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How Does Unfavorable Information Impact Job Seekers' Organizational Attraction?

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Abstract

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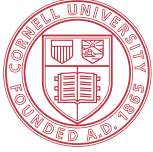
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Working Paper 08 – 10

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September 2008

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This paper has not undergone formal review or approval of the faculty of the ILR School. It is intended to make results of Center research available to others interested in preliminary form to encourage discussion and suggestions.

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Abstract

Prior research has been inconclusive regarding the effects of unfavorable information on job search outcomes, particularly during the initial stage of job search and recruitment. In this study, we investigated the effects of unfavorable organizational information on applicant attraction using an experimental study with active university job seekers (n = 202). Exposure to unfavorable information had a substantially greater impact on applicant attraction than exposure to favorable information and the significant effect size difference persisted one week after exposure. In addition, job seekers who were exposed to unfavorable information freely recalled more overall evaluations of the organization than job seekers who were exposed to favorable information one week later.

How Does Unfavorable Information Impact Job Seekers' Organizational Attraction?

The initial stage of applicant attraction to organizations has been understudied despite the fact that attracting job applicants is fundamental to the remainder of the employee recruitment and selection process (Barber, 1998). For example, when organizations fail to initially attract job applicants, they lose the opportunity to influence job choice decisions through recruitment and selection practices, potentially leading to unfavorable repercussions throughout the firms' human resources systems (Barber, 1998). To improve our understanding of employee recruitment, it is critical to better understand the factors that impact initial job seeker attraction to organizations.

Much of the previous work in the area of employee recruitment has focused on understanding the company recruitment practices that can positively influence applicant attraction (Cable & Turban, 2001). However, growing evidence suggests that job seekers first develop attitudes about organizations before the beginning of active company recruitment (Cable & Turban, 2001). These attitudes determine not only job seekers' initial interest in the company, but also influence the way that job seekers respond to subsequent company recruitment efforts (Stevens, 1997). While prior studies have identified some of the important determinants of applicant attraction, they have consistently ignored the role that unfavorable information (e.g., negative media press) plays in influencing attraction outcomes (Collins & Stevens, 2002; Highhouse & Hoffman, 2001). On the other hand, unfavorable information may play an important role in influencing attraction outcomes because 1) job seekers are flooded with favorable information about recruiting firms (Rynes, 1991), and 2) research suggests that job seekers use the early stages to screen out undesirable firms from further consideration (e.g., Soelberg, 1967). We currently have little understanding of the impact of unfavorable information on applicant attraction outcomes.

As importantly, related literatures have not clearly established a consistent pattern of effects of unfavorable information on attitudes and perceptions. For example, there has been a great deal of research on realistic job previews (RJPs) during interviews, a stage of applicant recruitment following initial applicant attraction. However, findings across this body of research have been mixed regarding the extent or significance of the effects of unfavorable information on job seekers' attitudes and behaviors (Breaugh & Starke, 2000). Further, in the performance appraisal literature, Kulik and Ambrose (1993) found some evidence that favorable information is more useful to raters than unfavorable information for making performance judgments. Posthuma, Morgeson, and Campion (2002) reviewed the literature on employee selection and concluded that the influence that unfavorable job applicant information has on interviewers' judgments during selection is still unresolved.

Interestingly, findings in other related literatures suggest that unfavorable information may have no or even positive effects on individuals' beliefs, attitudes, and intentions. For example, in the strategy literature, Fombrun and Shanley (1990) found that unfavorable media press had little correlation with corporate executives' perceptions of firms' reputations. Consumer marketing researchers have found that the impact of unfavorable product information on consumers' attitudes and purchase intentions diminishes substantially over time and in some cases, may increase some consumers' purchase intentions over time (Henard, 2002). Further, there is a common belief among marketing and public relations practitioners that any publicity may be good publicity (Grunig & Grunig, 1992).

The purpose of this study is to develop and test a theory of the impact of unfavorable information on job seekers' organizational attraction. We begin by drawing on the impression-formation literature (Skowronski & Carlston, 1989) to suggest that unfavorable information is more diagnostic for making judgments of organizations than favorable information. We predict that unfavorable information will have a greater impact on applicant attraction and pursuit intentions than favorable information, and importantly, this effect will persist one week after

exposure to the information. Second, we suggest that job seekers will recall more holistic judgments of the organization when they are exposed to unfavorable information than when they are exposed to favorable information. We test our hypotheses using a longitudinal, experimental design in the context of a firm that is newly entering a labor market.

Unfavorable information and attitudes

Organizations have clear incentives to create and maintain favorable impressions in the minds of stakeholder groups such as consumers, investors, and job applicants (Fombrun, 1996). To provide prescriptive advice to practitioners, employee recruitment researchers have historically aimed to understand how organizations can enhance and maintain favorable impressions through favorable exposures such as job advertisements (Cable & Turban, 2001), while unfavorable information exposures have been virtually ignored (Collins & Stevens, 2002).

Although unfavorable information has not been explicitly examined in the context of the initial stage of job search and organizational attraction, researchers have examined the effects of unfavorable information on job seekers in later stages of job search in studies on realistic job previews (RJPs)—recruitment messages containing combinations of favorable and “realistic” or unfavorable information (Breugh & Starke, 2000). RJPs have been found to lessen employee turnover by providing applicants with realistic, rather than overly optimistic, expectations about a potential job (Phillips, 1998). Unfortunately, as Highhouse and Hoffman (2001) noted, 1) researchers rarely measured applicant attraction as the dependent measure in RJP studies and 2) the amount of unfavorable information contained in RJP manipulations tended to vary from study to study, limiting the inferences that researchers and practitioners could draw about the role of unfavorable information on applicant attraction. Further, Beach (1993) argued that job seekers may follow different decision-making strategies across different stages of the job search process, suggesting that unfavorable information may have different effects on job seekers depending upon their current stage of job search and resultant information processing and decision making. Thus, it is important to identify other theories of information processing and

decision making that may provide insight as to how exposure to unfavorable information may affect initial applicant attraction to an organization.

Information Diagnosticity and Applicant Attraction

After a review of other literatures, we found that research on information diagnosticity may provide useful insights into the potential differential effects of favorable and unfavorable information on job seekers' organization attraction during the initial stage of job search. In particular, the impression-formation literature suggests that, in some settings, unfavorable information is likely to have a stronger impact on individuals' impressions than favorable information because unfavorable information is more diagnostic, or useful, for discriminating between alternative judgments than favorable information (Skowronski & Carlston, 1989). Specifically, the category-diagnosticity approach suggests that individuals categorize others' traits on the basis of limited information cues, with some cues being more useful than others. For instance, in terms of morality traits, favorable information cues are not useful for categorizing someone as good or bad since both good and bad people frequently engage in favorable behaviors. However, to be perceived as good, one has to consistently engage in good behaviors, and only bad people occasionally engage in bad behaviors. Therefore, information about unfavorable behaviors is more diagnostic than favorable information for labeling a person as good or bad and unfavorable information cues will have a greater weight in morality judgments than favorable information cues (Skowronski & Carlston, 1987, 1989).

We argue that unfavorable information will also be more diagnostic than favorable information for job seekers making judgments of organizations. First, favorable information is more common than unfavorable information in the early stages of job search. Indeed, previous recruitment research has found that organizations flood job seekers with favorable information such as job advertisements (Rynes & Boudreau, 1986; Gatewood, Gowan, & Lautenschlager, 1993), and even RJPs tend to be mostly favorable in practice (Highhouse & Hoffman, 2001). On the other hand, unfavorable information—even from sources outside of organizations' control

such as media articles—may be less common than favorable information (Fombrun & Shanley, 1990). Because job seekers are flooded with favorable information about both attractive and unattractive recruiting firms, favorable information about one firm is not useful for making judgments about an organization's attractiveness as an employer. On the other hand, because job seekers may be exposed to unfavorable information about only a few recruiting firms, unfavorable information suggests that these firms are unattractive employment options. Hence, unfavorable information should have a greater impact than favorable information on job seekers' organizational attraction.

Hypothesis 1: Unfavorable information will have a greater impact on job seekers' organizational attraction than favorable information immediately after exposure.

The influence of unfavorable information over time

A key issue for recruitment practitioners is whether or not the impact of unfavorable information on applicant attraction persists over time. We suggest that job seekers' attraction at a later point in time will be influenced by the type of information that comes to mind about the organization. Research suggests that individuals have limited cognitive resources and aim to conserve these resources by using efficient cognitive processing strategies (Feldman & Lynch, 1988). When individuals are asked to make a judgment, they first search their memories for a diagnostic overall evaluation of the evaluation target (Feldman & Lynch, 1988). If an overall evaluation comes to mind easily, the individual uses this to form his or her judgment because it is efficient (e.g., Herr, Kardes, & Kim, 1991; Lynch, Marmorstein, & Weigold, 1988). By first searching memory for an overall evaluation, categorization is an efficient process that allows individuals to cope with vast amounts of information.

In the early stages of job search, job seekers must choose among a vast number of potential employing organizations. However, given time and resource constraints (Rynes, 1991), job seekers will need to efficiently process the large amount of information that they encounter. Indeed, the most comprehensive studies of the job search process indicate that job seekers

narrow a larger pool of potential employers to a smaller and more manageable consideration set (Barber, Daly, Giannantonio, & Phillips, 1994; Soelberg, 1967). Job seekers can rely on prior overall evaluations of some organizations in order to efficiently process the large amounts of information from many recruiting organizations. Because unfavorable information is more diagnostic that an employer is undesirable than favorable information is diagnostic that an employer is desirable, exposure to unfavorable information likely leads job seekers to form strong overall evaluations of the organization in memory. Hence, job seekers exposed to unfavorable information will recall overall evaluations of the organization more frequently than job seekers exposed to favorable information. The job seeker can then rely on these prior overall evaluations to make judgments at a later point in time, leading unfavorable information to have a greater impact on organizational attraction than favorable information. Finally, prior research suggests that organizational attraction is positively related to job seekers' intentions to apply for employment (e.g., Collins & Stevens, 2002). Figure 1 shows the hypothesized model.

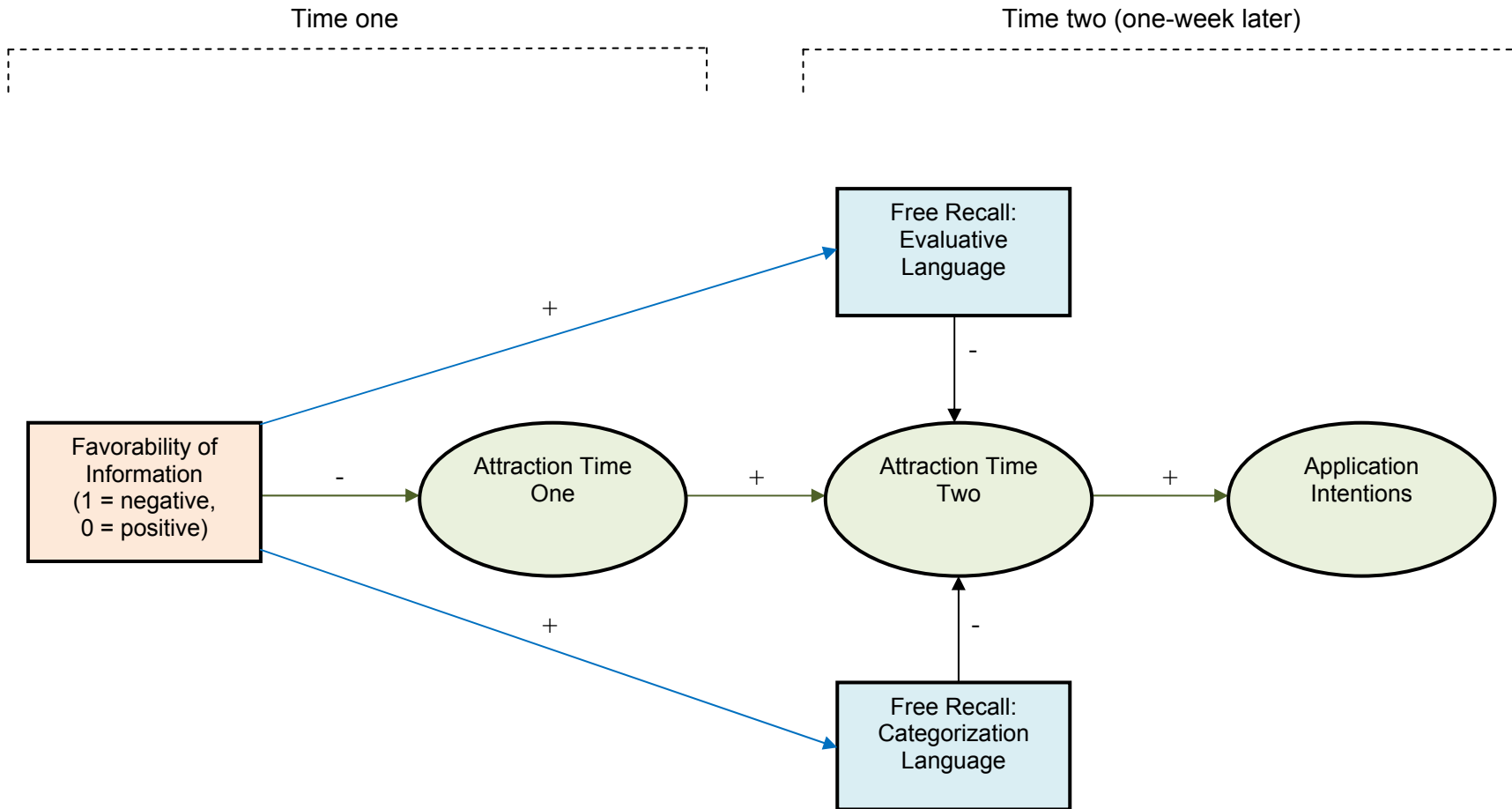
Hypothesis 2a: Unfavorable information will have a greater impact on job seekers' organizational attraction at time two than favorable information.

Hypothesis 2b: The relationship between unfavorable information and job seekers' organizational attraction at time two will be mediated by recalled overall evaluations of the recruiting organization, recalled evaluative language, and job seekers' organizational attraction at time one.

Hypothesis 2c: Job seekers' organizational attraction at time two will be positively related to application intentions at time two.

Figure 1

Hypothesized Model for the Relationship between Negative Information and Applicant Attraction



Method

Participants and design

We recruited active job seekers through the university's career services office (6% of participants) or through their university courses (94%). Two-hundred and two job seekers filled out the time one survey. Job seekers who took the time one survey were a mix of graduate professional (31%) and undergraduate-level (59%) students from a large university in the Northeast (mean age = 22.5 years, 52% female). Graduate and undergraduate students did not differ in their responses to the dependent variables or any measure related to the dependent variables. Participants in our study represented several academic majors including engineering (16%), business (24%), and human resources management (60%). Our sample was also ethnically diverse with 61% of respondents self-categorizing as White/Caucasian, 23% as Asian/Pacific Islander, 10% as African American, 5% as Hispanic/Latino, and 1% as American Indian. All initial participants were contacted one week later and asked to participate in a follow-up survey, and 175 of the initial participants completed the time two survey given one week later (87% response rate). We found no significant differences between time two respondents and non-respondents in terms of previous work experience (part or full time), gender, ethnicity, or grade point average (GPA) (all *p*'s *ns*).

Because we are testing a theory related to psychological processes, we aimed to maximize internal validity by using an experimental design. We randomly assigned participants to either the favorable or unfavorable information favorability condition in a between-subjects design.

Procedure

To ensure realism and involvement in our study, a single experimenter using a standardized verbal protocol informed participants that career services was interested in their perceptions of an organization that was coming onto campus to recruit during the next academic

semester. As a result, job seekers' answers to the survey questions could either directly impact their job searches or those of their peers, ensuring that our study was highly involving.

We first presented all participants with a one-page description of the organization that was adapted from a company profile on www.yahoo.finance.com, with the name of the organization altered slightly. We used a company that was “neutral” with respect to organizational characteristics that prior research has suggested influence applicant attraction such as industry (i.e., conglomerate), size (i.e., mid-sized), and location (i.e., locations throughout the U.S.; see Rynes & Cable, 2003). A pilot study (described in more detail below) confirmed that this company was perceived as “neutral” by a sample of job seekers that was similar to those in the focal study.

Next, we randomly assigned participants to either the favorable or unfavorable condition. Highhouse and Hoffman (2001) were critical of RJP studies that used combinations of favorable and unfavorable information because few studies explicitly addressed the amount of unfavorable or favorable information in the recruitment messages to applicants. The authors suggested that failure to explicitly study the amount of unfavorable and favorable information in these messages limited the conclusions that could be drawn from these studies about the effects of unfavorable information on recruitment outcomes. Further, common practice in mass media research is to code media articles using one of three categories—favorable, unfavorable, neutral—in tone (e.g., Deephouse, 2000).

To explicitly address these issues and to serve as a baseline for future research of unfavorable information in applicant attraction research, we presented information that was either all unfavorable or all favorable. We accomplished this by using polar-opposite adjectives to represent favorable information (e.g., priorities straight, ahead of the times, understands, good, great) and unfavorable information (e.g., priorities mixed-up, behind the times, doesn't understand, bad, poor). A potential limitation to this approach is that sources conveying only one side of the story may be perceived as less credible than sources conveying a combination

of favorable and unfavorable information (Chaiken & Stangor, 1987). Hence, we measured participants' perceptions of credibility to address this potential issue.

The favorable information and unfavorable information messages each contained 10 lines of text addressing different topics about the organization (i.e., work environment, firm performance). The messages came in the form of an email from a peer or a business press article—two sources that college-level job seekers rely on during the early stages of job search (Collins & Stevens, 2002; Kilduff, 1990)¹. The email and business press articles were exact replicas of the University's email and Fortune's web-site formats respectively, with potential confounds carefully removed (e.g., advertisements removed from media article).

After we exposed participants to the company description and the favorable information or unfavorable information, we asked them to complete a 29-item survey. We also sent participants a survey via electronic mail one week later that included seven-items to measure their recall and organizational attraction. This is an important part of our study because it allows participants to take the survey after a temporal delay, in a different setting, and using an electronic—rather than paper and pencil—survey format. Hence, the company name is the only cue that was consistent across the time one and time two settings. Students who had not responded to the follow-up survey within 24 hours were sent two reminder emails.

Pilot Study and Comparison Condition

We conducted a pilot study to examine whether job seekers perceived the description of the organization as “neutral”. Because we included this company description with the primary manipulations in the focal study, it was necessary for us to conduct this pilot study both separate and prior to our focal experiment. Participants ($n = 22$) were not different than those in our focal study with respect to age ($t_{193} = -0.45, ns$), gender ($\chi^2_{1, 194} = 0.48, ns$), degree status ($\chi^2_{1, 194} = 0.60, ns$), ethnicity ($\chi^2_{4, 195} = 1.34, ns$), GPA ($t_{193} = -0.39, ns$), part-time work experience, ($t_{193} = -0.89, ns$), full-time work experience ($t_{193} = -0.44, ns$), number of job offers, ($t_{193} = -0.74, ns$), and academic major ($\chi^2_{5, 189} = 0.69, ns$). Using the same procedures and

measures as the focal study, we asked participants to rate their organizational attraction and organizational pursuit intentions after we exposed them to only the neutral company description. Participants reported approximately neutral organizational attraction ($M = 3.09$, $SD = 0.52$) and organizational pursuit intentions ($M = 3.20$, $SD = 0.69$) on five-point scales. This confirmed our expectation that this description was neutral.

Similar to the method used by Kuvaas and Selart (2004), all participants in the focal study were first exposed to this brief company description. This would serve as a baseline comparison group to test our hypotheses about the effect size of favorable and unfavorable information (e.g., Kuvaas & Selart, 2004). Thus, our inclusion of the matched neutral condition represents a quasi-experimental design (Cook & Campbell, 1979).² Given the importance of establishing this baseline measure, we replicated this pilot study with a sample of job seekers ($n = 44$) in a human resources management course (57% female, 100% job seekers)³, and found that participants' attraction ($M = 3.14$, $SD = .56$) and pursuit intentions ($M = 3.35$, $SD = .70$) were not significantly different from those participants in the matched sample.

Manipulation checks

Source credibility. It was important that we ruled out source credibility as an alternative explanation for our hypotheses (i.e., unfavorable information may have been more credible than favorable information). We adapted a ten-item semantic-differential scale from Ohanian (1990) to measure participants' perceptions of the information sources' expertise and trustworthiness. Participants were asked, "As a source of information, I would describe the email from my peer (the article in the business magazine) as," followed by bipolar adjectives (i.e., sincere, honest, dependable, trustworthy, reliable, expert, knowledgeable, qualified, experienced, and skilled; e.g., 1 = *trustworthy*, 5 = *not trustworthy*). The scale was then reverse coded so that higher scores indicated greater credibility perceptions. Internal consistency reliability of the scale using Cronbach's alpha was .91.

Diagnosticity. We adapted a measure from the marketing literature (Ahluwalia, 2002) to ensure that unfavorable information was more diagnostic than favorable information. We asked participants whether they would describe the information about the recruiting organization as “relevant to job seekers like me” on a five-point Likert scale (1 = *irrelevant to job seekers like me*, 5 = *relevant to job seekers like me*).

Measures

Control variables. We included measures for several variables that have been suggested by prior recruitment research as control variables. These included age, gender, ethnicity, grade point average (GPA), part and full time work experience, job search status, number of job offers, and academic major.

Organizational attractiveness. We measured participants’ perceptions of the organization’s attractiveness as an employer with a four-item scale used in previous research (Taylor & Bergmann, 1987). Participants were asked to indicate their agreement with items on a 5-point scale (1 = *strongly disagree*, 5 = *strongly agree*). An example item is: “Overall, a job opportunity at this company is very attractive to me”. We also used the same four items used to reassess participants’ perceptions of the attractiveness of the organization as an employer at time two. Internal consistency of the scales at time one and time two using Cronbach’s alpha were .87 and .86 respectively.

Application intentions. At time two, we used two items from previous research (Taylor & Bergman, 1987) to assess participants’ intentions to pursue employment with the organization using a five-point Likert scale (1 = *strongly disagree*, 5 = *strongly agree*). The items were: “If I saw a job opening for this organization, I would apply for it” and “If I were searching for a job, I would apply to this organization.” Prior studies have found that this scale is strongly correlated with actual application decisions (e.g., $r = .48$: Collins, 2007). Internal consistency of the scale was .93.

Free recall. Free recall measures assess how easily a construct comes into memory, or its accessibility (Higgins & Bargh, 1987). We asked participants to “indicate in a few words the topic that was discussed in the information you received about the organization”. We were interested in the extent that evaluative- and categorization-based thoughts came into participants’ minds one week after exposure to the company information. We coded participants’ responses with two measures of recall—*recall of categorization-based language* and *recall of evaluative language*. We defined categorization-based language as words or phrases that make summary judgments about a firm. Two PhD students were asked to code “1” if the participant freely recalled a summary judgment and “0” if they did not. For instance, one participant recalled “I assessed a bad company,” suggesting that the category “bad company” was likely more accessible in memory than other potential information. We defined evaluative-based language as words or phrases that directly addressed information favorability with words such as “negative”, “positive”, “good”, and “bad”. The same two raters coded “1” if the participant freely recalled evaluative language and “0” if they did not. For example one participant in the unfavorable condition listed: “All I remember is that the information was unfavorable”, which was coded as a “1”; another participant in the same condition listed “work environment” which was coded as “0”. Inter-rater agreement was .99. Disagreement on one item was resolved through discussion.

Results

Descriptive statistics and correlations are presented in Table 1. Preliminary analyses for the manipulation check indicated that the job seekers did not perceive differences in credibility between favorable ($M = 3.3$, $SD = .68$) and unfavorable ($M = 3.4$, $SD = .63$) information, $t(200) = -1.36$, *ns*. As expected, job seekers did perceive differences in the diagnosticity of the favorable information ($M = 3.49$, $SD = 1.10$) and unfavorable information ($M = 3.93$, $SD = .92$), $t(200) = 3.12$, $p < .01$.

Table 1
Means, Standard Deviations, and Intercorrelations

Variable	<i>M</i>	<i>SD</i>	1.	2.	3.	4.	5.
Favorability ^a	0.51	0.50					
Attraction time one ^b	- 0.48	0.83	- .67**				
Recall evaluative language	0.41	0.49	.22**	- .21**			
Recall categorization language	0.11	0.31	.15*	- .20**	.23**		
Attraction time two ^b	- 0.33	0.73	- .53**	.65**	- .20*	- .28**	
Application intentions ^b	- 0.15	0.99	- .28**	.30**	- .15*	- .24**	.47**

Note. * $p < .05$, ** $p < .01$., ^a Unfavorable = 1, favorable = 0. ^b Means are centered values relative to pilot study scores.

We had two primary issues of interest in our analyses. First, we were interested in the differences in the effect sizes (ES) of information favorability on applicant attraction outcomes. We subtracted-out the mean attraction value that we found in the pilot study (i.e., the neutral company description) for all organizational attraction and pursuit intentions scores. This centered the attraction scores relative to the “neutral” score, showing the direction and the size of the effects of favorable and unfavorable information in relation to the neutral score. Hence, a negative path from information favorability to attraction would show the manipulation negatively influenced organizational attraction relative to the neutral company description.

Second, we were interested in testing a mediated model. Because we had multiple indicators for several of our measures and multiple mediation tests, we used structural equation modeling (SEM) with latent variables. SEM allowed us to correct for measurement error and can examine multiple mediated paths simultaneously which reduced the number of tests we would need to run, reducing the likelihood of a Type I error. We tested for full mediation using the approach suggested by James, Mulaik, and Brett (2006). Full mediation is found when 1) the independent variable is related to the dependent variable when the path from the mediator to the dependent variable is constrained to zero, 2) the independent variable is related to the mediator, 3) the mediator is related to the dependent variable, and 4) the addition of a direct

path from the independent variable to the dependent variable does not improve model fit using a goodness-of-fit test.

We tested the proposed structural model using M-PLUS version 3.1 (Muthen & Muthen, 2004). We evaluated the model by examining the overall fit and the tenability of each proposed link. To evaluate overall fit, we used several commonly-used fit indices—the comparative fit index (CFI), the Tucker-Lewis Index (TLI), and root mean square error of approximation (RMSEA). To evaluate each hypothesized link, we examined its direction and significance. MPLUS provides the estimate over the standard error (*EST/SE*) statistic, which is distributed normally (Muthen & Muthen, 2004).

Structural Model Analyses

Overall, the hypothesized model (Figure 1) fitted the data moderately well ($\chi^2 = 168.12$, $df = 78$; CFI = 0.938; TLI = 0.909; RMSEA = 0.076). Hypothesis 1 predicted that unfavorable information would have a greater impact than favorable information on the change in participants' organizational attraction. Because we used a dummy-coded information favorability variable (1 = unfavorable, 0 = favorable) and centered attraction scores, a negative association between favorability and attraction at time one would provide support for Hypothesis 1. We found that unfavorable information at time one was directly and negatively related to participants' organizational attraction at time one ($\beta = -1.09$, $SE/EST = -11.69$). Unfavorable information had a greater negative effect than the positive effect from favorable information on attraction at time one, supporting Hypothesis 1.

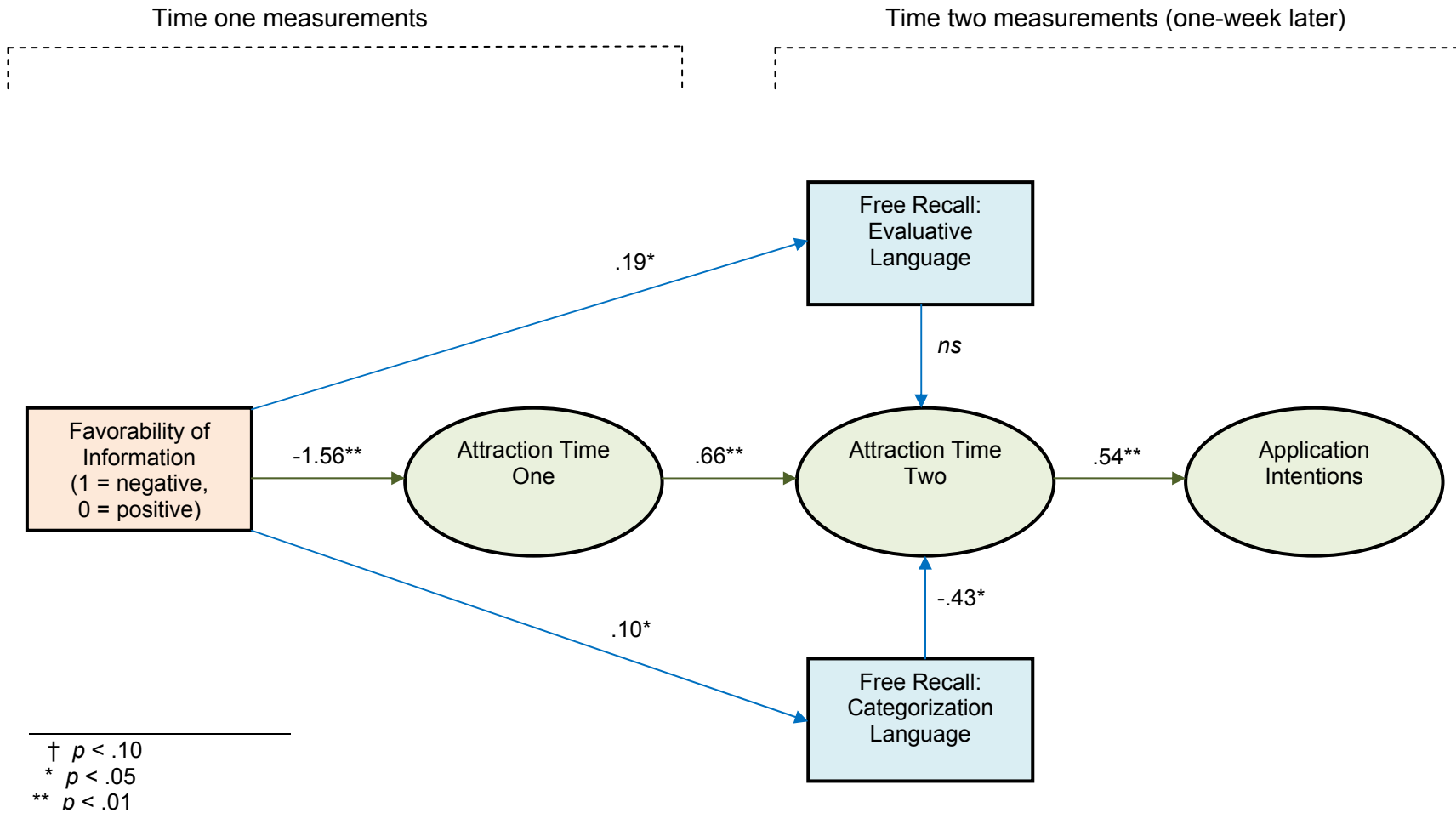
Hypothesis 2a and 2b examined predictors of participants' organizational attraction at time two. Hypothesis 2a predicted that unfavorable information would have a greater impact than favorable information on participants' attraction at time two. We examined a model where we set paths from the mediators to attraction at time two equal to zero in order to examine the direct effect of favorability on attraction at time two. Not shown in Figure 2, unfavorable

information had a greater impact on organizational attraction at time two than favorable information ($\beta = -0.76$, $EST/SE = -8.06$). This supports Hypothesis 2a.

Hypothesis 2b predicted that free recall of categorization language, free recall of evaluative language, and organizational attraction at time one would mediate the impact of favorability on organizational attraction at time two. The first condition of mediation (IV→DV) was met by support for Hypothesis 2a: favorability was negatively related to participants' attraction at time two. The second condition for mediation (IV→M) was partially supported by Hypothesis 1: negative information had a greater impact than favorable information on attraction at time one. We next removed the constraints from the paths from the mediators to attraction at time two and set the path from favorability to attraction at time two equal to zero in order to test Hypothesis 2b ($\chi^2 = 168.354$, $df = 79$; CFI = 0.938; TLI = 0.911; RMSEA = 0.075). Evaluating paths from favorability to the remaining two proposed mediators, we found that participants who were exposed to unfavorable information had greater recall of categorical language than those exposed to favorable information ($\beta = 0.10$, $EST/SE = 2.14$) and greater recall of evaluative language ($\beta = 0.19$, $EST/SE = 2.65$). For the third condition of mediation (M→DV), we found that organizational attraction at time one ($\beta = 0.66$, $EST/SE = 8.14$) and free recall of categorization ($\beta = -.28$, $EST/SE = -2.14$), but not recall of evaluative language ($\beta = .028$, $EST/SE = .34$) were related to organizational attraction at time two. To support the fourth condition of full mediation, we found that adding a path from favorability to attraction at time two ($\chi^2 = 168.117$, $df = 78$, CFI = 0.938; TLI = 0.909; RMSEA = 0.076) did not lead to an improvement in model fit ($\Delta \chi^2 = .237$, $\Delta df = 1$). Partially supporting Hypothesis 2b, we found that free recall of categorization and organizational attraction at time one (but not recall of evaluative language) fully mediated the relationship between favorability and organizational attraction at time two. Supporting Hypothesis 2c, we found that organizational attraction at time two was positively related to application intentions at time two ($\beta = 0.76$, $EST/SE = 4.03$). Figure 2 shows the final model using standardized estimates.

Figure 2

Final Model for the Relationship between Negative Information and Applicant Attraction



Discussion

In this study, we examined the influence of unfavorable information exposures on job seekers' organizational attraction during the early stages of the employee recruitment process. Importantly, we contribute to the literature on job search and recruitment by developing hypotheses regarding how favorable and unfavorable information may be processed differently by job seekers and by conducting the first empirical test of effects of unfavorable information on applicant attraction. As noted above, this is a particularly interesting area of research because we know little about the relative effects of unfavorable versus favorable information on job seekers' attraction to an organization, but there is strong evidence that creating initial applicant attraction is critical for increasing the utility of later recruitment practices and selection systems. Further, despite what might seem to be common sense regarding expected effects of unfavorable information, research from other related fields suggests that unfavorable information may have no effect or even positive effects on job seekers' perceptions and attraction towards an organization.

Interestingly, given the mixed findings on the effects of unfavorable information in other literatures, our results showed that unfavorable information had a substantially greater impact than did favorable information on job seekers' organizational attraction immediately after exposure to the information. Consistent with our hypotheses, job seekers who were exposed to unfavorable information were much less attracted to the organization compared to participants who were only exposed to neutral information, suggesting that unfavorable information was particularly salient to job seekers. In contrast, favorable information had relatively little impact on job seekers' attraction immediately after exposure, suggesting it was less diagnostic to them at this stage of the recruitment and job search process. Potentially more importantly for companies and practitioners, differences in the effects of unfavorable versus favorable information persisted one week later. We found that the effect size of unfavorable information was still much larger than that of favorable information one week after the initial exposure. Thus, it

appears that unfavorable information may have lasting effects on job seekers' attraction, potentially affecting their subsequent interest in applying to the organization. The results of our recall measure suggest that job seeker found it easier to recall overall judgments of organizations after exposure to unfavorable information than after exposure to favorable information.

These results are an important contribution to the emerging literature on organizational attraction. From a theory building perspective, we suggested that unfavorable information is diagnostic because less common and, thus, may be more useful for job seekers during the initial stage of job search where they are looking to eliminate companies from the large pool of potential options to narrow down to a smaller, more manageable set of companies to actively pursue. Our findings did support the notion that unfavorable information had much larger effects than favorable information on both immediate attraction and attraction one week after exposure to the information. From a practical perspective, this finding suggests that companies may suffer in terms of building a larger applicant pool if individuals in their target labor pool have been exposed to unfavorable information about the company. That the effects of unfavorable information persist is particularly important because evidence suggests that later in the recruitment process, applicants seek to confirm their initial impressions about organizations (Stevens, 1997).

Our finding that job seekers who were exposed to unfavorable information were more likely to recall overall evaluations of the firm than those exposed to favorable information is also important. This suggest that job seekers were more likely to label the firm as being a "bad place to work" when exposed to unfavorable information than they are to label the company as "a good place to work" when exposed to favorable information. This is in contrast to studies in the performance appraisal literature that found that raters categorized employees' performances more easily based on favorable information than unfavorable information (Kulik & Ambrose,

1993). This is also particularly relevant because early attraction is characterized by a screening process, which occurs when job seekers must make overall judgments about an organization.

In light of our finding that unfavorable information may be harmful, we would suggest that researchers need to explore how firms can mitigate the effects of exposure to unfavorable information during this early stage of recruitment and job search. In particular, it seems important to study how different company recruitment interventions may help companies overcome unfavorable information that may have been disseminated about the company through either word-of-mouth or the media.

Limitations

While our study makes several important contributions, we acknowledge several limitations in our study. First of all, we assessed job seekers' reactions to information regarding an unfamiliar organization. This study design did enable us to examine a particularly important set of companies and allowed us to control for job seekers' pre-existing images, yet differences in previous images may affect how job seekers interpret later organizational information. For example, exposure to unfavorable information may have less of an impact on job seekers' attraction for companies that have an existing strong, positive image and reputation. However, we believe that using an unfamiliar organization is appropriate in the context of university job seekers. For instance, empirical research shows that college-level job seekers are unfamiliar with many organizations recruiting college students (Gatewood et al., 1993; Turban & Greening, 1997). However, future research is needed to examine the relative effects of unfavorable and favorable information for companies with strong existing images and reputations.

Further, we assessed job seekers' reactions based on only two pieces of information – a neutral company description and the experimental manipulation which consisted of a total of sixteen lines of text. Job seekers often encounter many pieces of information about recruiting organizations and therefore our study only captures a small piece of how they interpret organizational information. However, job seekers' initial exposure to information about an

organization might be extremely important since previous research suggests that initial exposures will determine how they interpret later information (e.g., Cable & Turban, 2001; Soelberg, 1967). Further, when confronted with multiple pieces of information, individuals use more diagnostic information over less diagnostic information for forming judgments (Feldman & Lynch, 1988). This suggests that, because unfavorable information tends to be more diagnostic than favorable information to job seekers, unfavorable information will be used to form judgments even in the presence of multiple pieces of less diagnostic favorable or neutral information. Still, future research is clearly needed to better understand how job seekers interpret multiple pieces of information.

Third, in our study design, we used a single manipulation of favorable and unfavorable information. In our manipulations, we provided either all favorable or all unfavorable information regarding the recruiting organization. Clearly there are a myriad of other combinations of unfavorable and favorable information that job seekers encounter in their job searches, and these can differ in their extremity. While our empirical tests the diagnosticity and credibility of our manipulations and post- experimental qualitative interviews suggested that participants in both the favorable and unfavorable information conditions felt that the manipulations were credible, future research that uses a combination of favorable and unfavorable information should be conducted to provide further support for our findings.

Conclusions

In conclusion, this study makes several contributions to the literature on the initial stage of recruitment and job search. First, to our knowledge, this study is the first to evaluate the influence of unfavorable information early in the recruitment process. Thus, our study makes an important theoretical and empirical contribution regarding differences in the relative effects of favorable and unfavorable information on job seekers' attraction to recruiting companies. Importantly, we found that unfavorable information about a previously unknown company had significantly larger effects than did favorable information on both immediate and lasting job

seeker attraction and intentions to apply. Second, we found that unfavorable information led job seekers to recall more overall judgments of the organization than favorable information.

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Footnotes

¹ Information sources and topics were not the primary interest of the present study. Adding covariates for source and topic did not change any of the substantive relationships or model fit. However, to be conservative, we left the covariates for different information sources and information topics in all analyses.

² The ratio of participants in the neutral condition to the favorable and unfavorable conditions is 1:4. When cell sizes differ to this extent it is important to test the assumption of homogeneity of error variances to avoid increased Type I error rate (Tabachnick & Fidell, 2006). We failed to reject the hypothesis of homogeneity of error variances in our analysis which included the neutral condition (Box's multivariate test = 3.75, $F = .61$, *ns*; Levene's test for equality of error variances for organizational attraction ($F_{2, 194} = 1.58$, *ns*), organizational pursuit intentions time one ($F_{2, 194} = 2.18$, *ns*), organizational attraction at time two ($F_{2, 194} = 2.08$, *ns*), and organizational pursuit intentions at time two ($F_{2, 194} = 0.15$, *ns*).

³ Additional demographic data are unavailable for this sample.