Social Influences on Organizational Attractiveness:
Investigating If and When Word-of-Mouth Matters

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Abstract

Most previous recruitment studies have treated potential applicants as individual decision-makers, neglecting informational social influences on organizational attractiveness.

Therefore, the present study investigated if and under which conditions word-of-mouth communication matters as a recruitment source. Results \((N = 171)\) indicated that word-of-mouth had a strong impact on organizational attractiveness and that negative word-of-mouth interfered with the effect of recruitment advertising. Word-of-mouth from a strong tie was perceived as more credible and had a more positive effect on organizational attractiveness. For potential applicants high in self-monitoring, word-of-mouth had a stronger effect when it was presented after recruitment advertising. Finally, the effect of word-of-mouth on organizational attractiveness was partially mediated by the perceived credibility of recruitment advertising.
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In today’s business environment, human capital is one of the most valuable assets a company can have and recruitment serves the important function of bringing the necessary talent into the organization (Barber, 1998). Despite economic upturns and downturns, recruitment remains a crucial human resources function for at least three reasons. First, there will always be certain hard-to-fill vacancies for which organizations must compete fiercely to attract potential applicants, even in an otherwise loose labor market. Second, the most talented job seekers continue to have enough options to critically investigate and compare potential employers. Therefore, organizations that wish to attract these highly desired applicants have no choice but to participate in the “war for talent”. Third, demographic trends such as a smaller supply of younger workers and retirements among baby boomers indicate that recruitment will be even more important in the future (Collins & Stevens, 2002).

In order to increase organizational attractiveness, recruitment often involves that information about the organization as an employer is communicated to a target group of (potential) applicants through a specific channel or source (Barber, 1998). This implies that recruitment-related information sources and their characteristics can be important antecedents of organizational attractiveness. In addition to internal recruitment sources (e.g., recruitment advertising), which are largely under the control of the organization, job seekers also receive information from external sources (e.g., publicity), which are mostly not under the control of the organization. However, research on the effects of these external information sources on organizational attractiveness is still scarce (Cable & Turban, 2001; Collins & Stevens, 2002).

Another example of such an underresearched external source is word-of-mouth communication about an organization as an employer. On the basis of their review of the recruitment literature, Highhouse and Hoffman (2001) concluded that “although it has been
over 30 years since Soelberg (1967, p. 23) referred to social influence as the ‘single most promising direction’ for job-choice research, very little attention has been given to this topic” (p.47). While it is generally recognized that potential applicants often consult other people such as family, friends, or acquaintances about jobs and organizations, most studies have treated the potential applicant as an individual decision-maker, i.e. in social isolation (Barber, 1998; Cable & Turban, 2001; Highhouse & Hoffman, 2001; Kilduff, 1990, 1992; Ryan, Sacco, McFarland, & Kriska, 2000; Rynes, Bretz, & Gerhart, 1991).

Furthermore, most recruitment studies have examined the effects of only one information source at a time, so little is known about the combined effects of multiple sources on organizational attractiveness. In addition, it has not yet been studied if the order in which various information sources are presented influences their effects (Cable & Turban, 2001; Collins & Stevens, 2002). Finally, very few studies have examined if individual differences moderate the effects of information sources on organizational attractiveness (Zottoli & Wanous, 2000).

These gaps in the recruitment literature contrast sharply with the reality of job seeking where potential applicants rely on both internal and external sources of information, where other people are often consulted about potential jobs and organizations, where mostly more than one information source is used, and where considerable individual differences in job search exist.

Therefore, the general purpose of the present study was to investigate word-of-mouth as a particular type of informational social influence. As a first specific objective, we wanted to find out if word-of-mouth would influence organizational attractiveness perceived by potential applicants and if it would interfere with the effect of recruitment advertising. Second, we were interested in knowing under which conditions word-of-mouth would have the strongest effect. Hence, we examined if the impact of word-of-mouth would be
moderated by the individual difference variable self-monitoring and by the situational variables tie strength and order of information sources. In addition, we investigated if credibility perceptions would mediate the effect of word-of-mouth.

Social Influences on Organizational Attractiveness

Although several studies have indicated that social influences on organizational attractiveness are potentially large, little systematic research has been conducted in this area (Barber, 1998; Cable & Turban, 2001; Highhouse & Hoffman, 2001; Kilduff, 1990, 1992; Ryan et al., 2000; Rynes et al., 1991). Moreover, it is hard to find an unequivocal definition of what exactly is meant by “social influences” and normative and informational social influences are often intertwined (Higgins, 2001).

Normative social influence results from a pressure to conform to certain expectations held by another person or group and are motivated by desires for self-maintenance or external rewards. The internal processes operating here are identification and compliance (Cohen & Golden, 1972; Wooten & Reed, 1998). Informational social influences refer to accepting information provided by others as evidence about reality and are motivated by desires for problem-solving or coping with one’s environment. This type of influence operates through internalization (Cohen & Golden, 1972; Wooten & Reed, 1998).

Even though recruitment studies typically do not distinguish between these different kinds of social influences, it is sometimes possible to discern the major focus of the study. For instance, Liden and Parsons’ finding (1986) that parental and peer pressure on young applicants to accept a job was significantly related to job acceptance intentions provides evidence for normative social influences on organizational attractiveness. The theories that are most often used to examine normative social influences in a recruitment context are the theory of reasoned action (Fishbein & Ajzen, 1975) and the theory of planned behavior (Ajzen, 1991) (e.g., van Hooft, Born, Taris, & van der Flier, 2004). According to these
theories, beliefs about the normative expectations of others and the motivation to comply with these expectations result in perceived social pressure or subjective norm.

Less recruitment studies are found that clearly focus on informational social influences. For instance, Fisher, Ilgen, and Hoyer (1979) explicitly studied other people as a source of information about jobs and organizations, using the credibility of information sources as a conceptual background. They found that friends were perceived as more credible and more influential sources than recruiters. Another example is provided by the finding of Rynes et al. (1991) that a quarter of interviewed job seekers based their initial perception of a positive fit with the organization on information they got from friends or acquaintances already working for that organization. They proposed signaling theory as an explanation for these results, stating that job seekers used this social information as the basis for making inferences about unknown organizational characteristics.

However, most studies in this area have examined only the outcomes and not the antecedents of social influences, which makes it almost impossible to establish what kind of social processes were involved to produce those outcomes. For instance, Kilduff (1990) reported that MBA students who perceived each other as similar or as personal friends, tended to interview with the same employing organizations. Yet, this finding could have resulted from normative social influences (e.g., complying with the dominant employer choice of the peer group for desire of belonging to it) just as well as from informational social influences (e.g., accepting peer evaluations of these organizations as reality). The same is true for Turban’s (2001) conclusion that perceptions of an organization by university personnel were related to students’ attraction to that organization.

Conversely, the marketing literature has since long recognized the importance of social influences on consumer behavior and makes a clear distinction between normative and informational social influences. With respect to informational social influences, the concept
of word-of-mouth plays a key role (Dichter, 1966). Word-of-mouth is commonly defined as an interpersonal communication, independent of the organization’s marketing activities, about an organization or its products (Bone, 1995). Generally, research has found a large influence of word-of-mouth on consumer attitudes and behavior, usually larger than the impact of marketing communication (Bone, 1995; Herr, Kardes, & Kim, 1991; Smith & Vogt, 1995).

**Word-of-Mouth as a Recruitment Source**

Applied to a recruitment context, word-of-mouth can be conceptualized as an interpersonal communication, independent of the organization’s recruitment activities, about an organization as an employer or about specific jobs (Van Hoye & Lievens, 2005). Examples are conversations with friends and advice from college professors. It follows from the definition that word-of-mouth represents a particular type of informational social influence in which the “influencer” is perceived to be independent of the organization. Therefore, information from recruiters is not considered to be word-of-mouth. This further implies that word-of-mouth is an external recruitment source (Cable & Turban, 2001), which means that companies can only attempt to manage it indirectly, for instance through campus recruitment, building relationships with key influentials and opinion leaders (e.g., career counselor, class president), or internships. Finally, as word-of-mouth does not have the explicit purpose to promote the organization, it can contain both positive and negative information. Therefore, it is important to take the valence of word-of-mouth into account when measuring its effects on organizational attractiveness (Collins & Stevens, 2002).

Only a few studies have examined word-of-mouth as a recruitment-related information source. Cable, Aiman-Smith, Mulvey, and Edwards (2000) found that using word-of-mouth as an information source did not influence the accuracy of applicants’ beliefs about organizational culture. However, the effects on organizational attractiveness were not
measured. Collins and Stevens (2002) found a strong effect of positive word-of-mouth on organizational attractiveness. Furthermore, Van Hoye and Lievens (2005) found that positive word-of-mouth could enhance organizational attractiveness after negative publicity. However, both studies did not consider negative word-of-mouth even though both positive and negative word-of-mouth have been found to influence consumers’ attraction to products in marketing research (Bone, 1995; Herr et al., 1991; Smith & Vogt, 1995). Therefore, the following hypothesis was formulated.

Hypothesis 1: Word-of-mouth will influence organizational attractiveness: Positive word-of-mouth will have a more positive effect on organizational attractiveness than negative word-of-mouth.

To advance our understanding of the effects of multiple recruitment sources on organizational attractiveness, the current study investigated the impact of word-of-mouth in the presence of recruitment advertising. Recruitment advertising was chosen as a second information source for two reasons. First, it is the most frequently used internal recruitment source (Barber, 1998). Second, previous research has typically studied its effects in isolation (Cable & Turban, 2001). Contrary to word-of-mouth, recruitment advertising can be directly managed by organizations to communicate a positive message to potential applicants; therefore only positive recruitment advertising was considered in the present study.

In light of the scarcity of previous research about the effects of multiple recruitment sources (Cable & Turban, 2001; Collins & Stevens, 2002), we used the accessibility-diagnosticity model as a theoretical framework to formulate specific hypotheses. The accessibility-diagnosticity model (Feldman & Lynch, 1988; Herr et al., 1991) posits that the likelihood that information is used to form an evaluation is determined by the accessibility of that information in memory, the diagnosticity of that information, and by the accessibility and diagnosticity of other information. An information source is perceived to be diagnostic if it
helps to discriminate between alternative hypotheses, interpretations, or categorizations. In other words, an internal or external recruitment source is diagnostic if it helps potential applicants to decide whether a specific organization would be a good or bad employer for them.

To investigate if word-of-mouth would interfere with the impact of recruitment advertising on organizational attractiveness, the effects of word-of-mouth together with recruitment advertising were compared to the singular effect of recruitment advertising in a control group. On the one hand, we wanted to find out if adding equally positive word-of-mouth to recruitment advertising would increase its impact on organizational attractiveness. Although the two information sources might be evenly diagnostic, word-of-mouth is more easily accessible in memory than recruitment advertising due to its interpersonal and more vivid nature and therefore more likely to influence the perceptions of potential applicants (Feldman & Lynch, 1988; Herr et al., 1991). On the other hand, we were interested in knowing if adding negative word-of-mouth to recruitment advertising would decrease its effect on organizational attractiveness. The accessibility-diagnosticity model posits that negative information is more diagnostic than positive or neutral information, especially in a marketing or recruitment environment that is predominantly positive (Feldman & Lynch, 1988; Herr et al., 1991). This also explains the finding that negative word-of-mouth usually has a larger impact than positive word-of-mouth (Herr et al., 1991).

Hypothesis 2a: Positive word-of-mouth will increase the effect of recruitment advertising on organizational attractiveness.

Hypothesis 2b: Negative word-of-mouth will decrease the effect of recruitment advertising on organizational attractiveness.
Hypothesis 2c: Negative word-of-mouth will affect the impact of recruitment advertising on organizational attractiveness to a greater extent than positive word-of-mouth.

Factors Influencing the Effect of Word-of-Mouth

In addition to examining the effect of word-of-mouth on organizational attractiveness, a second objective of the current study was to investigate which factors would influence this effect. First, we expected that the order in which word-of-mouth and recruitment advertising were presented would moderate the effect of word-of-mouth on organizational attractiveness. The accessibility-diagnosticity model proposes that earlier information is more diagnostic than later information and therefore has a greater impact on final judgments. People often overestimate the validity of prior impressions and interpret subsequent information in light of earlier evaluations (Herr et al., 1991; Smith & Vogt, 1995; Wooten & Reed, 1998). Therefore, word-of-mouth presented prior to recruitment advertising should have a stronger effect on organizational attractiveness than word-of-mouth presented after recruitment advertising.

Hypothesis 3: Order of information sources will moderate the effect of word-of-mouth on organizational attractiveness: Positive (negative) word-of-mouth presented prior to recruitment advertising will have a stronger positive (negative) effect on organizational attractiveness than word-of-mouth presented after recruitment advertising.

Second, it should be noted that word-of-mouth can come from a lot of different sources, such as friends, family, acquaintances, neighbors, job incumbents, university personnel, and so forth. Therefore, the characteristics of these sources are likely to influence their effects on organizational attractiveness. One such characteristic is tie strength, which can be defined as the closeness of the social relationship between the source and the recipient
of word-of-mouth information (Brown & Reingen, 1987). Friends and family are examples of strong ties, whereas acquaintances are considered to be weak ties. Previous marketing research suggests that stronger ties have a greater influence on consumers’ attraction to products (Bansal & Voyer, 2000; Brown & Reingen, 1987). Hence, we expected that the impact of word-of-mouth from a friend on organizational attractiveness would be greater than the impact of word-of-mouth from an acquaintance.

\textit{Hypothesis 4: Tie strength will moderate the effect of word-of-mouth on organizational attractiveness: Positive (negative) word-of-mouth from a strong tie will have a stronger positive (negative) effect on organizational attractiveness than word-of-mouth from a weak tie.}

Third, in accordance with a person-organization fit perspective (Kristof, 1996) and with the individual differences hypothesis in recruitment source research (Zottoli & Wanous, 2000), we hypothesized that the effect of word-of-mouth on organizational attractiveness would also be moderated by individual differences. As word-of-mouth represents a social information source, we anticipated that its effect on organizational attractiveness would be greater for potential applicants high in self-monitoring, because they are more susceptible to social information (Snyder & Gangestad, 1986). Along these lines, Kilduff (1992) found that self-monitoring moderated the relationship between friendship ties and similarity of interview bidding patterns of MBA students, so that high self-monitors were more similar to their friends in their bidding behavior than low self-monitors.

\textit{Hypothesis 5: Self-monitoring will moderate the effect of word-of-mouth on organizational attractiveness: Positive (negative) word-of-mouth will have a stronger positive (negative) effect on organizational attractiveness for potential applicants high in self-monitoring than for potential applicants low in self-monitoring.}
Finally, we examined if credibility perceptions would mediate the effect of word-of-mouth on organizational attractiveness. Recruitment sources vary in the degree to which potential applicants perceive them as providing credible information about the organization (Cable & Turban, 2001; Fisher et al., 1979). Perceived credibility is based on perceptions of accuracy, appropriateness, and believability of the information source (Allen, Van Scotter, & Otondo, 2004). In general, potential applicants seem to prefer obtaining information from credible sources (Allen et al., 2004; Fisher et al., 1979). In their model of the organizational recruitment process, Breaugh and Starke (2000) posit that credibility is an intervening process variable explaining the relationships between recruitment sources and their outcomes. As the present study did not investigate the impact of word-of-mouth in isolation, but in the presence of recruitment advertising, it is likely that word-of-mouth would also affect the perceived credibility of recruitment advertising. Consequently, the credibilities of both information sources were considered as possible mediators.

Hypothesis 6: Credibility of word-of-mouth and recruitment advertising will mediate the effect of word-of-mouth on organizational attractiveness.

Method

Participants

Participants were 171 graduate students in I/O psychology from a Belgian university, who were given extra course credit for their participation. The majority of the sample (72%) was female and the average age was 22 years ($SD = 1.80$). Nearly all of the participants (98%) had part-time work experience and 89% had experience in applying for a job (with an average of eight previous applications), so the task of evaluating organizational attractiveness was realistic and relevant for them. As most participants would be looking for a job similar to the position used in this study (Human Resources Coordinator) within the next few months
(either for an internship or for a full-time job), we considered them to be potential applicants or a sample from the applicant population (Barber, 1998).

**Design and Procedure**

A $2 \times 2 \times 2$ between-subjects factorial design was applied, with word-of-mouth (positive or negative), order of information sources (word-of-mouth presented prior to or after recruitment advertising), and tie strength (weak or strong) as experimental variables. In these eight conditions, participants were exposed to both word-of-mouth and recruitment advertising. A ninth condition consisted of a control group that was exposed only to recruitment advertising and not to any word-of-mouth. Participants were randomly assigned to one of the nine conditions.

In order to allow possible order effects to occur, processing goals were established to prevent participants from postponing their judgment until being exposed to both information sources (Smith & Vogt, 1995). Therefore, before each information source was presented, participants were told (a) to process the information carefully, (b) to form an impression about the organization, and (c) to answer questions about it later on.

After the second information source, a questionnaire was distributed that measured organizational attractiveness, credibility of word-of-mouth and recruitment advertising, self-monitoring, and some demographical variables. In the control group, only recruitment advertising was presented, thus credibility of word-of-mouth was not measured.

Several precautions were taken to minimize demand characteristics (Orne, 1962). First, the study’s purpose was described as “examining how people form impressions about organizations and which organizational characteristics are important in this process”. In line with this stated purpose, our questionnaire contained 16 filler items assessing perceptions of organizational characteristics (e.g., “How likely is it that the organization offers opportunities for rapid advancement?”). Second, participants were instructed to answer honestly, that there
were no right or wrong answers, and that participation was anonymous. Third, we used a between-subjects factorial design and each of the nine groups was assigned to a different room, rendering the study’s hypotheses less transparent. Finally, we explored participants’ perceptions of the study’s purpose and hypotheses. To this end, a subgroup of 63 participants completed a short postexperimental questionnaire measuring these perceptions (Allen & Madden, 1985). Most answers reflected the stated purpose and no-one was able to guess any of the specific hypotheses.

**Materials**

Materials consisted of three recruitment-related information sources about a position of Human Resources Coordinator in a fictitious company Geropress, namely positive word-of-mouth, negative word-of-mouth, and recruitment advertising. The position was tailored to the interests and skills of our sample of graduate I/O psychology students.

*Word-of-mouth* was operationalized as a casual conversation between two persons about the company as an employer. To resemble the personal and vivid nature of word-of-mouth while still maintaining control of the content of the information source, the conversation was presented in a video format (Allen et al., 2004; Fisher et al., 1979; Herr et al., 1991). Participants were instructed that this video represented a conversation they had about the company with another person. One person in the video, a graduate student in I/O psychology looking for a job, asked the other person, who worked as an I/O psychologist for another company, questions about Geropress. The camera zoomed in on the person providing information about the company. In the weak tie condition participants were told that this person was an acquaintance to whom they were weakly tied whereas in the strong tie condition the same person was presented as a friend to whom they were strongly tied. Positive and negative word-of-mouth differed only in valence and content of answers; questions and word counts of answers were held constant.
Recruitment advertising was the same in all conditions and was presented as a printed job advertisement providing positive information about Geropress. Its layout resembled the typical structure found in real job ads, consisting of the description of the company, job title, job content, company offer, candidate requirements, and contact information.

All three sources were designed to provide information about the same job and organizational attributes. This was done to avoid confound effects due to differences in amount or type of information. Recruitment advertising and positive word-of-mouth were designed to be equally positive and attractive, and significantly different from negative word-of-mouth that was designed to be negative and unattractive. Job and organizational attributes were identified that typically appear in recruitment-related information sources and have been found to influence organizational attractiveness, namely location, industry, size, salary and benefits, career opportunities, educational prospects, and job content (Barber, 1998; Barber & Roehling, 1993; Bretz & Judge, 1994; Chapman, Uggerslev, Carroll, Piasentin, & Jones, 2005; Feldman & Arnold, 1978; Fisher et al., 1979; Highhouse & Hoffman, 2001).

Information about each of these attributes was presented in every information source, based on descriptions of actual Human Resources positions. For instance, with respect to career opportunities, the job advertisement stated that “We offer you a dynamic growth company with career opportunities for result-driven employees”. In the condition of positive word-of-mouth, the question “Could I build a nice career there?” was answered by “It seems like a job in which you can really prove yourself and in a growing company there are bound to be promotion opportunities.”. In the condition of negative word-of-mouth, the same question was answered by “Eventually there will probably be some promotion opportunities, but you will first have to prove yourself. So, it is not likely to happen quickly.”.

The design of the materials was evaluated in a pre-study among 51 graduate I/O psychology students (15 men, 36 women; mean age = 22 years), who were randomly
assigned to one of the three information sources. Word-of-mouth was presented as a written scenario so that adjustments could be made before the video would be recorded. Participants were asked to judge the valence, attractiveness, and realism of the information source. Table 1 shows that recruitment advertising and positive word-of-mouth did not differ in valence and attractiveness. As expected, negative word-of-mouth was evaluated significantly more negative and less attractive than the two other sources. Finally, no differences were observed in perceptions of realism across the three information sources.

**Measures**

*Organizational attractiveness.* Perceived attractiveness of the organization as an employer was measured using a five-item scale from Turban and Keon (1993). An example item is “I would like to work for Geropress”. These items were rated on a 7-point rating scale, ranging from 1 = *completely disagree* to 7 = *completely agree*. The internal consistency of this scale was .94.

*Credibility.* On the basis of previous research (Coleman & Irving, 1997; Fisher et al., 1979; Highhouse, Hoffman, Greve, & Collins, 2002), we developed five items for measuring the perceived credibility of an information source. The formulation of the items was adapted to ensure that the same scale could be used to measure the credibility of both word-of-mouth and recruitment advertising. An example item is “I think [the job advertisement] was telling the truth”. All items were rated on a 7-point rating scale, ranging from 1 = *completely disagree* to 7 = *completely agree*. The internal consistency of the scale was .92 for word-of-mouth and .88 for recruitment advertising.

*Self-monitoring.* Self-monitoring was assessed with the revised 18-item form of the Self-Monitoring Scale (Snyder & Gangestad, 1986). An example item is “I would probably make a good actor”. Items were rated on a 4-point rating scale, ranging from 1 = *completely false* to 4 = *completely true*. As self-monitoring is essentially a dichotomous variable
(Gangestad & Snyder, 1985), we followed guidelines to recode items into two categories (0 = false; 1 = true), and to apply a median split to identify high and low self-monitors (< 9 = low; ≥ 9 = high). The internal consistency of the scale was .75.

Results

The means, standard deviations, and correlations among all variables are presented in Table 2. Positive word-of-mouth was associated with higher organizational attractiveness ($M = 5.71, SD = .84$) and with higher credibility of recruitment advertising ($M = 4.98, SD = .89$) than negative word-of-mouth ($M = 4.03, SD = 1.11$ and $M = 4.03, SD = .87$, respectively). Furthermore, word-of-mouth from a strong tie ($M = 4.83, SD = 1.25$) was perceived as more credible than word-of-mouth from a weak tie ($M = 3.97, SD = .89$). Finally, credibility of recruitment advertising was positively related to organizational attractiveness and to credibility of word-of-mouth.

To examine if word-of-mouth interfered with the effect of recruitment advertising, the experimental conditions were compared with the control group. Contrary to Hypothesis 2a, an independent-samples $t$-test indicated that adding positive word-of-mouth to recruitment advertising ($M = 5.71, SD = .84$) did not significantly increase organizational attractiveness as compared to the control group ($M = 5.40, SD = 1.06$), $t(102) = -1.48, p = .07, \eta^2 = .02$. A second independent-samples $t$-test indicated that adding negative word-of-mouth to recruitment advertising ($M = 4.03, SD = 1.11$) significantly decreased organizational attractiveness, $t(88) = 5.17, p = .00, \eta^2 = .23$, supporting Hypothesis 2b. Inspection of these effect sizes revealed that negative word-of-mouth ($\eta^2 = .23$) affected the impact of recruitment advertising on organizational attractiveness to a much greater extent than positive word-of-mouth ($\eta^2 = .02$), supporting Hypothesis 2c.

A four-way ANOVA was conducted to further analyze the effects of word-of-mouth, order of information sources, tie strength, and self-monitoring on organizational
attractiveness. Word-of-mouth had a strong main effect, $F(1, 132) = 107.60, p = .00$, partial $\eta^2 = .45$. In support of Hypothesis 1, positive word-of-mouth ($M = 5.71, SD = .84$) influenced organizational attractiveness significantly more positively than negative word-of-mouth ($M = 4.03, SD = 1.11$). The interactions of word-of-mouth with order of information sources, $F(1, 132) = 1.33, p = .25$, partial $\eta^2 = .01$, with tie strength, $F(1, 132) = .07, p = .79$, partial $\eta^2 = .00$, and with self-monitoring, $F(1, 132) = 1.36, p = .25$, partial $\eta^2 = .01$, were not significant. Therefore, order of information sources, tie strength, and self-monitoring did not moderate the effect of word-of-mouth on organizational attractiveness, lending no support to Hypotheses 3, 4, and 5.

However, we did observe a number of other effects that shed some light on the conditions under which word-of-mouth had the most impact. First, there was a small main effect of tie strength on organizational attractiveness, $F(1, 132) = 3.80, p = .05$, partial $\eta^2 = .03$. Regardless of its valence, word-of-mouth from a strong tie ($M = 5.04, SD = 1.31$) had a more positive effect on organizational attractiveness than word-of-mouth from a weak tie ($M = 4.83, SD = 1.25$). Furthermore, order of information sources had a small main effect as well, $F(1, 132) = 4.10, p = .05$, partial $\eta^2 = .03$. Regardless of the valence of word-of-mouth, organizational attractiveness was evaluated more positively when word-of-mouth was presented prior to ($M = 5.09, SD = 1.22$) rather than after recruitment advertising ($M = 4.81, SD = 1.33$). Given the operationalization of order of information sources, this also means that organizational attractiveness was higher when recruitment advertising, always containing the same positive information, was presented after word-of-mouth. Finally, we found a small three-way interaction effect of word-of-mouth, self-monitoring, and order of information sources, $F(1, 132) = 6.05, p = .02$, partial $\eta^2 = .04$. Therefore, two additional ANOVA’s were conducted to analyze the interaction effect of word-of-mouth and order of information sources for high and low self-monitors separately. For low self-monitors, this interaction
effect was not significant, $F(1, 75) = .78, p = .38$, partial $\eta^2 = .01$. Conversely, the interaction of word-of-mouth and order of information sources had a strong effect on organizational attractiveness for high self-monitors, $F(1, 57) = 8.29, p = .01$, partial $\eta^2 = .13$. Contrary to Hypothesis 3, Figure 1 shows that word-of-mouth presented after recruitment advertising had a stronger effect on organizational attractiveness for high self-monitors.

Finally, to test if credibility of word-of-mouth and recruitment advertising mediated the effect of word-of-mouth on organizational attractiveness, we followed the three-step procedure for analyzing mediating effects advocated by Baron and Kenny (1986). To establish mediation, three conditions must be met: (a) the independent variable should influence the mediating variables, (b) the independent variable should influence the dependent variable, and (c) the mediating variables should influence the dependent variable while controlling for the independent variable, whereas the influence of the independent variable on the dependent variable should be reduced when controlling for the mediating variables.

To test for the first condition, two regression analyses were performed with word-of-mouth as independent variable and credibility of word-of-mouth and credibility of recruitment advertising as respective dependent variables. Results indicated that word-of-mouth was not significantly related to credibility of word-of-mouth, $\beta = -.15, p = .23$, $R^2 = .02$. The credibility of positive ($M = 4.57, SD = 1.22$) and negative word-of-mouth ($M = 4.33, SD = 1.13$) did not differ. Therefore, credibility of word-of-mouth could not mediate the effect of word-of-mouth on organizational attractiveness. However, word-of-mouth was a significant predictor of credibility of recruitment advertising, $\beta = -.44, p = .00$, $R^2 = .19$. Recruitment advertising was perceived as more credible in combination with positive word-of-mouth ($M = 4.98, SD = .89$) than with negative word-of-mouth ($M = 4.03, SD = .87$).
To establish the second condition of mediation, organizational attractiveness was regressed on word-of-mouth. As already indicated by testing Hypothesis 1, word-of-mouth significantly predicted organizational attractiveness, $\beta = -.68, p = .00, R^2 = .47$.

To test for the third condition, we regressed organizational attractiveness on word-of-mouth and credibility of recruitment advertising. Both word-of-mouth, $\beta = -.57, p = .00$, and credibility of recruitment advertising, $\beta = .26, p = .01$, were significantly related to organizational attractiveness, $R^2 = .52$. A Sobel test indicated that the effect of word-of-mouth on organizational attractiveness was significantly reduced when controlling for credibility of recruitment advertising, $z = -2.12, p = .03$ (Preacher & Leonardelli, 2001). However, the effect of word-of-mouth remained significant, suggesting partial mediation.

In sum, partial support was found for Hypothesis 6. The effect of word-of-mouth on organizational attractiveness was partially mediated by credibility of recruitment advertising, but not by credibility of word-of-mouth.

Discussion

Most previous recruitment studies have treated potential applicants as individual decision-makers, neglecting informational social influences (Barber, 1998; Cable & Turban, 2001; Highhouse & Hoffman, 2001). Therefore, the current study examined if and when word-of-mouth matters as a recruitment-related information source. With respect to our first objective, we found that word-of-mouth can have a strong effect on organizational attractiveness, even in the presence of recruitment advertising. Consistent with previous research (Collins & Stevens, 2002; Van Hoye & Lievens, 2005), we found that positive word-of-mouth was associated with positive organizational attractiveness. Furthermore, we extended the recruitment literature by showing that negative word-of-mouth was related to negative organizational attractiveness. Our findings are in line with similar studies in marketing research (Bone, 1995; Herr et al., 1991; Smith & Vogt, 1995), demonstrating the
legitimacy of recent calls to integrate the recruitment and marketing literatures (e.g., Cable & Turban, 2001). Our results imply that word-of-mouth can be an influential external recruitment source meriting further research attention. On a practical level, organizations should try to stimulate positive word-of-mouth and avoid negative word-of-mouth because of their possible impact on organizational attractiveness. As word-of-mouth is an external information source, this can only be achieved through indirect strategies such as campus recruitment or internships. Future research should investigate the relative efficacy of various strategies to influence word-of-mouth about the organization as an employer.

Our results further showed that negative word-of-mouth decreased the effect of recruitment advertising on organizational attractiveness. In line with the accessibility-diagnosticity model (Feldman & Lynch, 1988; Herr et al., 1991), negative word-of-mouth interfered with the impact of recruitment advertising to a much greater extent than positive word-of-mouth. Even though only moderately negative information was provided, it was probably perceived as highly diagnostic in an otherwise positive recruitment environment. In addition, it is likely that more extremely negative word-of-mouth will have an even more damaging impact on organizational attractiveness (Herr et al., 1991). Therefore, organizations might need to pay particular attention to the avoidance, monitoring, and counteracting of negative word-of-mouth. Conversely, positive word-of-mouth did not significantly increase the effect of recruitment advertising on organizational attractiveness. There might have been a ceiling effect because recruitment advertising alone was already associated with high organizational attractiveness. However, our findings are in line with Collins and Stevens (2002) who observed that positive word-of-mouth and recruitment advertising did not interact. The accessibility-diagnosticity model suggests that the impact of positive word-of-mouth on organizational attractiveness would be greater in the presence of a negative information source instead of another positive one. Along these lines, Van Hoye and Lievens
(2005) found that positive word-of-mouth increased organizational attractiveness considerably after negative publicity. Finally, our findings imply that studying the effects of recruitment advertising in isolation might be misleading (Barber, 1998), because in reality job seekers tend to combine information from multiple sources and interactions between these information sources are likely to occur. These implications are consistent with Collins and Stevens (2002) who found evidence for such interaction effects, namely that positive publicity strengthened the effect of other positive information sources on organizational attractiveness. Therefore, future recruitment research should pay more attention to possible interactions between recruitment sources. It seems particularly interesting to study the interactions between internal and external sources because they tend to differ in content, valence, and credibility.

If we integrate the results of our prestudy and main study, we can examine if recruitment advertising also interfered with the effect of word-of-mouth on organizational attractiveness, because the prestudy measured organizational attractiveness associated with each individual information source. Two independent samples t-tests indicated that recruitment advertising interfered with the impact of word-of-mouth, once more underlining the importance of studying the combined effects of multiple information sources. First, adding recruitment advertising to positive word-of-mouth significantly increased organizational attractiveness (from $M = 5.21, SD = .91$ to $M = 5.71, SD = .84$), $t(95) = 2.14, p = .02, \eta^2 = .05$. Second, we found that organizational attractiveness was considerably higher when potential applicants were exposed to both recruitment advertising and negative word-of-mouth ($M = 4.03, SD = 1.11$) than when they were only presented with negative word-of-mouth ($M = 2.95, SD = .81$), $t(30) = 4.41, p = .00, \eta^2 = .19$. Of course, this analysis should be interpreted with caution because different cell sizes were used in these two studies and word-of-mouth was not operationalized in video format but as a written scenario in the prestudy.
However, this finding would imply that organizations can make use of recruitment advertising to diminish the detrimental effect of negative word-of-mouth on organizational attractiveness.

Our second objective was to investigate the factors influencing the effect of word-of-mouth on organizational attractiveness. First, we found that the situational variable order of information sources did not moderate the effect of word-of-mouth, failing to support a premise underlying the accessibility-diagnosticity model (Feldman & Lynch, 1988; Herr et al., 1991). More specifically, word-of-mouth did not have a stronger effect on organizational attractiveness when it was presented prior to than after recruitment advertising. Although we did not observe the hypothesized primacy effect, we did find some evidence for recency effects (Haugtvedt & Wegener, 1994; Wooten & Reed, 1998). First, organizational attractiveness was higher when recruitment advertising was presented after word-of-mouth. Given that word-of-mouth was either positive or negative whereas recruitment advertising was always positive, this finding might indicate a recency effect for recruitment advertising. Second, for high self-monitors only, word-of-mouth had a stronger effect on organizational attractiveness when it was presented after recruitment advertising, suggesting a recency effect for word-of-mouth. Therefore, our results suggest that recency effects might be more important in the processing of recruitment-related information sources than primacy effects. However, there was a short time interval between the two sources presented in our study and participants were not required to answer any questions until both sources were processed (Wooten & Reed, 1998). At the very least, our findings imply that the order of recruitment sources seems to matter in some situations for some individuals and therefore merits further research attention. Future research should examine order effects using more information sources with longer time intervals between them.
With respect to the situational variable tie strength, we found that word-of-mouth from a friend was perceived as more credible and had a more positive effect on organizational attractiveness than word-of-mouth from an acquaintance, regardless of whether positive or negative information was provided. Given that the information in our study was only moderately negative, it might be that simply talking about the organization with a friend was sufficient to increase its attractiveness apart from the specific content of the conversation. Our findings are in line with Fisher et al. (1979) who observed that friends were perceived as a highly credible information source and had a positive effect on organizational attractiveness, regardless of the valence of the provided information. On a practical level, the importance of friends as sources of word-of-mouth is evidenced by the growing number of “Refer a Friend” programs installed by job sites. Together, these findings imply that future research needs to take the specific source of word-of-mouth into account when examining its effects on organizational attractiveness. In addition, future research should investigate other situational variables that might influence the impact of word-of-mouth, such as its specific content and medium (Herr et al., 1991).

Overall, the effect of word-of-mouth was not moderated by the individual difference variable self-monitoring. Perhaps Kilduff’s (1992) finding that high self-monitors were more similar to their friends in their interview patterns than low self-monitors can be attributed more to normative social influences than to informational social influences such as word-of-mouth. This is in line with Bone (1995) who found that susceptibility to interpersonal influences did not moderate the effect of word-of-mouth on product evaluations. However, as noted above, self-monitoring did moderate the observed recency effect for word-of-mouth, indicating that this individual difference variable might somehow be related to the processing of word-of-mouth. Given that self-monitoring involves the adaptation of self-presentation to social cues about appropriate behavior, it might be that the order of such cues is more salient
for high than for low self-monitors (Snyder & Gangestad, 1986). Future research should test this assumption as well as investigate if other individual differences can moderate the effect of word-of-mouth on organizational attractiveness.

Finally, we observed that the effect of word-of-mouth on organizational attractiveness in the presence of recruitment advertising was partially mediated by the credibility of recruitment advertising, but not by the credibility of word-of-mouth. In other words, whereas the credibility of word-of-mouth remained relatively stable, the credibility of recruitment advertising varied as a function of word-of-mouth. More specifically, if the positive message of recruitment advertising was backed up by positive word-of-mouth, ad credibility remained high. If, on the contrary, recruitment advertising was contradicted by negative word-of-mouth, ad credibility fell significantly lower, allowing word-of-mouth to have a larger impact on organizational attractiveness. This would suggest that in case of conflicting information, credibility can help to explain which source is believed and has a greater impact on organizational attractiveness. In the current study, the external source word-of-mouth seemed to be preferred over the internal source recruitment advertising in case of contradictory information, which is consistent with Fisher et al.’s (1979) finding that information from friends was perceived as more credible and had a larger impact on organizational choice than information provided by a recruiter. Moreover, marketing research has found that word-of-mouth effects are stronger in ambiguous situations (Bone, 1995). Future research should further test these assumptions and include perceptions of credibility in the study of interactions between multiple recruitment sources.

This study has a number of limitations that should be acknowledged. First, the generalizability of the results may be restricted by the experimental design of our study. However, this experimental control enabled us to carefully manipulate the content and timing of information sources and to examine causal effects of these sources on organizational
attractiveness. Moreover, it might be that word-of-mouth is even more powerful in actual job seeking situations, because information from a real person, especially a friend, presumably has an even stronger effect on organizational attractiveness than the video operationalization used in the present study. In addition, a recent meta-analysis of recruitment outcomes indicated that differences between experimental and real applicants were small, especially in early recruitment stages in which the current study is situated (Chapman et al., 2005). Nevertheless, future research should examine if our results can be replicated in a field setting.

Second, our study investigated the impact of word-of-mouth from a friend or acquaintance together with a printed job advertisement. Zottoli and Wanous (2000) suggested that not only differences between categories of recruitment sources should be considered, but also between and even within specific sources. Therefore, future research is needed to examine whether our results can be generalized to other forms of word-of-mouth (e.g., parental advice) and recruitment advertising (e.g., TV commercial) as well as to other internal (e.g., recruitment website) and external (e.g., publicity) recruitment sources. In addition, we did not compare word-of-mouth to another type of information source with the same content. Therefore, the observed effects might be attributed to the mere provision of additional positive or negative information instead of to word-of-mouth. However, the effect of tie strength indicates that the source of the information did matter to potential applicants. Moreover, previous research suggests that the same information can have different effects depending on the source through which it is provided (Allen et al., 2004; Herr et al., 1991). Future research should compare the effects of word-of-mouth to the effects of other recruitment sources. Finally, although our sample of graduate students possessed considerable work and application experience, further research should investigate the effects of word-of-mouth in other applicant populations, such as job losers or re-entrants.
References


### Table 1

*Evaluation of Materials in Prestudy (N = 51)*

<table>
<thead>
<tr>
<th></th>
<th>Recruitment advertising (n = 19)</th>
<th>Positive word-of-mouth (n = 16)</th>
<th>Negative word-of-mouth (n = 16)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>SD</td>
<td>M</td>
</tr>
<tr>
<td>Valence</td>
<td>5.49&lt;sub&gt;a&lt;/sub&gt; .46</td>
<td>5.63&lt;sub&gt;a&lt;/sub&gt; .56</td>
<td>3.40&lt;sub&gt;b&lt;/sub&gt; .72</td>
</tr>
<tr>
<td>Attractiveness</td>
<td>5.47&lt;sub&gt;a&lt;/sub&gt; .66</td>
<td>5.21&lt;sub&gt;a&lt;/sub&gt; .91</td>
<td>2.95&lt;sub&gt;b&lt;/sub&gt; .81</td>
</tr>
<tr>
<td>Realism</td>
<td>5.25&lt;sub&gt;a&lt;/sub&gt; .94</td>
<td>4.88&lt;sub&gt;a&lt;/sub&gt; 1.12</td>
<td>4.90&lt;sub&gt;a&lt;/sub&gt; .66</td>
</tr>
</tbody>
</table>

*Note.* Valence and realism were rated on a 7-point bipolar scale, with higher scores indicating more positive and more realistic evaluations. Attractiveness was rated on a 7-point scale, ranging from 1 = completely disagree to 7 = completely agree. Means in the same row that do not share subscripts differ at $p < .05$ in the Tukey honestly significant difference comparison.
### Table 2

*Means, Standard Deviations, and Correlations Between Study Variables*

<table>
<thead>
<tr>
<th>Variable</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Word-of-mouth&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.45</td>
<td>.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Order of information sources&lt;sup&gt;b&lt;/sup&gt;</td>
<td>.50</td>
<td>.50</td>
<td>.01</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Tie strength&lt;sup&gt;c&lt;/sup&gt;</td>
<td>.57</td>
<td>.50</td>
<td>.04</td>
<td>-.04</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Self-monitoring&lt;sup&gt;d&lt;/sup&gt;</td>
<td>.44</td>
<td>.50</td>
<td>-.01</td>
<td>-.04</td>
<td>-.01</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Organizational attractiveness</td>
<td>4.95</td>
<td>1.28</td>
<td>-.66&lt;sup&gt;***&lt;/sup&gt;</td>
<td>.11</td>
<td>.08</td>
<td>.05</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Credibility of word-of-mouth</td>
<td>4.46</td>
<td>1.19</td>
<td>-.10</td>
<td>-.07</td>
<td>.36&lt;sup&gt;***&lt;/sup&gt;</td>
<td>-.05</td>
<td>.16</td>
<td></td>
</tr>
<tr>
<td>7. Credibility of recruitment advertising</td>
<td>4.55</td>
<td>1.00</td>
<td>-.47&lt;sup&gt;***&lt;/sup&gt;</td>
<td>.01</td>
<td>.10</td>
<td>.04</td>
<td>.55&lt;sup&gt;***&lt;/sup&gt;</td>
<td>.27&lt;sup&gt;**&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

*Note.* $N = 148$ (control group not included).

<sup>a</sup> 0 = *positive*, 1 = *negative*.  
<sup>b</sup> 0 = *word-of-mouth last*, 1 = *word-of-mouth first*.  
<sup>c</sup> 0 = *weak*, 1 = *strong*.  
<sup>d</sup> 0 = *low*, 1 = *high*.

**<sup>p</sup> < .01. ***<sup>p</sup> < .001.**
Figure Captions

*Figure 1.* Interaction effect of word-of-mouth and order of information sources on organizational attractiveness for high self-monitors.
Social Influences

Word-of-mouth first
Word-of-mouth last

Organizational attractiveness

Positive word-of-mouth
Negative word-of-mouth