Look Who’s Talking: Investigating Word-of-Mouth as a Recruitment Source

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Relevance recruitment

• Inflow of human capital
• Basis for selection
• Tight labor markets: “War for talent”
• Hard-to-fill jobs
• “There is always demand for good people”
Gap practice – research

• Recruitment practice
  ▶ Job seekers use multiple information sources
  ▶ Both company-dependent and -independent sources
  ▶ Job seekers often consult other people

• Recruitment research
  ▶ Focus on a single recruitment source
  ▶ Focus on company-dependent sources
  ▶ Job seekers as individual decision-makers
“Although it has been over 30 years since Soelberg referred to social influence as the ‘single most promising direction’ for job-choice research, very little attention has been given to this topic.”
(Highhouse & Hoffman, 2001)

“Any information source, ranging from company's brand advertisement to friends' word-of-mouth, has the potential to affect job seekers' employer knowledge. Unfortunately, several sources of organizational information suggested by the marketing literature have been relatively ignored in past recruitment research.”
(Cable & Turban, 2001)
Study objectives

Apply a marketing metaphor to examine

• Recipient and source determinants

• Perceptual and behavioral outcomes

• Incremental value beyond other sources of positive and negative word-of-mouth (WOM)
Word-of-mouth in marketing

• Company-independent interpersonal communication about product/organization

• Varies in medium, source, motives, and valence

• Powerful impact on consumer attitudes and behavior

• More influential than advertising
Word-of-mouth in marketing

• Determinants: Recipient-source framework
  ▶ Recipient (e.g., extraversion)
  ▶ Source (e.g., source expertise)
  ▶ Relationship (e.g., tie strength)

• Outcomes: Accessibility-diagnosticity model
  ▶ Accessibility (e.g., vividness)
  ▶ Diagnosticity (e.g., credibility)
Word-of-mouth in recruitment

- Company-independent interpersonal communication about job/organization

- Varies in medium, source, motives, and valence
  - ≠ employee referral
  - ≠ networking

- Operationalized as “time spent talking to other people about job/organization”
Previous recruitment research

- Some evidence for social influences on organizational attraction (Kilduff, 1990)
- Employee referrals positively affect post-hire recruitment outcomes (Zottoli & Wanous, 2000)
- Networking positively affects job seekers’ reemployment (Wanberg et al., 2000)
Recruitment research on WOM

- Collins & Stevens (2002): Positive WOM strongly affects attractiveness and applications
- Van Hoye & Lievens (2007a): Positive and negative WOM strongly affect attractiveness
- Van Hoye & Lievens (2005): Positive WOM enhances attractiveness after negative publicity
- Van Hoye & Lievens (2007b): Positive WOM is more attractive than employee testimonial
Determinants of word-of-mouth

• Recipient-source framework
• Recipient characteristics
  ▶ \( H: \text{Extraversion} \uparrow \Rightarrow \text{word-of-mouth} \uparrow \)
  ▶ \( H: \text{Conscientiousness} \uparrow \Rightarrow \text{word-of-mouth} \uparrow \)
• Source characteristics
  ▶ \( H: \text{Source expertise} \uparrow \Rightarrow \text{word-of-mouth} \uparrow \)
• Recipient-source relationship
  ▶ \( H: \text{Tie strength} \uparrow \Rightarrow \text{word-of-mouth} \uparrow \)
Outcomes of word-of-mouth

- 1st recruitment phase: potential applicants
  - Perceived organizational attractiveness
  - Actual application decisions

- Accessibility-diagnosticity model

  - \( H: \) Positive word-of-mouth \( \uparrow \) \( \Rightarrow \) attraction \( \uparrow \)

  - \( H: \) Negative word-of-mouth \( \uparrow \) \( \Rightarrow \) attraction \( \downarrow \)

  - \( H: \) Word-of-mouth explains incremental variance in outcomes beyond other recruitment sources
# Taxonomy of recruitment sources

**Cable & Turban (2001)**

<table>
<thead>
<tr>
<th>Informational</th>
<th>Company-dependent</th>
<th></th>
<th>Company-independent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment advertising</td>
<td>Recruitment site</td>
<td></td>
<td>Publicity</td>
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<tr>
<th>Experiential</th>
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</thead>
<tbody>
<tr>
<td>Recruitment event</td>
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<td>Word-of-mouth</td>
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</tbody>
</table>
Method

• Time 1
  ▶ 835 potential applicants for Belgian Defense (72% men, mean age = 22 yrs)
  ▶ Visitors career offices/website Belgian Defense
  ▶ Web-based survey: determinants, recruitment sources, organizational attractiveness

• Time 2
  ▶ Application decision from database 6 months later
  ▶ 29% applied
Results

More positive \((M = 2.98, SD = 1.11)\) than negative word-of-mouth \((M = 1.94, SD = .89)\), \(t(834) = 25.74, p < .01\)
<table>
<thead>
<tr>
<th>Predictor</th>
<th>Positive word-of-mouth</th>
<th>Negative word-of-mouth</th>
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</thead>
<tbody>
<tr>
<td>Extraversion</td>
<td>.09*</td>
<td>-.06</td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>.09*</td>
<td>.08*</td>
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<tr>
<td>Source expertise</td>
<td>.37**</td>
<td>.18**</td>
</tr>
<tr>
<td>Tie strength</td>
<td>.33**</td>
<td>.09*</td>
</tr>
</tbody>
</table>

| $R^2$                  | .36**                  | .06**                  |
| Adjusted $R^2$         | .36**                  | .05**                  |

* $p < .05$. ** $p < .01$. 
<table>
<thead>
<tr>
<th>Predictor</th>
<th>Organizational attractiveness</th>
<th>Application decision</th>
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<tbody>
<tr>
<td></td>
<td>Step 1</td>
<td>Step 2</td>
</tr>
<tr>
<td>Recruitment advertising</td>
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<td>.20**</td>
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<tr>
<td>Recruitment website</td>
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<td>.17**</td>
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<td>Recruitment events</td>
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<td>Positive publicity</td>
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<tr>
<td>Negative publicity</td>
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<td>-.13**</td>
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<td>$R^2$</td>
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<td>$\Delta R^2$</td>
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<td>$\chi^2$</td>
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<tr>
<td>Nagelkerke $R^2$</td>
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<td>.116**</td>
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<tr>
<td>$\Delta$Nagelkerke $R^2$</td>
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<td>.037**</td>
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* $p < .05$. ** $p < .01$. 
Conclusions

• Useful to apply marketing metaphor

• Support for recipient-source framework
  ‣ Potential applicants receive more positive word-of-mouth
    • If they are higher in extraversion and conscientiousness
    • From sources with higher expertise
    • From strong ties
  ‣ Potential applicants receive more negative word-of-mouth
    • If they are higher in conscientiousness
    • From sources with higher expertise
    • From strong ties
    • Only 6% variance explained => investigate other possible determinants (e.g., negative affect, job dissatisfaction)
Conclusions

• Support for accessibility-diagnosticity model
  ▶ Word-of-mouth explains incremental variance in outcomes beyond other sources
  ▶ Positive word-of-mouth relates positively to
    · Perceived organizational attractiveness
    · Actual application decisions
  ▶ Negative word-of-mouth relates negatively to
    · Perceived organizational attractiveness
    · Smaller effect than lab study (Van Hoye & Lievens, 2007) =>
      investigate employer brand equity as possible moderator
Directions for future research

• Apply media richness theory to examine different media of word-of-mouth

• Investigate motives of sources for spreading positive (e.g., altruism, product involvement, self-enhancement) and negative word-of-mouth (e.g., altruism, anxiety reduction, vengeance, advice seeking)

• Investigate efficacy of strategies for influencing word-of-mouth
Practical implications

• Stimulate positive word-of-mouth through recruitment activities (e.g., campus recruitment)

• Expand recruitment communication to strong ties (e.g., Refer a friend, family fair)

• Expand recruitment communication to employees
  ‣ External and internal employer branding
Questions?

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