

THE EFFECT OF ETHICAL SIGNALS ON RECRUITMENT OUTCOMES: TWO  
STUDIES WITH CONVERGENT RESULTS

A Dissertation

by

SANDRA WOLVERTON DEGRASSI

Submitted to the Office of Graduate Studies of  
Texas A&M University  
in partial fulfillment of the requirements for the degree of

DOCTOR OF PHILOSOPHY

August 2009

Major Subject: Management

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## ABSTRACT

The Effect of Ethical Signals on Recruitment Outcomes: Two Studies with Convergent Results. (August 2009)

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Chair of Advisory Committee: Dr. Richard W. Woodman

The applicant decision making process is a complex one. During the recruitment process, signals from the organization provide information to the candidates and affect important recruitment outcomes. Ethics is one area the organization can utilize to communicate information regarding the organizational culture and environment. Drawing on signaling theory, this research suggests that ethical signals during the recruitment process affect recruitment outcomes through the mediating effect of the perception of the organization as ethical. Additionally, two important moderators, self-importance of moral identity and cognitive moral development, were examined. Using a study in the field as well as a rigorous laboratory study, this research found results generally consistent with the hypothesized relationships. Specifically, ethical organizational practices were related to attraction in both studies. Ethical recruitment practices were related to attraction in the laboratory study. Furthermore, the organizational practices/attraction relationship was partially mediated by the perception of the organization as ethical. Finally, some support was found for the cognitive moral development, self-importance of moral identity, and performance moderators. Practical implications and areas for future research are discussed.

## DEDICATION

This dissertation is dedicated to my father, Ronald R. Wolverton, who passed away in my first year of graduate school. I know he would have been so proud. I love you and miss you, Dad.

## ACKNOWLEDGEMENTS

I would like to acknowledge my committee for all the time and effort that went into guiding me through this process. Thank you for always pushing me to be better. Also, thank you to the Center for Human Resource Management and to the Mays Business School for research grants funding a portion of this dissertation work. What a blessing! Thank you also to the Center for the Study of Ethical Development for working with me on this project, and thank you to all the students who participated in the studies.

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A special thank you to my husband, Scott, who “survived” my dissertation. I know it was difficult and stressful at times, but thank you for your patience, support, and encouragement. I couldn’t have done this without you. I love you.

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## CHAPTER I

### INTRODUCTION

Recruitment is a complex process during which applicants can be affected by a variety of factors (Barber, 1998). Although the number of studies of recruitment has increased substantially over the last several years, we still do not fully understand why recruitment affects applicants in the manner it does (Breugh & Starke, 2000). Reviewers have been critical of research in this area claiming that it is “poorly designed, narrow in focus, and not grounded in theory” (Breugh & Starke, 2000, p. 430).

In an attempt to address some of these issues, the purpose of this study is to examine how ethical organizational practices and recruitment practices affect applicant attraction to the organization through the mediating effect of perception of the organization as ethical. Several moderators of this relationship will also be examined, including self-importance of moral identity and cognitive moral development. This study will contribute to the literature in several ways. First, it will fill a gap in the recruitment literature by helping researchers and practitioners understand more about the complex applicant decision making process. Second, it will answer a call for more research on applicant perceptions. Finally, it will respond to the need for more rigorous studies in ethics research (Trevino, Weaver, & Reynolds, 2006).

The basic research questions I intend to address are:

1. Do the ethical signals of organizations influence recruitment outcomes?

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This dissertation follows the format of the *Journal of Applied Psychology*.

2. What role do individual differences (cognitive moral development and self-importance of moral identity) in applicants play in the relationship between these ethical signals and recruitment outcomes?

Business practice is a major driving force behind research in ethics. Managers, employees, and stockholders have clearly demonstrated a concern for business ethics, but ethics research is lacking in empirical evidence. Although many researchers have explored the antecedents of individual and organizational ethical and unethical behavior (i.e., Beu & Buckley, 2004; Victor & Cullen, 1988; Trevino, 1986), few have tackled the consequences. This lack of research on the consequences of ethical behavior may be due to the very sensitive nature of the topic. Nonetheless, ethical behavior in organizations is extremely important. In fact, poor ethical decisions can cost organizations billions of dollars annually and destroy their reputation (Beu & Buckley, 2004).

In the following chapters, I will outline the literature findings in ethics and recruitment, including how signaling theory can be utilized to better understand the relationship between ethical signals and recruitment outcomes. The purpose of this research is to better understand the consequences of ethical behavior of organizations in the recruitment context and to further develop and test a theory of ethical signals from organizations and their impact on applicants. Specifically, I will explore the influence of ethical signals on applicant attraction and the role of perceptions as a mediator, as well as various theoretically driven moderators. In order to test my hypotheses, I will use a rigorous laboratory study as well as a study in the field.

## CHAPTER II

### LITERATURE REVIEW

#### Ethics

The fields of philosophy and psychology have especially influenced business ethics, the focus of the current research. Although business ethics research has seen an increase in interest over the last 20 or 30 years, philosophers have been studying ethics for several millennia. The following sections contain a review of the pertinent literature, including definitional and conceptual issues.

The terms ethics, morals, and values are often used interchangeably, although some researchers have attempted to differentiate among these terms. “Ethics” has its origins in the Greek word, *ethos*, meaning “character, conduct or custom” and is closely related to “morals,” from the Greek, *mores*, meaning “custom or habit” (McKinnon, 2007, p. 59). The terms ethics and morals are highly related. In fact, ethics can be conceptualized as the “inquiry into the nature and grounds of morality” (Taylor, 1975, p.1) or “thinking about morality, moral problems, and moral judgments” (Frankena, 1963, p. 3). Morality is concerned with good and bad actions as well as good and bad motives behind those actions (Taylor, 1975). Together, ethics and morals form a branch of philosophy concerned with the measurement and evaluation of right and wrong (McKinnon, 2007). The terms ethics and morals will be used interchangeably for the remainder of this paper. Values, on the other hand, are broader than morals or ethics. Judge and Cable (1997) define values as “what an individual regards as conducive to his or her welfare, and therefore what an individual wants or seeks to obtain” (p. 361). One

can have ethical or moral values, family values, work values, as well as many other values.

The literature on ethics, and especially the definition, has been very broad and lacked agreement among scholars and practitioners (Ferrell & Gresham, 1985). One reason for this could be the range of disciplines from religion to medicine to business that are (or should be) concerned with ethical issues. Another reason for disagreement may be that the standards of what is “ethical” tend to change over both time and situations (Ferrell & Gresham, 1985), and there is not necessarily a clear answer for every question on morality (Beauchamp & Bowie, 1979). For example, excessive pollution used to be an acceptable byproduct of conducting business in certain industries, but now it is considered immoral (Beauchamp & Bowie, 1979).

In the following sections, I attempt to bring some clarity to these issues by outlining the two predominant ethical theories in the literature as well as delving into previously identified social and individual aspects of morality.

### *Ethical Theories*

Two ethical theories, deontology and teleology, have been widely developed and applied to business ethics. Deontology stresses what is “right,” while teleology focuses on the end result (Rallapalli, Vitell, & Barnes, 1998). Moral philosophers suggest that both teleological and deontological theories are utilized when forming ethical judgments and decisions (Hunt & Vitell, 1986; Rallapalli et al., 1998). The next sections further develop these two systems of ethics in more detail.

### *Deontology*

Deontology stems from the Greek word, *deon*, which means duty (Taylor, 1975). The key to deontological schools of thought is the “righteousness of a behavior” (Hunt & Vitell, 1986, p. 6). The ethical value of the act is judged by the act itself, not necessarily the consequences of the act (Rallapalli et al., 1998). Deontologists evaluate the rightness or wrongness of behavior by comparing the behavior to a predetermined set of norms (Hunt & Vitell, 1986). As it applies to the organization, these norms include both the individual’s personal rules of behavior and the organization’s rules (codes of conduct) (Granitz & Loewy, 2007). Deontologists are concerned with elements of the act itself, not necessarily its resulting value (Hunt & Hansen, 2007). General norms from the deontologist perspective would be not stealing, murdering, or committing adultery (i.e., the Ten Commandments), treating others as you would like to be treated (i.e., the Golden Rule), as well as honesty, fair treatment, and many others (Hunt & Hansen, 2007; Hunt & Vitell, 1986; Rallapalli et al., 1998). In addition to these general norms or beliefs, deontologists also recognize that issue-specific or situation-specific beliefs also determine ethical judgments and behaviors (Hunt & Hansen, 2007; Vitell, Singhapakdi, & Thomas, 2001).

Immanuel Kant was a deontologist philosopher who had a significant influence on business ethics (Frankena, 1963; Hunt & Hansen, 2007, Rallapalli et al., 1998). Kant was born in Prussia in 1724 and wrote several seminal moral philosophy pieces including *Grounding for the Metaphysics of Morals*, *The Metaphysics of Morals*, and *Critique of Practical Reason*. His writings suggested that man has moral duties to

himself and to other men (Kant, 1964). He defined duty as “the notion of a good will with certain subjective restrictions and hindrances” (Kant, 1938, p. 12). For example, man has a duty not to take his own life or borrow money unless he intends to pay it back, along with a duty to love and respect fellow men (Kant, 1964; 1996). Other duties of man included a duty toward animals, inanimate objects, and particular classes of human beings (Kant, 1930). Kant’s writings implied a sense of choice and freedom in moral action, unlike legal action. He suggested that morality was based upon the level of goodness of that free will (Kant, 1930). As Kantian philosophy has been applied to business ethics, the organization is a moral community (Bowie, 1999). In addition, Kant’s “respect for persons” principle suggests that “any business practice that puts money on a par with people is immoral” (Bowie, 1999, p. 3).

### *Teleology*

While deontology adds tremendous value in our understanding of business ethics, it is not without its criticisms, one of which is the large number of exceptions to the “rules” (Hunt & Vitell, 1986). Teleology is rooted in the Greek word, *telos*, which means end or purpose (Taylor, 1975). Unlike deontology, which is concerned with the act itself, teleology measures moral worth by the positive or negative consequences of the act (Ferrell & Gresham, 1985; Hunt & Vitell, 1986; Vitell et al., 2001). Behavior is considered moral if it results in more good than evil (when compared to the alternatives) (Hunt & Vitell, 1986; Vitell et al., 2001). The four constructs that are evaluated by teleologists when making an ethical decision are: 1). “the perceived consequences of each alternative for various stakeholder groups,” 2). “the probability that each



consequence will occur to each stakeholder group,” 3). “the desirability or undesirability of each consequence,” and 4). “the importance of each stakeholder group” (Hunt & Vitell, 1986, p. 9). Of course, the identification and importance of the stakeholders will change across situations and individuals (Hunt & Hansen, 2007).

Utilitarianism is one school of thought derived from the teleological perspective. Under utilitarianism, “the act is ethical only if the sum total of utilities produced by the act is greater than the sum total of utilities produced by any other act” (Ferrell & Gresham, 1985, p. 89). An act is therefore unethical if it “leads to an inefficient use of resources” or to “personal gain at the expense of society in general” (Ferrell & Gresham, 1985, p. 89). Utilitarianism is often summed up by “the greatest good for the greatest number” (Hunt & Vitell, 1986, p. 7). There are several problems with utilitarianism and teleological evaluations in general including determining whose good should be maximized and measuring the potential positive or negative outcomes of decisions (Hunt & Vitell, 1986). Thus, as noted earlier, the integration of both teleological and deontological theories of ethics is most beneficial in understanding how and why people (and organizations) make ethical decisions.

A review of the deontological and teleological views reveals that there are both social and individual aspects of ethics. Both organizational norms and personal experiences influence the development of deontological norms and perceived consequences of actions (teleological evaluations) (Hunt & Vitell, 1986). The next section outlines the importance of both social and individual components in the study of ethics.

### *Social and Individual Aspects*

Morality has both a social and individual component. Morality has a large social component such that it is evident in a society's norms, traditions, even laws, thus guiding the behavior of groups and individuals (Frankena, 1963; Taylor, 1975). Morality has a very individualistic component as well whereby individuals, as autonomous moral agents, must make their own decisions (Frankena, 1963). The focus of much of the recent research on business ethics has been on determining the factors that impact ethical behavior in organizations (Trevino, Butterfield, & McCabe, 2001). Many ethics researchers have focused on ethical behavior as the dependent variable and have attempted to better understand *why* people act ethically or unethically, and the role that the organization (as the context) plays in the ethical decision making processes. They have found that ethical decision making is an interaction of person and situation (Trevino, 1986), because the individual must interpret and apply ethical behavior in specific situations (Clegg et al., 2007). The interactionist perspective highlights the importance of both "ethical" employees and promoting an "ethical" environment. Trevino (1986) argued that ethical decision making is in fact an interaction of person and situation. She developed a model combining individual variables with situational variables in order to better understand ethical behavior in organizations. Individual differences (i.e., locus of control, hostility, aggression, Machiavellianism, ego strength, and field dependence) in isolation are not enough to explain ethical or unethical behavior (Beu & Buckley, 2004; Trevino, 1986; Victor & Cullen, 1988). These researchers have further called for the exploration of how individuals follow, ignore, or "creatively

interpret” ethical codes (Clegg et al., 2007). The organization also plays a role in encouraging ethical or unethical behavior from its employees. Organizations have particular ethical practices and behaviors that shape their characters (Cullen, Victor, & Stephens, 1989). Employees face ethical dilemmas daily, and they often look for external cues, or signals, as to how to react (Trevino, 1990). Employees who commit unethical acts are sometimes simply responding to the cultural pressures to behave unethically (Trevino, 1990). Indeed a strong (unethical) culture can have a “dark side,” encouraging, or at least legitimizing, unethical individual behavior (O’Reilly & Chatman, 1996).

### *Social Component*

Morality has a large social component. Ethical decisions and behaviors are affected by the norms of society and business ethics cannot be completely understood outside the realm of the social environment or culture (Payne & Giacalone, 1990; Trevino, 1986). One seminal piece in the ethics literature defined an ethical decision as “both legal and morally acceptable to the larger community,” while an “unethical decision is either illegal or morally unacceptable to the larger community” (Jones, 1991, p. 367). This definition recognizes the importance of the law in morality. On the one hand, morality may overlap with the law; for example committing murder is against the law and most would agree it is also immoral. On the other hand, morality is like convention because, unlike the law, it cannot be changed by government acts, and the result is usually more social (praise or blame), not physical (life in prison or the death penalty) (Frankena, 1963).

Within the organization, culture serves as a social mechanism that can promote ethical or unethical behavior. Social psychologists and anthropologists have contributed to the ethics literature through the study of culture. Before delving into the specifics of the relationship between ethics and culture and climate, it is important to first acknowledge the vast literature on the similarities and differences between culture and climate (see Denison, 1996; Ostroff, Kinicki, & Tamkins, 2003, for review). Culture, as it is related to the organization, is defined as “a system of shared values (that define what is important) and norms that define appropriate attitudes and behaviors for organizational members (how to feel and behave)” (O’Reilly & Chatman, 1996, p. 160). As proposed by Trevino (1986), a strong culture can direct behaviors, and organizational members in stronger cultures will have a clearer picture of what is acceptable and unacceptable behavior. Organizational culture, specifically the ethical component of culture, is one source of cues and gives the employee a feeling for the norms and values of the organization and influences their ethical or unethical behavior (Trevino, 1990). Culture can be a form of social control, even more influential than formal controls within an organization (O’Reilly & Chatman, 1996). Control in organizations is defined by O’Reilly and Chatman (1996) as, “the knowledge that someone who matters to us is paying close attention to what we are doing and will tell us if our behavior is appropriate or inappropriate” (p. 161).

Ethical cultures can serve to relay the values of the organization to its members (Jones & Ryan, 1997). In order to have ethical behavior in their organization, there is a need for organizations to create a shared ethical environment. The creation (and

enforcement) of ethical codes of conduct may be one way to accomplish this. However, codes of ethics will likely only influence the ethical and unethical behaviors of the employees if they are enforced (Trevino, 1986). These codes may be based on shared values of the members of the organization or on legal mandates (i.e., Sarbanes-Oxley). According to Baehr, Jones, & Nerad (1993), a code of ethics generally covers: “1) conflicts of interest; 2) relationships with customers, competitors, government authorities and employees; 3) high regard for company assets; and 4) use of good judgment” (p. 292). A highly ethical environment (characterized by enforced rules and regulations) has the capability of encouraging the expression of ethical values by employees and constraining the expression of unethical values. The culture of the organization can also assist in the moral development of the employees (Trevino, 1986). Organizations should foster a culture that encourages the learning and implementation of ethical values and behaviors (Sims, 1991). Finally, organizations that are clear and consistent with their ethical policies and practices will be most effective (Cullen et al., 1989).

Ethical culture is more than just having a code of ethics. In fact, most organizations can boast of such, but they vary widely in the manner in which ethical codes or policies are implemented by the managers and other important figures in the organization (Weaver, Trevino, & Cochran, 1999). Some organizations proclaim ethical policies and procedures for symbolic purposes, but do not actually practice or enforce them among their employees (Weaver et al., 1999). Some skeptics even go as far as to say that formal ethics standards and procedures are “little more than a decorative plaque

on the wall or a reputation-enhancing marketing device” (Painter-Moreland, 2008, p. 130). Even Enron, which was at the center of a huge corporate scandal, had ethical policies and procedures, and even won awards for its ethics program (Clegg, Kornberger, & Rhodes, 2007; Sims & Brinkmann, 2003). In fact, it would probably be a red flag if an organization did not have ethical guidelines, so the real question is not whether an ethical code exists, but rather whether these guidelines are followed. It is important for employees to acknowledge the receipt of ethical codes or policies as well as acknowledge compliance with these codes (Weaver et al., 1999). While ethical codes and policies are important, it is equally (if not more) important to have organizational support (both formally and informally) of ethical practices (Weaver et al., 1999).

This discontinuity between policy and practice has prompted recent researchers to focus on “business ethics as practice,” arguing that ethics is “best understood and theorized as a form of practice” (Clegg et al., 2007, p. 107). These researchers suggest that ethical decisions are often not black and white, yes or no, right or wrong. Ethical decision making in real organizations often occurs in an ambiguous environment where one does not have the comfort of a particular rule to refer to or policy that contains a specific, certain answer (Clegg et al., 2007). While rules, codes, and models have value in the organization, ethical dilemmas tend to emerge from situations which cannot be easily categorized and answered with simple reference to the rules (Clegg et al., 2007). Organizations face the difficult task of managing and institutionalizing ethics (Sims, 1991). While it is important for organizations to have formal, written codes of conduct,

the practices or implementation of these codes via culture is what truly defines the “ethicality” of the organization.

### *Individual Component*

In addition to the aforementioned social component to ethics, there is also a large individual component. Individuals perceive ethical situations differently and through different lenses (Ferrell & Gresham, 1985). Individuals develop their moral codes of conduct over time and experiences (Shultz & Brender-Ilan, 2004). Therefore, moral codes of behavior differ across individuals, who have diverse beliefs about ethical decisions (Hunt & Hansen, 2007). Psychologists such as Lawrence Kohlberg have made important contributions to the ethics literature, especially regarding individual differences in ethical judgments. Kohlberg’s Theory of Moral Development (1969) has been dominant in the fields of moral psychology and education (Modgil & Modgil, 1985). His work has crossed the disciplinary boundary between psychology and philosophy (Boyd, 1985) and has influenced the work of business ethicists.

Kohlberg’s work presented six stages of cognitive moral development (CMD). As reviewed by Kohlberg and Hersh (1977) as well as by Trevino (1986), stages 1 and 2 are the preconventional level, stages 3 and 4 are the conventional level, and stages 5 and 6 are the postconventional or principled level. Stage 1 is generally referred to as “punishment and obedience orientation,” where individuals’ behaviors reflect the avoidance of punishment. Stage 2 is the “instrumental-relativist orientation,” described by satisfying one’s own needs and the needs of others in reciprocity only. Stage 3 is the “interpersonal concordance orientation,” where individuals’ good behaviors are a result

of their need for approval from others. Stage 4 is the “law and order orientation,” where individuals act in such a way as to follow the rules and obey those in higher social power. Stage 5 is the “social-contract, legalistic orientation,” whereby individuals recognize the law, but also recognize there are differential values and views on issues outside of that law that may be up for discussion. Stage 6 is described as the “universal-ethical principle orientation,” where action is taken based upon individual ethical principles that are abstract in nature, and not necessarily definitive rules or regulations (Trevino, 1986; Kohlberg & Hersh, 1977).

Although most adults are at stage three or four, many researchers agree that higher levels of CMD can be achieved over time through training or education (Trevino, 1986; Kohlberg & Hersh, 1977), which is consistent with the goals of workplace and higher education courses in ethics. Organizational researchers have utilized Kohlberg’s cognitive moral development in order to examine several important research questions; results are detailed in Chapter III.

Unlike much of the previous research that has focused on the antecedents of ethical behavior, the goal of the current research is to understand the consequences of ethical decisions of the organization and its representatives. One area organizational culture can be communicated is during the recruitment process (Gilmore, Stevens, Harrell-Cook, & Ferris, 1999; Highhouse, Hoffman, Greve, & Collins 2002). The next section outlines how the recruitment process can be a breeding ground for the transmission of ethical signals.



## Recruitment

Recruitment researchers have studied a wide range of predictors of important recruitment outcomes including procedural justice perceptions (Maertz, Bauer, Mosley, Posthuma, & Campion, 2004), interviewer characteristics (Carless & Imber, 2007), realistic recruitment messages (Thorsteinson, Palmer, Wulff, & Anderson, 2004), work-life balance and career salience (Carless & Wintle, 2007), recruitment message specificity (Roberson, Collins, & Oreg, 2005), flexible work arrangements (Rau & Hyland, 2002), corporate teamwork and diversity statements in recruitment brochures (Rau & Hyland, 2003), recruiting sources (Breugh, Greising, Taggart, & Chen, 2003), preinterview beliefs (Stevens, 1997), corporate advertising (Collins & Han, 2004), and organizational reputation (Cable & Turban, 2003), as well as various other job, organization, and recruiter characteristics (Chapman, Uggerslev, Carroll, Piasentin, & Jones, 2005).

The main purpose of recruitment is to identify and attract applicants (Barber, 1998) and is used by organizations as a human resource technique to attract potential employees with the needed knowledge, skills, and abilities (Allen, Van Scotter, & Otondo, 2004). Recruitment can include a wide range of activities from distributing organizational material to behaviors of the interviewer (Taylor & Bergmann, 1987). The process of choosing a job is very complex, involving numerous decisions at different stages in the recruitment process (Rynes & Barber, 1990; Gatewood, Gowan, & Lautenschlager, 1993). Examples include: which organization do I apply to? With which organization do I attend an interview? Should I go on an office visit? The

organization faces the daunting task of keeping the applicant interested at each stage in the process. Any shortage of applicants at any stage may require the organization to modify their attraction practices (Rynes & Barber, 1990).

Organizational attraction is a key variable in the literature on organizational choice (Bretz, Ash, & Dreher, 1989). Attraction is described as “people’s preferences for particular organizations...based upon an implicit estimate of the congruence of their own personal characteristics and the attributes of potential work organizations” (Schneider, Goldstein, & Smith, 1995, p. 749). Attraction may change during the recruitment process and should be examined at different stages (application, selection, job choice); (Barber, 1998). A recent meta-analysis conducted by Chapman et al. found that perceived work environment ( $r = .47$ ), organization image ( $r = .40$ ), and person-organization fit ( $r = .40$ ) have the strongest relationships with attraction (Chapman et al., 2005).

Attraction is an important part of recruitment processes (Carlson, Connerley, & Mecham, III, 2002). In order to improve attraction to the organization, organizations can engage in three general strategies (Rynes & Barber, 1990). The first is to improve recruitment practices, including organizational representatives, recruitment messages, recruitment sources, and recruitment timing. This method is generally cost-effective and low in risk (Rynes & Barber, 1990). Previous studies have found that recruiter characteristics such as personableness are related to applicant intentions to accept a job offer (Harris & Fink, 1987). Recruiter behaviors appear to be more influential than recruiter demographic variables (Chapman et al., 2005), which, as will be seen below,

has important implications for the current study. The second strategy that organizations can utilize to improve attraction to the organization is to improve employee inducements such as salary, benefits, and/or working conditions, which can prove more costly to the organization (Rynes & Barber, 1990). The final strategy is to target nontraditional applicants (Rynes & Barber, 1990).

Researchers have called for more research in the area of applicant attraction, specifically longitudinal research measuring attraction at different stages of recruitment (Rynes & Barber, 1990). In addition, as is evidenced in the literature review above, no previous research has explicitly examined the impact of ethical signals on important recruitment outcomes, which is one goal of the current research. In the next chapter, I will describe the theoretical development and hypotheses.

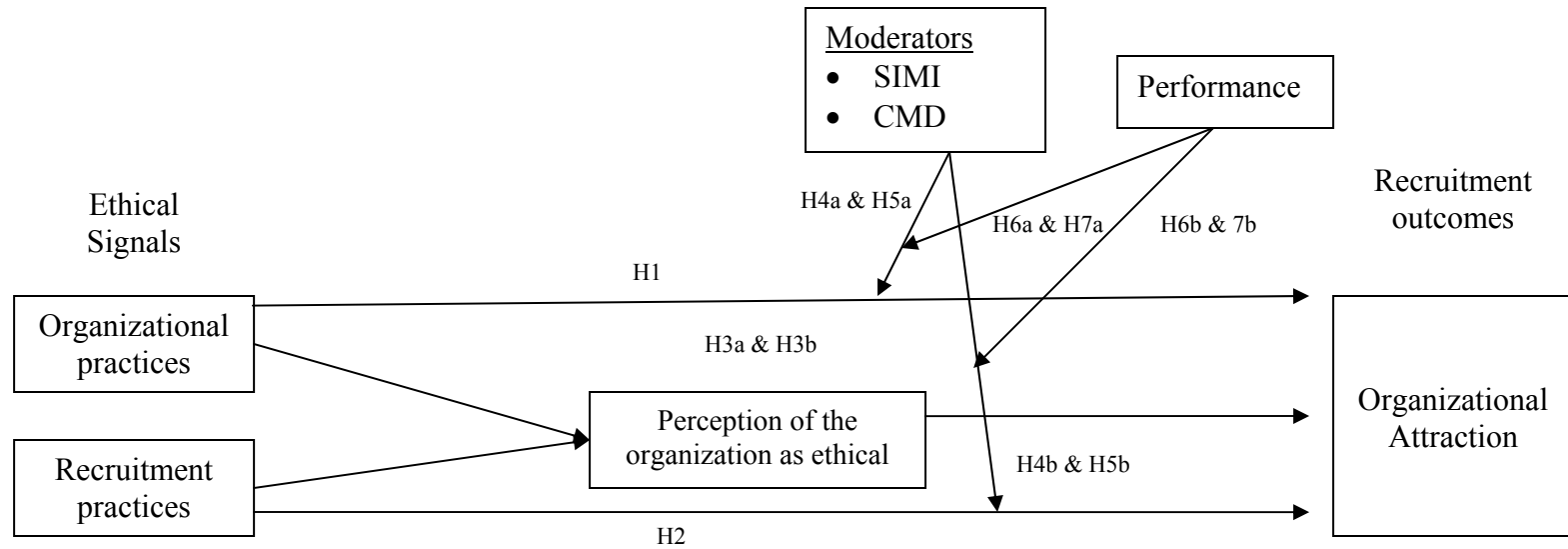
## CHAPTER III

### THEORETICAL MODEL AND HYPOTHESIS DEVELOPMENT

Figure 1 shows the theoretical model that will be developed in this dissertation. Using this model as a guide, I will start by reviewing the literature on signaling theory, which is the theoretical basis from which this research draws. Then, I will conceptualize ethical signals and develop two important ethical signals that the applicant may be receiving during the recruitment process, namely organizational practices and recruitment practices. Next, I will review the literature on perceptions and argue for why the perception of the organization as ethical is an important mediating variable in the model. Finally, I will develop the rationale and support behind important individual difference and performance moderators.

#### Signaling Theory

The actions that the organization takes during the recruitment process can provide signals to the applicant and affect applicant attraction to the organization (Boswell, Roehling, LePine, & Moynihan, 2003). Signaling theory is rooted in economics and the work of Spence (1973, 1974). The theory posits that “in the absence of complete and accurate information, decision makers rely on observable factors or signals as substitutes” (Hannon & Milkovich, 1996, p. 417). The organization never really knows the productive value of the applicant at the time of hiring (Spence, 1973). Similarly, applicants are making decisions (to apply or accept a job) given imperfect and incomplete information about the organization. As with the stock market, applicants have to make important decisions on where to “invest” time and/or money based on the



Note: SIMI is self-importance of moral identity; CMD is cognitive moral development

Figure 1. Model of ethical signals and recruitment outcomes.

limited information they are given from the organization during the recruitment period. Given the short amount of time spent with recruiters and other members of the organization (from several days at best to perhaps as little as a phone call), every piece of information counts, and it is vital that the organization relays positive information to the applicant if they want to remain attractive. When making a job choice, the applicant will not have complete information and must choose based on that information which has been signaled by the organization during this short period of time.

### Ethical Signals in Recruitment

The ethical or unethical behavior of an organization during the recruitment period can act as a signal to the applicant, affecting important recruitment outcomes such as attraction. Drawing on signaling theory, as the applicant learns more about the organization, perceptions change, and these changes affect subsequent recruitment outcomes. The effectiveness of the recruitment efforts by organizations is impacted by their ethical behavior. Research in the area of moral approbation suggests that individuals will prefer ethical organizations over unethical organizations. Moral approbation is the “desire for moral approval from oneself or others” (Jones & Ryan, 1997, p. 664). Individuals rely on moral feedback from their referent group, which could be themselves only, important social groups, or even include society as a whole (Jones & Ryan, 1997). Individuals are motivated to be moral in order to “remain philosophically consistent with their principles, uphold religious beliefs, allay emotional distress, avoid external sanctions, or maintain a positive self-identity” (Jones & Ryan, 1997, p. 669). Although the degree of moral motivation varies from person to person

(Jones & Ryan, 2001), this desire for moral approval explains why it is important for organizations to signal ethicality to applicants. Most people would rather be in an organization that encourages ethical behavior and provides consequences for unethical behavior (Trevino, 1990), and it is in the best interest of the organization to behave ethically, so that the signal of ethicality is relayed. The following sections identify two ethical signals that could affect the applicant: organizational practices and recruitment practices.

### *Organizational Practices*

Ethical or unethical organizational practices can act as a signal to applicants and affect their attraction to the organization. The job search process begins with an applicant's evaluation of information from sources such as media, advertisements, and friends (Gatewood et al., 1993). In fact, potential applicants tend to search recruitment materials and advertisements before deciding to apply (Barber, 1998). Previous research has found that early recruitment-related activities such as advertising through recruitment brochures and company web sites are positively related to application intentions and decisions as mediated by attitudes toward the organization and perceived job attributes (Collins & Stevens, 2002). Information about organizations may also be communicated through the popular media; this information can affect organizational perceptions and attractiveness to applicants (Barber, 1998). Organizational websites often provide employee testimonies, mission statements, and health care benefit information (Braddy, Meade, & Kroustalis, 2006). Using this information, the applicant makes an initial decision whether or not to apply and pursue employment opportunities

with the organization (Gatewood et al., 1993). In their qualitative study, Rynes, Bretz, and Gerhart (1991) found that press coverage (including information regarding the organization's ethics) did influence some applicants' impressions. Applicants tend to be more attracted to organizations with more positive images (Barber, 1998). Some moral guidelines that have come to be expected from organizations include "protect[ing] the environment, adopt[ing] preventative measures to avoid environmental harm, and rehabilitat[ing] environments damaged by operations" (Frederick, 1991, p. 167).

An organization's concern for the environment can influence applicants' organizational attraction, intentions to apply, and job choice (Bauer & Aiman-Smith, 1996). The classical model of corporate social responsibility held that businesses were only responsible for conducting business within the confines of the law, although they may choose to do environmental good (DesJardins, 2002). The neoclassical model suggests that businesses have a social responsibility to not only obey the law, but also to adhere to moral duties (DesJardins, 2002). Conserving the environment is becoming ethically important to management (Audi, 2009). Some large companies have even modified their accounting measures to reflect "triple bottom line" accounting, which accounts for social and environmental performance in addition to financial performance (Fisher & Lovell, 2006, p. 44).

Researchers have found that corporate social performance dimensions (measured by an external source) such as community relations, employee relations, and product quality are positively related to attractiveness as an employer (Turban & Greening, 1996). Applicants will pursue jobs with organizations that have a positive reputation



(measured by *Fortune 500* ratings), as they use the reputation to infer particular attributes of the job and pride from membership (Cable & Turban, 2003). Firms with positive reputations are able to attract more and higher quality applicants (Turban & Cable, 2003). Additionally, researchers have found organizational values to be related to job choice decisions (Judge & Bretz, 1992) and recruitment brochures containing statistical information supporting the organization's values to be positively related to potential applicants' attraction to the organization (Highhouse et al., 2002). Recognizing these relationships, organizations engage in practices to highlight their reputation, social responsibility, and values (Aiman-Smith, Bauer, & Cable, 2001; Pirsch, Gupta, & Grau, 2007). These studies have linked the public perceptions of certain activities of organizations with important recruitment outcomes.

The variables in these studies, however, have been quite broad and objectively measured. For example, Turban and Greening's (1996) definition of "corporate social performance" included a wide range of dimensions such as community relations, treatment of women and minorities, and quality of services and products that may or may not be related to ethical behavior of the organization. Additionally, Aiman-Smith et al. (2001) claim organizational image can include "good corporate citizenship, progressive labor practices, an emphasis on diversity, sponsorship of cultural activities, and pro-environmental practices" (p. 222). Pirsch et al. (2007) describe corporate social responsibility as having four components: economics, the law, ethics, and philanthropic activities.

Finally, regarding the studies on values, Judge and Bretz (1992) and Highhouse et al. (2002) defined work values as achievement, concern for others, fairness, and honesty. Again, while some of these values would be considered to lie on the ethics continuum (i.e., honesty), others may not (i.e., valuing achievement). Thus, the previous research in this area has lacked precision. It has labeled everything from justice to achievement as “values.” The current study has a much more explicit and concise definition and operationalization of the ethics construct, differentiating it from a broad values construct.

The question regarding the effect of corporate ethics on job seekers is still unanswered. The intention of the current study is to directly examine the effects of ethical organizational practices on applicants. Ethical organizational practices (as defined in the current study) are different than an objective reputation index or broad values measure. Organizations are actors (separate from the individuals in them) that are capable of choosing ethical or unethical behaviors (Nicotera & Cushman, 1992). Applicants want to choose the “right” organization as much as they want to choose the “right” job (Rynes & Cable, 2003). Ethical organizational practices send signals to applicants that affect applicant attraction.

Hypothesis 1: Ethical organizational practices will be positively related to organizational attraction.

### *Recruitment Practices*

The second ethical signal that applicants may receive during the recruitment period is recruitment practices. Recruitment practices can signal broader characteristics

of the organization to the applicant; a negative experience during the recruitment process may even result in an elimination of the organization from the applicant's consideration (Joo & McLean, 2006; Rynes et al., 1991). Similarly, a positive experience may give the organization an advantage in an environment that is highly competitive for well-qualified candidates. Thus, it is important that researchers focus attention on early recruitment practices and their effects on applicant decisions (Collins & Han, 2004).

Valuable information such as attributes of current employees and the culture of the organization can be communicated through the recruitment process (Highhouse et al., 2002). Specifically, interviewers have a very important role in applicant attraction to the organization because they provide early cues about the job, the organization, and the overall culture (Gilmore et al., 1999). Much of the research on recruitment practices (detailed more in Chapter II above) centers around recruiters and their behaviors during interviews (Powell, 1984). Interactions with the recruiter are associated with employment intentions; as recruiters send signals to the applicants, applicants form impressions and become more or less attracted to the organization (Barber, 1998). Recruiters have a key part in recruitment because they communicate important information about the organization to the potential applicant (Carless & Wintle, 2007), and help maintain applicant attraction in the early recruitment process (Turban & Dougherty, 1992). Researchers have found that applicants often leave the recruitment process after the initial interview (Barber, 1998). This demonstrates the importance of the early stages of the recruitment process in forming applicant impressions and affecting applicant decisions. Taylor and Bergmann (1987) found recruitment practices

during campus interviews predicted applicant reactions such as organizational attraction and probability of accepting an offer.

The literature reviewed above demonstrates that recruitment practices can affect important applicant outcomes. Additionally, as discussed earlier, applicants pick up on signals from the organization when making decisions. Applying the above literature review and signaling theory to the ethical signals via recruitment practices:

Hypothesis 2: Ethical recruitment practices will be positively related to organizational attraction.

### Perceptions

In order to understand *why* ethical signals influence recruitment outcomes, the model proposes the mediating effect of perceptions of the organization as ethical. Perceptions are especially important in the context of recruitment because applicants must make decisions and extrapolate about future organizational reality based on the limited amount of information learned during the recruitment process.

Ethical signals give applicants cues that mold their perception of the organization, which then affects their attitudes. In their review of applicant perceptions of selection procedures, Ryan & Ployhart (2000) delineated the perceptions that have been studied in the organizational literature from 1985-1999, including perceptions of the interviewer, perceptions of the interview format, perceptions of fairness, and perceptions of interpersonal treatment, among many others. Some relevant research findings have found that organizational reputation did influence perceptions of the attributes of the job and organization and the information from recruiters may have been one source of

influence on applicant perceptions of the organization (Turban, Forret, & Hendrickson, 1998). Others have found that recruitment websites can influence applicants' perceptions of the organizational culture (Braddy et al., 2006). Authors have called for research on different perceptions that may have outcomes that are important to the recruitment literature. Ryan and Ployhart (2000) additionally called for more research exploring what could be determining applicant perceptions. The study of moral perceptions may address both of these concerns. Applicant perception of the organization as ethical has not been studied in previous research and is the mediating variable in Figure 1.

In this study, I propose that the ethical signals from the organizational and recruitment practices influence perceptions of the organization as ethical. Each applicant uses the information signaled to them from the organization in order to form meaning and individual perceptions. These perceptions, in turn, affect attraction to the organization.

Hypothesis 3a: The relationship between ethical organizational practices and organizational attraction will be mediated by applicant perception of the organization as ethical.

Hypothesis 3b: The relationship between ethical recruitment practices and organizational attraction will be mediated by applicant perception of the organization as ethical.

### Individual Difference Moderators

In an organizational setting, individuals will have a wide range of ethical beliefs. We are all unique based on our past experiences and genetics. Additionally, individuals vary on the degree to which they are morally motivated (Jones & Ryan, 2001). Thus, a study of individual difference moderators is important in ethics research such as this.

Drawing on the Attraction-Selection-Attrition (A-S-A) framework, individuals will be attracted to and selected by those organizations that are most like them (Schneider, 1987). Schneider (1987) argues that individuals do not randomly choose organizations, but they are an outcome of this cycle of attraction, selection, and attrition. Although it is beyond the scope of this research, much has been investigated regarding “fit” between the person and the organization and the outcomes of such a fit (see Kristof-Brown, Zimmerman, & Johnson, 2005, for a review). Individuals are attracted to and selected by organizations where they perceive they “fit” (Cable & Judge, 1996; Schneider, 1987). The consequence of the A-S-A cycle is an organization with a unique personality (Schneider et al., 1995). As it applies to ethics, “morality will breed morality--opportunistic individuals will leave and moral individuals will be attracted to the firm” (Beu & Buckley, 2004, p. 78). More ethical individuals will seek and be selected by those organizations with a strong ethical culture (Brown & Trevino, 2006).

Therefore, it is important to examine certain individual difference moderators and their effect on the relationship between ethical signals and recruitment outcomes. Thus, the current study will include self-importance of moral identity and cognitive

moral development as potential moderators of the ethical signals/recruitment outcomes relationship.

### *Self-Importance of Moral Identity*

The first moderator in the model is self-importance of moral identity (SIMI). As defined by Aquino and Reed (2002), moral identity is a “self-conception organized around a set of moral traits” (p. 1424). Self-importance of moral identity is how much one values the moral ideal; in other words, being moral may be central in one person’s life, but peripheral in another’s (Aquino & Reed, 2002). Aquino and Reed separate moral identity into two factors: internalization and symbolization. Internalization is “the degree to which the moral traits are central to the self-concept,” while symbolization is “the degree to which the traits are reflected in the respondent’s actions in the world” (p. 1427). Moral identity has been found to be related to moral cognition and moral behaviors (Aquino & Reed, 2002; Reynolds & Ceranic, 2007).

Based on social identity theory, moral identity is one of many ways that individuals can define themselves (Aquino & Reed, 2002). Social identity theory (SIT) has its roots in social psychology (Tajfel & Turner, 1979, 1986). Following social identity theory, individuals will categorize themselves and others into groups by gender, age, race, religion, and organizational membership, among others (Ashforth & Mael, 1989; Tajfel & Turner, 1986). This categorization allows individuals to have a means by which to define those around them, and it allows them to define themselves in the context of the social environment (Ashforth & Mael, 1989). These identities can affect

“cognition, attitudes, and behavior...and provide readily available schemas for processing information...and thus guid[e]...courses of action” (Weaver, 2006, p. 346).

In the context of this study, it is not only ethical signals of the organization, but also the moral identity of the individual that influence the recruitment outcomes. The more central moral identity is to the individual’s sense of self, the more likely the individual will be impacted by ethical organizational and recruitment practices. As argued above, individuals will define themselves partially in terms of their organizational identification. Individuals with high SIMI (who consider morality to be a central component in their life) will be more attracted to organizations that signal ethical practices than individuals with low SIMI because they care more about belonging to an organization that shares their morals (or at least does not contradict them). This allows for consistency in the way they define themselves in the context of the organizational environment. Thus, SIMI will moderate the relationship between ethical signals and recruitment outcomes.

Hypothesis 4a: The ethical organizational practices/organizational attraction relationship will be moderated by self-importance of moral identity (SIMI) such that the relationship will be stronger when SIMI is high than when SIMI is low.

Hypothesis 4b: The ethical recruitment practices/organizational attraction relationship will be moderated by self-importance of moral identity (SIMI) such that the relationship will be stronger when SIMI is high than when SIMI is low.



### *Cognitive Moral Development*

The next moderating variable of interest is cognitive moral development (CMD), which was introduced by Lawrence Kohlberg (1969; Trevino, 1986). Researchers have found cognitive moral development to be a strong predictor of unethical behavior  $r = -.38$  (Gephart, Harrison, & Trevino, 2007). CMD has been used to better understand the differential reasoning processes of individuals and their moral decision making (Brown & Trevino, 2006). Kohlberg delineates six stages of moral development (detailed in Chapter II), with higher stages representing more morally developed individuals. Those who are at the higher stages of development are more likely to show concern for others, place value on fairness, and behave more ethically (Brown & Trevino, 2006). In other words, higher moral reasoning is better (Weber & Gillespie, 2001).

As it relates to the job seeker, the more morally developed the individual, the more likely they are to detect and be influenced by ethical signals from the organizational and recruitment practices. Individuals with higher CMD (especially at Stages 5 & 6) tend to look beyond just following the law or codes of conduct and form their own views on ethical issues. In other words, individuals with higher CMD (compared to those with lower CMD) will be more likely to recognize and respect ethical signals that extend beyond complying with legal constraints (such as corporate social responsibility activities). Because individuals with higher CMD have more sophisticated “standards” of ethical behavior, they will be more likely to attend to these ethical signals (if they exist), and they will be more attracted to the organization. Thus, I hypothesize the following:

Hypothesis 5a: The ethical organizational practices/organizational attraction relationship will be moderated by cognitive moral development (CMD) such that the relationship will be stronger when CMD is high than when CMD is low.

Hypothesis 5b: The ethical recruitment practices/organizational attraction relationship will be moderated by cognitive moral development (CMD) such that the relationship will be stronger when CMD is high than when CMD is low.

It is important to note that the two moderators of moral identity and moral development are complementary rather than competing constructs when examining moral behavior (Aquino & Reed, 2002; Kohlberg & Hersh, 1977). In fact, researchers have found that it is important to consider an integrative approach of moral identity and moral judgments when examining moral behavior (Reynolds & Ceranic, 2007), which is why they are both included in the model.

#### Performance Moderator

Firm performance, or profitability, has been found to be related to both reputation and attractiveness as an employer (Cable & Graham, 2000; Turban & Greening, 1996). Researchers have suggested that economic failures will harm reputation more than unethical behavior (Jones & Ryan, 2001), but I argue that from a recruitment standpoint, it depends on individual differences such as SIMI and CMD. If firm performance is high (compared to when firm performance is low), all applicants will be attracted to the organization (all else being equal). If firm performance is low, however, some differences should begin to partial out because of ethical signals from the organizational and recruitment practices as well as individual differences such as SIMI

and CMD. Although the majority of applicants would not be attracted to a low performing firm (all else being equal), those with higher SIMI and CMD will be even less attracted to a low performing firm who has engaged in unethical recruitment and/or organizational practices than those with lower SIMI and CMD. In other words, similar to the argument detailed above, ethical signals will matter more to those individuals with high SIMI than to those with low SIMI because high SIMI individuals place a high value on belonging to an organization that shares their morals. Similarly, individuals with high CMD tend to consider elements beyond compliance with the law as “ethical.” Thus, in a low performing firm, ethical signals will be more evident and matter more to those individuals with a high CMD (compared to those with a low CMD). Therefore, I hypothesize the following:

Hypothesis 6a: There is a three-way interaction between organizational practices, SIMI, and firm performance on attraction such that the two-way interaction between organizational practices and SIMI will be stronger when performance is low than when performance is high.

Hypothesis 6b: There is a three-way interaction between recruitment practices, SIMI, and firm performance on attraction such that the two-way interaction between recruitment practices and SIMI will be stronger when performance is low than when performance is high.

Hypothesis 7a: There is a three-way interaction between organizational practices, CMD, and firm performance on attraction such that the two-way interaction

between organizational practices and CMD will be stronger when performance is low than when performance is high.

Hypothesis 7b: There is a three-way interaction between recruitment practices, CMD, and firm performance on attraction such that the two-way interaction between recruitment practices and CMD will be stronger when performance is low than when performance is high.

Hypotheses 1-5 were tested in a field study and Hypothesis 1-7 were tested in a laboratory experiment. The next two chapters outline the methods and results for each study.

## CHAPTER IV

### STUDY 1

#### Method

##### *Participants*

Participants were 99 graduate and undergraduate students at a large southwestern university who were on the job market for a summer internship. Power analysis determined that this is an adequate sample size for regression ( $\alpha=.05$ , medium effect size=.30, and sample size=99; the resulting power was .84). A sample of interns is fitting in order to better understand the actual influence of ethical signals on applicant attraction because the internship is an opportunity for the applicants to gather ethical information about the organization (both positive and negative) and make decisions about potential employment. Additionally, interns enter the organization for a pre-determined short period of time (approximately 3 months), experience the organization and its ethics firsthand, and then leave the organization. Some interns may leave the organization on good terms with an offer for full-time employment in hand. In this case, interns may choose to accept the offer or continue the job search. Other interns may leave without an offer. In this case, they must re-enter the applicant pool. Either way, this is a rich data set that could answer many questions regarding the effect of organizational ethics on applicant attraction. In an attempt to measure ethical activities, this study followed participants through the entire job search process: before they started their internship, during their internship, and following their internship.

Seventy-seven percent of the participants were graduate students, while 23% were undergraduates. Forty-six percent were business majors, 25% were government, 10% were engineering, 9% were education and the remaining participants were veterinary medicine (4%), health (2%), communication (1%), economics (1%), sports management (1%), and architecture (1%) majors. The average age was 24 years, and the mean work experience was 5 years. About 53% of the sample was female. Seventy-seven percent of the sample was Caucasian, 13% was Asian, 7% was Hispanic, and 3% was African American. The participants applied for an average of 8.69 jobs, received 4.24 interviews, attended 3.82 interviews, attended 1.20 office visits, and received 1.75 offers for an internship. Eighty-eight percent of the participants completed time 2 of the study, and 84% completed time 3. Two participants who completed Time 1 of the survey did not actually accept an internship position and were therefore dropped from further analyses in Time 2 and Time 3. Overall, 78% of the participants completed surveys at all three time periods.

Some participants were recruited with a face-to-face presentation of the study by the primary investigator. Other participants were recruited via e-mail with the help of department advisors. In exchange for their participation, some participants were offered extra course credit (when available). Participants were entered in a drawing for over \$200 in gift cards each time they completed a survey. Due to high gas prices during the study period, the majority of the gift cards were to gas stations.

### *Procedures*

Data were collected over 3 periods of time. In Time 1, ninety-two percent of the participants had already accepted, but not yet begun their summer internship. At time 1, participants completed a survey regarding their demographics, cognitive moral development, socially desirable responding (SDR), job search success, ethical signals during the recruitment period, and attraction. Time 2 surveyed the participants during their internship and asked questions regarding ethical organizational and recruitment practices, as well as attraction to the organization. The Time 3 survey was administered after the internship was completed, approximately two months into the fall semester. The participants were asked about their self-importance of moral identity, perceptions of the organization as ethical, and attraction to the organization. They were also asked to answer questions regarding their job choice behaviors (i.e., received job offer, acceptance, etc.).

### *Measures*

#### *Applicant Attraction to the Organization*

Applicant attraction to the organization was measured using two established scales. At Times 1 and 2, I used two items from Judge and Cable's (1997) 3-item scale. The first item was: "rate your overall attraction to this organization." Participants answered on a scale from 1 (not attracted) to 7 (very attracted). The second item was: "rate the likelihood that you would accept a full-time job offer from this organization, if it were offered." Participants answered on a scale from 1 (very unlikely) to 7 (very likely). Cronbach's alpha was .74 at Time 1 and .87 at Time 2. At Time 3, the same

items from Judge and Cable (1997) were used in addition to relevant items from Rau and Hyland (2002). The two additional items were, “This seems like the kind of company I personally would like to work for” and “I would be interested in pursuing employment opportunities with this company.” Respondents used a scale from strongly disagree (1) to strongly agree (5). Cronbach’s alpha at Time 3 was .92. Items are listed in Appendix A.

#### *Perception of the Organization as Ethical*

Perception of the organization as ethical was created specifically for this study. It was measured in Time 3 using four items. Sample items are, “To what extent do you perceive the organization to be ethical?” and “To what extent do you perceive the people in the organization to be ethical?” Participants answered on a 5-point Likert scale from a small extent (1) to a large extent (5). The alpha for this scale was .87. Items are in Appendix A.

#### *Organizational Practices*

The organizational practices scales were created specifically for this study. At Time 1, organizational practices were measured with three items: “This organization used marketing materials such as brochures and handouts to describe their involvement in ethical activities,” “This organization used the internet to describe their ethical activities,” and “This organization mentioned their involvement in ‘corporate social responsibility’ activities such as being environmentally conscious.” Participants answered on a scale from 1 (strongly disagree) to 5 (strongly agree). The Cronbach’s alpha for this scale was .70.



I conducted a principal component analysis in order to understand the structure of the ethical signal variables (organizational practices and recruitment practices) at Time 2. Principal component analysis is a “psychometrically sound procedure” that generates results similar to other techniques of factor analysis (Field, 2005, p. 631). See Table 2 for complete results. Time 2 organizational practices were originally measured with three items. Results revealed that one item, “During my internship, I have seen this organization in the news (newspaper, internet, television, etc. regarding their participation in unethical activities,” should be dropped. I relied on Bennett and Robinson’s (2000) criteria for retaining items (minimum factor loading of .40 and a difference of at least .10 between factors). The remaining items were: “When I began working for this organization, I was required to sign a code of ethics” and “During my internship, I have seen this organization participate in Corporate Social Responsibility activities.” The alpha for this scale was .68, and the participants answered on the same Likert scale from 1 to 5. Items are listed in Appendix A.

#### *Recruitment Practices*

The recruitment practices scales were also created for this study. At Time 1, the recruitment practices scale originally consisted of four items. After conducting another principal component analysis (Table 1), however, one item was dropped following Bennett and Robinson’s (2000) criteria, using a minimum factor loading of .40 and a difference of at least .10 between factors. This resulted in the elimination of “During the interview, the recruiter asked me about my ethics.” The remaining items were: “During the interview, the recruiter did or said something that I consider unethical” [reverse],

Table 1

*Study 1 Principal Component Analysis (Time 1)*

Item	Factor loadings	
	Organizational Practices	Recruitment Practices
1. This organization used marketing materials such as brochures and handouts to describe their involvement in ethical activities.	<b>.80</b>	.32
2. This organization mentioned their involvement in “corporate social responsibility” activities such as being environmentally conscious.	<b>.51</b>	.28
3. This organization used the internet to describe their ethical activities.	<b>.76</b>	.30
4. During the interview, the recruiter did or said something that I consider unethical. [reverse]	.05	<b>.67</b>
5. During the company information session, I heard or saw something that bothered me from a moral viewpoint. [reverse]	.12	<b>.71</b>
6. During the office visit, I heard about or witnessed unethical activity by a company representative. [reverse]	.23	<b>.66</b>
7. During the interview, the recruiter asked me questions about my ethics.	.18	.37

Table 2

*Study 1 Principal Component Analysis (Time 2)*

Item	Factor loadings	
	Organizational Practices	Recruitment Practices
1. During my internship, I have seen this organization in the news (newspaper, internet, television, etc.) regarding their participation in unethical activities.	.11	.35
2. When I began working for this organization, I was required to sign a code of ethics.	<b>.78</b>	.27
3. During my internship, I have seen this organization participate in Corporate Social Responsibility activities.	<b>.75</b>	.46
4. Given what I know now, I believe this organization's recruitment process was ethical.	.23	<b>.78</b>
5. Given what I know now, I think the recruiter acted ethically during the recruitment process.	.22	<b>.83</b>
6. Given what I know now, I believe the organizational representatives explained the internship thoroughly during the recruitment process.	.15	<b>.77</b>
7. Given what I know now, I believe the organizational representatives' explanation regarding the internship was reasonable.	.08	<b>.85</b>
8. Given what I know now, I believe the organizational representatives were candid in their communications with me regarding the internship.	.23	<b>.62</b>

“During the company information session, I heard or saw something that bothered me from a moral viewpoint” [reverse], and “During the office visit, I heard about or witnessed unethical activity by a company representative” [reverse]. Cronbach’s alpha for this scale was .69. At Time 2, recruitment practices were measured with five items (alpha = .87). A sample item is, “Given what I know now, I think the recruiter acted ethically during the recruitment process.” Both scales were answered using a Likert scale from 1 (strongly disagree) to 5 (strongly agree). Items are listed in Appendix A.

#### *Self-Importance of Moral Identity*

Self-importance of moral identity was measured using the 10-item scale developed by Aquino and Reed (2002). Participants were asked to read a list of 9-items, and then respond to a series of statements on a scale of 1-5 (strongly disagree to strongly agree). A sample statement is: “it would make me feel good to be a person who has these characteristics.” The alpha for these ten items was .81.

#### *Cognitive Moral Development*

Cognitive moral development was measured using the Defining Issues Test, Version 2 (DIT2), which is based on Kohlberg’s model and has been found to have an alpha of .81 (Rest, Narvaez, Thoma, & Bebeau, 1999). The DIT2 has been advocated by several researchers as a tool for measuring moral development of individuals (Weeks, Loe, Chonko, Martinez, & Wakefield, 2006; Rest et al., 1999; Trevino, 1986). The DIT2 consists of six stories or moral dilemmas and twelve statements related to these stories. Participants were asked to rate the statements in terms of importance. Finally, participants were then asked to select the four most important statements (from the

original twelve) and rate them from most important to least important. The scoring of the DIT2 was done by an unbiased source at The Center for the Study of Ethical Development at the University of Alabama. Scores reflect the relative level of moral development of the individual. DIT scores for college students usually range in the 40s.

### *Controls*

Socially desirable responding (SDR) was measured using Crowne and Marlowe's 33-item scale (1960). Participants who are high in SDR may be more likely to give more socially acceptable and "ethical" responses, which is why it is important to control in this study. Sample items include, "I am always careful about my manner of dress" and "I like to gossip at times." The complete list of items is located in Appendix A.

Internship search success, measured by the number of internship offers received, was also controlled because if internship search success is low (i.e., one only receives one internship offer), attraction will likely be high.

### *Relative Role of Ethics*

In order to gain a better understanding of the relative influence of ethics on recruitment outcomes (compared to other influences), all participants in Time 3 were asked to rank the importance of each of the following on job choice decisions (on a scale from 1=most important to 9=least important): people, salary, job duties, location, ethics, benefits, corporate performance, industry, and size. All participants in Time 3 were also asked a question developed specifically for this study: "how important is ethics when choosing a job?" (1=not at all important to 5=extremely important). Additionally, participants who had already made a job choice were asked: "ethics of the organization

played a role in my job choice” (1=strongly disagree to 5=strongly agree) and “I considered the ethics of the organization when choosing this organization” (1=strongly disagree to 5=strongly agree). Finally, participants were asked to give additional comments/explanation of their job choice decision. These items were developed specifically for this study.

## Results

Means, standard deviations, and correlations for study variables are reported in Table 3.

### *Hypotheses Tests*

Regression analyses were performed to test hypotheses 1-5. Hypothesis 1 proposed that ethical organizational practices would be positively related to organizational attraction. As shown in Table 4 (Step 2), ethical organizational practices at both Time 1 ( $\beta = .35, p < .01$ ) and Time 2 ( $\beta = .28, p < .01$ ) were positively related to attraction to the organization measured at a later date (Time 3). This supports Hypothesis 1. Hypothesis 2 similarly proposed that ethical recruitment practices would be positively related to attraction to the organization. This relationship was not supported at Time 1, ( $\beta = .02, n.s.$ ) or at Time 2 ( $\beta = .17, n.s.$ ). Therefore, Hypothesis 2 is not supported.

Hypothesis 3 proposed that perceptions of the organizational as ethical would mediate the relationship between each of organizational practices (Hypothesis 3a) and recruitment practices (Hypothesis 3b) and attraction to the organization. As noted above (Hypothesis 2), recruitment practices was not significantly related to the dependent

Table 3

*Study 1 Correlation Matrix*

Variable	Mean	SD	1	2	3	4	5	6	7	8
1. SDR	18.39	5.09	---							
2. Success	1.74	1.33	-.14	---						
3. OP (T1)	3.60	.92	.02	.21*	(.70)					
4. RP (T1)	4.72	.56	-.10	.29**	-.09	(.69)				
5. OP (T2)	3.73	1.04	.06	-.03	.41**	-.03	(.68)			
6. RP (T2)	4.39	.63	-.04	-.04	.06	.20	.23*	(.87)		
7. SIMI	4.16	.42	.02	-.01	-.09	.09	.22	.26*	(.81)	
8. CMD	33.83	14.96	-.06	.03	.08	.11	-.13	.03	.02	(.81)
9. Perception (T3)	4.43	.70	-.13	-.17	-.02	.08	.28*	.60**	.15	-.12
10. Attraction (T1)	5.91	1.14	.02	.18	.35**	.07	.22	.17	.15	-.13
11. Attraction (T2)	5.94	1.26	.06	.03	.28**	.12	.39**	.47**	.19	-.22*
12. Attraction (T3)	4.45	1.02	.01	-.04	.34**	.01	.47**	.47**	.29**	-.23*

Table 3 Continued

Variable	9	10	11	12
1. SDR				
2. Success				
3. OP (T1)				
4. RP (T1)				
5. OP (T2)				
6. RP (T2)				
7. SIMI				
8. CMD				
9. Perception (T3)	(.87)			
10. Attraction (T1)	.05	(.74)		
11. Attraction (T2)	.39**	.43**	(.87)	
12. Attraction (T3)	.50**	.44**	.71**	(.92)

\*\*p<.01

\*p<.05

Notes: Ns = 83-99. Coefficient alpha reliability estimates are in parentheses along the diagonal. T1 = Time 1 (prior to internship experience); T2 = Time 2 (during internship); T3 = Time 3 (after internship experience). SDR is socially desirable responding; Success is internship search success; OP is organizational practices; RP is recruitment practices; SIMI is self-importance of moral identity; CMD is cognitive moral development; Perception is perception of the organization as ethical.



Table 4

*Study 1 Regression Table*

<i>Attraction to the Organization (Time 3)</i>						
Variables	Time 1			Time 2		
	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3
Socially Desirable Responding	-.03	-.02	-.07	-.02	-.01	.01
Internship Success	.05	.05	.01	-.07	.02	-.01
Organizational Practices (OP)		.35**	-.29		.28**	-1.08
Recruitment Practices (RP)		.02	.32		.17	.15
Perceptions		.42**	.40**		.35**	.39**
SIMI		.27**	.52		.11	-.45
CMD		-.21*	-1.24		-.19*	.49
OP × SIMI			.08			1.27
RP × SIMI			-.45			.43
OP × CMD			1.16*			.35
RP × CMD			.09			-1.00
$\Delta F$		11.25**	1.47		12.76**	.75
$\Delta R^2$		.46	.05		.48	.02
$R^2$	.00	.47	.51	.01	.48	.51
Adjusted $R^2$	-.02	.41	.43	-.02	.43	.42

Table 4 Continued

*Attraction to the Organization (Time 3)*

Variables	Time 1			Time 2		
	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3
<i>df</i>	(2, 70)	(7, 65)	(11, 61)	(2, 74)	(7, 69)	(11, 65)
<i>F</i>	.14	8.10**	5.84**	.18	9.21**	6.05**

\*\*p<.01

\*p<.05

Notes: OP is organizational practices; RP is recruitment practices; SIMI is self-importance of moral identity; CMD is cognitive moral development. Standardized regression coefficients are reported.

variable (attraction to the organization). Thus, mediation analysis was not performed for recruitment practices, and Hypothesis 3b was not supported, as one of the required relationships for mediation did not exist. In order to test for mediation for the organizational practices/attraction relationship, I used the Baron and Kenny (1986) method (Table 5). First, I tested the effect of organizational practices on the proposed mediator, perception of the organization as ethical. As seen in Table 5, organizational practices were not significantly related to perception of the organization as ethical in Time 1 ( $\beta = -.02$ , n.s.). Time 2, however, showed a significant relationship ( $\beta = .28$ ,  $p < .05$ ). Thus, the mediation analyses continued only for Time 2 organizational practices. The next step was to determine if the mediator at Time 2 (perceptions of the organization as ethical) was related to attraction. This significant relationship can be found in Table 4, Step 2 ( $\beta = .35$ ,  $p < .01$ ). Finally, the last step in the mediation analysis was to determine the effect of organizational practices on attraction after controlling for perceptions. As is seen in Step 2 of Table 5, the effect of organizational practices became weaker after controlling for perceptions of the organization as ethical, which suggests partial mediation. Taken together, this provides partial support for Hypothesis 3a.

Turning back to Table 4, the moderation hypotheses were tested next. The interactions were added to the model in Step 3. Hypothesis 4a stated that the organizational practices/attraction relationship would be moderated by SIMI such that the relationship would be stronger when SIMI was high. The organizational practices/SIMI interaction was not significant,  $\beta = .08$ , n.s. in Time 1 and  $\beta = 1.27$ , n.s.

Table 5

*Study 1 Mediation Analysis*

*Perception of the organization as ethical (Time 3)*

	Time 1			Time 2		
	Model $R^2$	$\beta$	$t$	Model $R^2$	$\beta$	$t$
Organizational Practices	.00	-.02	-.15	.08*	.28	2.54*

\*\*p<.01

\*p<.05

*Attraction to the organization (Time 3)*

	Time 2		
	Model $R^2$	$\beta$	$t$
1 Organizational Practices	.22**	.47	4.60**
2 Organizational Practices	.41**	.34	3.67**
Perceptions		.46	4.98**

\*\*p<.01

\*p<.05

in Time 2. Therefore, Hypothesis 4a was not supported. Hypothesis 4b similarly predicted that the recruitment practices/attraction relationship would be moderated by SIMI such that the relationship would be stronger when SIMI was high than when SIMI was low. Again looking at Table 4, the recruitment practices/SIMI interaction was not significant at Time 1 ( $\beta = -.45$ , n.s.) or Time 2 ( $\beta = .43$ , n.s.). Therefore, no support was found for Hypotheses 4b.

The next set of hypotheses examined the moderating effect of cognitive moral development. Hypothesis 5a stated that the organizational practices/attraction relationship would be moderated by cognitive moral development (CMD) such that the relationship would be stronger when CMD was high than when CMD was low. Table 4 (Step 3) shows a significant effect for the organizational practices/cognitive moral development interaction ( $\beta = 1.16$ ,  $p < .05$ ) in Time 1. This interaction is graphed in Figure 2. I used one standard deviation above the mean CMD to represent high CMD individuals and one standard deviation below the mean to represent low CMD individuals. As the graph demonstrates, the high CMD individuals have a steeper slope than the low CMD individuals. This suggests that the high CMD individual's attraction to the organization is more influenced by the ethical organizational practices of the organization than the low CMD individuals. This relationship was not supported at Time 2 ( $\beta = .35$ , n.s.). Thus, Hypothesis 5a is only partially supported.

Hypothesis 5b stated that the recruitment practices/attraction relationship would be moderated by cognitive moral development (CMD) such that the relationship would be stronger when CMD was high than when CMD was low. As Table 4 suggests, this

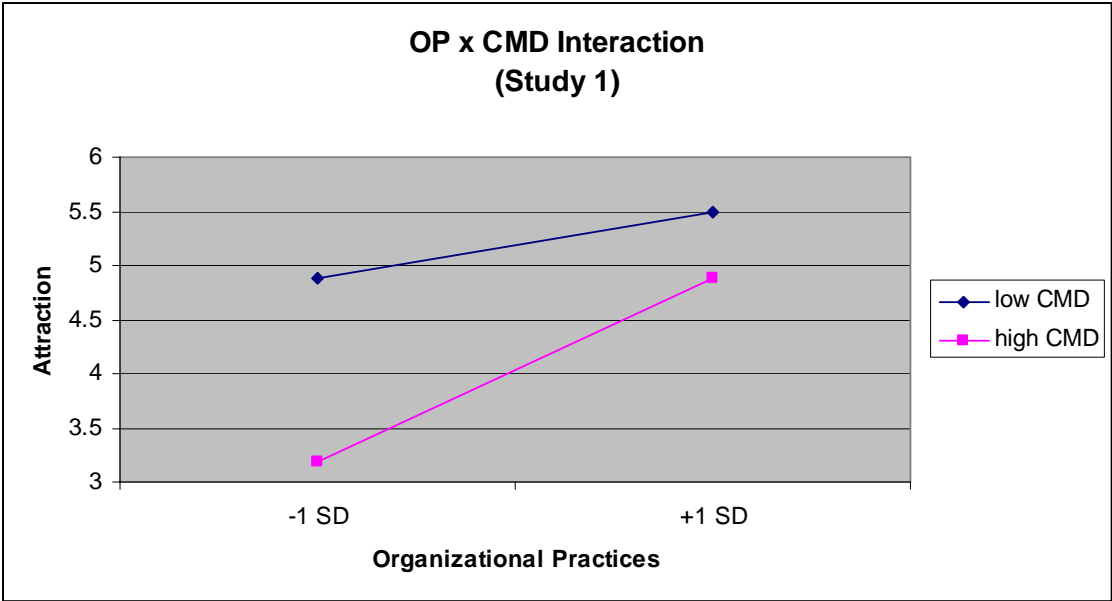


Figure 2. Plot of the 2-way interaction between CMD and organizational practices on attraction.

relationship was not significant at Time 1 ( $\beta = .09$ , n.s.) or Time 2 ( $\beta = -1.00$ , n.s.).

Therefore, Hypothesis 5b was not supported.

Job search statistics and results from the questions aimed at gaining a better understanding of the relative role of ethics in job choice decisions are reported in Table 6. When asked to rank the importance of nine items in their job choice decision, ethics was ranked number 5 overall (behind people, salary, job duties, and location). Interestingly, ethics was ranked above benefits, corporate performance, industry, and size of the organization, many of which have been found to be important for job applicants. Results also showed that ethics was either “very important” or “extremely important” when choosing a job to 94% of the participants.

In addition, for those who had already made a job choice at Time 3 (30% of the total sample), 66% agreed or strongly agreed that ethics of the organization played a part in their job choice, and 73% agreed or strongly agreed that they considered ethics when choosing the organization. Additional qualitative analyses were performed in order to explore the role ethics played in the applicant’s job choice. Of the 30% of the participants who had accepted a job offer at Time 3, only 17% provided qualitative insights into their job choice. Below are some sample comments:

“When deciding on whether on not to accept the offer, I spoke with my parents.

One thing that my mother emphasized was how well I was treated during my internship and how honest and open they were with the process. I believe that I will work in an ethically sound environment with this company” (female graduate business major).

Table 6

*Study 1 Results*

<b>Time 1 Job Search Statistics</b>	<b>Mean</b>	<b>SD</b>
Number organizations applied	8.69	10.79
Number interviews received	4.24	5.49
Number interviews attended	3.82	3.34
Number office visits received	1.46	1.71
Number office visits attended	1.20	1.38
Number offers received	1.74	1.33

**Time 3 Job Search Statistics**

Received job offer?	51% yes	49% no
Number offers received	1.61 mean	
Offer received from the organization you interned with?	88% yes	12% no
Offer accepted from the organization you interned with?	63% yes	37% no

Rank the importance of each of the following in your job choice decisions (1=most important to 9=least important). N = 83

	<b>Mean</b>	<b>SD</b>
1. People	3.43	2.08
2. Salary	3.56	1.91
3. Job duties	3.67	2.24
4. Location	3.88	2.46
5. Ethics	4.48	2.34
6. Benefits	5.01	1.80
7. Corporate performance	6.30	1.91
8. Industry	6.95	2.45
9. Size	7.73	1.51



“There were promises made in the initial interviews that were not lived up to, and there is no chance of rectifying the situation” (male graduate sports management major).

### Discussion

Results showed that some ethical signals are positively related to organizational attraction. Specifically, organizational practices were related to attraction at both Time 1 (before the internship) and Time 2 (during the internship); recruitment practices were not related to attraction. In addition, the relationship between organizational practices and attraction can be partially explained by the mediating effect of the applicant’s perception of the organization as ethical. Applicant perceptions play a vital role. How the applicant views the ethical character of the organization is a variable that should not be overlooked in today’s research or practice. Ethical signals from the organization provide important cues to the applicant that they can then generalize to form attributions of the organization as a whole. Finally, moderation analysis revealed that cognitive moral development is an important moderator of the organizational practices/attraction relationship. This is an important finding that supports the prediction that more morally developed individuals will be more strongly influenced by ethical signals of the organization.

This research has many implications for signaling theory, ethics, social identity theory, and the ASA model. The organizational practices that the organization engages in during the recruitment period act as signals to the applicant. These signals subsequently affect applicant perceptions of the organization as ethical, which ultimately

affects organizational attraction. Drawing on signaling theory, organizations attempt to signal positive things about themselves. This research adds to the literature on ethics and recruitment. The integration of these two streams of literature provides previously unexplored insights. Specifically, the ethics literature is enhanced by empirically testing ethical signals in a field study with real applicants. In addition, it adds to our understanding of the consequences of ethical behavior, while so much of the previous research has focused on the antecedents. Results show that organizations that behave ethically will have positive recruitment consequences (in the form of greater applicant attraction). This research also adds to the literature on recruitment. Recruitment and job choice decisions are very complex. By applying signaling theory to ethics, we now have a better understanding of another key component of the decision-making process. Ethics of the organization do affect recruitment outcomes. Finally, this research answers a call for more longitudinal research in the area of applicant attraction, especially at different stages of recruitment.

Turning to the implications for social identity theory, individuals embedded in the recruitment process are bombarded with signals from the organization which they use to form opinions about how they will be treated if they accept a job there and how life in the organization will be. Applying this to ethics, morality may start as rules of conduct implemented (or not implemented) by the organization, but over time, the individual will likely start to internalize these morals (Frankena, 1963). Applicants may actually be asking themselves: do I want to be identified with this organization? Do I want this organization's norms to be internalized? If the answer is no, then they are not

likely to be attracted to the organization. If the answer is yes, they are likely to pursue the position. Signaling theory and social identity theory combine with that branch of philosophy called ethics to provide a better understanding of applicant reactions to organizational recruitment.

Finally, this research has implications for the Attraction-Selection-Attrition model (Schneider, 1987). The ASA model states that applicants will be the most attracted to organizations that are most like them. This study's moderation analysis supported this. Applicants with higher cognitive moral development were more strongly affected by ethical organizational practices. Applicants with low cognitive moral development did not seem to be as influenced by the ethical practices of the organization.

Several limitations were evident in this research. This first was the small sample size. This limitation could explain the lack of support for many of the predicted moderating effects. A better understanding of these variables would certainly benefit the future research agenda. Study 2 (Chapter V) attempts to address some of these issues by using a larger sample in the laboratory. This allows for a better evaluation of the influence of the moderators on the ethical signals/recruitment outcomes relationship. Future researchers should still conduct more research with bigger samples in the field, especially given the external validity issues apparent with laboratory studies.

A second limitation in this study (related to the first) is the small number of job offers received. Only about half the participants actually received a job offer subsequent to completing their internship. This could be a reflection of a down economy and higher unemployment rate during the study period. The result was that little could be

concluded empirically regarding job choice. This is an important, yet relatively unexplored variable in ethics and recruitment. Although recruitment outcomes such as attraction inform the current research and address the research questions, future research should be conducted on actual job choices. Applicants may perceive one organization as more ethical, but choose another because of certain preferences (i.e., salary) (Hunt & Vitell, 1986). Such relationships could not be explored fully in the current research due to unavailability of applicant job choices.

Another methodological limitation in this research is that I only measured perceptions of the organization as ethical (the mediator) in Time 3. Data on perceptions from Times 1 and 2 would have provided a much deeper understanding of why ethical signals affect recruitment outcomes, especially over time. A more longitudinal perspective would have permitted a more thorough analysis of perceptions, how they change over time, and how this change affects recruitment outcomes. Future research should examine mediators such as perception of the organization as ethical over time. The current research spanned about 6 to 9 months, but this research would benefit from examining ethical signals, and applicant reactions to them over even longer periods of time. This is especially true given that ethical standards change over time and situations (Ferrell & Gresham, 1985). In the context of the current study, it would have been interesting to measure ethical signals and perceptions of ethical behavior 6 months to a year after working there. Future researchers could learn more about how long ethical recruitment practices affect employees (i.e., do they still think about events that

happened during the recruitment period?) or if ethical signals during employment lead to important work outcomes such as commitment, performance, and even turnover.

A final methodological limitation in this research is the low alphas for the organizational practices and recruitment practices scales. Factor analysis should have been conducted in a separate pilot study before the actual study began in order to identify bad questions and modify the scale so it would be more robust for the study.

This research also has theoretical limitations. Specifically, an evaluation of participants' deontological and/or teleological evaluations of ethical situations would have better informed the research. Participants in this study were not asked about how they made ethical decisions (i.e., based on rules or based on an evaluation of consequences, or both). This information may have allowed for a better understanding of how these two ethical theories play a role in recruitment outcomes and the selection of ethical organizations. In addition, as described in Chapter I, ethical decisions have both an individual and social component. The participants were not asked directly about their individual experiences, nor were they asked about any specific social aspects (such as religious beliefs) that may have been influencing their ethical choices. Future research should explore some other individual differences such as religiosity and ethical sensitivity (discussed more in Chapter VI).

Future researchers should also strive to conduct more qualitative work in this area of ethics and recruitment. In the current study, very few participants volunteered information for the qualitative aspect of the research. In addition, the qualitative aspect of this research was not well developed. Qualitative research in this area can really

deepen the current understanding of the ways in which ethical signals really influence recruitment outcomes. For example, one participant claimed that her parents influenced her decision to choose one organization over another by pointing to the ethical behavior of the organization during her internship. It would be interesting to know how much and what type of influence others have over applicant decisions as well as if this differs based on factors such as age or gender.

Finally, future researchers should further explore the relative importance of ethics (over other factors) in job choice decisions. A small sample size prohibited a deep exploration into this area, but initial results were very interesting. Participants actually ranked ethics above performance in importance. If these results can be replicated in a larger sample with more statistical power, researchers may find that ethics plays a more vital role than previously thought. Study 2 (Chapter V) attempts to address some of these issues by including performance in a rigorous laboratory study that examines ethical signals and individual difference moderators.

Applicant responses to ethical signals are likely influenced by the applicant's individual differences and preferences, which few studies have examined (Ryan & Ployhart, 2000). In an organizational setting, individuals will have a wide range of ethical beliefs. As a result, they will differentially process the ethical signals sent by the organization. More ethical individuals will seek and be selected by those organizations with a strong ethical culture (Brown & Trevino, 2006). Additionally, the more morally developed the individual, the more likely they are to detect and be influenced by ethical signals from the organizational and recruitment practices. Therefore, it is important to

further examine certain individual difference moderators and their effect on the relationship between ethical signals and recruitment outcomes, which is the goal of the Study 2, described in the next chapter.

## CHAPTER V

### STUDY 2

#### Method

#### *Participants*

Participants were 665 undergraduate students at a large southwestern university. Power analysis revealed that this is an adequate sample size in order to conduct an Analysis of Covariance (ANCOVA) with main effects and interactions and to have a small to medium effect size ( $\approx .23$ ). The average age was 21 years, and the mean work experience was 4 years. About 52% of the sample was female. Seventy-eight percent of the sample was Caucasian, 13% was Hispanic, 4% was Asian, and 3% was African American. Ninety-seven percent of the participants were juniors or seniors. Participants were recruited from an entry-level Management course via a face-to-face presentation of the study by the primary investigator and were offered extra course credit in exchange for their participation. A pilot study was conducted in order to test the manipulations and time to complete the surveys. The study was a  $2 \times 3 \times 3$  factorial design, with a total of 18 scenarios. Cell frequencies ranged from 35 to 39 participants per scenario (Table 7).

#### *Procedures*

Upon entering the laboratory, participants were randomly assigned to one of eighteen conditions (see Table 7 for study key). Participants read that they were to think of themselves as a graduating senior who was offered an interview with a fictitious organization. They then read that they researched the organization and found some



Table 7

*Study 2 Key and Mean Attraction*

Design is 2 firm performance (high/low) x 3 organizational practices (ethical/unethical/neutral) x 3 recruitment practices (ethical/unethical/neutral) =18 scenarios

Scen	Freq	Mean attraction	Mean Perc	Performance	Org Practices	Rec practices
1	36	5.97	4.32	High	Ethical	Ethical
2	37	3.03	2.72	High	Unethical	Ethical
3	35	5.50	3.96	High	Neutral	Ethical
4	39	4.05	3.08	High	Ethical	Unethical
5	37	2.29	2.03	High	Unethical	Unethical
6	37	2.45	2.11	High	Neutral	Unethical
7	37	5.23	3.91	High	Ethical	Neutral
8	37	3.06	2.55	High	Unethical	Neutral
9	37	4.44	3.19	High	Neutral	Neutral
10	37	4.21	4.26	Low	Ethical	Ethical
11	37	2.07	2.50	Low	Unethical	Ethical
12	37	3.42	3.58	Low	Neutral	Ethical
13	37	2.70	2.77	Low	Ethical	Unethical
14	37	1.39	1.65	Low	Unethical	Unethical
15	37	1.95	1.92	Low	Neutral	Unethical
16	37	4.15	3.69	Low	Ethical	Neutral
17	37	1.67	2.31	Low	Unethical	Neutral
18	37	2.70	2.94	Low	Neutral	Neutral

valuable information about the firm's performance. This performance was either high or low, depending on the manipulation.

Next, participants read information about the ethics of the organization (organizational practices manipulation). First, they read that they had searched for news reports on the organization; those news reports were manipulated to contain either ethical, unethical, or neutral organizational practices. They then read that they ran out of time to do research for the interview, and they must go ahead and attend the interview with the intention of doing more research later.

The participants then read about the actual interview, which is where the recruitment practices manipulation was embedded. The participants read that on the day of the interview, they met with the recruiter in the career center where the interview was held. They read some background information about the position and the initial conversation with the recruiter. The participants then continued to read that they performed a similar job for one of the company's competitors last summer, and they are interested in a career in the industry. As they continue to read more about their interview, it is revealed that the project they were assigned to while working for the competing company was confidential, and they are not at liberty to discuss it further with the recruiter. The recruiter's response to this information was manipulated to be either ethical, unethical, or neutral.

Following each manipulation, participants responded to manipulation checks. At the end of the scenario, participants were asked questions regarding their perceptions of

the organization as ethical, as well as their attraction to the organization (only measured one time at the end).

Participants were also given a packet of surveys to measure their demographic information, socially desirable responding, self-importance of moral identity, and cognitive moral development. This packet was completed following the scenarios. All other information was the same across scenarios. The scenario and manipulations appear in Appendix B.

### *Experimental Conditions*

#### *Performance*

The first factor was performance. Participants were either assigned to high firm performance or low firm performance. Those assigned to the high firm performance read that revenues, earnings per share, and per share dividends have been increasing, while operating costs have been decreasing. A sample statement from the high performance condition is: “Revenues have increased by at least 10% every year over the past 10 years.” Those in the low performance condition read that revenues, earnings per share, and per share dividends have been decreasing, while operating costs have been increasing. A sample statement from the low performance condition is: “Revenues have decreased by at least 10% every year over the past 10 years.”

#### *Organizational Practices*

The second factor was organizational practices. Organizational practices were manipulated using information from a real news report regarding an organization’s environmental violations. For the study, the company name was replaced with the

fictitious organization. Participants in the ethical condition read, “Local communities and activists are thrilled by ABC’s apparent concern for the environment...ABC Manufacturing has been repeatedly recognized for never violating the terms of its permit because of high BOD levels.” A sample statement for the unethical manipulation is: “Local communities and activists are outraged by ABC’s apparent lack of concern for the environment...ABC Manufacturing has been repeatedly fined for violating the terms of its permit because of high BOD levels.” Finally, those participants in the neutral condition read: “while researching the organization, you cannot find any news articles (positive or negative) about the ethics of the company.”

#### *Recruitment Practices*

The third and final factor is recruitment practices. Recruitment practices was manipulated using the interview. In the ethical condition, participants read that after telling the recruiter that the project they worked on with a competing organization is confidential, the recruiter replies, “Here at ABC Manufacturing, we pride ourselves on being an ethical company and we would never ask you to reveal confidential information from another organization.” In the unethical condition, the participant read that the recruiter replied, “Just answer this question and you get the job.” Lastly, in the neutral condition, the recruiter replied, “Fine.”

#### *Measures*

Scales for the following items can be found in Appendix A.

### *Applicant Attraction to the Organization*

Applicant attraction to the organization was measured using Judge and Cable's (1997) three-item scale. A sample statement is: "rate your overall attraction to this organization." Participants answered on a scale from 1 (not attracted) to 7 (very attracted). Alpha for the current study was found to be .96.

### *Perception of Organization as Ethical*

In order to gauge whether the applicants perceived the organization as ethical, they answered general questions about the organization and the people in it. The two perceptions questions included, "Overall, to what extent do you perceive this organization to be ethical?" and "Overall, to what extent do you perceive the people in this organization to be ethical?" These questions were developed specifically for this study and were answered on a scale of 1 (to a small extent) to 5 (to a large extent). Cronbach's alpha for the items was .87.

### *Self-Importance of Moral Identity*

Self-importance of moral identity was measured using the 10-item scale developed by Aquino and Reed (2002). Participants were asked to read a list of 9-items, and then respond to a series of statements on a scale of 1-5 (strongly disagree to strongly agree). A sample statement is: "it would make me feel good to be a person who has these characteristics." The alpha for these ten items was .86.

### *Cognitive Moral Development*

Cognitive moral development was measured using the Defining Issues Test, Version 2 (DIT2), which is based on Kohlberg's model and has been found to have an

alpha of .81 (Rest, Narvaez, Thoma, & Bebeau, 1999). The DIT2 has been advocated by several researchers as a tool for measuring moral development of individuals (Weeks, Loe, Chonko, Martinez, & Wakefield, 2006; Rest et al., 1999; Trevino, 1986). The DIT2 consists of six stories or moral dilemmas and twelve statements related to these stories. Participants were asked to rate the statements in terms of importance. Finally, participants were then asked to select the four most important statements (from the original twelve) and rate them from most important to least important. The scoring of the DIT2 was done by an unbiased source at The Center for the Study of Ethical Development at the University of Alabama. Scores reflect the relative level of moral development of the individual.

### *Controls*

Socially desirable responding (SDR) was controlled because participants who are high in SDR may be more likely to give more socially acceptable and “ethical” responses. Socially desirable responding will be measured using Crowne and Marlowe’s scale (1960). Sample items include, “I am always careful about my manner of dress” and “I like to gossip at times.”

### Results

Mean attractiveness and perceptions of the organization portrayed in each scenario can be found in Table 7. As one would expect, the scenario with high performance, ethical organizational practices, and ethical recruitment practices had the highest mean attractiveness (5.97), while the scenario with low performance, unethical organizational practices, and unethical recruitment practices had the lowest

attractiveness (1.39). Means, standard deviations, and correlations among study variables can be found in Table 8. Socially desirable responding (the control variable) was not significantly correlated with attraction to the organization ( $r = -.06, p > .10$ ), and thus, was not included in further analysis.

### *Analyses*

#### *Manipulation Check*

A manipulation check was utilized in order to validate the manipulations. The performance manipulation consisted of three items ( $\alpha = .96$ ). A sample manipulation check item for the performance manipulation is: “While researching this organization before the interview, I found they have had high firm performance over the past several years.” Participants answered on a 5-point Likert scale the degree to which they agree or disagree with the above statement. ANOVA was used to test for significant differences across the groups. Mean for low performance was 1.55, while the mean for the high performance firms was 4.53 ( $p < .01$ ).

The organizational practices manipulation check was a 6-item scale with an alpha of .77. A sample item is “According to the above news reports, this organization has behaved unethically” (reverse scored). The mean score for the unethical manipulation was 2.32, the neutral was 3.10, and the ethical was 4.17. All were significantly different from each other ( $p < .01$ ).

Finally, the recruitment practices manipulation was verified with a 4-item scale ( $\alpha = .81$ ). A sample item is: “During the interview, the recruiter did or said something

Table 8

*Study 2 Correlation Matrix*

Variable	Mean	SD	1	2	3	4	5	6	7	8
1. SDR	15.77	5.29	---							
2. OP	.00	.82	-.01	---						
3. RP	-.01	.82	-.13**	-.01	---					
4. Performance	.50	.50	-.01	.00	-.01	---				
5. SIMI	8.23	1.14	.19**	-.04	-.02	-.02	(.86)			
6. CMD	30.27	13.23	-.02	-.06	.01	-.01	.08	(.81)		
7. Perception	2.97	1.10	-.09*	.51**	.48**	.11**	-.07	-.05	(.87)	
8. Attraction	3.34	1.92	-.06	.45**	.33**	.34**	-.08*	-.01	.67**	(.96)

\*\*p<.01

\*p<.05

Notes: Coefficient alpha reliability estimates are in parentheses along the diagonal. SDR is socially desirable responding; OP is organizational practices (coded 1=ethical, 0=neutral, -1=unethical); RP is recruitment practices (1=ethical, 0=neutral, -1=unethical); Performance is coded 0 for low and 1 for high. SIMI is self-importance of moral identity; CMD is cognitive moral development; Perception is perception of the organization as ethical.



that I consider unethical.” The mean for the unethical recruitment practices manipulation was 1.83, the neutral was 3.00, and the ethical was 3.98. All were significantly different from each other ( $p < .01$ ). Manipulation check items appear in Appendix C.

### *Hypotheses Tests*

The factorial design ( $2 \times 3 \times 3$ ) lends itself to an analysis of covariance (ANCOVA) in order to test the relationships depicted in Figure 1. See Table 9 for results. Hypothesis 1 stated that ethical organizational practices would be positively related to attraction to the organization. The main effect for ethical organizational practices is  $F(2, 610) = 2.81, p < .10$ . Post hoc pairwise comparisons revealed more about the relationship. The mean attraction for the unethical condition was 2.23, the neutral was 3.39, and the ethical was 4.40. All were significantly different from each other and in the predicted direction ( $p < .01$ ). This provides support for Hypothesis 1.

Turning to recruitment practices, Hypothesis 2 stated that ethical recruitment practices would be positively related to attraction to the organization. This relationship is supported,  $F(2, 610) = 3.11, p < .05$ . Post hoc pairwise comparisons further revealed that all three means were significantly different from each other (mean unethical=2.47, mean neutral=3.48, and mean ethical=4.05). This provides support for Hypothesis 2.

Hypothesis 3 predicted the mediating effect of the perception of the organization as ethical on the organizational practices/attraction (Hypothesis 3a) and the recruitment practices/attraction (Hypothesis 3b) relationships. Before analyzing the data, the

Table 9

*Study 2 Analysis of Covariance (ANCOVA)*

*Organizational Attraction*

Source of variance	Type III SS	df	MS	F
Socially Desirable Responding	.01	1	.01	.01
Ethical Organizational Practices (OP)	11.32	2	5.66	2.81 <sup>†</sup>
Ethical Recruitment Practices (RP)	12.55	2	6.27	3.11*
Performance	2.62	1	2.62	1.30
Self-Importance of Moral Identity (SIMI)	10.10	1	10.10	5.01*
Cognitive Moral Development (CMD)	.23	1	.23	.11
OP × SIMI	8.44	2	4.22	2.09
RP × SIMI	25.06	2	12.53	6.22**
OP × CMD	5.83	2	2.92	1.45
RP × CMD	2.33	2	1.17	.58
OP × SIMI × Performance	13.25	2	6.63	3.29*
RP × SIMI × Performance	4.17	2	2.08	1.03
OP × CMD × Performance	8.30	2	4.15	2.06
RP × CMD × Performance	.31	2	.15	.08
Error	1229.30	610	2.02	

\*\*p<.01

\*p<.05

<sup>†</sup>p<.10

independent variables were dummy coded in order to perform a regression analysis. The ethical recruitment practices (RP) condition was dummy coded (1=ethical RP, 0=unethical or neutral RP). The unethical RP condition was also dummy coded (1=unethical RP, 0=ethical or neutral RP). Similarly, the ethical organizational practices (OP) variable condition was dummy coded (1=ethical OP, 0=unethical or neutral OP) and the unethical OP condition was also dummy coded (1=unethical OP, 0=ethical or neutral OP). Results are reported in Table 10.

Using Baron and Kenny's (1986) method, I first examined the relationship between the independent (dummy coded) variables and the dependent variable. The ethical recruitment practices and unethical recruitment practices variables were not tested for mediation since there was no significant relationship between these variables and attraction ( $\beta = .01$ , n.s. and  $\beta = -.07$ , n.s., respectively). Thus, Hypothesis 3b was not supported. Next, I examined the relationship between the independent variables and the mediator. For organizational practices (Hypothesis 3a), both ethical organizational practices ( $\beta = .31$ ,  $p < .01$ ) and unethical organizational practices ( $\beta = -.28$ ,  $p < .01$ ) were related to perceptions of the organization as ethical. The next step was to determine if perceptions of the organization as ethical was related to attraction. This relationship was established in the top half of Table 10 ( $\beta = .54$ ,  $p < .01$ ). Finally, I examined the relationship between the independent variables and the dependent variable while controlling for the mediator. The previously significant effect of ethical organizational practices on attraction was no longer significant ( $\beta = .06$ , n.s.). In addition, the effect of

Table 10

*Study 2 Mediation Analysis*

*Attraction to the organization*

	<u>Model <math>R^2</math></u>	<u><math>\beta</math></u>	<u><math>t</math></u>
	.47**		
Ethical OP		.07	2.09*
Unethical OP		-.13	-3.74**
Ethical RP		.01	.30
Unethical RP		-.07	-1.90
Perceptions		.54	13.45**

\*\*p<.01

\*p<.05

*Perception of the organization as ethical*

	<u>Model <math>R^2</math></u>	<u><math>\beta</math></u>	<u><math>t</math></u>
	.26**		
Ethical OP		.31	8.00**
Unethical OP		-.28	-7.16**

\*\*p<.01

\*p<.05

Table 10 Continued

*Attraction to the organization*

	Model $R^2$	$\beta$	$t$
1	.21**		
Ethical OP		.24	6.02**
Unethical OP		-.28	-6.98**
2	.46**		
Ethical OP		.06	1.70
Unethical OP		-.12	-3.40**
Perceptions		.59	17.74**

\*\*p<.01

\*p<.05

unethical organizational practices ( $\beta = -.12, p < .01$ ) was weakened, suggesting a partial mediation effect. Taken together, Hypothesis 3a is partially supported.

Now turning to the moderation hypotheses, I first examined the moderating effect of self-importance of moral identity (SIMI). Hypothesis 4a stated that the organizational practices/attraction relationship would be moderated by SIMI such that the relationship would be stronger when SIMI was high than when it was low. Turning back to Table 9, the organizational practices/SIMI interaction was not significant,  $F(2, 610) = 2.09, n.s.$  Therefore, Hypothesis 4a was not supported.

Hypothesis 4b similarly predicted that the recruitment practices/attraction relationship would be moderated by SIMI such that the relationship would be stronger when SIMI was high than when SIMI was low. Again looking at Table 9, the recruitment practices/SIMI interaction significantly predicted attraction,  $F(2, 610) = 6.22, p < .01$ . This interaction is graphed in Figure 3. I used one standard deviation above the mean SIMI to represent high SIMI individuals and one standard deviation below the mean to represent low SIMI individuals. As the graph demonstrates, the high SIMI individuals have a positive, steep slope, while the low SIMI individuals have a relatively flat slope (especially moving from unethical to ethical). This suggests that the high SIMI individual's attraction to the organization is more influenced by the ethical recruitment practices of the organization than the low SIMI individuals. This provides support for Hypothesis 4b.

Hypothesis 5a stated that the organizational practices/attraction relationship would be moderated by cognitive moral development (CMD). As seen in Table 9, this

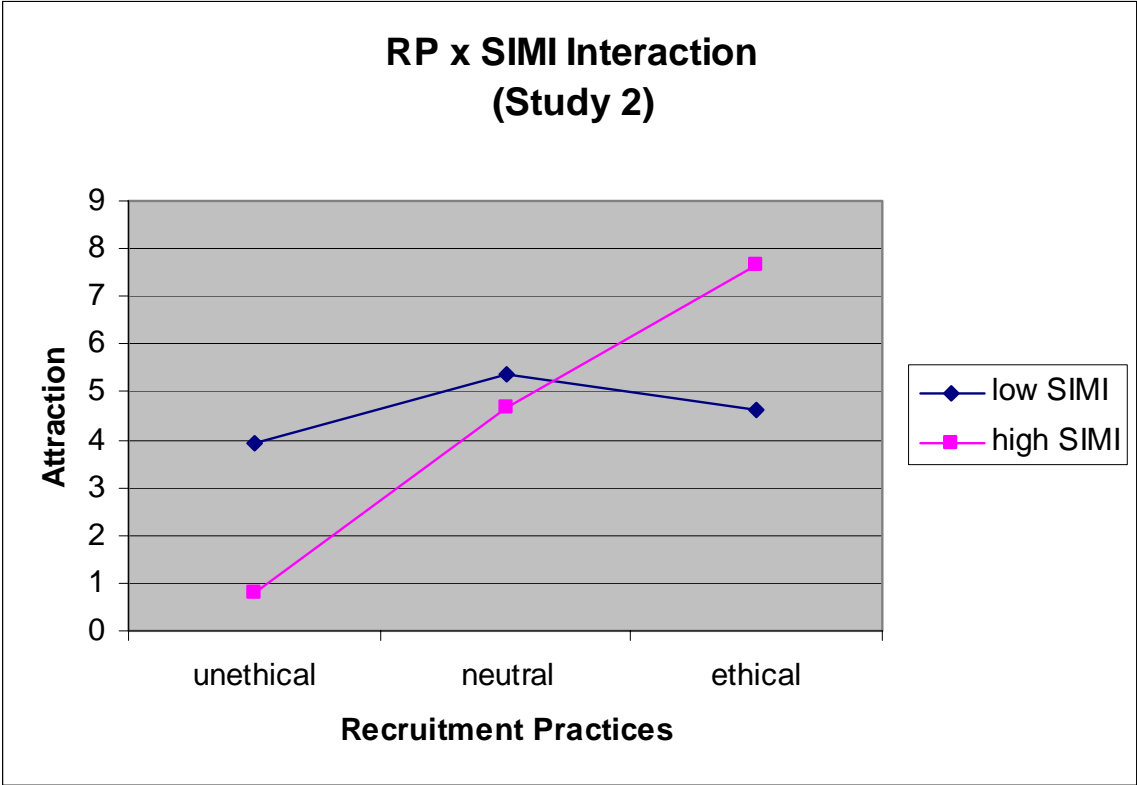


Figure 3. Plot of the 2-way interaction between SIMI and recruitment practices on attraction.

hypothesis was not supported  $F(2, 610) = 1.45$ , n.s. Hypothesis 5b predicted a significant recruitment practices/CMD interaction on attraction. Table 9 again shows that the interaction was not significant  $F(2, 610) = .58$ , n.s. Therefore, Hypothesis 5b was not supported.

Hypotheses 6 and 7 predicted three-way interactions with firm performance. Hypothesis 6a stated there would be a 3-way interaction among organizational practices, SIMI, and performance on attraction such that the two-way interaction between organizational practices and SIMI would be stronger when performance was low. Turning to Table 9, the OP/SIMI/performance interaction is significant,  $F(2, 610) = 3.29$ ,  $p < .05$ ). This interaction is plotted in Figure 4, using one standard deviation above the mean SIMI to represent high SIMI individuals and one standard deviation below the mean to represent low SIMI individuals. In the low performing environment, moving from unethical organizational practices to ethical organizational practices, high SIMI individuals have a positive and steep slope, suggesting they are more attracted to an organization with more ethical practices. The low SIMI individuals actually have a negative relationship between organizational practices and attraction in the low performing environment, suggesting they are less attracted to an organization with more ethical practices. By contrast, in the high performing environment, the low SIMI and high SIMI lines moving from unethical to ethical organizational practices have similar slopes (i.e., the lines are almost parallel). This suggests that low SIMI and high SIMI individuals are equally affected by organizational practices in a high performing



### OP x SIMI x Performance Interaction Study 2

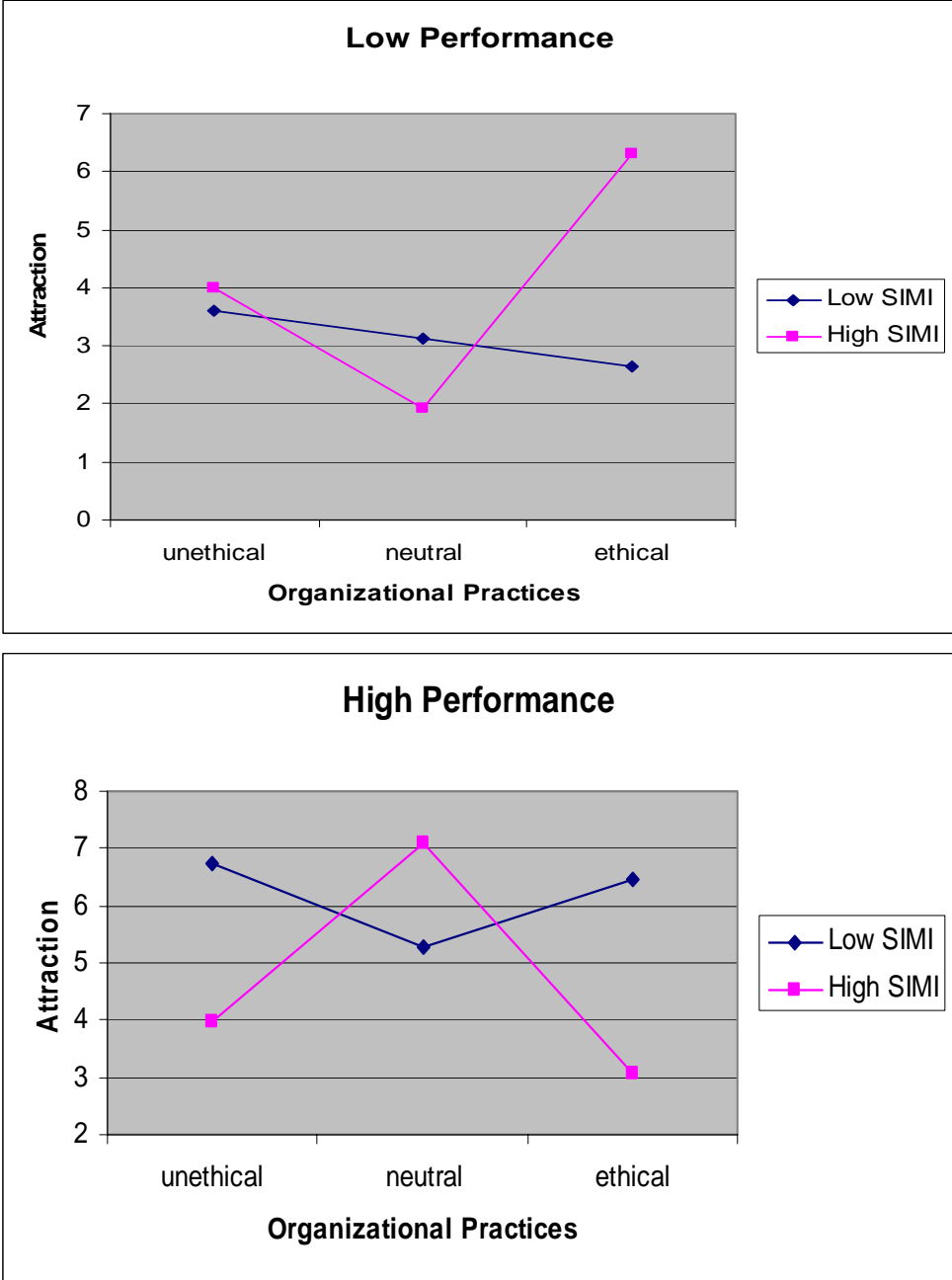


Figure 4. Plot of the 3-way interaction between SIMI, organizational practices, and performance on attraction.

environment. This provides support for Hypothesis 6a. Hypothesis 6b stated that there would be a three-way interaction among recruitment practices, SIMI, and performance. Table 9 reports the results for this interaction, which is not significant  $F(2, 610) = 1.03$ , n.s. Hypothesis 6b is not supported.

Hypotheses 7a and 7b explore a similar 3-way interaction with CMD.

Hypothesis 7a predicted that there would be a three-way interaction among organizational practices, CMD, and performance. This hypothesis was not substantiated,  $F(2, 610) = 2.06$ , n.s. Finally, Hypothesis 7b predicted that there would be a 3-way interaction among recruitment practices, CMD, and performance. Table 9 shows that this relationship was not significant  $F(2, 610) = .08$ , n.s. Therefore, Hypothesis 7b was not supported.

## Discussion

Study 2, a rigorous laboratory study, found that ethical signals are related to organizational attraction; the main effects were supported. In addition, findings suggest that perception of the organization as ethical partially mediates the relationship between organizational practices and attraction. This is important to understanding why ethical signals affect organizational attraction. Ethical signals affect applicant perceptions, and perceptions, in turn, affect applicant attraction to the organization.

As in Study 1, Study 2 provides additional evidence that the integration of signaling theory and ethics will further our understanding of these two streams of research both independently and simultaneously. In addition, it supports the idea that in addition to other signals, organizations send “ethical signals” to applicants during the

recruitment process. These ethical signals are detected by applicants and influence their attraction to the organization.

Study 2 nicely compliments the findings from Study 1. Study 1 had a small sample size and some missing data that limited some of the analyses. Study 2, however, had a large sample size that allowed for the testing of all the hypothesized relationships. Study 2 was also able to examine the performance moderator, which was not tested in Study 1. In addition, Study 2 was conducted in the laboratory, where the manipulations could be controlled.

The significant 2-way interaction of recruitment practices and SIMI suggests that applicants with a higher SIMI are, in fact, more influenced by the ethical recruitment practices of organizations than those with low SIMI. These applicants with a higher moral identity appear to be more positively attracted to ethical recruitment practices than applicants with low moral identity. Drawing on signaling theory, this could be because individuals with high SIMI care more about the ethical signals of their (potential) future company. Because high SIMI individuals consider morality as a central component of their identity, they would be more attracted (than low SIMI individuals) to an organization signaling ethical recruitment practices. The finding that low SIMI individuals are more attracted to organizations with unethical recruitment practices and high SIMI individuals are more attracted to organizations with ethical recruitment practices (Figure 3) is consistent with Schneider's attraction-selection-attrition model as well as the fit literature. Individuals will seek organizations that are the most similar to them and their values. This research is important because an ethical fit/misfit between

an individual and organization may ultimately be a determinant in employee attrition. Some research has already been conducted in this area. For example, Pierce and Snyder (2007) found that ethical fit was related to length of tenure. Attrition can be very costly for firms, however, the current research focuses primarily on the early stages of the employee-employer relationship by examining ethical organizational and recruitment practices in order to understand the influence these ethical practices have on applicants (even before attrition becomes an issue).

Testing of a three-way interaction found high SIMI individuals are positively affected by ethical organizational practices while low SIMI individuals are negatively affected by ethical organizational practices in a low performing environment. Similar to the 2-way interaction described above, this relationship supports ASA; high SIMI individuals are more attracted to ethical organizational practices than low SIMI individuals. SIMI does not seem to affect the organizational practices/attraction relationship as much in a high performing environment. Perhaps even high SIMI individuals are willing to be more forgiving of unethical practices if the firm performance is high, but once firm performance begins to suffer, high SIMI individuals' attraction rapidly declines. This has important implications for organizations as ethical organizational practices do not seem to matter as much in a high performing environment. Perhaps applicants assume that the ethical organizational decisions (whether positive or negative) of the organization are justified given the resulting high performance. Unfortunately, this was not tested in this study, but could be an interesting avenue for future research.

Although not all the hypotheses were supported, SIMI was a more important individual difference moderator than CMD in this laboratory experiment. This is probably due to the nature of the application process and the study. Applicants are looking for an organization with which they can identify and belong, thus SIMI would be especially relevant when deciding which organization to pursue given social identity theory. Moral development (CMD), on the other hand, might be a more important moderator in ethical decision-making on the job or in the field. Ethical dilemmas in the field may require that an individual draw on their individual views and ethical principles that are outside given rules and regulations in order to make a decision (individuals in stages 5 and 6 of CMD would be the most likely to do this). In the current study, however, this was not really necessary and may help explain the lack of support for the moderating effect of CMD. For example, the organizational practices manipulation *was* a matter of breaking the law (i.e., the organization violated hazardous waste levels). Therefore, the lack of support for CMD may have been a result of the manipulation. Future research should attempt to test CMD as a moderator in a more complex scenario that requires higher levels of cognitive moral thinking.

Although Study 2 provided a better understanding of ethical signals by testing their effects on recruitment outcomes in a rigorous laboratory study, it also had several limitations. The first is the gap between intention and actual behavior. Weber and Gillespie (2001) found support that when subjects intend to do something, it usually is more indicative of the “ethically expected norm” than their actual behavior (p. 269). I only measured intentions, not actual behaviors in the lab study. Study 2 asked applicants

to imagine they were applying to a job and report their reactions. Participants were not able to actually respond to the interviewer, but only read about the interaction and report their attraction to a fictitious organization. In addition, they did not actually choose an organization, but simply reported their level of attraction to it. In other words, there were no real ramifications for their choices, as there would be if they were actual job applicants. As mentioned above, intentions (as reported in a laboratory study such as this) and actual behavior can be two divergent concepts, especially as it is related to ethical behavior.

Additionally, the organization's ethical climate can greatly influence the ethical behavior of the individual. Without more exposure to the organization (i.e., office visit, second interview, etc.), a laboratory study such as this is only an artificial environment; thus, generalizability is limited. On a related note, another limitation is the small amount of information applicants were given about the fictitious organization and about the job for which they were applying. It is plausible that if additional information were presented to the participants, the effect of ethical signals would start to diminish. This is especially true for those variables on which applicants tend to place a tremendous amount of weight (i.e., salary).

The next limitation is the inconsistency between the conceptualization of ethics theoretically and empirically. Theoretically, ethics is on a continuum (Nicotera & Cushman, 1992). This is consistent with the hypothesized relationships (i.e., ethical organizational practices are positively related to organizational attraction). Methodologically, however, ethics was manipulated in the lab such that the data (and

subsequent results) were not on a continuum, but were trichotomous variables. This is inconsistent with the literature on ethics, which suggests that ethical actions are not necessarily “ethical” or “unethical,” but may lie somewhere in the middle.

Another limitation is that I did not have an alpha for the CMD scale. Due to the complexity of the scoring, the data was scored by The Center for the Study of Ethical Development at the University of Alabama. As a result, I was unable to calculate a separate Cronbach’s alpha for these items and was forced to rely on what previous researchers had reported.

A final limitation is the ordering of the manipulations (i.e., 1). performance, 2). organizational practices, and 3). recruitment practices). This might have biased the results due to anchoring bias (i.e., the participants read about poor performance first and were not attracted; thus, the other manipulations did not matter as much). One way to test this in future research is to change the order of manipulations so that they are randomly assigned.

Future researchers should continue to conduct research on ethics and recruitment in the laboratory. Specifically, it would be interesting to empirically test how important ethics is when compared to other variables known to affect recruitment outcomes (i.e., salary, location, etc.). Future research would also benefit from more a more realistic presentation of the data in the laboratory. For example, new technology allows for the creation of realistic corporate web sites to be used to provide ethical information to participants. Although the scenario in this study was based on a real organization, future

researchers could also utilize actual company material that is handed out during recruitment events (i.e., brochures) to provide even more realistic ethical signals.

Overall, the results for this study support the hypothesized model and complement the findings from Study 1. Although Study 2 did have some limitations such as generalizability, its findings are indicative of the notion that ethical signals really do matter in recruitment. These studies have important theoretical and practical implications that are discussed in more detail in Chapter VI.



## CHAPTER VI

### GENERAL DISCUSSION AND SUMMARY

Ethics research is both timely and important. In the wake of a down economy rampant with corporate scandals, today's organizations face employees, clients, and customers who are highly sensitive to organizational ethics (Clegg et al., 2007). Both researchers and practitioners have a vested interest in identifying why and under what conditions applicants are attracted to particular organizations based on ethical standards presented during the recruitment process. The current research integrates the ethics and recruitment streams of research in order to bring more clarity to this process.

Drawing on signaling theory, this dissertation proposes that applicants detect signals, or cues, from the recruitment process that help them form perceptions and influence attraction toward the organization. The model in Figure 1 visually depicts the hypotheses developed and tested. Organizations send "ethical signals" via their organizational and recruitment practices. These ethical signals have a direct influence on recruitment outcomes such as organizational attraction. They also have an indirect influence on attraction through the mediating effect of perceptions of the organization as ethical. Finally, the model suggests that there are individual difference and firm performance moderators that affect the relationship between ethical signals and organizational attraction.

Although each study had its own unique limitations (see Chapters IV and V), overall, results of both studies generally supported the model in Figure 1. A summary of the findings is located in Table 11. The field study and laboratory study provided

Table 11

*Summary of Results*

<b>Hypothesis</b>	<b>Study 1</b>	<b>Study 2</b>
Hypothesis 1	Supported	Supported
Hypothesis 2	Not Supported	Supported
Hypothesis 3a	Partially Supported	Partially Supported
Hypothesis 3b	Not Supported	Not Supported
Hypothesis 4a	Not Supported	Not Supported
Hypothesis 4b	Not Supported	Supported
Hypothesis 5a	Partially Supported	Not Supported
Hypothesis 5b	Not Supported	Not Supported
Hypothesis 6a	Not Tested	Supported
Hypothesis 6b	Not Tested	Not Supported
Hypothesis 7a	Not Tested	Not Supported
Hypothesis 7b	Not Tested	Not Supported

convergent results, suggesting that ethical signals do influence organizational attraction. Main effects for organizational practices were fully supported in both studies; main effects for recruitment practices were supported in study 2, but not study 1. Although recruitment practices have an impact on attraction, organizational practices appear to be more important. Applicants may explain away one unethical recruiter if the organization appears to be ethical and is performing well. This has important theoretical and practical implications, which are discussed in more detail below.

Both studies found partial mediation for the perception of the organization as ethical. This helps researchers and practitioners understand why applicants are affected by ethical signals; ethical signals influence their perceptions of the organization, and these perceptions influence attraction. Finally, some (albeit not all) of the moderation hypotheses were supported. Specifically, the two-way interaction between CMD and organizational practices in Study 1, the two-way SIMI and recruitment practices in Study 2, and the three-way interaction between SIMI, organizational practices, and performance in Study 2 were all supported. These results have important implications for both academics and practitioners. Individual difference moderators play an important role in the ethical signals/attraction relationship. Theoretically, the results support research on ASA and fit, and suggest that fit on an ethical dimension may also be an important determinant of recruitment outcomes, although more research is needed in this area. In addition, the moderation results have important implications for practitioners, especially those who want to attract and select more ethical employees. Theoretical and practical implications are discussed more below.

### Theoretical Implications

This research has many theoretical implications. First, regarding ethics and the ethical theories developed, this research suggests that ethics matters during recruitment. Specifically, as both studies demonstrated, ethical signals do affect organizational attraction. Given these results, organizations may consider adopting a more deontological perspective (i.e., stressing what is “right” instead of the end result), especially in regards to recruitment. This ethical stance will be the most beneficial in terms of attracting the most applicants in the recruitment process. Finally, by applying ethics to recruitment research in both a field and a laboratory experiment, this research also answers a call for more rigorous empirical studies in ethics as well as addresses a gap in the literature regarding the consequences of ethics.

Schneider’s ASA framework and the fit literature suggest that ethical individuals should be more attracted to ethical organizations and unethical individuals should be more attracted to unethical organizations, and this research provides some support. Future researchers should examine how ethics applies to ASA at later stages (i.e., attrition). For example, after accepting and starting the job, one is faced with a complex ethical dilemma. Individuals with high CMD will recognize the dilemma and reason through it using their own value systems (in addition to the organization’s ethical codes). Those low in CMD will be more likely to just follow the customs and norms of the organization (look for signals from the organization as to how they should act; i.e., Trevino, 1990). If the organization has an unethical culture, those high in CMD may recognize that there is an “ethical misfit” and leave, while those low in CMD may

simply respond to pressures to behave unethically. More research is needed to fully understand these relationships.

Finally, this research provides theoretical implications regarding recruitment research, specifically signaling theory. When making a job choice, the applicant must rely on imperfect information from the organization. Activities during the recruitment process can signal broader organizational characteristics to the applicant. One of these signals that has not been studied in detail in previous research is ethical signals. Ethical signals influence perceptions, and ultimately attraction to the organization. This research answers a call for recruitment research that is more narrow in focus and grounded in theory. It also answers a call for more research on what affects applicant decisions. Finally, it addresses a gap in the literature on applicant perceptions, addressing both some of the antecedents (ethical signals) and outcomes (attraction). The next section details some practical implications of these theoretical and empirical findings.

#### Practical Implications

The current research has many practical implications for managers in organizations. First, recruiters can present situational or behavioral interview questions that address ethical issues, which would provide a signal of the organization's interest in ethical behavior. For example, "Tell me about a time when you faced an ethical dilemma. Explain the situation and your reaction to it." Second, organizations should keep in mind that recruiters are sending signals to applicants with their behaviors, so they should be careful not to engage in unethical behaviors during the recruitment

process. This may require interviewer training and awareness. Future researchers might consider examining whether or not training recruiters to be ethical presents a more ethically sound picture to the applicant. Additionally, managers should take an active role in “managing” the ethical information that applicants receive during the recruitment process. Changes in recruitment practices (such as training organizational representatives) can be relatively low-cost and low-risk (compared to increasing salaries or benefits), and can improve applicant attraction to the organization (Rynes & Barber, 1990).

Finally, organizational leaders who value ethics should “walk the walk.” In other words, instead of simply posting a code of ethics, managers should demonstrate ethicality with their actions. Above all, the research findings in this study suggest that managers should strive to minimize unethical behaviors, since they appear to harm attraction more than ethical behaviors help. All of the above actions will send a signal of ethicality to a savvy applicant who has thoroughly researched the organization. Similar to how the organization will suffer economic consequences (such as decreased sales) as a result of unethical practices (i.e., Laczniak & Murphy, 1985), the organization will also suffer consequences in the recruitment arena due to unethical practices. Specifically, applicants will not be as attracted to them.

#### Future Research

Future research should examine other individual difference moderators. For example, individual religious beliefs, or “religiosity,” would be interesting to examine in the context of ethics and recruitment outcomes. I would expect that those with deeply

embedded religious beliefs would be more influenced by ethical signals from the organization than individuals who do not have deep religious beliefs.

Another individual difference variable that would be interesting to study in future research is “ethical sensitivity.” This is a term used to describe the degree to which individuals perceive that there is an ethical issue involved (Hunt & Vitell, 1986). Although this variable has not received much attention in the literature, it may have important implications for the work on ethical signals because individuals who are highly ethically sensitive may be more attuned to ethical signals from the organization while individuals who are low in ethical sensitivity may not. This is an especially important area for future research considering that perceptions of the organization as ethical was found to be an important mediator. Perceptions make up the individual’s reality; if they are not ethically sensitive and their perceptions are not altered by ethical signals, then how can they be affected by them?

Relatedly, another fruitful area for future research might be distinguishing among the different types of ethical signals and their effect on individuals. For example, ethical signals that are purely legal issues (i.e., hazardous waste violations) may have a different effect than ethical signals that are generally not considered illegal (i.e., lying to clients). Do the different types of signals carry equal weights with applicants? Does it depend on the individual difference variables described above?

Future ethics researchers should look beyond recruitment for other important (yet unexplored) consequences of ethical behavior. Ethical signals can be disseminated after starting a new job. For example, ethical signals are sent via management and co-worker

behaviors. These ethical signals can affect important organizational variables such as morale, commitment (especially affective), satisfaction, identification (employees might not identify as much if the organization is unethical), job performance (drawing on social equity theory, employees may decrease performance to account for organization's unethical actions), deviant workplace behavior, and state-like affect. In addition, unethical signals can have wide-ranging effects including a loss of customers, vendors, employees, and top management because they do not want to be identified with an unethical organization.

Finally, personality is another area ripe for future research. Specifically, there are facets of conscientiousness, agreeableness, and openness to experience that may be related to ethics. First, drawing on the deontological theory of ethics, which stresses "duty" and "righteousness of behavior," one aspect of conscientiousness is "dutifulness" (Goldberg, 1999). This describes someone who follows the rules and tells the truth. People high in dutifulness may be more influenced by ethical signals than those low in dutifulness. Second, one facet of agreeableness is "morality" (Goldberg, 1999). People high in morality also tend to stick to the rules and may follow a deontological view of ethics. They are likely to be significantly influenced by ethical signals (compared to individuals low in morality). Turning to the teleological view (i.e., examining consequences), one facet of openness to experience is liberalism (Goldberg, 1999). Individuals high in liberalism tend to believe that there is no absolute right and wrong. These individuals may be more likely to consider relative goodness over badness of each alternative as opposed to using strict guidelines.



Philosophers refer to societal norms as the customs, traditions, and laws that guide behavior. An organization is its own society with norms that guide the behaviors of its members. These norms are communicated to potential employees through mechanisms such as organizational practices and recruitment practices. Thus, the organization's behavior both in and out of the interview room impacts the applicant. Organizations should strive to create an ethical environment, one that rewards ethical behavior, punishes unethical behavior, and exerts some sort of social control over the employees, ensuring that they know the type of behavior that is expected. This includes providing training, role-playing, or ethical dilemma exercises that allow employees opportunities to work through ethical issues. Organizational cues about ethical behavior provide substantial influence over individual decision-making; individuals may feel compelled to engage in unethical activity or face dire consequences such as termination or salary cuts (Jones & Ryan, 1997, 2001). Some individuals may even use the organization (its members, values, and culture) as a referent group for moral standards (Jones & Ryan, 2001). Thus, it is very important for organizations to create an ethical environment.

Attracting the best applicants is critical for most organizations (Chapman et al., 2005). Guided by the current study's findings, managers can gain a better understanding of the decision making processes of applicants and the influence ethics can have on these processes. Contrary to what some may believe, organizations that behave ethically will be more productive and survive longer than those that are dishonest and behave unethically (Sims, 1991). Organizations will benefit from developing a strong, socially

controlled culture with ethical values and norms (O'Reilly & Chatman, 1996). As it applies to the recruitment process, there can be great variability in the frequency and manner in which ethics is raised (Brown & Trevino, 2006). Therefore, organizations who value ethics will benefit by signaling this information during the recruitment and selection process in order to gain a competitive advantage and attract ethical individuals.

### Conclusion

Organizations should be aware that applicants are attempting to gather and interpret a large amount of information in a short amount of time during the recruitment process, and every piece of information communicated is important. Ethics, or the “character” of the organization is an especially important indicator of how life will be in the organization. Applicants on the job market want to find an organization that emulates what is “good” or “right;” this will result in pride from membership and social approval for the individual.

Formal regulations such as Sarbanes-Oxley and Generally Accepted Accounting Principles (GAAP) and public outcry over the unethical behaviors of organizations are prompting today's job seeker to consider the ethics of organizations now more than ever. Unethical behavior that is unveiled can not only cost the company money, but it can cost the company's life; and when the company collapses, the employees generally fall with it. As this study suggests, organizations that engage in unethical organizational or recruitment practices may also be losing applicants. Ethical applicants are looking for ethical companies, and it starts very early in the recruitment process. Following the moral approbation approach, applicants will seek organizations that align with their

“desire for moral approval from oneself or others” (Jones & Ryan, 1997, p. 664). There is some idealism involved with starting a new job, and applicants want to work for an organization they can be proud to claim as part of their identity.

Ethics can be a very delicate and sensitive subject that is often a challenge to measure (Trevino, 1986). However, recent developments in ethical theory have made it more possible for researchers to explore important research questions in this subject area. This study attempts to further expand theoretical development as well as empirically test these ideas. Drawing on signaling theory, it fills some of the gaps in our understanding of the relationship between ethical signals and their effects on recruitment outcomes through the mediating effect of perception of the organization as ethical. Specifically, the current research provides a more precise understanding of ethics and its manifestation in organizational and recruitment practices.

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APPENDIX A  
MEASURES

*Applicant attraction to the organization*

(Judge & Cable, 1997)

1. Rate your overall attraction to this organization. (1=not attracted to 7= very attracted)
2. Rate the likelihood that you would interview with this organization again, if they offered you a second interview. (1=very unlikely to 7 = very likely)
3. Rate the likelihood that you would accept a job offer from this organization, if it were offered. (1=very unlikely to 7 = very likely)

(Rau & Hyland, 2002)

1. I would be interested in pursuing employment opportunities with this company.
2. This seems like the kind of company I personally would like to work for.

*Organizational Practices**Time 1*

1. This organization used marketing materials such as brochures and handouts to describe their involvement in ethical activities.
2. This organization mentioned their involvement in ‘corporate social responsibility’ activities such as being environmentally conscious.
3. This organization used the internet to describe their ethical activities.

*Time 2*

1. When I began working for this organization, I was required to sign a code of ethics.
2. During my internship, I have seen this organization participate in Corporate Social Responsibility activities.

*Recruitment Practices**Time 1*

1. During the interview, the recruiter did or said something that I consider unethical.
2. During the company information session, I heard or saw something that bothered me from a moral viewpoint.
3. During the office visit, I heard about or witnessed unethical activity by a company representative.

*Time 2*

1. Given what I know now, I believe this organization's recruitment process was ethical.
2. Given what I know now, I think the recruiter acted ethically during the recruitment process.
3. Given what I know now, I believe the organizational representatives explained the internship thoroughly during the recruitment process.
4. Given what I know now, I believe the organizational representatives' explanation regarding the internship was reasonable.
5. Given what I know now, I believe the organizational representatives were candid in their communications with me regarding the internship.

*Perception of the organization as ethical*

*Study 1*

1. To what extent do you perceive the organization to be ethical?
2. To what extent do you perceive the people in the organization to be ethical?
3. To what extent do you perceive the organization's recruitment practices to be ethical?
4. To what extent do you perceive the organization's culture to be ethical?

*Study 2*

1. Overall, to what extent do you perceive this organization to be ethical?
2. Overall, to what extent do you perceive the people in this organization to be ethical?

*Self-Importance of Moral Identity* (Aquino & Reed, 2002)

Listed below are some characteristics that may describe a person.

*Caring, Compassionate, Fair, Friendly, Generous, Hardworking, Helpful, Honest, Kind*

The person with these characteristics could be you or it could be someone else. For a moment, visualize in your mind the kind of person who has these characteristics. Imagine how that person would think, feel, and act. When you have a clear image of what this person would be like, answer the following questions.

*1= strongly disagree to 5=strongly agree*

1. \_\_\_ It would make me feel good to be a person who has these characteristics.
2. \_\_\_ Being someone who has these characteristics is an important part of who I am.
3. \_\_\_ I would be ashamed to be a person who has these characteristics.
4. \_\_\_ Having these characteristics is not really important to me.
5. \_\_\_ I strongly desire to have these characteristics.
6. \_\_\_ I often wear clothes that identify me as having these characteristics.
7. \_\_\_ The types of things I do in my spare time (e.g., hobbies) clearly identify me as having these characteristics.
8. \_\_\_ The kinds of books and magazines that I read identify me as having these characteristics.
9. \_\_\_ The fact that I have these characteristics is communicated to others by my membership in certain organizations.
10. \_\_\_ I am actively involved in activities that communicate to others that I have these characteristics.

*Cognitive Moral Development* (Rest, Narvaez, Thoma, & Bebeau, 1999)

Sample Story From DIT2: The Famine

The small village in northern India has experienced shortages of food before, but this year's famine is worse than ever. Some families are even trying to feed themselves by making soup from tree bark. Mustaq Singh's family is near starvation. He has heard that a rich man in his village has supplies of food stored away and is hoarding food while its price goes higher so that he can sell the food later at a huge profit. Mustaq is desperate and thinks about stealing some food from the rich man's warehouse. The small amount of food that he needs for his family probably wouldn't even be missed. What should Mustaq Singh do? Do you favor the action of taking the food? (*Check one*)

1. Strongly Favor, 2. Favor, 3. Slightly favor, 4. Neutral, 5. Slightly disfavor, 6. Disfavor, 7. Strongly disfavor

Rate the following issues in terms of importance (1 = great, 2 = much, 3 = some, 4 = little, 5 = no). Please put a number from 1 to 5 alongside every item.

1. Is Mustaq Singh courageous enough to risk getting caught for stealing?
2. Isn't it only natural for a loving father to care so much for his family that he would steal?
3. Shouldn't the community's laws be upheld?
4. Does Mustaq Singh know a good recipe for preparing soup from tree bark?
5. Does the rich man have any legal right to store food when other people are starving?
6. Is the motive of Mustaq Singh to steal for himself or to steal for his family?
7. What values are going to be the basis for social cooperation?
8. Is the epitome of eating reconcilable with the culpability of stealing?
9. Does the rich man deserve to be robbed for being so greedy?
10. Isn't private property an institution to enable the rich to exploit the poor?
11. Would stealing bring about more total good for everybody concerned or not?
12. Are laws getting in the way of the most basic claim of any member of a society?

Which of these 12 issues is the 1st most important? (*write in the number of the item*) \_\_\_\_

Which of these 12 issues is the 2nd most important? \_\_\_\_

Which of these 12 issues is the 3rd most important? \_\_\_\_

Which of these 12 issues is the 4th most important? \_\_\_\_

*Social Desirability* (Crowne, & Marlowe, 1960)

Listed below are a number of statements concerning personal attitudes and traits. Read each item and decide whether the statement is *true* or *false* as it pertains to you personally. Please circle T for true and F for false.

	<b>TRUE</b>	<b>FALSE</b>
1. Before voting I investigate the qualifications of all the candidates.	T	F
2. I never hesitate to go out of my way to help someone in trouble.	T	F
3. It is sometimes hard for me to go on with my work if I am not encouraged.	T	F
4. I have never intensely disliked anyone.	T	F
5. On occasion I have had doubts about my ability to succeed in life.	T	F
6. I sometimes feel resentful when I don't get my way.	T	F
7. I am always careful about my manner of dress.	T	F
8. My table manners at home are as good as when I eat out in a restaurant.	T	F
9. If I could get into a movie without paying and be sure I was not seen, I would probably do it.	T	F
10. On a few occasions, I have given up doing something because I thought too little of my ability.	T	F
11. I like to gossip at times.	T	F
12. There have been times when I felt like rebelling against people in authority even though I knew they were right.	T	F
13. No matter who I'm talking to, I'm always a good listener.	T	F
14. I can remember "playing sick" to get out of something.	T	F
15. There have been occasions when I took advantage of someone.	T	F
16. I'm always willing to admit it when I make a mistake.	T	F
17. I always try to practice what I preach.	T	F
18. I don't find it particularly difficult to get along with loud-mouthed,		

obnoxious people.	T	F
19. I sometimes try to get even, rather than forgive and forget.	T	F
20. When I don't know something I don't at all mind admitting it.	T	F
21. I am always courteous, even to people who are disagreeable.	T	F
22. At times I have really insisted on having things my own way.	T	F
23. There have been occasions when I felt like smashing things.	T	F
24. I would never think of letting someone else be punished for my wrongdoings.	T	F
25. I never resent being asked to return a favor.	T	F
26. I have never been irked when people expressed ideas very different from my own.	T	F
27. I never make a long trip without checking the safety of my car.	T	F
28. There have been times when I was quite jealous of the good fortune of others.	T	F
29. I have almost never felt the urge to tell someone off.	T	F
30. I am sometimes irritated by people who ask favors of me.	T	F
31. I have never felt that I was punished without cause.	T	F
32. I sometimes think when people have a misfortune they only got what they deserved.	T	F
33. I have never deliberately said something that hurt someone's feelings.	T	F



APPENDIX B  
STUDY 2 SCENARIO

**Background:**

Imagine you are a graduating business major and looking for a job. You have registered your resume with the career center on campus and you just received an e-mail offering you an interview with ABC Manufacturing Co., a large manufacturing firm.

Following the advice of the career center, you decide to research the organization before you attend the interview. You are hoping to find out as much as you can about the company, its performance, and its culture before the interview. However, you are running late for the interview and only have a few minutes to do your research.

First, you browse the company's web site and learn more about the company including their location, length of time in business, and mission statement. Next, you locate their annual report and find the following about the firm's performance:

*[INSERT PERFORMANCE MANIPULATION HERE]*

You check the clock and realize that you only have a few minutes left until you need to leave for your interview. You decide to do a Google search on the company in order to find out if they have been in the news regarding their ethical activities lately.

This is what you find:

*[INSERT ORGANIZATIONAL PRACTICES MANIPULATION HERE]*

You decide that you will have to do more research after the interview when you have more time.

You meet the recruiter in the career center. The recruiter begins by telling you more about the position. They are looking for a sales director who, with a team of individuals, would be in charge of a special project. Last summer, you did the same job for one of the company's competitors, and you decided you would like a career in this industry.

During the interview, the recruiter actively looks over your resume and asks questions about your last job. You begin to describe your last position with ABC's competitor. You say, "At XYZ Manufacturing, Co., I worked in a similar area and within a team structure much like you described. One of the projects I worked on dealt with creating more environmentally friendly processes and how this would affect sales."

The interviewer asks you to say more, but you respond honestly, "I signed a confidentiality agreement, and all team members only have permission to say as much as I have."

The recruiter replies, [*INSERT RECRUITMENT PRACTICES MANIPULATION HERE*]

## STUDY 2 MANIPULATIONS

### *Performance Manipulation*

#### **High Performance:**

- Revenues have increased by at least 10% every year over the past 10 years.
- Earnings per share has been on the rise over the past several years and analysts are predicting an unprecedented high in the fourth quarter of 2008.
- ABC Manufacturing has been successful in decreasing total operating costs and expenses by 15% in the last year because of efficient management techniques.
- Per-share dividends are up 17% from last year. ABC Manufacturing has rewarded its share owners with 25 consecutive years of dividend growth. Additionally, dividend growth for the past five years has significantly outpaced dividend growth of companies in the Standard & Poor's 500 stock index.

#### **OR**

#### **Low Performance:**

- Revenues have decreased by at least 10% every year over the past 10 years.
- Earnings per share has been on the decline over the past several years and analysts are predicting an unprecedented low in the fourth quarter of 2008.
- ABC Manufacturing's total operating costs and expenses have increased by 15% in the last year because of inefficient management techniques.

- Per-share dividends are down 17% from last year. ABC Manufacturing's share owners have faced 25 consecutive years of dividend decline. Additionally, dividend decline for the past five years has significantly underpaced dividend growth of companies in the Standard & Poor's 500 stock index.

*Organizational Practices Manipulation***Ethical:**

ABC Manufacturing, Co. has the lowest fine rate in the industry and has never exceeded its allowable “biochemical oxygen demand,” or BOD, levels since its incorporation.

Local communities and activists are thrilled by ABC’s apparent concern for the environment. According to legal sources, ABC Manufacturing “has had no violations of its sewage discharge permit and has never been threatened to be shut down.”

This is not their first time in the public eye for environmental issues. ABC Manufacturing has been repeatedly recognized for never violating the terms of its permit because of high BOD levels. It was rewarded \$500 in 2004, \$5,500 in 2005 and \$25,500 in January through September 2006. In addition, they donated cash and products to charity that represented four percent of the company’s earnings before income taxes in 2006.

Even the 2002 fire, which temporarily shut the plant down, did not hinder ABC’s environmental concern. When it reopened in 2004, its pretreatment system was able to manage the plant's discharge and BOD levels were at an all-time low.

**OR****Unethical:**

ABC Manufacturing, Co. has been exceeding its allowable “biochemical oxygen demand,” or BOD, levels since its incorporation. The violations stem from the plant

having too much organic material in the wastewater it has been sending into the local sewer system.

Local communities and activists are outraged by ABC's apparent lack of concern for the environment. According to legal sources, ABC Manufacturing "will have to correct repeated violations of its sewage discharge permit by May 31 or face getting shut down."

This is not their first time in the public eye for environmental issues. ABC Manufacturing has been repeatedly fined for violating the terms of its permit because of high BOD levels. It was fined \$500 in 2004, \$5,500 in 2005 and \$25,500 for violations in January through September 2006. However, they donated cash and products to charity that represented four percent of the company's earnings before income taxes in 2006.

Partly to blame for the environmental issues is the 2002 fire, which temporarily shut the plant down. When it reopened in 2004, its pretreatment system could no longer manage the plant's discharge and BOD levels were at an all-time high.

**OR**

**Neutral:**

While researching the organization, you cannot find any news articles (positive or negative) about the ethics of the company.

*Recruitment Practices Manipulation***Ethical:**

"Here at ABC Manufacturing, we pride ourselves on being an ethical company and we would never ask you to reveal confidential information from another organization."

**OR****Unethical:**

"Just answer this question and you get the job."

**OR****Neutral:**

"Fine."

## APPENDIX C

## STUDY 2 MANIPULATION CHECKS

*Performance*

1. \_\_\_ While researching this organization before the interview, I found they have had high firm performance over the past several years.
2. \_\_\_ This organization has not performed well over the past several years.
3. \_\_\_ According to published documents, ABC Manufacturing's performance is suffering.

*Organizational Practices*

1. \_\_\_ According to the above news reports, this organization has behaved unethically.
2. \_\_\_ According to public documents, this organization strives to be ethical.
3. \_\_\_ While researching this organization, I found they were engaged in unethical activities in the past.
4. \_\_\_ This organization mentioned their involvement in "corporate social responsibility" activities such as being environmentally conscious.
5. \_\_\_ I have seen this organization in the news regarding their participation in unethical activities.
6. \_\_\_ This organization used the internet to describe their ethical activities.

*Recruitment Practices*

1. \_\_\_ During the interview, the recruiter did or said something unethical.



2. \_\_\_ The recruiter acted ethically during the recruitment process.
3. \_\_\_ The recruiter was concerned with ethical practice during your meeting.
4. \_\_\_ The recruiter used the interview to describe the organization's ethics policies.

## VITA

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**EDUCATION**

**Texas A&M University**, College Station, TX  
Ph.D., August 2009  
Major: Human Resource Management/Organizational Behavior

**The University of Texas at Austin**, Austin, TX  
Bachelor of Business Administration with Honors, May 2002  
Major: Finance, Minor: Management  
Study abroad in Bath, England

**RESEARCH INTERESTS**

Recruitment and Selection; Ethics; Individual differences; Mood and affectivity; Teams

**REFEREED PUBLICATIONS**

Barrick, M. R., Shaffer, J. A., & DeGrassi, S. W. (in press). What you see may not be what you get: Relationships among self-presentation tactics and ratings of interview and job performance. *Journal of Applied Psychology*.

**BOOK CHAPTERS**

Ellis, A. P. J., Porter, C. O. L. H., & Wolverton, S. A. (2008). Learning to work together: Development and maintenance of transactive memory systems in team contexts. In V. I. Sessa & M. London (Eds.), *Continuous learning in organizations: Individual, group, and organizational perspectives*. New York: Lawrence Erlbaum. [Wolverton is my maiden name]

**BUSINESS EXPERIENCE**

**ExxonMobil**, Houston, TX (2002-2005)

- Revenue Accountant for oil and gas production and revenue totaling over \$5 million