an example advertisement see appendix B). The participants were randomly attached to the six groups to prevent systematic selection biases.

#### 3.4.3 Measurement

**Job pursuit intention.** The dependent variable job pursuit intention was measured by two questions from previous research (e.g., Highhouse, Lievens, & Sinar, 2003). We asked the study participants to respond to the statements 'I would take a job offer from THE COMPANY instantaneously' and 'A job offer of THE COMPANY would be among my preferences' using a 7-point Likert scale reaching from 0 ('Does not apply at all') to 6 ('Fully applies'). The scale provided a sufficiently high Cronbach's alpha value of 0.87.

Control variables. Following previous studies in the recruitment literature (e.g., De Goede, Van Vianen, & Klehe, 2011), we controlled for several individual demographics and characteristics, which might have had an effect on applicants' job pursuit intentions. As demographic variables we included age and gender. As further

characteristics, we included the current study semester, the expected duration until the end of the studies, level of graduation, job search and perceived employment chances as indicators for experience and involvement. Individuals, who have studied longer have had more chances to get into contact with recruitment efforts of firms. These individuals usually have more working experience and might look systematically for different job features than inexperienced study participants. Moreover, individuals who are currently searching for a job are more likely to view a job advertisement more carefully (Baum & Kabst, 2013) and if they perceive to have high employment chances, they might be pickier and thus will not apply if something does not exactly meet their requirements. Thus, we included these controls into our analysis of covariance (ANCOVA).

### 3.5 RESULTS

Descriptive statistics and correlations are displayed in Table 3-1. Table 3-2 presents the results for testing our hypotheses.

All models tested show a significant variance explanation regarding applicants' job pursuit intentions. The results only partially support Hypothesis 1, in which we assumed that employer awards have a positive effect on applicants' job pursuit intentions, if the award is familiar. (F-value=8.80, p<0.001). Table 3-2 suggests that awards have a significant effect on applicants' job pursuit intentions, whereas Table 3-3, displaying the contrasts of the different levels of employer awards, shows a more nuanced picture.

**Table 3-1: Descriptive Statistics** 

Variables	Mean	S.D.	Job pursuit intention	Employer award	Corporate brand	Age	Gender	Duration until graduation	Current semester	Level of graduation	Job search	Employ ment experience
Job pursuit intention	2.43	1.68										
Employer award	0.88	0.55	0.08 *									
Corporate brand	0.48	0.50	0.34 ***	0.05								
Age	24.09	3.95	-0.05	-0.05	-0.01							
Gender	1.28	0.45	0.03	0.14 ***	0.04	0.18 ***						
Duration until graduation	2.51	2.09	0.02	-0.06	-0.14 ***	-0.30 ***	-0.05					
Current semester	5.93	3.92	-0.02	-0.03	0.07 †	0.22 ***	0.08 *	-0.40 ***				
Level of graduation	1.44	1.11	0.14 ***	0.01	0.05	0.03	0.01	0.03	0.37 ***			
Job search	1.30	0.46	0.09 *	0.04	0.11 **	0.02	0.08 *	-0.16 ***	0.15 ***	0.11 **		
Employment experience	1.86	3.44	-0.04	-0.04	-0.05	0.74 ***	0.12 **	-0.08 *	-0.04	-0.07 †	-0.01	
Perceived employm. chances	3.56	0.93	-0.08 *	0.02	-0.07 †	-0.14 ***	0.05	-0.01	0.02	-0.05	-0.07 †	-0.09 *

Note: n=703. Standardized coefficients are reported. \*\*\* Coefficient is significant at the 0.001 level (2-tailed). \*\* Coefficient is significant at the 0.01 level (2-tailed). \* Coefficient is significant at the 0.10 level (2-tailed).

**Table 3-2: Results of the ANCOVA** 

Dependent varia	Model 1 (full model)			Model 2 (known corporate brand)			Model 3 (unknown corporate brand)			
	Independent variables	F-value	p-value	partial ETA <sup>2</sup>	F-value	p-value	partial ETA <sup>2</sup>	F-value	p-value	partial ETA <sup>2</sup>
	Constant	27.25 ***	0.00	0.04	13.55 ***	0.00	0.04	9.60 ***	0.00	0.03
Direct effect	Employer award	8.80 ***	0.00	0.02	6.77 ***	0.00	0.04	3.67 *	0.03	0.02
	Corporate brand	64.91 ***	0.00	0.09	-	-	-	-	-	<u>-</u>
Interaction effect	Employer award X Corporate brand	3.35 *	0.04	0.01	-	-	-	-	-	-
	Age	0.88	0.35	0.00	0.56	0.46	0.00	0.04	0.84	0.00
	Gender	0.17	0.68	0.00	0.23	0.63	0.00	0.29	0.59	0.00
	Duration until graduation	0.75	0.39	0.00	0.18	0.67	0.00	0.52	0.47	0.00
C t 1-	Current semester	3.96 *	0.05	0.01	0.53	0.47	0.00	6.82 **	0.01	0.02
Controls	Level of graduation	17.78 ***	0.00	0.03	9.68 ***	0.00	0.03	7.38 **	0.01	0.02
	Job search	0.53	0.47	0.00	0.00	0.98	0.00	1.08	0.30	0.00
	Employment experience	0.18	0.67	0.00	1.94	0.16	0.01	0.29	0.59	0.00
	Perceived employm. chances	3.22 +	0.07	0.00	2.61	0.11	0.01	1.15	0.28	0.00

 $R^2_{\text{full model}} = 0.18$ 

Note: \*\*\* Coefficient is significant at the 0.001 level (2-tailed). \* Coefficient is significant at the 0.05 level (2-tailed). † Coefficient is significant at the 0.10 level (2-tailed).

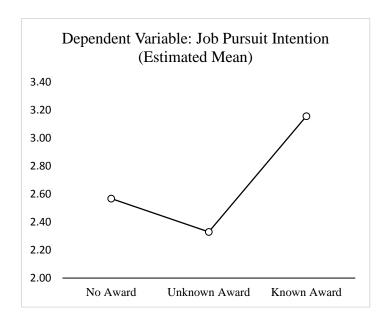
Table 3-3: Contrasts (K-Matrix) for the Dependent Variable (Job Pursuit Intention) at Different Levels of the Award Variable

		Reference: Level 3							
Value of the awards variable (Level 1= no award; Level 2= unknown award; Level 3= known award)	Level 1 vs. Level 2			Level 1 vs. Level 3			Level 2 vs. Level 3		
	Estimate	p-value	$d_{Cohen} \\$	Estimate	p-value	$d_{Cohen}$	Estimate	p-value	$d_{Cohen} \\$
Model 1 (full model)	-0.24 †	0.10	-0.07	0.59 *	0.01	0.45	-0.83 ***	0.00	-0.52
Model 2 (known corporate brand model)	-0.63 *	0.01	-0.26	0.37	0.32	0.26	-1.00 **	0.00	-0.53
Model 3 (unknown corporate brand model)	0.13	0.44	0.06	0.75 **	0.01	0.62	-0.62 *	0.02	-0.52

Note: \*\*\* Coefficient is significant at the 0.001 level (2-tailed). \*\* Coefficient is significant at the 0.01 level (2-tailed). \* Coefficient is significant at the 0.10 level (2-tailed).

In Table 3-3 we see that using a well-known award is superior to using an unknown award (mean difference=-0.83, p<0.001) and to using no award (mean difference=0.59, p<0.05). Thus, Hypothesis 1 receives support. Moreover, the results suggest that the relation between using an award and job pursuit intentions might not be a linear function, but that the relation is non-monotonic and that using an unknown award may even be detrimental for applicants' job pursuit intentions as suggested by a weak negative effect size difference between using no award and using an unknown award (mean difference=-0.24, p<0.1). In Figure 3-1, we plot the relationship between employer awards and job pursuit intentions.

Figure 3-1: Effect of Employer Awards on Applicants' Job Pursuit Intentions (Full Sample)



In Hypothesis 2, we argued that unknown corporate brands profit more strongly from employer awards than known corporate brands. Table 3-2 already suggests that

corporate brand awareness moderates the relation between employer awards and job pursuit intentions (F-value=3.67, p<0.05). Table 3-3 further underpins this finding.

For unknown corporate brands, we find that using a well-known award increases applicants' job pursuit intentions significantly compared to using no award (mean difference=0.75, p<0.01) and compared to using an unknown award (mean difference=0.62, p<0.05). Therefore, unknown firms profit from using a well-known award. For known corporate brands, we find a different relationship between employer awards and job pursuit intentions. Known corporate brands do not profit from using a well-known award compared to using no award (mean difference=0.37, n.s.). Applicants' job pursuit intentions even decline significantly if a recruiting firm with a known corporate brand uses an unknown award (mean difference=-0.63, p<0.05). Accordingly, we see that the indication for a negative effect of unknown awards, which we already found in our full model, is more distinct for known brands. Therefore, known brands do not benefit from using a well-known award, instead they even suffer if they use an award, which is unfamiliar. Figure 3-2 shows the plots for the effect of employer awards on applicants' job pursuit intentions for known corporate brands and for unknown corporate brands. Table 3-4 supplements Figure 3-2 and provides an overview of the descriptive statistics of the dependent variable job pursuit intention for all scenarios.

Figure 3-2: Effect of Employer Awards on Applicants' Job Pursuit Intentions for Known and for Unknown Corporate Brands

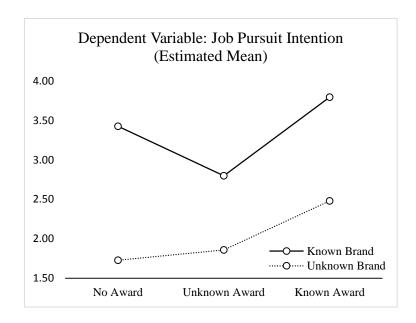


Table 3-4: Descriptive Statistics for the Dependent Variable (Pursuit Intention) for all Scenarios

Scenarios	Mean	S.D.
Unknown brand & no award	1.76	1.35
Known brand & no award	3.31	1.88
Unknown brand & unknown award	1.84	1.42
Known brand & unknown award	2.84	1.78
Unknown brand & known award	2.56	1.12
Known brand & known award	3.74	1.09

#### 3.6 DISCUSSION AND IMPLICATIONS

The objective of the present study was to identify the influence of employer awards on applicants' job pursuit intentions. It was assumed that the use of (well-known) awards in the context of recruiting improves applicants' job pursuit intentions. Moreover, drawing on signaling theory and previous research on recruitment, we assumed this effect to be particularly strong for unknown companies. This study contributes to the recruitment literature and our understanding of application tendencies in early recruitment phases in a number of ways.

We contribute to the recruitment literature by examining the unbiased effect of awards on applicants' job pursuit intentions and by illustrating the relevance of differences in signal strength. We show that award familiarity is essential for the effectiveness of awards, thereby underlining that the type of the award (known versus unknown) is highly relevant for its impact on recruitment. Thereby we provide a more nuanced insight into the determinants of award effectiveness. Our findings are consistent with previous consumer-related research, showing that familiar awards are especially suitable to shape applicants reactions towards a company in a positive manner. This may be due to the fact that unfamiliar awards are perceived as less credible and thus appear not as assuring as familiar awards (Yousafzai, Pallister, & Foxall, 2005). Perceived lower bond cost may account for this effect. Since providers of unknown awards do not have to lose as much as providers of well-known awards, they might be sensed as being less thorough and conscientious when evaluating a company's quality. Therefore, unknown awards are perceived as less credible and hence could be useless, just like awards which are not noticed or incomprehensible (Yang et al., 2006). This adds to the recruitment

literature, since it confirms the positive effect of (well-known) awards and because it highlights the importance of familiarity in this context.

Furthermore we provide a more nuanced view on early recruitment processes. By showing that the value of awards is contingent upon corporate brand awareness, we advance signaling theory and brand-equity reasoning in the recruitment context. Prior recruiting studies mostly argued that the employer brand would be an antecedent of applicant attraction (Gatewood et al., 1993; Martin, Gollan, & Grigg, 2011; Turban, 2001). We now depict that the corporate brand also moderates the attraction building process. We show that (well-known) awards only have a significant positive impact on applicants' job pursuit intentions if corporate brand awareness is low, whereas known brands do not seem to profit from an award. On the contrary, if the award is unfamiliar, it harms a known corporate brand and reduces applicants' job pursuit intentions. This is novel and shows that a fine-grained perspective is needed to fully elaborate the processes of opinion building in an early recruitment phase.

Awards may not have a positive effect if the company is well-known, because low-information sources are less influential when corporate brand awareness is high, since highly specific information would be needed to impact potential applicants' perceptions. This may not be achieved by an award, since this source of information is not able to sufficiently convey this type of information. This leads to a comparably weaker effect of (well-known) awards on applicants' job pursuit intentions for known companies. Furthermore, we suppose that potential applicants do not associate employment quality with unknown companies, which is instead transferred by well-known awards. In contrast to unknown company brands, most qualities and advantages of known company brands are already known. Therefore, corporate brand awareness substitutes the impact of other

quality signals, such as awards, since a known corporate brand already serves as information cue and as a positive signal about the potential workplace (Collins, 2007). For this reason, well-known companies may not benefit from showing an award, even if it is familiar.

Moreover, positive third party quality signals may even have a deleterious effect for well-known companies, since applying an unknown award reduces applicants' job pursuit intentions. This finding highlights an important future avenue for signaling and third-party signal research, by showing that even a positive signal can damage the outcome, if the accrediting organization is, in terms of familiarity, considerably beneath the awarded organization. Some recent studies on signaling theory provide the ground for interpreting this finding. For instance, Connelly et al. (2011) state that signals need to be consistent in order to avoid confusion. The combination of a known employer with an unknown award may violate this assumption. This situation is aggravated by the fact that companies are able to control if and how an award is placed and hence are perceived as responsible for it. Furthermore, as illustrated by Erdem and Swait (1998), signal consistency influences the perceived willingness and ability of a company to keep its promises and thus underlines its commitment to quality. Thus, inconsistency may, in turn, cause a decline in perceived quality.

The literature on brand alliances provides further explanations for our findings (Lafferty, Goldsmith, & Hult, 2004; Levin & Levin, 2000). Studies from this research field suggest that brand alliances have an effect on the participating corporate brands and not only on the jointly marketed product. If a product is jointly promoted by two brands, one being a known and the other being an unknown brand, the known brand serves as a quality indicator (Sutherland & Galloway, 1981) for the brand alliance (Lafferty et al.,

2004). However, while bolstering up the reputation of the brand alliance, the known brand may suffer from reputational damage or a reduced brand value because of the link with an unknown brand (Levin et al., 1996; Park, Jun, & Shocker, 1996). The same rationale seems to apply to awards in the recruitment context. When a known corporate brand and an unknown award are jointly displayed on a recruitment advertisement the perception of the recruiting firm as a potential employer deteriorates and becomes significantly less favorable compared to using a well-known or even no award at all. This potential downside of awards has not received attention in previous studies, but as we show, is of theoretical value and might be a fruitful avenue for future studies on (recruitment) awards.

From the findings of the present study, some implications for practice can be deduced. First and foremost, the results of this study suggest that companies should not use employer awards imprudently. Some companies may not even consider, whether or not the award used is known or unknown or they want to apply for an award and have to pay an application fee and therefore decide to choose a cheaper, but unknown, award, because they figure it doesn't matter. We show that award familiarity is very important for the effect of an award on applicants' job pursuit intentions. Thus, firms should only attach an award to their recruitment materials when the target group is aware of the award. Additionally, companies should endeavor to inform applicants about the significance of awards, in order to strengthen their impact (Yang et al., 2006). Moreover practitioners may learn from this study that employer awards have a significantly stronger effect on applicants' job pursuit intentions if the corporate brand is unknown. However, in case of an existing known corporate brand, an investment in awards is rather inopportune and potentially disadvantageous.

#### 3.7 LIMITATIONS AND AVENUES FOR FUTURE RESEARCH

Besides the before mentioned theoretical implications, this study holds some limitations as well. It provides a first empirical examination of employer awards. Therefore, this topic still requires further in depth research, such as how employer awards work in different recruitment contexts or on different recruitment channels (e.g., websites).

Future studies could enlarge our findings by including behavioral outcomes into the research framework rather than applicants' job pursuit intentions. However, we know from prior studies that job pursuit intentions mediate the effects of recruitment sources on job choice (Chapman, Uggerslev, Caroll, Piasentin, & Jones, 2005; Chapman & Webster, 2006). Moreover, another meta-analysis from Armitage and Connor (2001) on the theory of planned behavior outlines that intentions are strong predictors of actual behavior across contexts. Accordingly, we believe our findings to have some important implications for understanding applicant attraction, especially given that this is the first study aligning applicants' job pursuit intentions and employer awards. Still, we need additional research linking actual job pursuit behavior with the results from this study in order to provide a more holistic picture.

Two further issues which demand for future research in the award context are realistic job previews (RJPs) and person-organization fit (P-O fit). We observed recruitment through a marketing lens, assuming that increasing applicants' job pursuit intentions would be an eligible goal. Yet, firms also care a great deal about subsequent human resource outcomes such as job performance and retention of hired personnel. Previous studies (e.g., Weller, Holtom, Matiaske & Mellewigt, 2009) argue that these outcomes are positively related to the degree of realistic information about potential

employers that individuals could gather prior to job choice (Premack & Wanous, 1985). RJPs allow individuals to pre-select employers and jobs which provide a high fit with personal goals and values (Dineen, Ling, DelVecchio, & Ash, 2007). In this study, we argued that employer awards which provide positive information about a potential employer increase applicants' job pursuit intentions. However we do not analyze whether this relation is contingent upon P-O fit. Given that employer awards do not falsely decorate employers which do not match the award criteria, employer awards are realistic information. That way, it would be possible that employer awards also increase the proportion of well-fitting applicants and not only applicants in general, since allowing a more realistic job preview. Especially if they signal not just high employer quality in general, but for example certain core values (similar to awards like "Working Mother 100 Best Companies", "Best Companies for Multicultural Women" or "The Employer Of Veterans Award"). However, a converse rationale could apply as well. Since awards are information chunks, they could hamper a deeper processing of additional information provided by further sources. If that happens, application behavior may be based on a smaller amount of information and thus the validity of employer choice may diminish. Therefore, investigating the effects of employer awards on the processing of other information, for example P-O fit, would be a very interesting avenue for future research.

Furthermore, we only investigated awards with regard to their impact on recruitment. However, awards do not only influence potential applicants, existing employees are most likely affected as well. An award may not always be ideal to foster recruitment, but it could serve as an instrument to reassure the present workforce that they are working for an attractive and accredited employer. Thus, an acknowledgement and certification of a company by a third party could have an encouraging effect on its

employees. It could boost their self-perception, lead to higher identification with the company, and increase commitment, which eventually may even enhance performance. Therefore an investigation of the effects of awards on the existing workforce would be just as essential as the exploration of their impact on potential applicants to fully comprehend their influence.

Moreover, we think it would be fruitful for future research to look at awards and their effects during the different stages of the job search process. Awards might trigger certain expectations which influence the perceptions of jobseekers in later stages of the search process. Thus, applicants might be more critical (or more lenient) towards subsequent information provided in the recruitment process if the recruiting company received (or not) an employer award. For example, applicants may be more sensitive when it comes to shortcomings regarding their treatment in the recruitment process (e.g., if the company isn't answering in time or doesn't respond to them the way they expected). Applicants might perceive this behavior as more negative if the company has won an award, because it seems like reneging on an implicit promise.

In addition, opening the black box and looking at the mechanisms which determine the impact of awards (for example award credibility) would be valuable. It would be interesting to know which factors determine the strength of awards and how these factors can be affected (e.g. ranking awards may be more credible, and thus more powerful, than non-ranking awards). This way future research could add to the development of a more precise picture of awards and their individual differences.

This study used a student sample, and we do not know whether or not our findings translate to other jobseekers with more experience. However, as new labor-market entrants they are an important part of the labor market (Kanar, Collins, & Bell, 2015) and

since high-level positions are usually staffed with individuals which have an academic degree, students are an important target group because it is likely that eventually they will become strategically relevant for the organization. Nevertheless, is could be that more experienced jobseekers are less impressionable by awards, because their experience shows them that companies without awards are good employers too or they found that companies with awards are not necessarily better employers. On the other hand, they might value good working conditions more, which would make them even more sensitive towards awards. Thus future research should look at this target group as well.

# CHAPTER 4 TOP EMPLOYER AWARDS: A DOUBLE-EDGED SWORD?<sup>7</sup>

#### **Abstract**

Organizations make use of top employer awards on multiple occasions in order to confirm their quality as employers via an independent third party. At first, the advantages of using awards seem apparent: Giving the organization an edge in the recruitment of future employees by increasing the organization's attractiveness in the eyes of jobseekers. Possible disadvantages accompanying the usage of awards have hitherto received little attention. We argue that awards can cause potential applicants to pay less attention to information regarding their fit with the organization. Our results show that while awards do indeed increase an organization's attractiveness, they also cause jobseekers to pay less attention to their fit with the (well-known) organization. Hence, successful self-selection, based on fit, is disturbed. Consequently, the quality of the applicant pool is reduced, resulting in a disadvantage for the recruiting organization. Our study contributes to the extant literature in recruiting by focusing on how awards change the impact of other information while also highlighting potential disadvantages of employer awards.

<sup>&</sup>lt;sup>7</sup> Chapter 4 is co-authored by Prof. Dr. Matthias Baum.

#### 4.1 INTRODUCTION

Awards – quality signals provided by independent third parties – influence our evaluation and decision-making processes significantly (Dean & Biswas, 2001). Studies from the management and marketing domains suggest that awards enhance the success of movies (Gemser, Leenders, & Wijnberg, 2008) and the appeal of and trust in products (Neuninger, Mather, & Duncan, 2017; Orth & Krška, 2002, Wu & Jang, 2014), and help to reduce information asymmetries between parties (Brach, Walsh, & Shaw, *in press*; Parkinson, 1975). Given these apparent advantages, awards have found their way into the recruitment practices of firms hoping for enhanced attraction of their employer brand. While numerous top employer awards have become prevalent in the last quarter-century, such as Great Place to Work, Fair Company, Fortune 100 Best Companies to Work For, Best Employers in Ohio, or Universum Top 100 Ideal Employers, and a variety of firms like Coca Cola, Microsoft, Bain & Company, or Old Mutual use them in their communication, we have relatively little understanding about their actual impact on attraction to organizations and applicant behavior – or how they influence the processing of other information.

Top employer awards seem to have a positive influence on application outcomes like attraction to organization or job pursuit intentions (Baum & Überschaer, in press; Collins & Han, 2004; Dineen & Allen, 2016; Turban & Cable, 2003). However, positive signals (like awards) may also entail a downside by making the organization look too good, a problem known from the realistic job preview literature (Colarelli, 1984; Richardson, McBey, & McKenna, 2008). In general, jobseekers tend to select themselves into organizations they perceive fit with (Judge & Cable, 1997; Schneider, 1987; Swider, Zimmerman, & Barrick, 2015). A top employer award however might tempt jobseekers

to pay less attention to information about the organization (which, for example, can be communicated via a job advertisement), impeding applicants' self-selection and resulting in applications of more non-fitting jobseekers. Even though organizations can use some measures to ensure fit, jobseekers play a major role in ensuring a high fit by self-selecting into fitting organizations (Russell & Brannan, 2016). Accordingly, even though awards may lead to an increase in organizational attractiveness, and therefore to a larger applicant pool a company can choose from, the quality of the applicant pool (in terms of personorganization fit (P-O fit)) might be affected in a negative way. Thus, top employer awards might be a double-edged sword, which needs to be handled carefully.

This study aims to contribute to the recruitment literature and signaling theory in several ways. First, we add to the understanding of third-party signals in the recruitment context by looking at the impact of top employer awards on attraction to organization (and application decision) in a controlled setting. Thereby we are able to properly examine their unbiased signaling effect.

Second, we assume that top employer awards act as a quality signal, which could be harmful for applicants' self-selection, and thus we suppose that awards negatively moderate the effect of P-O fit on organizational attraction and, indirectly, on application decision. In articulating this potential downside of awards, we introduce a more differentiated view on how top employer awards may affect not only applicant pool quantity, by attracting more applicants in general, but also applicant pool quality, by attracting more unfitting applicants because they take the fit information given in the recruitment material less into account. This is important, because so far research has mainly focused on the effects top employer awards have on certain outcomes (e.g., Baum & Überschaer, in press; Collins & Han, 2004; Dineen & Allen, 2016; Turban & Cable,

2003), but not on their effects on the processing of other information. Therewith we also contribute to signaling theory by examining the effect of quality signals on the processing of other information. We argue that a strong quality signal might suffice to make a decision, thus leading to a neglect of other information.

When evaluating the effect of a signal like a top employer award, examining one signal alone might not be sufficient (Akdeniz, Calantone, & Voorhees, 2014). Multiple signals coexist and influence the effect of each other, making it necessary to include consideration of possible interdependencies and boundary conditions. Therefore, our third contribution lies in stimulating the theoretical discourse about the interactive effects of multiple signals in the recruitment domain on the example of top employer awards, corporate brand strength, and fit information. Building on information integration theory (Anderson, 1971, Singh, 1975) and signal consistency research (Herbig & Milewicz, 1995), we assume that self-selection is even more reduced if multiple positive and easily accessible signals, like award and brand, are presented. In this way, we highlight the importance of interactions between multiple signals.

#### 4.2 THEORY AND HYPOTHESES

Signaling theory is concerned with information asymmetries and how they can be reduced by conveying information via signaling (Spence, 2002). Information asymmetries exists when information is not equally available to all and one party has information that would allow another party to make a better decision (Connelly, Certo, Ireland, & Reutzel, 2011). Signaling theory states that the party with superior information tries to reduce the information deficit of the other party by sending signals about the quality (Dean & Biswas, 2001). Such a signal can be described as "a marketer-controlled,

easy-to-acquire informational cue, extrinsic to the product itself, that consumers use to form inferences about the quality or value of that product", like the corporate brand (Bloom & Reve, 1990: 59). In the past, signaling theory has often been used to describe how the attractiveness of an organization in the eyes of applicants can be influenced by using signals (Celani & Sigh, 2011). During the application process, applicants do not perfectly know whether a job will be satisfying or if the workplace will not match their needs. Prospective applicants cannot assess the quality of a company as an employer and thus information asymmetry exists (Connelly et al., 2011). Jobseekers try to reduce these information deficits (Jahn, Schramm, & Spiller, 2005) by looking for signals, such as corporate brand or top employer awards, that help them to determine the quality of an employer prior to their first workday (Gemser et al., 2008).

In consumer research, the function of an award or a certification is to provide an impartial third-party endorsement to aid buyers in overcoming some of the problems of product selection (Taylor, 1958). For example, certification schemes are used to ensure marketing claims for unobservable quality attributes. In this way, endorsements by third-party organizations are suggested to have an effect on recipients' beliefs and attitudes (Dean & Biswas, 2001). Prior research indicates that top employer awards positively influence jobseekers (Baum & Überschaer, in press, Collins & Han, 2004, Dineen & Allen, 2016, Turban & Cable, 2003). By drawing on signaling theory, we propose that awards act as a quality signal, to reduce quality uncertainty and thus information asymmetry (Kaas & Busch, 1996). Following Connelly et al. (2011: 43), quality in connection with signaling theory can be described as the "underlying, unobservable ability of the signaler to fulfill the needs or demands of an outsider observing the signal."

some asset or wealth the sender of the signal will lose, if the signal provides incorrect information about quality (Kirmani & Rao, 2000). Since their reputation is probably the most valuable asset of award providers and because they would lose this reputation if the quality signal is not reliable, they will ensure that certified companies are indeed good employers. The bond costs related to top employer awards ensure that only high-quality employers will actually be awarded. High-quality employers are consequently more likely to win an award than low-quality employers. When it is possible for outsiders to correctly distinguish between high and low quality based on a signal, then the signal is effective (Connelly et al., 2011). Given that, applicants are able to differentiate between high- and low-quality employers based on awards, awards are able to serve as a quality signal. Quality signals are especially valuable in markets with asymmetrically distributed information (Orth & Krška, 2002), a characteristic that does apply to the labor market, thus emphasizing the importance of such signals for jobseekers. Since awards compare and evaluate several employers, they are a rather strong quality signal (Dean & Biswas, 2001), thus being able to noticeably influence jobseekers' perceptions about an organization. Therefore, we can expect awards to not only influence the decisions of consumers in a purchase situation, but also to influence decisions of prospective applicants regarding potential employers in a positive manner.

Summarizing, awards serve as a strong quality signal and therefore they should increase the attractiveness of the employer.

H1: Top employer awards have a positive effect on attraction to organization.

Awards do not just affect applicants' attraction to an organization directly; they also affect it by influencing how other information from recruitment materials, like P-O fit, is processed. Therefore, they are able to influence applicant pool quality. Prior studies already indicate that top employer awards might be able to affect applicant pool quality (Collins & Han, 2004; Dineen & Allen, 2016; Turban & Cable, 2003). These studies looked at quality signals, which can be evaluated and compared rather easily (like GPA or work experience) and their findings suggest that applicant pool quality increases, if the company has won an award. Less qualified individuals refrain from applying, since their chances appear rather slim. They may expect that companies get more attractive to other jobseekers when they have won an award, which increases the number of applicants the company can chose from. Thus, other, more qualified, candidates are likely to be preferred. However, these studies investigated actual organizations and thus it is not certain that the effects were indeed triggered by the award(s). Moreover, if the quality signal is not easily detectable, like P-O fit, awards should not have such a daunting effect on less qualified applicants and applicant pool quality should not increase. On the contrary, in such a case applicant pool quality might even decline.

Accessing information is costly (Markant & Gureckis, 2012), therefore individuals try to make their decisions as efficiently as possible and they will only spend time on the evaluation of information as long as they feel that the benefit of additional information is worth the effort of obtaining it (Nelson, 1974). Since job searching costs time, jobseekers will likewise only look for more information as long as the benefit associated with additional information exceeds the perceived costs of acquiring it. To save time and effort, they focus on signals that efficiently transmit information (Jacoby, Szybillo, & Busato-Schach, 1977). Top employer awards function as a convenient chunk

of information that guarantees the quality, and therewith attractiveness, of the employer (Dean & Biswas, 2001). They might already be sufficient to achieve the necessary level of acceptability at which point evaluating more information is no longer beneficial. Therefore jobseekers might not seek nor process further information, like P-O fit, if they can base their evaluation on such a convenient cue. Hence, we assume that awards, since they are a strong positive signal, could be able to draw off the attention from P-O fit. Thus, we propose that:

H2a: Top employer awards have a negative moderating effect on the P-O fit – attraction to organization relationship, such that the positive relation between P-O fit and attraction to organization is weaker when an employer displays an award than when an employer does not display an award.

Like awards, well-known organizational brands constitute positive signals. Following brand-equity literature, brands are important because they offer signals that people use to make inferences about attributes of a product or the organization itself (Cable & Turban, 2003). Thus, a brand can communicate unobservable quality (Erdem & Swait, 1998; Pauwels-Delassus & Mogos Descotes, 2013). In the case of a corporate brand, investments that are incurred to build the (well-known) brand serve as bond costs, thus allowing brands to credibly signal quality. Similar to awards, this could be enough to achieve the necessary level of satisfaction. The evaluation of further information might then not be judged as expedient, which, given that jobseekers want to make their decisions as efficiently as possible (Nelson, 1974), leads them to neglect detailed fit information given in recruitment materials.

Therefore, well-known organizational brands may function as a quality signal, which will enable them, just like awards, to distract jobseekers from the missing P-O fit.

H2b: A well-known corporate brand has a negative moderating effect on the P-O fit – attraction to organization relationship, such that the positive relation between P-O fit and attraction to organization is weaker when an employer is well-known than when an employer is not well-known.

Above, we reasoned that positive signals, like a top employer award and a wellknown organizational brand, cause a dilution effect, thus reducing the link between P-O fit information given in recruitment materials and applicant attraction. If multiple signals are present, which take the same line, this dilution effect should increase, thus further decreasing the impact of P-O fit. Since the signals in question, well-known corporate brand and top employer award, indicate quality, they both have a positive valence and are consistent. Therefore, based on information integration theory (Anderson, 1971; Singh, 1975) and signal consistency research (Herbig & Milewicz, 1995), we propose that the combined effect of the signals will be even stronger than the effect of one signal. Previous research lends some preliminary support for this effect, since it states that the influence of one signal alone is presumably limited and that multiple signals should have a greater effect (Collins & Stevens, 2002). Collins and Stevens (2002) show that firms can achieve superior applicant attraction if they combine different recruitment channels with each other (i.e. the effect of multiple recruitment channels is greater than the effect of one channel alone). Therefore, the authors argue that given the information asymmetry that jobseekers face regarding a potential employer, the uncertainty they experience, and the

limited resources they have to process recruitment information, the effect of a single personnel marketing activity is supposed to be limited. Crossing the internal threshold of acceptability should hence be even easier when multiple positive signals are present. Evaluating further information, like fit information given in recruitment materials, is then no longer beneficial as the costs of obtaining more information exceed the perceived gain (Nelson, 1974). Therefore, if exposed to multiple positive signals, the distraction is even greater because the combined effect of the signals is stronger, causing a double-dilution effect.

Accordingly, based on the previous literature, we posit that if an award and a known corporate brand are combined, their negative impact on the P-O fit – attraction to organization relation increases. This means that P-O fit information given in the advertisement will be even less processed by potential applicants, and thus will have less influence on attraction to organization, if both signals are received together.

H3: The negative moderating effect of one positive signal (well-known corporate brand or an award) on the P-O fit – attraction to organization relationship is enhanced when both signals are combined, such that the positive relation between P-O fit and attraction to organization is weaker when an employer is well-known and displays an award than when an employer is well-known and does not display an award (or is unknown and displays an award).

In order to see if the beforehand proposed direct effects on attraction also influence behavioral variables, we included a proxy for application decision in our study. Drawing on the theory of reasoned action (Ajzen & Fishbein, 1977), we know that attitude influences behavior. We think that strong signals, like award and brand, influence the attraction of an organization, which in turn determines whether or not this organization is included into the pool of potential employers. If jobseekers don't want to apply to an organization at random, which shouldn't be the case in a high involvement situation like job search, they need to have a (positive or negative) attitude towards an organization, before they can make such a decision. Therefore, variables like award or brand (and their interactions) do not automatically lead to an application, they first have to be evaluated by the individual. Thus, they should affect application decision indirectly via attraction to organization.

Therefore, we argue that attraction to organization mediates the relationship between the before mentioned predictors and the outcome variable application decision.

H4: Attraction to organization mediates the effect between the a) top employer award b) interaction term of award and P-O fit c) interaction term of brand and P-O fit and d) interaction term of award, brand and P-O fit and the dependent variable application decision.

# 4.3 METHOD

# 4.3.1 Experimental Design and Sample

In order to test our hypotheses, we used an adapted within-subject design where we manipulated the level of P-O fit (high vs. low) and different recruitment signals: the brand (well-known vs. unknown) and the award (no award vs. award), thus employing a 2x2x2 design. To identify stimuli, which are suitable for our manipulation, we conducted a pre-study. Then, we carried out the main study, which itself consists of two parts that

had to be answered by the same respondents at different points in time. The first part of the main study served to identify the individual value profile of each participant, which we needed later on to manipulate P-O fit in the second part.

## 4.3.2 Pre-Study

Since we needed brands with different levels of awareness, we conducted a prestudy with 110 students; all of them were jobseekers looking for a job within the next 12 months (mean=7.68 months, S.D.=3.59). Since we showed each respondent four advertisements in the main study, we had to identify two equally attractive and wellknown brands. Even though an organization can be well-known and have a negative image, organizations that are well-known are usually perceived as positive (e.g., Turban, 2001; Turban, Lau, Ngo, Chow, & Si, 2001), and we ensured that we used companies that are not only well-known but also have a good image. We also included a fictitious company in our pre-study to ensure that this company was indeed unknown and not mistaken for an existing and thus known company. Following Belt and Paolillo (1982), the subjects were given 21 firms, amongst them the fictitious company, and asked to indicate which organizations they are aware of in order to assess brand awareness and to rank the firms they knew on the basis of each firm's perceived corporate image, using a scale from 1 to 21 with "1" indicating "most favorable" and "21" indicating "least favorable". The real brands we used were chosen from a ranking of "most popular employer", since we tried to select two companies with high awareness and a good image. We found two brands, Audi and BMW, that were known by all participants and ranked equally high regarding their image (difference in mean value=0.44 on a ranking from 1 to 21, p=n.s.) and were within the same industry. We ensured that both brands were

equally ranked not just in overall comparison with each other, but regardless of the age, gender, or GPA of the respondents. In addition to the pre-study, we assessed awareness and perceived image of the brands in the main study. Awareness was measured dichotomously (unknown/known) (Sundaram & Webster, 1999; Williamson, Cable, & Aldrich, 2002), and image was measured with six items on a 7-point Likert scale (Allen, Mahto, & Otondo, 2007; Gatewood, Gowan, & Lautenschlager, 1993), an example item being "Please rate your opinion of this organization in terms of social responsibility". These additional tests confirmed the results from the pre-study, since both brands were known by all participants and did not differ in perceptions regarding their image (difference in mean value=0.03, p=n.s.).

Originally we planned to investigate the differences between unknown award and known award as well, therefore we also showed the participants 11 top employer awards and asked them if they knew the awards. We excluded participants which answered "I am not sure" instead of "yes" or "no" (n=10). Of the remaining 100 respondents 19.61% knew the known award and 0.93% knew the unknown award. This difference was statistically significant (difference in mean value=0.17, p<0.001).

However, since our pre-study showed that the best known award was only known by a minority, it is questionable to label the better known award as known. When conducting the final analysis using dummy coding as proposed by Hayes and Preacher (2014), we found no significant differences between the unknown award and the "known" award. Neither the direct effects nor the interactions effects were different when comparing the effects of the unknown award to the effects of the "known" award. Since the final analysis did not show any differences between the two awards, and because the different categories are theoretically hard to justify, we decided to integrate the two

awards into one category and to use only two distinct categories: award (including the unknown and the "known" award) and no award. Thus, instead of working with the 2x2x3 design, we restrict ourselves to a 2x2x2 design. We account for the thereby arisen differences in sample size between the groups by using weighted effect coding in our analysis as proposed by Aiken and West (1991).

## 4.3.3 Main Study

We drew our sample from a mid-sized German university. Participants had the chance to win one of two vouchers for an online shop if they participated in both parts of the study. 50.00% of our sample were about to start looking for a job within the next year and 72.22% within the next 24 months (mean=19.18 months; S.D.=18.11). 89.72% of the respondents were students, and the average age was 25.35 (S.D.=5.82).

Besides the manipulation of brand and award, which we tested in the pre-study, we also had to manipulate objective P-O fit. Therefore, we first had to assess the values of the individuals participating in the main study, in order to design personalized advertisements (i.e. advertisements that either fit or do not fit the personal value profile of an applicant). Thus, we collected the data for our main study at two points in time. We assessed the value profile of each participant at time 1, and at time 2 we used these values to manipulate high and low P-O fit when showing the advertisements.

**Time 1.** At time 1, we assessed characteristic and uncharacteristic values of our respondents. Therefore, we utilized the revised version of the organizational culture profile (OCP) (Judge & Cable, 1997), which was developed to measure congruence between the values of a person and the values of an organization (O'Reilly, Chatman, & Caldwell, 1991), and we employed Q-methodology. Following this procedure described

by O'Reilly, et al. (1991), we presented participants with the 38 value statements given by the OCP (like "informality" or "being socially responsible") and asked them to sort the items into 7 categories (from 1: least characteristic to 7: most characteristic) according to the extent to which they are characteristic of the individual<sup>8</sup>. Thereby respondents are forced to place fewer items in the extreme categories and more items in the middle categories (see appendix C). This is necessary, since all items are generally positive and participants need to be compelled to make a decision. Moreover, values selected in this way are closer to the truth because respondents have to make a choice and are thus less influenced by other factors, like social desirability (Cable & Parsons, 2001).

Time 2. At time 2 we manipulated high (low) P-O fit. Based on the respondent's value profile (see appendix C) from time 1, we selected five values which were most (least) characteristic for the respondent and used them for the high- fit (low-fit) description of the company, so that the values of the respondent matched (did not match) the values of the company. The five values for the high (low) fit description were composed of two items from category seven (one) and three (randomly picked) items from category six (two). Thus, the advertisements were, concerning P-O fit, customized for each respondent. After creating these custom-designed advertisements, we administered them to the participants at time 2. We received 108 completed questionnaires. Since one participant indicated knowledge of the fictitious brand, we discarded him or her in order to retain an unbiased manipulation. Each participant evaluated four manipulated advertisements, resulting in n=428 (107\*4) observations. We

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<sup>&</sup>lt;sup>8</sup> We had to discard two value items since they were comparably negative (like "working overtime") and thus not appropriate for our purpose. Even though those items may be highly characteristic for some people, they would probably not be perceived as positive, even if they would signal high fit.

allowed for a time lag of at least one week between time 1 and time 2 in order to reduce common method bias (Feldman & Lynch, 1988).

We decided to use a within-subject design because jobseekers tend to evaluate multiple advertisements at the same time before making the decision to apply, and because the design of an experimental study should reflect reality as accurately as possible. A within-subject design is close to reality and is the best technique to evaluate decision-making events in which individuals must evaluate and choose between multiple options (Collins, 2007; Hsee, Loewenstein, Blount, & Bazerman, 1999). Therefore, it is frequently used in recruitment studies (Harold & Ployhart, 2008; Kristof-Brown, Jansen, & Colbert, 2002; Thompson & Aspinwall, 2009). However, because we worked with a total of 8 scenarios, we had to consider that respondents' fatigue may affect results. Fatigue can occur if participants are confronted with a large set of scenarios (Judge & Bretz, 1992). Hence, in order to prevent overload and to avoid fatigue effects, as well as to employ a realistic setup, we utilized a mixed design, assigning four advertisements to each participant. We presented the four advertisements in randomized order to limit sequencing effects.

## 4.3.4 Measurement

**Independent variables** (**fit, award, brand**). Since we manipulated the independent variables, we coded "1" ("0") as the high (low) values of these variables, representing high fit (low fit), award (no award) and known brand (unknown brand).

**Attraction to organization.** We measured attraction to organization with three items adapted from Fisher, Ilgen, and Hoyer (1979) and Judge and Cable (1997), the three items being "Overall, I find this company very attractive", "I am very interested in going

to a job interview if offered one", and "I would be very willing to accept a job with this company if offered one". We utilized a 7-point Likert scale with 1=strongly disagree and 7=strongly agree (AVE=0.86, CR=0.95, Cronbach's Alpha=0.95).

Application decision. After the isolated evaluation of each job advertisement, we showed participants all four advertisements together and asked them to indicate the organization to which they would apply. They could choose as many advertisements as they wanted or indicate that they would not apply for any organization at all. However, to make this scenario more realistic, we simulated cost of application by asking respondents to write a short text about the reasons why they decided to apply for the chosen organization. Accordingly, study participants had to write an individual text for every organization they "applied" for.

Control variables. We controlled for several characteristics and demographics that may affect the jobseekers in their evaluation. We included age and gender as demographics (following e.g. Schreurs, Derous, Proost, & Witte, 2010; Thompson & Aspinwall, 2009) and asked respondents to indicate their grade point average (GPA) (following e.g. Rynes & Lawler, 1983). Since persons with a high GPA have a good standing in the labor market, they should be choosier and more demanding. However, since perceived marketability and actual marketability may be different due to self-consciousness, we also assessed perceived marketability. Perceived marketability is defined as the belief that one is valuable to an employer (Akdeniz, Calantone, & Voorhees, 2014; Ng, Eby, Sorensen, & Feldman, 2005). It can be expected that a person who perceives him- or herself to be valuable is pickier than a person who perceives themselves not to have many choices. Therefore, we followed previous recruitment literature (e.g. Dineen, Ash, & Noe, 2002; Eby, Butts, & Lockwood, 2003) and included

it as a control. We measured perceived marketability with one item ("Please indicate the likelihood of being offered a position in an organization") on a 7-point Likert scale (Chapman, Uggerslev, Carroll, & Piasentin, 2005). Since individuals may evaluate job advertisements more critically as they draw closer to their actual job search (Cable & Judge, 1994), we included pressure to find a job in our analysis as well. Pressure to find a job was measured by asking respondents when they want to start looking for a job (in months) (Cable & Judge, 1994).

**Manipulation check.** We checked whether or not our fit manipulation was successful. Therefore, we assessed perceived fit with three items, e.g. "To what degree do your values, goals, and personality 'match' or fit this organization and the current employees in this organization?" (Cable & Judge, 1996) and then calculated an analysis of variance (ANOVA) which included the control variables and objective fit. This allowed us to assess the effect of objective fit (which we manipulated) on perceived fit and we found that our manipulation was indeed successful ( $\beta$ =0.58, p<0.001).

# 4.4 RESULTS

We performed a confirmatory factor analysis (CFA) prior to hypotheses testing and then tested our hypotheses using structural equation modeling (SEM). Due to our within-subject design, we also tested our hypotheses using generalized estimating equations with exchangeable correlation matrices (see Ballinger, 2004). Since the significance level (1%, 5%, or 10%) of each predictor tested in our hypotheses remained stable and since the effects were in the same direction, we can conclude that correlation within respondents did not bias our results. We decided to depict the results of the SEM,

as this method allows us to test for direct and indirect effects simultaneously. Descriptive statistics and correlations are displayed in Table 4-1.

# 4.4.1 Confirmatory Factor Analysis

A CFA model based on the dependent variables attraction to organization and application decision was first assessed to examine the measurement model ( $\chi^2$ =7.25, p<0.05;  $\chi^2$ /df=3.63; CFI=1.00; TLI=0.99, NFI=1.00, and RMSEA=0.08). Even though the chi-square statistic was significant, the other fit indicators suggest an acceptable model fit (Hu & Bentler, 1999; Kalliath, Bluedorn, & Gillespie, 1999). Moreover, we tested the latent construct "attraction to organization" for convergent validity (all other variables are manifest), finding that the AVE was 0.86. This value is greater than 0.5 and indicates convergent validity for our measure (Fornell & Larcker, 1981).

**Table 4-1: Descriptive Statistics** 

Variables	Mean	S.D.	Age	Gender	Pressure to find a job	GPA	Perceived marketability	Fit	Brand	Award	Attraction to organization
Age	25.34	5.85									
Gender	0.54	0.50	0.09 †								
Pressure to find a job	19.28	18.17	-0.45 **	-0.19 ***							
GPA	2.04	0.60	0.11 *	-0.05	-0.13 **						
Perceived marketability	4.65	1.45	-0.07	-0.14 ***	0.09 †	-0.24 ***	•				
Fit	0.50	0.50	0.00	0.00	0.00	0.00	0.00				
Brand	0.50	0.50	0.00	0.00	0.00	0.00	0.00	0.00			
Award	0.64	0.48	0.09 †	-0.03	-0.07	0.02	-0.02	0.00	0.00		
Attraction to organization	4.07	1.85	-0.08 †	-0.10 *	0.03	0.05	0.04	0.57 **	0.14 ***	0.10 *	
Application decision	0.45	0.50	0.03	-0.02	-0.03	-0.03	0.03	0.52 **	0.10 *	0.08	0.60 ***

Note: \*\*\* Correlation is significant at the 0.001 level (2-tailed). \*\* Correlation is significant at the 0.01 level (2-tailed). \* Correlation is significant at the 0.05 level (2-tailed). † Correlation is significant at the 0.10 level (2-tailed).

# 4.4.2 Hypotheses Testing

We used SEM to analyze the model and included attraction to organization and application decision as dependent variables. Since all independent variables were manipulated, we did not need to check for multicollinearity. Following Shrout and Bolger (2002), we used bootstrapping with 2,000 bootstrap samples and maximum likelihood estimator to test our mediator hypotheses. This method provides robust standard errors by handling the non-normality in the distribution of mediator effects (Preacher, Curran, & Bauer, 2006) and allows to test for the significance of indirect effects.

Following Bollen (1990), we used multiple fit indices to assess the fit of our model ( $\chi^2$ =120.40, p<0.01;  $\chi^2$ /df=1.52; CFI=0.98; TLI=0.97; NFI=0.94; and RMSEA=0.04) and found that, despite a significant chi-square statistic, we have an adequately fitting model (Hu & Bentler, 1999; Kalliath et al., 1999).

We find support for Hypothesis 1, since the effect of award on attraction to organization is positive and significant ( $\beta$ =0.11, p<0.01). Even the indirect effect of award on application decision, as proposed in Hypothesis 4a, ( $\beta$ = 0.03, p<0.01) is positive and significant, further underpinning the importance of awards as positive signals in recruitment. Since the interaction effects of award with P-O fit and brand with P-O fit are not significant, both signals are not able to exert an influence on the relationship between P-O fit and attraction if they are observed separately. Consequently, we have to reject Hypothesis 2a and Hypothesis 2b. In line with these findings, we also had to reject Hypothesis 4b and Hypothesis 4c, since the indirect effects of the interaction effects of award with P-O fit and brand with P-O fit on application decision were also not significant.

However, the three-way interaction term of brand, award, and P-O fit is indeed negative and significant ( $\beta$ =-0.10, p<0.01). This finding supports Hypothesis 3, which declared that both signals together would have an even stronger (negative) effect on the P-O fit – attraction to organization relation, by further decreasing the processing of P-O fit. The indirect effect on application decision ( $\beta$ =-0.02, p<0.05) is negative and significant as well, which accentuates the negative impact of an award when the organization is well-known and supports Hypothesis 4d. Therefore, the (combined) effect of brand and award on the P-O fit – attraction to organization relation not only affects attraction, but also application decision.

All effects of the SEM are illustrated in Figure 4-1. In Table 4-2 we show the nested comparison of the models. There we can see that the inclusion of the interaction effects, the two-way interactions as well as the three-way interaction, significantly improves the model, which underlines their importance.

Fit x Award x Fit x Brand Fit x Award Fit Brand Award Award x Brand Brand 0.59\*\*\* 0.15\*\*\* 0.11\*\* 0.15\*\*\* -0.02 n.s. -0.00 n.s. -0.10\*\* (0.18\*\*)(0.03\*\*)(0.00 n.s.) (0.03\*\*)(-0.02\*)(0.04\*\*)(-0.01 n.s.) **Control Variables** Attraction to Age, Gender, GPA, Pressure to Find a Job, Organization Perceived Marketability 0.61\*\*\* Application Decision

Figure 4-1: Results of the Structural Equation Modeling

Note: n = 428. Indirect effects are shown in brackets. All results are confirmed by generalized estimating equation (GEE) procedure, which accounts for the interdependence of data.

Reported coefficients are standardized:

\*\*\* p<0.001 (2-tailed); \*\* p<0.01 (2-tailed); † p<0.10 (2-tailed); n.s. p>0.10 (2-tailed).

Goodness of fit indices:  $\chi^2=120.40$  (p<0.01),  $\chi^2/df=1.52$ , CFI=0.98, TLI=0.97, NFI=0.94, RMSEA=0.04.

**Table 4-2: Nested Model Comparison** 

Nested model comparison	Assuming the model with two-way interaction effects to be correct	Assuming the model with two-way and three-way interaction effects to be correct
Model without interaction effects	$\chi^2 = 14.44$ , df = 3 (p < 0.01)	$\chi^2 = 21.61$ , df = 4 (p < 0.001)
Model with two-way interaction effects	-	$\chi^2 = 7.17$ , df = 1 (p < 0.01)

**Table 4-3: Results of the Structural Equation Modeling** 

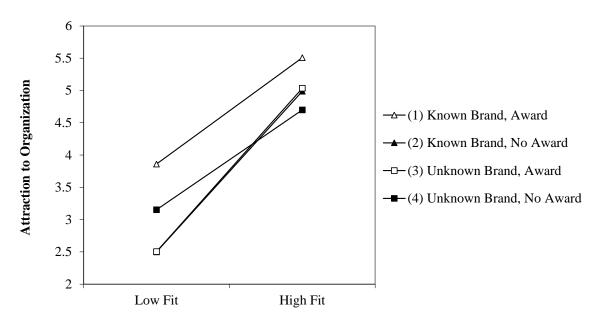
Relation between constructs			Direct effects	Indirect effects on application decision	
Age	$\rightarrow$	Attraction to organization	-0.11 *	-0.03 *	
Gender	$\rightarrow$	Attraction to organization	-0.07 †	-0.02 †	
GPA	$\rightarrow$	Attraction to organization	0.05	0.01	
Pressure to find a job	$\rightarrow$	Attraction to organization	-0.04	-0.01	
Perceived marketability	$\rightarrow$	Attraction to organization	0.04	0.01	
Fit	$\rightarrow$	Attraction to organization	0.59 ***	0.18 **	
Brand	$\rightarrow$	Attraction to organization	0.15 ***	0.04 **	
Award	$\rightarrow$	Attraction to organization	0.11 **	0.03 **	
Award*Brand	$\rightarrow$	Attraction to organization	0.15 ***	0.03 **	
Award*Fit	$\rightarrow$	Attraction to organization	0.00	0.00	
Fit*Brand	$\rightarrow$	Attraction to organization	-0.02	-0.01	
Fit*Brand*Award	$\rightarrow$	Attraction to organization	-0.10 **	-0.02 *	
Attraction to organization	$\rightarrow$	Application decision	0.61 ***	-	
R <sup>2</sup> Attraction to organization			0.43 *	_	

Note: n = 428. All results were confirmed by GEE procedure, which accounts for the interdependence of data. \*\*\* Coefficient is significant at the 0.001 level (2-tailed). \*\* Coefficient is significant at the 0.01 level (2-tailed).

<sup>\*</sup> Coefficient is significant at the 0.05 level (2-tailed). † Correlation is significant at the 0.10 level (2-tailed).

To plot the significant interaction effects, we used an Excel worksheet recommended by Dawson (2014) and calculated the values based on a regression analysis as described there.

Figure 4-2: Three-Way Interaction Effects between Person-Organization Fit and Attraction to Organization (Moderated by Corporate Brand Awareness and Award)



All slopes are positive and significant (slope 1: B=0.82; slope 2: B=1.24; slope 3: B=1.27; and slope 4: B=0.77, with p<0.001 for all slopes), underscoring the strong effect of P-O fit on organizational attractiveness. However, in order to determine the influence of top employer award and brand on applicant pool quality, we need to examine slope differences. The steeper the slope, the higher is the influence of P-O fit on attraction. Slope 3 (unknown brand, award) is significantly steeper than slope 4 (unknown brand, no award; p<0.05), and slope 2 (known brand, no award) also appears to be steeper, even though it is not significant. Thus, contrary to what we expected, one positive signal rather enhances the effect of P-O fit on attraction. Nevertheless, we found an indication for the

existence of a "double-dilution" effect, since slope 1 (known brand, award) is marginally significant less steep than slope 2 (known brand, no award; p<0.1) and significantly flatter than slope 3 (known brand, no award; p<0.05). This shows that multiple positive signals (known brand, award) tend to have a diluting effect, while one positive signal alone rather fosters more accurate self-selection.

# 4.5 DISCUSSION AND IMPLICATIONS

Prior research showed that applicants tend to select companies to work for that share their values (Cable & Judge, 1996; Chapman et al., 2005; Swider et al., 2015). Communicating organizational values facilitates comparison and therewith matching expectations (Jonsen, Galunic, Weeks, & Braga, 2015). By providing (accurate) information regarding their values, organizations can deter jobseekers who have low levels of fit and attract jobseekers with high levels of fit (Braddy, Meade, Michael, & Fleenor, 2009). This process is highly important, since it prevents organizations from receiving too many applications from jobseekers who do not fit and thus are less valuable. However, research did not examine whether or not other recruitment-related information provided by the company may distort such processes. We addressed this gap by examining the influence of top employer awards on the effect of P-O fit on organizational attraction (and application decision). Thereby we argued that such positive signals draw off jobseekers' attention toward P-O fit information given in recruitment materials, which leads to an increase in unfitting applicants. We included corporate brand in our investigation, since it constitutes an important boundary condition. Application decision was included as well, since this allowed us to obtain a more precise impression on the relevance of awards for actual behavior – and thus on their actual importance in the

recruitment context. In addition, due to our experimental approach, we were able to manipulate high and low P-O fit. This allowed us to assess the impact of P-O fit in a very precise fashion, thus increasing the quality of the results. The results show that awards positively affect organizational attractiveness, proving that top employer awards indeed are positive signals that are strong enough to influence applicants' perceptions. Furthermore, we were able to show not only that top employer awards affect attraction to organization, but that they also influenced our proxy for applicant behavior (application decision), emphasizing the importance and the impact of this third-party signal. This is in line with previous research which suggested that such certification marks are able to influence attitude and behavior (Baum & Überschaer, in press; Collins & Han, 2004; Dineen & Allen, 2016; Turban & Cable, 2003).

We found that awards and brands separately rather have a positive effect on applicant attraction. Even though the two-way interaction effects are not significant, the simple slope difference test shows that an award alone increases the effect of P-O fit on attraction (and brand appears to have a similar effect), instead of diminishing it as we had assumed, thus giving the impression that sole positive signals may even stimulate information processing. According to the elaboration likelihood model, information will be closely evaluated only if it is relevant to the recipient (Petty & Cacioppo, 1986; Walker, Feild, Bernerth, & Becton, 2012). Without a peripheral cue like brand or award, respondents seem to be insufficiently motivated to process the fit information in the advertisement in detail and thus are not able to acquire a correct picture. Thus, one positive cue (brand or award) seems to be needed to increase the interest of respondents enough to reach a level that is needed to properly process the information given.

However, together these two positive signals are able to exert an undesirable impact by negatively influencing the effect of P-O fit on attractiveness and application decisions. Our results indicate a detrimental side of awards for organizations that are well-known. These firms seem not to clearly benefit from the usage of an award, since awards may attract more jobseekers, but they also reduce the effect of P-O fit on attraction. This leads to more applications of jobseekers who do not fit in, thus decreasing applicant pool quality. This indicates that award and brand combined distract jobseekers from P-O fit information, thus hampering applicants' self-selection. Thus, while on the one hand one positive signal seems to increase the impact of fit, too many positive signals rather hamper information processing due to the "double dilution" effect. It seems that combined these positive signals sufficiently reduce the information deficit of applicants, which causes them to not include further (fit) information as much. This highlights the importance of research investigating multiple signals together, as a simple examination of each signal alone would not have been sufficient to grasp their effect.

Our study provides several contributions. First, it adds to the recruitment literature by investigating awards in the recruitment context and by emphasizing their impact on jobseekers. We investigate awards in a controlled setting in order to examine their pure and unbiased signaling effect. Thereby we show that top employer awards indeed serve as a positive signal and that they not only influence attraction to organization, but also applicant behavior.

Furthermore, we enhance the recruitment literature by looking at awards, which are supposedly purely positive signals, from a different angle. We show that awards can indeed be a double-edged sword, since they are not always positive; on the contrary, they may even hamper the processing of other relevant information, e.g. P-O fit, thus distorting

important self-selection mechanisms. Therefore, prior research, which rather suggested a general positive effect on applicant pool quality (Collins & Han, 2004; Dineen & Allen, 2016; Turban & Cable, 2003), is expanded. It seems that if the quality signal is not easily verifiable, less qualified jobseekers are not necessarily discouraged by awards (and the therewith associated higher number of competing applicants). We found that a strong corporate brand is a crucial boundary condition, given that awards only seem to reveal a negative impact on applicant pool quality if they are combined with a strong brand. On the other hand, in combination with an unknown brand, they have a significant positive influence as they may even foster information processing.

We further contribute to signaling theory by investigating multiple (positive) signals and by examining whether or not they are able to influence if and how information is processed. We show that brand and award combined influence the relationship between P-O fit and organizational attraction negatively and, mediated by organizational attraction, impact application decisions, as well. Although P-O fit proved to be a strong indicator for potential applicants' attraction to organization, its impact may be, due to the "double-dilution"-effect, diminished. This supports our assumption that quality signals, at least when they are strong enough, lead to an acceptable level of satisfaction. Hence no additional information is needed to evaluate the advertisement and thus jobseekers tend to neglect further information. However, there seems to be a positive effect when only one positive signal is present, as this increases the effect of fit on attraction Thus quality signals do not always have a distracting effect. On the contrary, if they are not too strong, they might even stimulate the processing of other information. Moreover, it is apparent that the impact of awards on applicant pool quality depends decisively on another positive signal: corporate brand. While one signal alone might increase involvement in such way

that it enables a closer processing of the information, multiple positive signals hamper information processing due to distraction. Therefore, we can see that investigating one signal alone is neither realistic nor sufficient, since other signals may function as a boundary condition and thus should be integrated. The impact of information depends on the combination with other signals, and it is thus of crucial importance to investigate multiple signals to fully understand their effects. Taj (2016) showed that the interpretation of one signal can be influenced by another signal. This was also highlighted by Baum & Überschaer (in press), who indicated that the effect of top employer awards on job pursuit intentions depends on the strength of the corporate brand.

Our results have implications for practitioners, as well. Since we identified a familiar corporate brand to be an important boundary condition, we show that especially well-known organizations should reflect more carefully on the question of whether to use awards or not. Since the influence of such signals, which is at first sight positive, may interfere with other information in an unfavorable manner, well-known companies need to be more cautious and should refrain from using top employer awards imprudently. They need to be aware that there might be a tradeoff between an increase in applicant pool quantity and a decrease in applicant pool quality. Simply attracting more applicants might however not be beneficial for organizations, given for example the increase in costs connected to processing more applications (Breaugh & Starke, 2000). Following the recommendation of Lyons and Marler (2011), organizations may also consider utilizing instruments that allow jobseekers to accurately assess their fit with the organization, like a P-O fit check instrument. Alternatively, they could force applicants to evaluate whether or not they do fit with the company, e.g. by asking them to declare in writing why exactly they are suited for a certain position. This forces jobseekers to increase their cognitive

effort while assessing their fit, facilitating a more objective perspective. Unknown organizations, on the other hand, profit from an award, as it seems to increase the motivation of jobseekers necessary to properly evaluate the information given in the first place. Therefore, unknown organizations should apply for awards and place them on their recruitment materials in order to increase their applicant pool quality.

## 4.6 LIMITATIONS AND AVENUES FOR FUTURE RESEARCH

This study has several weaknesses that should be noted. First, we focused on an early phase in recruitment, and even though this phase is particularly important, the diluting effect of award and/or brand on the impact of P-O fit may decrease, the more advanced the application process is. Time is a crucial factor in information processing and jobseekers motivation to process the information given more carefully should increase, the closer they are to the actual job choice decision (Uggerslev, Fassina, & Kraichy, 2012). However, the diluting effect of award and brand might not dissolve completely, and serious harm is already done during the application phase. Even though jobseekers may realize in later stages of their job search process that they do not fit, they already caused an increase in recruitment effort for the company and might actually end up taking the job due to missing alternatives. Anyhow, an investigation of these effects over time would be of interest.

Furthermore, we employed a sample that consisted mostly of students. Students are usually said to have only minimal working experience, and thus they might be less sensitive when it comes to missing P-O fit. However, students are attractive employees since they are highly qualified and they usually fill positions where high fit is especially important because these positions are crucial for the company. Still, future research is

needed which examines whether or not these effects are the same for more experienced individuals.

Our study provides the grounding for future studies on the effects of multiple signals. We show that the interplay of multiple signals in the recruitment context is complex, and we expect that the double dilution effect applies to other positive signals, as well. So far, research regarding multiple signals is extremely scarce (Akdeniz, Calantone, & Voorhees, 2014; Celani & Singh, 2011), even though this topic is of high practical and theoretical relevance. Accordingly, future research needs to devote more attention toward multiple signals and explore if the effects found for single signals remain the same when other signals are added.

# CHAPTER 5 CONFLICTING MESSAGES IN RECRUITMENT AND THEIR EFFECT ON SOURCE CREDIBILITY

## **Abstract**

This study looks at the early phase in recruitment and investigates how the credibility of external information sources is affected by the presence of a message from another source. I examine how consistency with another sources' message affects the credibility of the first source in the eyes of prospective applicants. I also explore how this relationship is moderated by the diversity of the sources. I find that message consistency increases perceived credibility and that this effect is enhanced by high source diversity.

# 5.1 INTRODUCTION

Jobseekers come into contact with a multitude of information from different sources (Moser, 2005; van Hoye, Weijters, Lievens, & Stockman, 2016). Thereby, jobseekers not only encounter company-controlled information but also receive information from external sources (van Hoye & Lievens, 2005). Such external sources have been shown to affect recruitment outcomes, such as organizational attractiveness, application decision, or turnover (van Hoye et al., 2016; van Hoye & Lievens, 2005, 2009; Weller, Holtom, Matiaske, & Mellewigt, 2009). Potential applicants even seem to rely especially on external sources to evaluate an employer (Collins & Stevens, 2002).

Still, research on external sources is limited (van Hoye & Lievens, 2005) and, given the importance for recruitment, requires more attention. By obtaining information from multiple (external) sources, jobseekers are likely to receive positive and negative information (van Hoye & Lievens, 2005). Thus far, researchers have primarily focused on one information source at a time (e.g., Harrison-Walker, 2001; van Hoye & Lievens, 2007) and mainly examined positive (or negative) information (e.g., Biswas, Dutta, & Biswas, 2009; Collins & Stevens, 2002). Only a few authors have analyzed the outcome of conflicting messages (e.g., van Hoye & Lievens, 2005), although jobseekers usually obtain different information from different sources.

Information in general can affect attitudes and behaviors (Wathen & Burkell, 2002). Given that jobseekers are exposed to a large amount of (conflicting) information, it is important to examine which information is considered relevant. Whether and how strongly information affects individuals' evaluation processes is largely dependent on the credibility of the source that provides this information (Heil & Robertson, 1991; Yilmaz, Telci, Bodur, & Iscioglu, 2015). A message is more likely to be accepted and has a

stronger effect on attitudes, intentions, and behaviors when it comes from a credible source (Heil & Robertson, 1991; Kareklas, Muehling, & Weber, 2015; Wilson & Sherrell, 1993). In other words, "the higher the credibility, the more persuasive the source" (Herbig & Milewicz, 1995: 26). Thus, the credibility of a source plays a crucial role in applicants' information processing. Although we know quite a lot about factors that influence the initial credibility of a source (such as the amount of information, Frasca & Edwards, 2017), we have limited understanding of whether this initial credibility can be shaped by messages from other sources. Information from one source may influence how other sources are perceived (van Hoye & Lievens, 2007) and might therewith influence the effectiveness of these sources. Thus, more research on possible interactions among multiple sources and their effects on credibility is needed (van Hoye & Lievens, 2007).

With this study, I want to extend the current knowledge by examining how the credibility of a focal source is affected by information from another source. I look at multiple and conflicting messages and investigate their effect on source credibility. Moreover, I examine whether source diversity moderates this effect. Source diversity occurs when there is a "wide range of sources" (Napoli, 1999: 9), compared to obtaining information from the same type of source (Cozma, 2006). Getting information from sources of the same type or from different types of sources might affect the perceived degree of validation and thus how this (conflicting) information affects credibility.

The contribution of this study is three-fold. First, I show that source credibility is subject to change. It is affected not only by the characteristics of the source but can be influenced by the level of consistency with information from other sources. This shows that a key element of the effect of a message is not completely stable and modifiable by external influences and thus cannot be investigated in isolation. Therefore, this study

looks beyond the direct effects that messages have on outcomes by focusing on the effect that a message from one source has on the credibility of another source. Second, I illustrate that source diversity moderates this effect. Examining source diversity as a moderator gives us a better understanding about the circumstances that facilitate a change in source credibility due to other messages. It shows that simply investigating multiple sources is insufficient, as the diversity of these sources is also important. Third, assessing multiple (and conflicting) messages in recruitment and how they influence each other adds to the recruitment literature by providing insight into the mechanisms that influence the effectiveness of (external) information sources. Moreover, investigating multiple sources more accurately reflects the reality of jobseekers.

This study allows us to gain a deeper understanding of the interaction of multiple (and conflicting) information and their effects on source credibility. Even though companies cannot control external information sources, they should observe and endeavor to shape their content to some extent to utilize them to promote their recruiting efforts (van Hoye & Lievens, 2005). My investigation goes beyond analyzing the factors that initially affect source credibility, illustrating the importance of messages from other sources in this context. Understanding the interplay of different sources is important for the recruitment literature because jobseekers usually have high levels of involvement as a job is of high personal relevance to them. High involvement should increase their information search efforts (Moorthy, Ratchford, & Talukdar, 1997) so that they do not solely rely on company-provided information. Understanding how external sources work could make a difference in the constant battle for qualified applicants. Furthermore, by searching for external information, jobseekers are likely to encounter conflicting information. Therefore, it is important to investigate such scenarios.

# 5.2 THEORY AND HYPOTHESES

Source credibility can be defined as "a communicator's positive characteristics that affect the receiver's acceptance of a message" (Ohanian, 1990: 41). This is in line with Berlo, Lemert, and Mertz (1969: 563) who pointed out that "an individual's acceptance of information and ideas is based in part on 'who said it." Thus, the strength of a message depends on the source's credibility (Heil & Robertson, 1991; Kareklas et al., 2015; Wilson & Sherrell, 1993).

However, the credibility of a source is not unchangeable and can alter, even drastically, over time (Herbig & Milewicz, 1995; Herbig, Milewicz, & Golden, 1994). This was also implied by Erdem and Swait (2004), who depicted source credibility as an attribute that is time bound. They also called for research that investigates how credibility evolves over time. Changes in credibility are not just based on the actions of the source itself (Erdem & Swait, 2004) but can also be induced by other sources, altering previous credibility perceptions quickly and dramatically. Therefore, when assessing the credibility of a source, we also need to consider other sources that are presented with it.

Previous research has suggested that consistent messages have a greater effect on individual opinion formation (Heil & Robertson, 1991). This stems from the enhancement that messages experience when they are shown with other messages that convey the same information. The mere fact that other sources make the same statement serves as a cue that the statement is valid (Petty & Cacioppo, 1986). If another source communicates the same message as the focal signal, it validates the message (Horcajo, Petty, & Briñol, 2010) and thus the credibility of the source increases. Seeing that another message conveys the same information increases the probability that they are true. In turn, if a source seems to communicate correct information, then it should be perceived as more

credible. Petty, Briñol, and Tormala (2002) already suspected that the increase in confidence in a message may affect the credibility of the source. Therefore, the consistency of the source's message with another source's message validates the message and then translates positively into the credibility of the source. Therefore, I hypothesize the following:

H1: Message consistency has a positive effect on source credibility.

This positive effect of message consistency on source credibility should be especially pronounced when the sources are of a different kind. As described before, another message can serve as a consistency check (Heil & Robertson, 1991) and increase the perceived credibility of the source. This effect should be even more pronounced if the sources are of a different kind. The more diverse the sources are, the more diverse their informational background. Multiple sources of the same type are likely to have the same access to information and thus should have similar experiences and knowledge. For example, a friend working at a company has completely different insight into the company than a reporter who can talk to different interest groups. Even though the first is likely to have very rich information, he or she does not have insight into all the aspects of the company. On the other hand, the reporter might have a broader range of information, but it is all filtered by the interview partners and he or she is usually not able to achieve the same depth. Therefore, consistent information stemming from the same type of source is less validating, whereas consistent information from different sources should be even more reassuring (Geis, 1991).

Multiple sources, which convey the same message, should hence have an even greater effect on the perceived credibility of the message. Message credibility in turn influences the credibility of the source. Therefore, when different sources with different informational backgrounds convey the same message, individuals will think that the message must be true; thus, the credibility of the source should be enhanced, especially when the type of source differs. Cozma (2006) compared stories with only government sources to stories with more diverse sources (government, expert, and industry sources) and found that source diversity increases message credibility and even the credibility of the source itself. Even though government sources are, strictly speaking, just one source (the government), it still indicates that a higher source diversity leads to higher (message and source) credibility. Hence, I propose that:

H2: Source diversity has a positive moderating effect on the relationship between message consistency and source credibility.

# 5.3 METHOD

First, I conducted a pre-study (n=378) to identify messages about a (fictional) company that are conflicting (one being more positive and the other being more negative) and could be used as stimuli for our main study. I decided to use a former fellow student and a newspaper as sources, as they are both independent from the company and thus are able to communicate negative and positive information equally convincingly (van Hoye & Lievens, 2005). In the main study, I showed the respondents the first message and assessed the credibility of the source, and then I showed another message from another

source and assessed the credibility of the second source and the credibility of the first source.

# 5.3.1 Pre-Study

The pre-study was set out to ensure that the positive messages were indeed seen as more positive than the negative messages. Moreover, I needed to ensure that the positive (or negative) messages were considered equally positive (or negative).

Participants were asked to imagine that they had received an email from a former fellow student or read an article in a newspaper (depending on which stimuli they were given). To increase the realism, the message from the fellow student was presented as a screenshot from an email and the message of the newspaper was designed to look like an article in a newspaper. The communicated messages had different levels of valence, two of them more positive and two were more negative<sup>9</sup>. Thus, I used messages that are of relevance for prospective applicants.

All messages started with a short description of the company. The company was described as one of the EU's market and technology leaders in its industry, a medium-sized enterprise that designs, produces, and sells solar energy systems. Thereafter, a randomized description of the employee training that the company offers and a depiction of the social engagement of the company were provided.

The more positive messages stated that the company offered a wide selection of further training for all its employees and that they support their employees to make use of this offer. Moreover, the messages stated that the company supports corporate volunteering and that it encourages its employees to take part in such social programs.

<sup>&</sup>lt;sup>9</sup> Two slightly different messages with the same valence were necessary to manipulate message consistency. Otherwise, respondents would see the exact same message twice, which would lead to irritation.

The employees can participate in worldwide projects for a longer period, while keeping their usual salary.

The more negative messages stated that, despite supporting social projects all over the world, the company will discontinue their support of local projects, like the support for the local sports club. This is also seen as a sign that the company does not take its social responsibilities seriously. Furthermore, it stated that employees do have many possibilities for further education, but that missing mentoring programs and long training periods hamper their career possibilities. I used a fictional company, so the participants had no prior knowledge regarding that company, which might have driven their evaluations.

The pre-study was distributed among different universities. Moreover, 378 participants took part in the pre-study, and 39.42% of them were female. The average age was 24.89 years (S.D.=5.76), and they had 24.92 months of work experience (S.D.=55.53) on average. Furthermore, 17.20% were currently looking for a job and 41.80% would start looking for a job within the next year. The rest would start looking at a later point in time (30.42%) or were already employed (10.58%). In addition, 53.70% had a university entrance diploma, while 3.17% had a degree below that, and 42.86% had an academic degree.

I measured the valence of the messages with four items on a 7-point semantic differential adapted from MacKenzie, Lutz, and Belch (1986). I asked respondents to answer the following question: "Based on the way the Innovato GmbH is described in the newspaper article/email, my attitude towards the company is rather: ...", with the end poles for the answers being "positive/negative," "favorable/unfavorable," "I like/I don't like," and "good/bad." Cronbach's alpha of this scale was 0.96.

The pre-study confirmed that the positive messages were significantly more positive than the negative messages. The average difference between each pair was between 2.38 and 2.91 (p<0.001 for all pairs). It also showed that messages with the same valence were indeed perceived as equally positive (or negative), and the average difference between two messages was between 0.30 and 0.63 and was not significant for any of the pairs.

# 5.3.2 Main Study

The main study was distributed among different universities and by using social media. The main study was completely answered by 311 participants, 42.12% of them female. The average age was 26.97 years (S.D.=6.33) and they had 5.33 years work experience on average (S.D.=6.83). Additionally, 50.80% were students, and 43.41% were employees; the rest was unemployed or had a different occupation. The mean GPA was 2.21 (S.D.=0.56). On average, they started looking for a job in 74.02 months (S.D.=577.52)<sup>10</sup>.

## 5.3.3 Measures

**Credibility.** I measured credibility based on a scale adapted from Fisher, Ilgen, and Hoyer (1979). Trustworthiness and expertise, the two main dimensions of source credibility (Zhang, 2017), were assessed, which can describe a fellow student or a newspaper. Three items measured trustworthiness; one example item is "I feel this fellow student/newspaper is extremely trustworthy." Three more items measured expertise; one

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<sup>&</sup>lt;sup>10</sup> I included high levels of time until job search since this might represent people who want to look for a job in the distant future. However, 17.04% were currently looking for a job, and 29.58% would start looking for a job within the next year. Altogether, 75.60% are currently looking for a job or would start looking for a job within the next three years.

example item is "This fellow student/newspaper really knows what he/it is talking about." The items were measured on a 7-point Likert scale, ranging from 1 (I strongly disagree) to 7 (I strongly agree). The lowest Cronbach's alpha for this scale is 0.90.

Control variables. To control for demographics, I assessed the sex and age of respondents. I also assessed their GPA since better qualified applicants might be pickier and thus more easily discouraged by conflicting information, which could affect the credibility of the source. I also assessed their work experience and when they would start looking for a job. People with more work experience might, due to their experience, trust information about companies less than inexperienced participants. Moreover, since people who are looking for a job (soon) are more involved, they could be more skeptical in general and thus perceive the sources to be less credible. Therefore, I included the status of being a job seeker in my analysis. I also assessed the perceived realism of the scenarios since this might influence the credibility of the sources. Perceived realism was measured with the following item from Jones, Willness, and Madey (2014): "The information about the company looked very real." I also controlled for the type of source (email vs. newspaper), as this is known to have an influence on credibility (see the meta-analysis by Wilson & Sherrell, 1993).

# 5.4 RESULTS

The descriptive statistics and the correlations are shown in Table 5-1. Since the initial value of credibility (time 1) should affect the value of credibility in time 2, a regressor variable model where the initial value of the variable is controlled for, is appropriate (Allison, 1990; Tarling, 2009). This approach allows to evaluate the change in credibility in time 2 that stems from the subsequently added independent variables, as

it shows their effect when the influence of credibility in time 1 is removed (Cable & Parsons, 2001; Chatman, 1991; Cohen & Cohen, 1983; Slaughter, Cable, & Turban, 2014). The results of the regression analyses (Table 5-2) show that the message consistency indeed has a positive and significant effect on the credibility of the first source at time 2 (b=0.43, p<0.001). Therefore, I find support for Hypothesis 1.

Moreover, the interaction effect of message consistency and source diversity is positive and significant (b=0.22, p<0.001). Therefore, the second hypothesis, which stated that message consistency would have an especially pronounced effect when source diversity is high, finds some evidence.

The significant increase in  $R^2$ , which occurred when the variables for message consistency and source diversity were added ( $\Delta R^2$ =0.10, p<0.001) and when the interaction term was included ( $\Delta R^2$ =0.03, p<0.001), underlines their respective importance for the model.

Variance inflation factor values below 10 are usually seen as a sign that there is no evidence of multicollinearity (see, e.g., Campbell & Weese, 2017; O'Brien, 2007). The highest value is 3.34 for a control variable; thus, I conclude that multicollinearity is not a problem in this study. Moreover, I examined common method bias, which can occur when variables are measured with the same method or are assessed from the same source (Richardson, Simmering, & Sturman, 2009). It is especially a concern in surveys, where the independent variables of interest and the dependent variable are measured by asking the same rater (Chang, van Witteloostuijn, & Eden, 2010). Since the relevant independent variables were manipulated, a common method bias due to a common rater does not affect the results (Podsakoff, Scott, Lee, & Podsakoff, 2003). Moreover, as recommended by Podsakoff et al. (2003), I ensured participants that their answers were anonymous and

that there are no right or wrong answers. In addition, several robustness checks were conducted: 1) using predicted values for credibility (t1), 2) completely excluding credibility (t1) from the analysis, and 3) including only individuals who start looking for a job in the next 24 months. The effects of the tested hypotheses remained significant and positive in all three conditions, thus underlining the robustness of the results.

**Table 5-1: Descriptive Statistics** 

Variables	Mean	S.D.	Age	Gender (1=male)	GPA	Time until job search	Work experience	Realism	Kind of source (1=informal)	Source diversity	Message consistency	Credibility t1	Credibility t2
Age	26.97	6.33											
Gender (1=male)	1.58	0.49	0.19 ***										
GPA	2.21	0.56	-0.13 *	0.10 †									
Time until job search	74.02	577.52	0.31 ***	0.05	-0.07								
Work experience	5.33	6.83	0.82 ***	0.12 *	-0.09	0.32 ***							
Realism	5.25	1.32	-0.12 *	-0.13 *	-0.03	-0.01	-0.06						
Kind of source (1=informal)	0.50	0.50	0.00	0.05	0.02	-0.07	-0.07	-0.03					
Source diversity	0.40	0.49	0.06	0.06	-0.02	0.06	0.06	0.06	-0.02				
Message consistency	0.59	0.49	-0.02	-0.07	0.00	0.07	0.02	0.11 †	0.04	-0.13 *			
Credibility t1	5.04	1.02	-0.14 *	-0.16 **	0.04	0.00	-0.08	0.61 ***	0.25 ***	-0.04	-0.01	0.90	
Credibility t2	4.89	1.32	-0.06	-0.09	0.02	0.02	-0.04	0.58 ***	0.20 ***	-0.05	0.35 ***	0.61 ***	0.92

Note: n = 311. Numbers in bold on the diagonal represent Cronbach's alpha values. \*\*\* Correlation is significant at the 0.001 level (2-tailed). \*\* Correlation is significant at the 0.01 level (2-tailed).

<sup>\*</sup> Correlation is significant at the 0.05 level (2-tailed).  $^{\dagger}$  Correlation is significant at the 0.10 level (2-tailed).

**Table 5-2: Results** 

			Model 1a				Model 1b				Model 1c			
			b	p-value	SE	VIF	b	p-value	SE	VIF	b	p-value	SE	VIF
Step 1: Control		Age	0.01	0.493	0.02	3.31	0.02	0.203	0.01	3.32	0.02 †	0.094	0.01	3.34
variables		Gender (1=male)	0.01	0.934	0.12	1.09	0.08	0.461	0.11	1.10	0.09	0.388	0.10	1.10
		GPA	0.01	0.948	0.10	1.04	-0.01	0.955	0.09	1.04	0.00	0.995	0.09	1.04
		Job search	0.00	0.450	0.00	1.13	0.00	0.860	0.00	1.14	0.00	0.820	0.00	1.15
		Work experience	-0.01	0.667	0.01	3.19	-0.01	0.344	0.01	3.20	-0.01	0.274	0.01	3.20
		Realism	0.37 ***	0.000	0.05	1.67	0.31 ***	0.000	0.05	1.75	0.33 ***	0.000	0.05	1.76
		Kind of source (1=informal)	0.33 **	0.006	0.12	1.15	0.24 *	0.026	0.11	1.17	0.25 *	0.019	0.11	1.17
		Credibility (t1)	0.47 ***	0.000	0.07	1.82	0.54 ***	0.000	0.07	1.88	0.54 ***	0.000	0.07	1.88
Step 2: Independent														
and moderator	H1	Message consistency (MC)					0.43 ***	0.000	0.05	1.07	0.42 ***	0.000	0.05	1.07
variables		Source diversity (SD)					-0.03	0.621	0.05	1.05	-0.01	0.794	0.05	1.05
Step 3: Interaction variables	H2	MC*SD									0.22 ***	0.000	0.05	1.03
R <sup>2</sup>			0.46 ***				0.56 ***				0.59 ***			
Change in R <sup>2</sup>							0.10 ***				0.03 ***			

Note: n = 311. Unstandardized coefficients are reported (*b*). \*\*\* Coefficient is significant at the 0.001 level (2-tailed). † Coefficient is significant at the 0.10 level (2-tailed). SE = Standard Error. VIF = Variance Inflation Factor.

## 5.5 DISCUSSION

In this study, I investigated in which way the credibility of a source is affected by the presence of a message from another source. I argued that message consistency has a positive effect on the credibility of the sources, which was supported by my findings. When subsequent messages validate the message of a source and thus the source itself, an increase in source credibility is the result. Moreover, I anticipated that this relationship would be positively moderated by source diversity, for which evidence was also found. When the sources are diverse, the positive effect of message consistency on source credibility is stronger. Since this study used a mixed sample (partly students and partly employees), these findings do not only apply to students. This study contributes to the literature by highlighting that the credibility of a source is changeable and depends on the interaction with other sources. Knowing what induces and promotes a change in source credibility, a crucial quality of a source, is important, as it influences the effect of (subsequent) messages or signals. Moreover, this study adds to the literature by showing that a change in source credibility depends on the diversity of the sources. Insight into boundary conditions that affect a change in source credibility are necessary to fully understand this process. Furthermore, by investigating multiple sources, this study extends previous research, as it draws a clearer picture of jobseekers' credibility perceptions under more realistic circumstances.

Previous research regarding messages from multiple sources is rather scarce; therefore, it is unclear how messages from multiple sources interact with one another and affect each other. As messages from low-credible sources are likely to be neglected, knowing what influences source credibility is important. This study goes beyond just

examining the initial credibility of a source and takes a closer look at what happens to source credibility over time and in interaction with messages from other sources.

These findings are also of relevance for practitioners, as companies are likely to observe external sources and try to influence and use them for recruitment (van Hoye & Lievens, 2005), especially since tapping into the communication of external sources, such as word-of-mouth, promises to be an effective and efficient way to attract jobseekers (Collins & Stevens, 2002). If organizations want to try to enhance (or mitigate) a message from an external source, it seems advisable that they concentrate on sources that are of a different kind. For example, if they want to underline a positive report in a newspaper, companies should communicate to jobseekers that something similar was also said by a different type of source (instead of using the same type). Knowing how (external) sources affect each other might be valuable for understanding (and possibly influencing) their effects.

## 5.6 LIMITATIONS AND AVENUES FOR FUTURE RESEARCH

Like all studies, this study has limitations as well. First, I used hypothetical sources. However, credibility is rather built over time (Herbig et al., 1994) and might not change quite so quickly. Therefore, it would be interesting to analyze these effects over an extended period. Examining how source credibility evolves over a longer period by investigating what influences and fosters changes in source credibility would hence be a worthwhile endeavor.

Second, the effects I found might be different for company-controlled sources, such as employee testimonials or recruiters. Such sources are not perceived as unbiased and thus are less credible (Fisher et al., 1979). Their credibility might suffer even more

than the credibility of an external source when jobseekers encounter conflicting information. Therefore, assessing differences between external and internal sources seems valuable.

Overall, much more research in multiple (and conflicting) information is needed. A message from one source always appears with messages from other sources; therefore, solely examining messages from one source is not realistic (van Hoye & Lievens, 2005) and does not account for interaction effects or interdependencies.

## **CONCLUSION**

The aim of this dissertation was to gain a better understanding of processes in recruitment. For this purpose, three research questions were targeted. The first research question was concerned with the evolvement of fit perceptions. The second one focused on the effect of top employer awards on pre-hire recruitment outcomes. The last research question dealt with the influence of conflicting messages on source perceptions.

The first chapter showed that jobseekers' perceptions of person-organization fit are affected by advertisement attractiveness and organizational image, as they moderate the relationship between objective and perceived fit. Moreover, this chapter highlighted the importance of the status of jobseekers, since the effects of the two moderators differ for actual versus prospective jobseekers. The attractiveness of the job advertisement seems to work as a stimulus for prospective jobseekers to engage with the advertisement and to deal more attentively with its content. Actual jobseekers, on the contrary, appear to not need such stimulation. Therefore, for prospective jobseekers, attractive job advertisements lead to a stronger influence of objective fit on perceived fit. Organizational image in turn has a negative moderating effect for actual jobseekers. The finding that objective fit has less impact on perceived fit for actual jobseekers when the organization has a high image was unexpected but valuable. It points out that high-image organizations might especially be at risk to receive applications from low-fit jobseekers, as a high image seems to interfere with jobseekers' ability to correctly assess their fit. The first chapter thus highlighted that the formation of correct fit perceptions depends not only on job advertisement attractiveness and organizational image but also on the status of the jobseeker. Pointing out factors that affect the evolvement of perceived personorganization fit and highlighting the importance of jobseeker status in this context

contributes to the fit and recruitment literature. These findings are relevant for practitioners as well. Organizations need to know what fosters or prevents correct fit assessments of jobseekers, if they want to increase the chances that individuals with good fit apply.

The second chapter assessed this process from a recruiter's perspective. It showed that recruiters' evaluations of an applicant's fit are not based on all parts of fit equally. This bias was further exacerbated when there was a shortage of qualified applicants. The second chapter contributes to the fit and recruitment literature by opening the black box of perception formation. It offers insight by showing that this process is subject to bias, as certain parts of fit exert more influence than others. Furthermore, it highlights that even recruiters, as trained individuals, neglect some aspects of objective fit when building their fit perceptions. The importance of the recruitment situation in terms of the number of qualified applicants was also emphasized in this context, as it influences this process by increasing the existing bias. Practitioners also benefit from this insight, as it illustrates imperfections in recruiters' formation of fit perceptions. Sensitizing recruiters to this topic and being aware of conditions that impede correct fit evaluations are necessary to support them in their task of fit assessment.

The third chapter investigated the effect of top employer awards on job pursuit intention. It underlined the positive influence that such awards have on such a pre-hire recruitment outcome, while demonstrating that this effect is contingent upon award familiarity and corporate brand awareness. More precisely, it highlighted that well-known organizations do not seem to profit from awards and might even suffer harmful consequences if the award in question is unknown. Unknown organizations, in turn, profit from (well-known) awards. These findings enhance our understanding about the effects

of top employer awards on pre-hire recruitment outcomes. This is valuable for the recruitment literature and signaling theory, as it demonstrates that the effect of awards as quality signals depends on their strength and on the presence of other quality signals (like corporate brand awareness). This chapter also contributes by investigating awards in a controlled setting, as this offers insight into their unbiased effects. Organizations profit from these findings as well. They should take special care if they want to place an award on their recruitment material and should carefully consider which ones they want to use. Especially well-known organizations need to be cautious, as top employer awards might not have the desired effects and can even be damaging for them.

In the fourth chapter, the focus was not predominately on the effect that top employer awards directly have on pre-hire recruitment outcomes. Instead, this chapter concentrated on the influence top employer awards have on the relationship between objective person-organization fit and attraction to organization (and indirectly on a proxy for application decision). This chapter aimed to increase our understanding of the effect that such awards have on other recruitment-relevant processes. It pointed out that, in combination with a well-known corporate brand, employer awards diminish the effect of fit on attraction (and application decision). This also highlights the importance of the corporate brand, as it constitutes an important boundary condition. Chapter 4 adds to the recruitment literature by stressing a potential downside of awards (in combination with a well-known brand) on jobseekers' self-selection. Moreover, this chapter also contributes to signaling theory by emphasizing that the effect of a quality signal may depend on the presence of other quality signals. Moreover, it underlines that such quality signals might distract jobseekers from considering other relevant information, which can result in unwanted side effects. This has practical implications as well. It demonstrates that

positive effects of correct self-selection based on person-organization fit might be mitigated due to the use of employer awards (in combination with a well-known brand). Well-known organizations therefore should consider the possible negative effects of employer awards on applicant pool quality before placing an award on their recruitment materials.

The last chapter concentrated on the effects of conflicting messages on source credibility. It investigated external sources, namely, word-of-mouth and newspapers. This chapter highlighted that messages that are consistent with messages from other sources increase the credibility of a source. Moreover, if the other source is of a different kind, this effect is even stronger. These insights extent our knowledge about the influence of messages from other sources on source credibility. This chapter contributes to the recruitment literature by showing that source credibility can change. In doing so, it did not assess the direct effect of external sources on recruitment outcomes, but it took one step back and examined the determinants of their influence. It highlighted that messages from other sources can influence source credibility and that source diversity moderates this process. As jobseekers are likely to receive messages about the organization from external sources, knowing what influences their credibility and thus their effect is also valuable for practitioners. These findings allow them to better determine the influence of external sources on recruitment outcomes. This offers some guidelines for the implementation of measures they might want to take.

This dissertation draws the following main conclusions:

- a) The formation of correct fit perceptions depends on several boundary conditions and can be subject to bias, even for trained individuals.
- b) Top employer awards might not be unconditionally positive for recruitment. They can, in certain settings, even be harmful to applicant pool quantity and quality.
- c) Source credibility is not invariable and can be affected by other sources.

These findings have several implications for future research. First, researchers should acknowledge that the process of forming fit perceptions is more complex than previously assumed. Further investigation of which conditions influence this process and how the process can be improved would be of great value for a deeper understanding of this important process variable. Moreover, it would be of interest to examine whether the positive effects of fit on outcomes, such as satisfaction, productivity, or tenure, are driven for the most part by a congruence in certain parts of fit as well. This would provide a better basis to evaluate which parts of fit are most relevant. Second, quality signals, such as top employer awards, appear to have downsides, given certain circumstances. Therefore, future recruitment research needs to intensify its efforts to look at multiple signals. Third, only observing one signal at a time is neither realistic nor sufficient to grasp its effects on outcomes. The same is true for messages from different sources. Looking at statements of one source does not allow us to examine interaction effects between sources and/or messages. However, this is the reality of jobseekers, and there are interdependencies that must be considered to grasp their actual effects. Thus, future

research should make more effort to examine multiple sources simultaneously to gain a deeper understanding of their effects.

For practitioners, this dissertation points out the following key implications. Given that the correct formation of fit perceptions seems to be a delicate process that can be hampered by several factors, assessing fit with the aid of objective measures might be advisable. Moreover, it appears that the placement of employer awards requires more scrutiny, as carelessly placing them on recruitment materials is not recommendable. Providing potential applicants with feedback regarding their fit or supporting recruiters with tools to assess fit could be helpful to ensure applications from and hiring of fitting individuals. Furthermore, keeping in mind how the effect of external sources can be influenced by other sources might prove beneficial for a better understanding of the opinion-forming processes of jobseekers. Especially well-known organizations need to be careful in this regard. Understanding the conditions under which sources have a greater effect allows better understanding of how jobseekers form their opinions and might offer some help to predict and, to some extent, influence their attitudes toward the organization.

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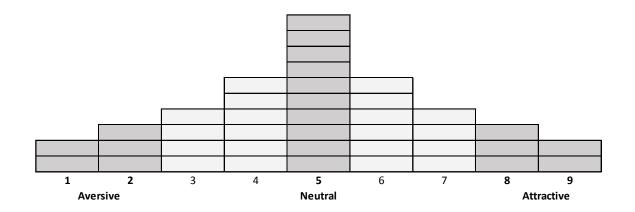
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## **APPENDIX**

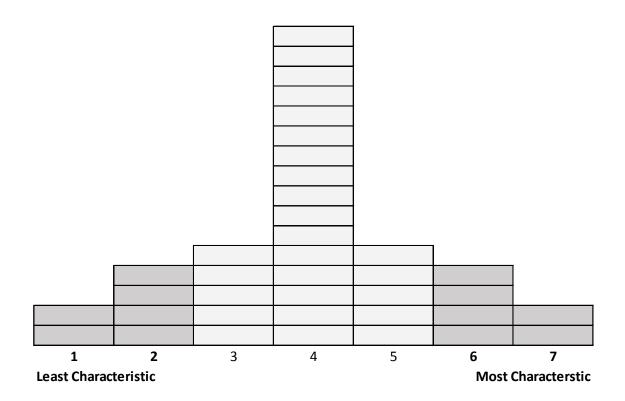
## Appendix A: Assessment of the Objective Fit with the OCP (Chapter 2)



**Appendix B: Sample Advertisement (Chapter 3)** 



**Appendix C: Assessment of the OCP using Q-Sort Technique (Chapter 4)** 



## Manipulation of the advertisement

Low fit: Two items from category one and three (randomly picked) items from category two.

High fit: Two items from category seven and three (randomly picked) items from category six.

## Anja Überschaer

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