Organizational attraction factors: A technology perspective

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ABSTRACT

The world of human resource management (HRM) is in the throes of major changes associated with the introduction of technology. HRM organizations are rapidly joining other parts of their firms in employing technology to enhance efficiency, effectiveness and cost reduction. Human Resource Information Systems (HRIS) can be used for a variety of administrative functions traditionally handled by people. Recruitment processes, in particular, are being transformed through HRIS applications that use the internet and social media to generate recruitment pools. Although researchers have examined individual’s perceptions of the use of technology in recruiting, less research has focused on the impact of recruitment technology on organizational factors associated with attracting job applicants (e.g., firm strategy). Building on the Rynes (1991) recruitment model, we provide a review of existing research on organizational attraction factors (i.e., size, strategy, prestige) and offer hypotheses to encourage future research in this growing field.

Keywords: e-recruitment, technology, HRM, organizational attraction
INTRODUCTION

Researchers (e.g., March & Simon, 1958; Rynes, 1991; Spence, 1973; Vroom, 1966) have suggested that organizations must expend significant effort to attract and retain talented individuals to achieve strategic goals. Much of the recruitment research has focused on individual factors (e.g., age, ethnicity) associated with recruitment (Rynes, 1991). However, Rynes (1991) proposed that organizational factors also play a role in attracting and retaining talented individuals. Models that include technology (e.g., HRIS) have also indicated the importance of such organizational factors (e.g., HRM strategy; Martin, Reddington & Alexander, 2008; Ruel, Bondarouk, & Looise, 2004). However, less research has examined how technology has impacted organizational factors and the ability of organizations to attract job candidates.

Accordingly, the following research model is used to focus attention on the moderating effects of technology on the relationship between organizational recruitment factors and recruitment outcomes. Specifically, organizational factors (i.e., size, strategy, prestige) are believed to signal potential applicants about the attractiveness and desirability of the organization as a place to work, encouraging them to apply for and accept jobs (Rynes, 1991; Spence, 1973). Organizational theorists have identified organizational size, strategy, and prestige as important factors in an organization’s ability to achieve its long-term goals (March & Simon, 1958).

Therefore, the purpose of this research is to review each of these factors in relation to recruitment and technology to develop hypotheses for future research.

![Research framework for literature review and hypotheses](image)

Figure 1: Research framework for literature review and hypotheses

LITERATURE REVIEW AND HYPOTHESES

Organizational Size and Recruitment

Researchers have long argued that organizational size, whether defined as numbers of employees or sales revenues, influences organizational outcomes (Blau, 1994). For example, larger organizations, in general, are believed to have more growth opportunities because they have more access to financial markets; and smaller organizations are believed to be viewed more negatively as employers, when compared to larger organizations (Tanova, 2003). In addition, Duberley and Walley (1995) noted that organizations with less than 500 employees were less likely to engage in more advanced human resource management practices (e.g., performance management, training), limiting their ability to leverage their human capital more effectively in achieving organizational goals. However, this may not always be the case.

Recruitment researchers have identified some differences in relations between organizational factors and recruitment outcomes for different sized organizations. Unfortunately,
much of the research uses different numbers to gauge a small organization (e.g., 10 or fewer employees, less than 250 employees, less than 500 employees). For example, Marsden (1994) found that large organizations (i.e., more than 250 employees) were more likely than very small organizations (i.e., 10 or fewer employees) to use multiple recruitment sources, with very small organizations tending to rely on employee referrals or newspapers advertisements only. However, Deshpande and Golhar (1994) reported no differences in ranked preferences for employee recruitment sources between large (i.e., 500 or more employees; $Md = 1700$) and small (i.e., 10 to 499 employees, $Md = 170$) organizations.

Heneman and Berkley (1999) reported on multiple differences in recruitment outcomes for small (i.e., 20 to 49 employees) and medium firms (i.e., 50 to 99 employees). Specifically, firm size was related to recruitment source use (i.e., walk-ins, temporary help agencies, job service agencies, newspaper advertisements, and internal job postings) for small organizations, but not medium-sized organizations. Size was also related to offering incentives to attract applicants (i.e., hiring bonuses, employee stock ownership, sick pay) for small, but not medium-sized firms. In particular, offering a flexible start date, relocation assistance, spousal work search support, and part-time work were related to attraction to small, but not medium-sized, organizations. Overall, firms with 20 to 99 employees increased the number of applicants per vacancy when offering 401K plans, sick pay, personal leave, and paid holidays. Offering 401K plans and sick pay reduced the average number of days to fill vacancies, whereas failing to offer promotion possibilities increased the number of average days to fill vacancies. In addition, offering sick pay, promotion possibilities, and new employee training were related to job acceptance, whereas offering paid holidays was related to applicant retention.

Another study (Barber & Roehling, 1993) found that an organization’s size was less important to college students’ decisions about whether to interview or apply for a posted position than five job factors (e.g., job location, salary, benefits, industry, job title), but more important than four other factors (e.g., numbers of openings, EEO statements, recruiter title, recruiter gender). Barber, Wesson, Roberson, and Taylor (1999) also reported that 60% of 585 graduating seniors indicated a pre-search preference for either large (266) or small (93) firms in their initial consideration of organizations. They reported no information regarding reasons for individuals’ attraction to different sized firms. Finally, Turban and Keon (1993) reported that individuals with high self-esteem were more attracted to medium-sized organizations, whereas those with low self-esteem were more attracted to large-sized firms.

**Organizational Size, Recruitment, and Technology**

A small amount of research has investigated the relations among organizational size, recruitment outcomes, and recruiting technology. Hausdorf and Duncan (2004) focused on assessing the degree to which small (i.e., less than 49 employees), medium (i.e., 50 to 499 employees), and large (i.e., 500 or more employees) organizations in Canada differed in using e-recruiting. They reported that small firms were less likely than either medium or large firms to have company web sites. All firms with web sites were equally likely to use them for e-recruiting, with no differences across the groups in using the web site for advertising positions, receiving resumes electronically, or prescreening, although only one third of participating firms actually used prescreening technology. However, large firms were more likely than either small or medium firms to provide information about the company at the web site and were more likely...
than either small or medium firms to know about, search, or use multiple types of online recruiting web sites (e.g., professional association sites; Linked-in).

Despite the limited research on the relations between organizational size, recruitment outcomes, and e-recruiting, we suggest that there are benefits to be gained by small organizations that use e-recruiting. First, small and medium-sized organizations that have e-recruiting web sites may be able to minimize negative applicant attributions associated with smaller size (Barber et al., 1999; Tanova, 2003). For example, research has found that applicants involved in active or passive Internet job searches rely on company web sites to signal important information about the organization. Thus, individuals may expect large organizations to have web sites that possess characteristics which have been shown to enhance attractiveness, including being informative, well-designed (Cober, Brown, Keeping, & Levy, 2004) and easy to navigate (Braddy, Thompson, Wuensch, & Grossnickle, 2003; Zusman & Landis, 2002) because they expect such organizations to have more financial resources and be technically sophisticated. By comparison, individuals may expect small organizations’ web sites to offer less information and have a less sophisticated design because small firms have fewer financial resources, leading to less exposure to new technology. However, recent cost and technology advances have made it possible for less equipped organizations to offer informative, well-designed, easy-to-navigate web sites. Thus, small and medium companies may be able to use their web sites to minimize the negative attributions associated with firm size, thereby enhancing applicant perception that small firms are desirable places to work.

In addition, small and medium-sized organizations may also minimize negative attributions about their size by insure that individuals find the information for which they are searching. For example, individuals may believe that small organizations are less attractive employers because they offer fewer benefits or are less committed to diversity. In general, individuals seek a wide range of information to facilitate their assessment of fit with an organization, including compensation and benefits (Turban, Forret, & Hendrickson, 1998), diversity (Thomas & Wise, 1999), organizational prestige (March & Simon, 1958), and organizational culture (Cable, Aiman-Smith, Mulvey, & Edwards, 2000). Moreover, Cober et al. (2004) suggest that individuals are more satisfied with the organization web site when they can find the depth and breadth of information desired, consistent with the effort expended during the search. In addition, applicants are more likely to apply for jobs on web sites that they find user friendly (Sinar, Reynolds, & Paquet, 2003; Williamson, Lepak, & King, 2003). Thus, small- and medium-sized organizations may minimize negative attributions and enhance their attractiveness as employers when their web sites offer speedy access to information that can assist individuals in assessing the degree to which the job and organization match their needs, values, and career goals. To investigate the degree to which small organizational can minimize negative attributions and enhance their attractiveness as employers, we propose the following:

Hypothesis 1: Small organizations will be as attractive as large organizations to individuals when the small organization’s web site is perceived as informative, well designed, and easy to navigate.

Hypothesis 2: Small organizations will be as attractive as large organizations to individuals when the small organization’s web site is perceived as providing desired job and organizational information.
Organizational Strategy and Recruitment

Organizational strategy is another characteristic that has been deemed important to achieving organizational goals. Organizational strategy reflects a planned action to achieve desired organizational goals. Porter (1985) identified three generic strategies (i.e., cost leadership, differentiation, and focus or niche positioning) that firms may pursue to achieve sustainable competitive advantage. Each generic strategy is believed to be associated with different approaches to human resource management programs (Miles & Snow, 1984). For example, organizations that pursue cost leadership (i.e., lowest cost position among competitors) will seek high productivity and efficiency through standardization of procedures to minimize cost and maximize the opportunity for profit. Delery and Doty (1996) suggested that choices related to human resource management programs (e.g., recruitment) are contingent on successfully matching a firm’s strategy. Thus, organizations pursuing cost leadership would emphasize hiring individuals with expertise in narrow job-related knowledge, skills, and abilities, versus broader capabilities, to stabilize the workforce, minimize initial training costs, and insure that productivity and efficiency are optimized.

Huselid (1995) demonstrated that high performance human resource work practices, including recruitment, are related to successful achievement of organizational goals. Moreover, researchers suggest that employees are a source of sustainable competitive advantages for organizations when supported by the human resource management systems (e.g., recruitment, training) that reinforce desired strategic goals (Wright, 1998). Some recruitment studies have examined directly the relations between organizational strategy and recruitment outcomes. In one study, Miles and Snow (1984) demonstrated how three different electronics companies, with organizational strategies of defending (i.e., cost leadership), prospecting (i.e., differentiation), and analyzing (i.e., focus), used differing human resource management programs to implement the differing strategies. For example, Lincoln Electric, in pursuing its cost leadership strategy, relied on limited, careful external hiring, coupled with internal development, to create its stable, promote-from-within recruitment strategy. By comparison, Texas Instruments, in pursuing its focus strategy, relied on both a “buying” and “making” recruitment strategy. Thus, HR professionals emphasized hiring individuals with competencies to work effectively across the organization in a variety of product teams, as well as offering flexible, job enrichment developmental experiences. Moreover, Higgins (1995) reported that organizations within the electronics industry that pursued different strategies emphasized differences in recruitment message and the role of incentives.

Koch and McGrath (1996) also found support for the importance of recruitment in building a highly productive work force required for cost leadership strategy. Govindarajan (1989) substantiated the importance of recruiting or promoting the general manager best matched to a strategic business unit’s generic strategy (i.e., “greater R&D experience and greater internal locus of control…contribute to effectiveness in the case of differentiation SBU’s but hamper it for low-cost SBUs,” p. 265). In a study of Chinese strategy and human resource practices, Ding and Akhtar (2001) reported that organizations pursuing innovation strategy were more likely than those pursuing either cost or quality strategies to choose differing human resource practices. In addition, Hayes and Cummings (1987) described how Cornell University, pursuing a focus strategy for its elite hotel and restaurant management program, chose a multi-pronged faculty recruitment strategy, electing to both “buy” individuals with existing Ph.D.’s, offering above-market salaries, and “make” their own Ph.D.’s by hiring those with Master’s
degrees and supporting pursuit of a Ph.D., as well as “retooling” Ph.D.’s from other disciplines. Greenberg (1986), however, argued that survey results indicated few differences in recruiting practices across 500 U.S. firms, suggesting that organizations may not match recruiting choices to their organizational strategies. However, Hambrick (1981) argued that organizations with changing strategies are more likely to attend to such linkages.

**Organizational Strategy, Recruitment, and Technology.**

Limited research has examined the impact of e-recruiting on the relations between organizational strategy and recruitment outcomes. However, we argue that organizational strategy should be related to recruitment outcomes when e-recruiting is used because individuals seek information that helps them assess the degree to which organizations can meet their needs and expectations (Vroom, 1966). For example, individuals consistently rank pay as one of the most important factors in choosing jobs (cf. Jurgensen, 1978). Thus, they are likely to seek clues regarding an organization’s current (e.g., profitability) and future (e.g., stock growth) financial prospects because individuals may believe that ongoing financial strength suggests that a firm may be more capable of offering desirable economic incentives (e.g., raises, 401K). Establishing and implementing an effective organizational strategy is believed to be related to an organization’s long-term financial success (Porter, 1985). Thus, organizations may elect to signal their future financial prospects to job applicants by including their mission, vision, and general strategic goals (e.g., Be the global leader in our industry) at their company web sites. In addition, a firm with an organizational niche strategy that relies on technology may signal and reinforce such a strategy by using an e-recruiting system since the applicants having the required skill sets to help achieve such a strategy would be quite comfortable with e-recruiting as a source (Stone, Lukaszewski, & Isenhour, 2005).

Furthermore, research has found that individuals are seeking information that allows them to assess the degree of fit between their skills and values and those of potential employers (Kristof, 1996). Indeed, organizations are also seeking to assess the degree of fit between potential employees and the organization. Fit is important because individuals who perceive that fit is high are more likely to stay with their organizations, whereas individuals who perceive fit as low are more likely to leave (Schneider, 1987).

Dineen, Noe, and Ash (2002) reported that the use of the Internet can be a powerful recruitment tool in assessing person-organization fit. They reported that person-organization feedback at an organization’s web site is related to applicants’ perceptions of organizational attractiveness. Specifically,”the poorest fitting individuals exhibited lower attraction levels, whereas more moderately fitting individuals exhibited invariant attraction levels across combinations of aesthetics and customized information” (Dineen, Ling, Ash, & DelVecchio, 2007, p. 356). For example, one study (Johnson, 2013) assessed inclusion of two e-recruiting practices (i.e., displaying organizational values and providing contact information for a current employee) on company web sites. The author reported that applicant cultural values moderated the relation between organizational values and perceived person-organization fit. Thus, those that valued individualism were more likely to perceive high person-organization fit with organizations that displayed high-achievement organizational values on their web site. However, more research is needed in this area. In light of the limited research regarding the relations between organizational strategy and recruitment outcomes in an e-recruiting environment, we propose that:

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Hypothesis 3: Individuals will find an organization more attractive when its company web site includes information regarding organizational strategy than when the web site does not include such information.

Hypothesis 4: Individuals will be better able to assess person-organization fit when a company’s web site includes information regarding organizational strategy than when strategy information is not present.

Organizational Prestige and Recruitment

Organizational prestige is another organizational factor deemed important to organizational success. Prestige is defined as distinction associated with an organization resulting from success, achievement, or other favorable attributes or symbols of success in the culture (Eastman, Goldsmith, & Flynn, 1999). Moreover, organizational prestige is a direct antecedent of organizational identification (Mael & Ashfort, 1992). The importance of an organization’s prestige level is a function of the organization’s position, as represented by its “symbols of success in the culture” and an individual’s standards (e.g., cultural norms; March & Simon, 1958, p. 67). Organizational prestige is related to an organization’s reputation, with the former reflecting social consensus regarding the organization’s prominence and distinction, whereas the latter reflects a more individual, personal evaluation (Highhouse, Lievens, & Sinar, 2003).

Limited recruitment research has investigated the relations between organizational prestige and recruitment outcomes. For example, Stolle (1977) found that organizational prestige was instrumental in new hires’ accepting their current accounting jobs with national accounting firms. In addition, Highhouse et al. (2003) reported that organizational prestige is related to individuals’ intentions to pursue jobs with a specific organization. Moreover, research results demonstrated that Hispanic-Americans were more likely than Anglo-Americans to make trade-offs favoring a more prestigious organization over higher pay (Isenhour, 2006). Finally, applicants who experienced low identification with the organization were more likely to withdraw from the recruitment experience (Griepentrog, Harold, Holtz, Klimoski, & Marsh, 2012).

Organizational Prestige, Recruitment, and Technology

We identified no study that examined the relations among organizational prestige, recruitment outcomes, and e-recruiting. However, we argue that organizational prestige should be related to recruitment outcomes in an e-recruiting environment because some individuals may be more likely than others to prefer working for high prestige organizations. Thus, organizations that wish to convey an appealing message to potential applicants may develop an “employment brand” to attract them. For example, being recognized as “one of the top 100 best places to work” or “employer of choice” might be important to high prestige organizations. Beyond establishing an employment brand, prestigious organizations might also pursue a values- or culture-based brand. For example, GE has long promoted its high performance expectations in order to attract achievement-oriented applicants. Indeed, Lievens and Highhouse (2003) reported that symbolic traits inferred from an organization’s brand (i.e., sincerity, excitement, competence, sophistication and ruggedness) explained attraction to organizations over and above job and organization factors (e.g., pay, advancement, job security, task demands, location, working with customers). Moreover, having an established brand may help retain individuals...
once they have been hired because identifiable employment brands may encourage organizational commitment by new-hires. Engaging in early recruitment activities and advertising or generating positive company publicity can help build an employment brand (Rynes & Boudreau, 1986). Finally, research suggested that positive employer branding is linked to applicant intentions to apply, whereas negative employer branding is linked to lack of intentions to apply for a vacancy (Gomes & Neves, 2010).

Research suggests that perceived organizational prestige is related to an individual’s identification with an organization (Fisher & Wakefield, 1998). Individuals identify with organizations partly to enhance self-esteem, with higher prestige organizations associated with larger increases in self-esteem (Smidts, Pruyn, & van Reel, 2001). Moreover, marketing researchers have reported that individuals consume prestigious products (e.g., Rolex watch) and shop at prestigious stores (e.g., Neiman-Marcus) as a means of enhancing personal status (Sullivan, 1998). It is likely, therefore, that working for a prestigious organization might also be perceived as a means of enhancing personal status. For example, some individuals may believe that working for an organization this is viewed as “high tech” (e.g., Microsoft) may be more prestigious than working for an organization viewed as “low tech” (e.g., local government), even when the work itself is the same (e.g., computer programming). Therefore, we argue that organizations must examine the degree to which individuals differ in their preferences for prestigious organizations and ascertain what constitutes high prestige for each. With no research investigating the relations between organizational prestige and recruitment outcomes in an e-recruiting environment, we suggest that future research examine the following:

Hypothesis 5: Individuals will be more attracted to prestigious organizations that reinforce employment brands at their web site than those companies that do not reinforce employment brands.

DISCUSSION

The purpose of this paper was to examine the impact of technology (i.e., e-recruiting, Internet) on the relations between organizational recruitment factors and recruitment outcomes (e.g., organizational attraction, job choice). Specifically, based on the Rynes (1991) model of recruitment, we reviewed existing literature on e-recruiting and selected recruitment factors (i.e., organizational size, strategy, prestige), (b) identified research opportunities and (c) suggested testable hypotheses for future research.

Organizational Recruitment Factors and Technology

The relation between organizational factors and recruitment outcomes has been examined less frequently than the relation between individual factors and recruitment outcomes. However, some research on the relation between organization size and recruitment outcomes suggests that individuals may differ in their preferences for large and small organizations, with small organizations being viewed more negatively than large organizations. We suggest that future research examine what applicants perceive as “small,” “medium,” and “large” based on e-recruiting to enhance understanding of the impact of size on recruitment outcomes.

In addition, organizational strategy is viewed as an organizational characteristic that is likely to be related to recruitment outcomes. However, more research is needed to assess the various ways in which organizations use strategy in company web sites to signal applicants about
the attractiveness of the organization as an employer. Moreover, future research is needed to examine how applicants are able to use such information to assess person-organization fit.

Finally, the relation between organizational prestige and recruitment outcomes has been infrequently examined. Indeed, we know of no research which examines this relation in an e-recruiting environment. However, future research is needed because individuals may differ in their preferences for prestigious organizations. In particular, individuals may be more attracted to prestigious organizations when such organizations establish and reinforce an employment brand at the company web site. Research that investigates recruitment brands is in its infancy; thus, future research regarding employment branding in an e-recruiting environment may offer guidance to organizations seeking to enhance branding efforts as a means of attracting and retaining talented individuals.

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