

# 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-diagnosticsity model
  - Accessibility (e.g., vividness)
  - Diagnosticsity (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: Extraversion* ↑ => *word-of-mouth* ↑
  - *H: Conscientiousness* ↑ => *word-of-mouth* ↑
- Source characteristics
  - *H: Source expertise* ↑ => *word-of-mouth* ↑
- Recipient-source relationship
  - *H: Tie strength* ↑ => *word-of-mouth* ↑

# Outcomes of word-of-mouth

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

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	Company-dependent	Company-independent
Informational	Recruitment advertising Recruitment site	Publicity
Experiential	Recruitment event	Word-of-mouth

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# 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 ( $M = 1.94$ ,  $SD = .89$ ),  $t(834) = 25.74$ ,  $p < .01$

Predictor	Positive word-of-mouth	Negative word-of-mouth
Extraversion	.09*	-.06
Conscientiousness	.09*	.08*
Source expertise	.37**	.18**
Tie strength	.33**	.09*
$R^2$	.36**	.06**
Adjusted $R^2$	.36**	.05**

\*  $p < .05$ . \*\*  $p < .01$ .



Predictor	Organizational attractiveness		Application decision	
	Step 1	Step 2	Step 1	Step 2
Recruitment advertising	.25**	.20**	1.79**	1.64**
Recruitment website	.19**	.17**	1.12	1.07
Recruitment events	.05	.01	1.03	.95
Positive publicity	.11*	.04	.82	.73*
Negative publicity	-.17**	-.13**	1.01	1.05
Positive word-of-mouth		.25**		1.54**
Negative word-of-mouth		-.08*		.95
$R^2$	.195**	.233**		
Adjusted $R^2$	.190**	.226**		
$\Delta R^2$	.195**	.038**		
$\chi^2$			47.64(5)**	71.06(7)**
Nagelkerke $R^2$			.079**	.116**
$\Delta$ Nagelkerke $R^2$			.079**	.037**

\*  $p < .05$ . \*\*  $p < .01$ .

# 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-diagnosticsity 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 Hoyer & 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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