**Staff Word-of-Mouth (SWOM) and retail employee recruitment**

Kathleen A. Keeling\(^a,1\), Peter J. McGoldrick\(^a,\ast\), Henna Sadhu\(^b,2\)

\(^a\) Manchester Business School, The University of Manchester, Booth Street West, Manchester M15 6PR, United Kingdom

\(^b\) The Association of Corporate Treasurers, 51 Moorgate, London, EC2R 6BH, United Kingdom

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**Abstract**

Researchers and employers have largely neglected the wider influence of Staff Word-of-Mouth (SWOM), whereas employee referral programs are an established form of recruitment. This paper positions SWOM as a specific form of WOM, communicated by present and former employees, which can influence potential applicants at the prerecruitment stage. Scenario-based Study 1, with retail employees/applicants, shows differential effects on organizational attractiveness of SWOM with positive versus negative messages and tangible versus intangible information, if obtained from strong versus weak social ties.

In Study 2, a survey of retail prehires demonstrates mediation and moderation effects on organizational attractiveness of job-seekers’ precommitment, fit perceptions with the retailer, and mentoring/aspirational ties. Retailers are urged to develop the potential of SWOM through improved understanding, responding, motivating, and keeping employees informed. The study establishes a conceptual foundation to encourage further research into SWOM as a communication channel and a means to influence precommitment of prospective employees.

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**Keywords:** Staff Word-of-Mouth; Employee recruitment; Social networks; Precommitment; Information valence; Organizational attractiveness

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**Introduction**

Retail employees in the United States numbered 14.77 million in 2012 with 6.75 million new employees hired in 2011 (Bureau of Labor Statistics 2012). Replacing even a lower paid retail employee costs around $3637, due to many recruitment and indirect costs (Coca-Cola Retail Research Council). Turnover remains high, especially at store level, due in part to low wages, long and variable hours, and some employees having no commitment to stay long-term (Rhoads et al. 2002).

Thus, there are calls to develop ways to improve cost effective recruitment communications (Cable and Judge 1996; Rhynes 1991).

Retail employment seekers have a wide choice of formal information sources, including local media, employment agencies, and retailer websites; however the importance of social networks as informal information sources is a recurring theme, especially for younger and less skilled workers (Finneran and Kelly 2003). Granovetter (1995) estimates that 60–90% of ‘blue-collar’ jobs are found through social networks, above the 50–75% general workforce average. Thus, informal communication through word-of-mouth (WOM) in the job seeking process is especially relevant for the retail sector.

**Situating and defining Staff Word-of-Mouth**

Employee referral programs (ERPs) are a well established, employer initiated recruitment method (e.g., Breaugh 2008; Breaugh and Starke 2000) in which current employees identify and suggest potential candidates from their social networks. The referral is normally recorded on the application and the referring employee receives an extrinsic reward. The *Business Dictionary* (2012) defines an ERP as a “Recruitment method in which the current employees are encouraged and rewarded for introducing suitable recruits from among the people they know”, while *Cambridge Dictionary* (2012) defines an ERP as “a system in which a company pays an employee if someone they know takes a job in the company because of their suggestion.”

Beyond employee referral programs, Van Hoye and Lievens (2009) also discuss a role for more general WOM in the recruitment process, which includes information from non-employees as well as employees. Within this continuum of sources, Fig. 1 situates Staff Word of Mouth (SWOM) as a more specific...
Fig. 1. Conceptual and operational positioning of SWOM.

concept than general WOM but much broader than employee referrals. While SWOM includes the social network element of the employee referral process, it can also influence and inform applications initiated through other recruitment processes. Thus, we define SWOM as follows:

**Staff Word-of-Mouth (SWOM)** is the process of staff and former employees communicating information and opinions about the organization, both within and beyond their social networks.

Our rationale for considering specifically the SWOM process is that it recognizes the complexity of retail job seeker information search, where potential employees will themselves initiate interactions with present and former retail staff. Stores are open to the public, so employee sources are plentiful and the interaction can be between people who do not know each other, for example, when an employee is approached in store.

Fig. 1 depicts the overlaps between WOM, SWOM, and ERPs, also the alternative information and process flows between employers and potential employees. Retailers clearly influence general WOM through their corporate communications and through visible aspects of their performance; some of this general WOM may be of relevance to those at preapplication stages. However, information regarding retailers’ actions less visible to the public, such as staff benefits, fairness as an employer, and keeping promises is of most direct interest to potential applicants. Thus, SWOM is not only disseminated throughout conversations within social networks, it is also specifically sought by many applicants, whether considering application through an ERP, making a direct approach, or responding to a job advertisement.

Our motivation for focusing on SWOM rather than general WOM is the greater scope for organizations to develop and influence this job seeker information source. All of a retailer’s actions and policies affecting staff can become topics of SWOM conversations but there is scope for retailers to become more proactive in understanding and developing this SWOM channel of communication. The wider dotted line in Fig. 1 represents the largely untapped opportunities for retailers (or any other employers) to influence the flow, via staff members, of information likely to reach potential job applicants. This ability to influence prospective employee perceptions directly through SWOM represents, in managerial terms, the point of potential development and an objective of this research.

Regarding the potential of SWOM for cost-effective communication, there are analogies with general WOM, where companies go beyond dependence on reputation and media communications, for example, to engage in viral marketing (Hinz et al. 2011), targeting “mavens” who are most likely to spread the message (Higie, Price, and Feick 1987), or both. Thus, without replicating the formal referrals and rewards of ERPs, retailers can be far more proactive in understanding, informing, and influencing messages within the SWOM communication channel, while also seeking to identify and, when possible, reduce levels of employee dissatisfaction that lead to negative SWOM.

**SWOM and ERPs compared**

While acknowledging overlaps between ERPs and SWOM, these two processes differ in many conceptually and strategically important respects. Fig. 1 lists eleven particular points of differentiation between applications made through ERPs and those influenced only by the broader processes of SWOM; we summarize these differences very briefly below.

1. **ERPs have formal administrative processes concerning program scope, vacancies targeted, scale and terms of referral rewards, usually after a given period of successful service by the referred employee (Rankin 2008; Sullivan 2011).** In contrast, SWOM comprises largely informal processes, not administered but could be influenced more proactively by companies.
2. **ERPs are initiated by employers (Rankin 2008; Sullivan 2011), which define the scope of the ERP. SWOM is a process initiated by current or former staff, or by prospective applicants.** In the second of our studies, most prospective applicants who had initiated SWOM went to stores to talk with staff, or talked with social contacts directly, by telephone, by e-mail, or both.
3. **ERPs involve mainly current employees, although Rankin (2008) and Sullivan (2011) now recommend using also “staff alumni”.** Due to high levels of retail staff turnover, many former employees can provide valued SWOM, analogous to ex-customer WOM. Some companies maintain contact with ex-employees, providing further opportunities to influence SWOM.
4. **ERPs may not include the post(s) of interest to a potential applicant, as ERPs normally prioritize certain posts at...**
any given time (Sullivan 2011). General SWOM is spread constantly and prospective applicants may seek SWOM opinions on job opportunities at any time.

5. Business Dictionary (2012) and Cambridge Dictionary (2012) mention ERP referrals of known people. Referrers lose financial rewards and possibly reputation if their referred hire is not successful. Potential applicants outside staff social networks often seek SWOM; many of our study 2 respondents had visited stores to speak to (largely unknown) staff members.

6. ERPs create a specific context for interactions with a focus on recruitment. As jobs are a major part of many people’s lives and conversations, general SWOM conversations will also influence organizational attractiveness prior to decisions to apply. Researchers call for more research of this stage (e.g., Breaugh and Starke 2000; Collins and Stevens, 2002).

7. SWOM generally brings no extrinsic reward. Conversely, terms such as “bonuses”, and “bounty schemes” (Personnel Today 2009) reflect the importance of financial motives in ERPs, usually individual rewards (Rankin 2008), occasionally prize draws (Sullivan 2011).

8. Those benefitting personally from persuasion, as in ERPs, are less likely to be credible (Breaugh and Starke 2000); those representing organizations often show information bias (Wanous and Colella 1989). SWOM (like WOM) usually comprises personal, unpaid communications, hence more credible (Arndt 1967; Grewel, Cline, and Davies 2003).

9. Fernandez and Weinberg (1997) note ERP incentives of between $200 and $1000, even for entry level bank appointees. The UK Industrial Relations Surveys show a median ERP reward of $1130 (Rankin 2008). SWOM involves no direct costs, although companies might in future incur some modest costs to monitor and to enhance SWOM effects.

10. Diversity issues with ERPs are a recurrent theme, as referrals tend to be within familiar social networks (Schneider 1987), leading to “strong inbreeding biases between individuals of the same race, religion, sex, age, and education” (Montgomery 1991, p. 1413). As noted above (point 5), SWOM is often sought by strangers, so has less diversity issues.

11. ERPs are well established systems in many companies (Rankin 2008; Sullivan 2011), attracting extensive attention in the management (e.g., Breaugh and Starke 2000), behavioral (e.g., Fernandez and Weinberg 1997) and labor economics (e.g., Kugler 2003) literatures. In contrast, SWOM offers extensive development potential for researchers and managers.

Early recruitment stages and impact of SWOM

WOM (including within the referral process) is identified with early-stage recruitment activities, such as generating and maintaining applicant interest, areas of critical need for recruitment research (Breaugh 2008). Despite some work on the impact of early-stage recruitment activities (e.g., Collins and Stevens 2002), Van Hoey and Lieve (2005) believe that effects of company-independent sources of job information on organizational attractiveness or job pursuit constitute a gap in recruitment research. Barber (1998) also identifies as crucial the initial phase of recruitment, when seeking to attract applicants. Breaugh et al. (2003) argue “more attention needs to be given to applicants as they move through the recruitment process”.

Thus, understanding the effects of SWOM on maintaining applicant interest is important, as perceptions in early recruitment stages serve as anchors for evaluating organizations, strongly predicting applicants’ eventual attraction to an organization as an employer (Cable and Turban 2001). Many possible candidates reject a company at this stage, without any company awareness, underlining the need for companies to be more proactive in understanding, informing and targeting SWOM.

Factors affecting applicant interest

Talking to current and past members of staff is an important informal source of difficult-to-obtain information about the job for potential employees (Fernandez and Weinberg 1997), but this source is not under the direct control of the organization. Uncontrolled sources can undermine or reinforce company controlled advertising (Van Hoey and Lieve 2005) as they will contain both positive and negative content (message valence), which may have encouraging or detrimental effects. Further, job seekers may desire several distinct types of information about employment attributes and weight these differently, such as reward mix and working conditions, or company attributes, such as their performance on core values or ethical issues (Judge and Bretz 1992). Job seekers may perceive that some information is best obtained from current or former employees of the organization, that is, through SWOM (Cable and Turban 2001).

In addition to message valence, Breaugh et al. (2003) call for closer examination of other factors changing the relationship between messages from employees and organizational attractiveness, such as the relationship between source and receiver (tie strength) (Brown and Reingen 1987; Levin and Cross 2004). The tie strength between the recipient and the WOM source “is a combination of the amount of time, the emotional intensity, the intimacy (mutual confiding), and the reciprocal services which characterize the tie” (Granovetter 1973). These conditions encourage trust building, so the job seeker can gauge the value of information from the employee. Previous research supports these suppositions, linking tie strength and source credibility with effective knowledge transfer (Brown and Reingen 1987; Levin and Cross 2004).

Recognizing the recruitment process complexity (Breaugh and Starke 2000), a further factor capable of changing the message – receiver outcome relationship is the level of job seeker precommitment to the job, organization, or information source. Precommitment factors include desire to enter the sector, assessment of the fit of the job and organization with own needs and values, or assessment of the specific benefits of the relationship (e.g., aspirational/mentoring ties) (Breaugh et al. 2003; Bretz and Judge 1998). This is important as motivated reasoning theories (Jain and Maheswaran 2000; Kunda 1990) predict
that positively motivated or precommitted people will discount counter-attitudinal information (Khare, Labrecque, and Asare 2011), so are less likely to adjust attitudes accurately after receiving pertinent information (Breaugh 2008) than those with less precommitment.

Objectives of the studies

Based on the arguments advanced above, the main objectives of this investigation are:

1. To develop a solid theoretical grounding, recognizing the complexity of the recruitment process (Breaugh and Starke 2000) and integrating previous research to conceptualize potential modifiers of SWOM message effects.

2. To assess the influence of different SWOM information types on retail organizational attractiveness (OA), based on a scenario study and survey evidence, to understand better how job seekers process information from different sources (Barber 1998; Rynes 1991).

3. To investigate effects of precommitment as a modifier of SWOM message effects on perceived OA based on a survey of job seekers in the retail sector.

4. To develop an awareness of the potential and processes of SWOM, providing a basis for retailers and others to develop this channel of communication to prospective employees.

This paper reports on two studies. Study 1, an experimental study informed by literature and the results of a prestudy, assesses how variations in SWOM message content interact with the message valence and source to alter perceptions of an employer, hence employment choices in the retail sector (objectives 1, 2, and 4); social exchange expectancies and the search/experience/credence paradigm are employed to explain the effects. Study 2 is a cross-sectional field study of retail job seekers during the early phase of gathering information about a job opportunity and deciding to apply, including how three precommitment factors might help protect against negative information, affecting source credibility influence on OA (objectives 1–4). Theories of biased processing, such as decision precommitment, outcome dependence, issue involvement, and the diagnostic value of negative information are relevant here (Ahluwalia, Burnkrant, and Unnava 2000; Berscheid et al. 1976; Dholakia and Sternthal 1977; Johnson and Eagly 1989; Khare, Labrecque, and Asare 2011; Kunda 1990).

Due to the high likelihood of job seekers talking to employees, employers may be able to strengthen job seeker precommitment factors and diminish or amplify the effects of message type and message valence on assessments of OA. This answers calls to establish components of organizational image of interest to retail job seekers that can be “cost-effectively modified or communicated” (Cable and Judge 1996; Rynes 1991). There is also interest in gaining better understanding of how job seekers process information from different sources (Barber 1998; Rynes 1991), especially for employers wishing to examine the potential of SWOM to influence employee acquisition, or consider actions that may increase prospective employee precommitment to the job or organization.

Conceptualization

Prior research establishes the potent effects of general WOM on perceived organizational attractiveness (Collins and Stevens, 2002) over and above influence from other recruitment sources (Van Hoye and Lievens 2009). Negative WOM produces greater impact than positive and can interfere with recruitment advertising effectiveness (Van Hoye and Lievens 2005). This greater weighting for negative as opposed to positive information reflects a general negativity effect documented in other domains. One reason is the informational or diagnostic advantage of negative compared to positive information (Skowronski and Carlston 1987).

Nevertheless, prospective applicants do not always accept job information at face value, assessing the credibility of both message and source before accepting employment information. When the source is a strong-tie, information is considered more credible and useful, thus more influential, than if from a weak tie (Breaugh and Starke 2000; Van Hoye and Lievens 2007). Source credibility is a function of expertise and trustworthiness (Cable and Turban 2001; Pompidjian 2004), so credibility perceptions depend on job seeker assessments of the knowledge and experience the source has of the organization (Bone 1992). Fisher, Ilgen, and Hoyer (1979) find an interaction between message source and message valence. Generally, more trust accrues to providers of negative as opposed to positive information but close ties are considered knowledgeable, regardless of message valence. To summarize, information valence, relationship with the source (tie strength), and source credibility influence the impact of information on OA; negative information and information from (credible) close ties is generally most influential.

Tangible and intangible attribute information

However, a consideration of the type of knowledge transferred requires further interpretation of these associations. Lievens, van Hoye, and Schreurs (2005) find intangible attributes (trait inferences) explain more variance (41%) in OA than more tangible job and organizational attributes (35%). Lievens and Highhouse (2003) differentiate between two types of retail employer attributes. The first, variously characterized as objective, tangible and concrete, concerns pay, benefits, type of work and promotion prospects, all well documented as important to employee job choice and retention (Arndt, Arnold, and Landry 2006; Bettencourt and Brown 1997). Beliefs about level of reward for effort are positively related to retail employee turnover (Rhoads et al. 2002). Tangible attribute information also includes terms and conditions of employment, mental and physical job demands, and promotion of employee well being. Much of this information is available and verifiable from company and other formal sources, as well as informal sources, but some information on hidden practices regarding working conditions can come only from employees with direct personal experience, such as compliance with cleanliness or food safety...
regulations, working time norms (e.g., ‘voluntary’ unpaid overtime, pressures to work split shifts) and protection from physical hazards or unreasonable customer behavior (McColl-Kennedy et al. 2009). Employees are an important source of this less visible information on company practices (Cable and Turban 2001).

The second type of attribute is characterized as subjective and intangible, such as the reputation of the organization as an employer or in general, often conveying symbolic information (Lievens and Highhouse, 2003). Such information on reputational attributes influences applicants’ initial attraction to organizations (Judge and Bretz 1992).

Concerns about fitting in with colleagues, training, and challenging work situations drive the value of information on organizational climate (Parker et al. 2003). Front-line retail staff perceptions of supervisor support reduce the stress of unsocial hours, heavy workloads, and difficult customers, and are linked to positive appraisal of the environment (Babin and Boles 1996), which is strongly related to OA (Chapman et al. 2005).

Benefits of organizational climate and reputational information to the employee are the ability to judge perceived similarity between personal needs and organizational standards (Schneider 1987), or to reflect prestige, social identification and signaling of particular skills and values through association with the company (Carmeli, Gilat, and Waldman 2007). Employees are a valuable source of information on reputation and organizational climate, as they have the experience of whether internal norms and behaviors are congruent with the values externally publicized.

Study 1 therefore looks beyond the established effects of message valence and tie strength in an initial examination of whether diverse types of message content interact with valence and tie strength, when job seekers assess OA.

Interactions between message content, tie strength, and message valence

Employer attractiveness is multi-dimensional and employees look for a range of benefits when considering future jobs (Collins and Stevens, 2002). The distinction between objective, concrete attributes and subjective, intangible attributes is important, because information on pay, benefits, and type of work is observable and relatively easy to find, compared with reputation as an employer. Less observable information, such as how well the company actually lives up to its external reputation or social work ‘climate’, can come only from people who have actually worked for the company, that is, staff, past or present, and is subsequently difficult to verify.

This distinction has parallels in the search, experience and credence product attribute differentiation and consumer judgments about these information types. Lim and Chung (2011) argue that, for consumers, the credibility of the source of credence (intangible) attributes is more important than for search (tangible) attribute communication, as search attributes can usually be verified or acquired from other sources, including advertising. For credence attributes, the only source of information may be the reports of other people on performance. In the job search context, less observable types of information, e.g., social relations at the workplace, can come only from people who have worked for the company, so are parallel to experience or credence attributes. More tangible aspects, such as pay and conditions, are similar to search attributes.

Information from strong ties is generally more credible, but job seekers also bring into play their perceptions of speaker expertise and trustworthiness and social expectations of the type of information associated with weak or strong ties. Clark (1984) posits that the strength of ties linking exchange participants influences perceptions and motivations, therefore behavior, in social exchange. Strong ties carry more responsibility for the welfare of others; network members keep track of each other’s needs (Clark, Mills, and Powell 1986). Speaker motivation is toward being helpful and accurate, so information from close ties is more likely to be context specific, procedural and tacit than if from weak ties. Tacit knowledge is difficult to express and shared often through storytelling, involving high levels of interaction and mutual understanding (Zack 1999), and most likely to occur with close ties. Hence, information from close ties will be more relevant and social, exposing aspects of the job typically not found through formal sources, such as the organizational climate or how well reputational promises are kept (intangible, experience/credence attributes). In contrast, exchange relationships are typical of weak tie communications, where individuals feel no special responsibility, so information content may be subsidiary to self-interest (Frenzen and Nakamoto 1993). Information from weak ties is more likely to be general and explicit rather than tacit, we would argue, and so more likely to relate to pay, benefits, and type of work (tangible, search attributes).

Past experiences shape expectations of the content and nature of interactions. Hence, in weak tie interactions, receivers have low expectations for context related, personal experience messages (e.g., about individual relationships with supervisors or fellow employees); unlike strong tie interactions, there is no history of mutual confiding, emotional intensity, and reciprocal services (Granovetter 1973). Burgoon and Hale (1988) posit that disconfirmation of social interaction expectancies activates evaluation and attribution of intention and motive.

Hence, negative personal experience information about credence/experience job attributes emanating from a weak tie arouses difficult to resolve questions of motive, as a lack of knowledge about the weak tie makes for difficult assessment of the credibility of information about personal experiences. On the other hand, listeners can check negative, explicit information, such as, pay packages and conditions of work (tangible, search attributes), against other sources.

Conversely, people expect and value from close ties information with tailored, social and detailed content (Clark et al., 1986). Thus, we might posit that receivers find SWOM content on more intangible experience/credence attributes more unusual and not expected from weak ties, and vice versa for tangible attribute information from strong ties, where people expect more tailored and socially orientated information. Unexpected content is less useful to the receiver than expected SWOM content, as it may raise reservations regarding motive and credibility. In this case, message content effect offers a refinement to the Fisher, Ilgen, and Hoyer (1979) findings regarding message valence and tie
strength: weak tie, negative search attribute SWOM could be more influential than from strong ties.

The following hypotheses summarize these arguments that job seekers’ perceptions of job information are interactive and differ according to combinations of tie strength of the source (strong/weak), the valence of the message (positive/negative), and the content of the message (tangible search or intangible experience/credence attribute information), such that:

**H1a.** When the SWOM message contains more intangible job experience content (experience/credence attributes), negative information from a strong tie source has a stronger influence on OA than the same information from a weak tie source.

**H1b.** When the SWOM message contains more tangible job related content (search attributes), negative information from a weak tie source has a stronger influence on OA than the same information from a strong tie source.

**Study 2 hypotheses**

Study 2, a field survey of actual job seekers, continues the exploration of difference in impact between information types, considering first the relative importance of pay and conditions (tangible, search attributes) information compared to organizational climate and reputational information (intangible, experience/credence attributes) for OA, also assessing any difference in source credibility effects in conjunction with these two information types.

The exploration then broadens by considering how job seeker precommitment factors might affect relationships between message content and source credibility, and perceived OA. The features chosen to operationalize precommitment (to retail employment, an organization, or a message source) provide an illustrative range and potential applications to employer strategies. All can be influenced by organizations as potential employers and so meet calls to improve cost effective recruitment communications (Cable and Judge 1996; Rynes 1991), in contrast to other employee motivations to seek work prompted by macro-economic factors, such as financial recession and job availability. Further, they cover both outcome based and value relevant involvement (Johnson and Eagly 1989).

**Tangible versus intangible attribute information**

Pay packages and working conditions are important in job decisions but, in the long term, retail work is a social environment, where the support of fellow employees is vital to job outcomes and even well-being. Employees also seek work in organizations that fit their personal values (Judge and Cable 1997). Thus, employees value information on workplace social relations as signals of how well they could integrate with fellow workers and job expectations, using reputation information as a heuristic for the fit between their personal values and organizational values. Lievens et al. (2005) support this view, finding that intangible attributes explain more variance (41%) in OA than more tangible, concrete job attributes (35%). Hence:

**H2.** The impact of information valence on OA is stronger when considering organizational climate and reputational (intangible, experience/credence) information, compared with pay and conditions (tangible, search attributes) information.

**Source credibility and information type**

The persuasion benefits of highly credible sources are well established (Jain and Posavac 2001; Pornpitakpan 2004). Breaugh and Starke (2000, p. 410) note that communications where the source benefits from misleading the receiver will lack credibility, whereas most SWOM is not associated with financial benefit for the employee. Evidence also suggests that source credibility has distinctive effects on acceptance of search (tangible, concrete) or experience attribute (intangible) information (Jain and Posavac 2001), such that:

**H3.** The relationship of source credibility to OA is stronger when considering pay and conditions (tangible attribute) information, compared with organizational climate and reputational information (intangible attribute).

**The role of precommitment factors**

Research indicates that goal directed (motivated) reasoning biases cognitive outcomes (Kunda 1990). Precommitment is a powerful motivation in determining resistance to counter-preference information (Ahluwalia, Burnkrant, and Unnava 2000); hence, motivations to maintain pre-existing preferences or valued goals may modify the effects of negative information. In consumer research, decision precommitment is implicated in consumer responses to WOM messages (Khare, Labrecque, and Asare 2011). Stronger preferences result in a recall advantage for positive over negative information as the former is more accessible, prevalent and better organized, so aiding the recall advantage for positive over negative information, which aids counter-arguing. Thus, low-commitment consumers will show higher weighting of negative information compared to high-commitment consumers (Ahluwalia, Burnkrant, and Unnava 2000; Khare, Labrecque, and Asare 2011). We expect individuals to hold greater or lesser precommitment to a retail role, particular retailer or message source and that this will lead to discounting (or not) of counter-preference information from any one individual and moderate the outcome of this information on OA in a similar way, that is, show interaction effects between precommitment factors and information valence on OA.

**H4a.** Precommitment factors moderate information valence effects on OA.

Nevertheless, we must consider an alternative explanation for the effects of precommitment, based on the premise that outcome dependence enhances liking (Berscheid et al. 1976). A different, higher baseline for OA for those with stronger precommitment compared to those with lower precommitment, could account for differences in the effects of information valence. If this is the case, we would expect no moderating effects, as there is no hypothesis of variation in treatment of preference consistent or inconsistent information, rather we can expect mediation effects.
H4b. Precommitment factors mediate information valence effects on OA.

Of course, it is possible that both processes are in operation and will be observable, such a model is a case of moderated mediation, termed a conditional indirect effect (Judd, Kenny, and McClelland 2001). That is, individuals with higher precommitment may tend toward a higher baseline for organizational commitment, but this effect is conditional on the valence of the information.

Precommitment may also mediate the effects of source credibility. When people are highly involved with an issue, they are less sensitive to cues regarding source credibility, leading to a general expectation that involvement should mediate credibility perceptions (Dholakia and Sternthal 1977). For some time, organizational commitment has been regarded as an attitude resulting from identification and involvement with the organization (e.g., Mowday, Steers, and Porter 1979), hence precommitment to the organization may also mediate employee information credibility perceptions.

Moreover, Johnson and Eagly (1989) argue for different consequences for credibility effects between outcome relevant involvement (salient to currently important goals and outcomes) and value relevant involvement (reflects on important and enduring aspects of the self). The latter typically inhibits credibility effects (Johnson and Eagly 1989), hence the highest influence of precommitment is expected in factors connected to personal values. The notion of person-organization fit is most relevant here, as measures of fit often include reference to values (Judge and Cable 1997). On the other hand, an interest in the retail role or perceptions of the benefits of mentoring or aspirational ties are more akin to important goals and outcomes, hence we expect lower mediation of credibility.

H4c. Precommitment factors mediate the effects of credibility of information from the staff member on OA; this effect is strongest when precommitment is based on value relevant involvement.

Study 1

Methods

Participants

A large US online market research panel, owned by a global research agency, provided a quota sample of 362 respondents to concur with the USA working age and gender demographics. Eligibility prescreening assured high self-relevance (that is, as working or seeking employment in the retail sector), all were response integrity checked, including double opt-in recruitment, fraud and duplication prevention and monitoring for ‘straight line clicking’ and completion time thresholds. The sample was 48% male, 23 percent were seeking retail work; those employed in retail indicated their positions as shop-floor, clerical, or junior administration (64%), as management (28%), or other (8%) categories. Age ranges are 18–24 (13%) 25–34 (20%) 35–44 (25%) 45–54 (22%) 55–65 (20%).

Stimuli development

A prestudy (eight male and ten female retail staff, age 18–59) of recruitment stories about when advice was received or sought from an employee of a prospective retail employer, followed by dual moderated in-depth group discussions, formed the basis for scenarios concerning different categories of positive and negative SWOM. The development process was supported by feedback both from job seekers and industry experts. We created very positive or very negative messages to prevent ambiguity about either personally experienced, intangible job related information or more impersonal job performance information, provided by a fictional employee stated to be well-known (A) or less well-known (B) to the respondent. ‘Intangible’ experience/credence information included interpersonal relationships and group cohesion at work, supervision, and company concern for worker comfort; the ‘tangible’ search attribute information included promises kept on salaries, staff discounts, bonus policies, flexible working hours, and other family friendly policies (see Appendix A). To complete the scenario, respondents read one of two profiles of the employee providing the SWOM, including their relationship and how long they had known each other.

Procedure

The Study 1 research instrument was an online questionnaire and the design a 2 (positive vs. negative message) × 2 (more intangible message vs. more tangible message content) × 2 (close vs. weak tie) manipulation. The agency randomly assigned participants to one of these eight scenario combinations of tie strength, information valence and information type, but all starting with identical company information in the form of a job advertisement. To promote realism, actual job notices from companies in the retail sector provided a basis of a general description of a fictitious retailer, including common claims about benefits and rewards found in job advertisements. Participants viewed the information for one scenario and then completed the online questionnaire.

Measures

The Organizational Attraction measure adapts nine items from Highhouse, Lievens, and Sinar (2003 p. 992) concerning assessment of the company as “a potential place for employment”, covering reputation, popularity, status and intentions towards the company (see Appendix B). Other questions captured gender, age, country of origin, and occupation. Test samples of 50 people in the USA and UK, plus a small sample of retail professionals, provided feedback on question and stimuli clarity.

For OA, removal of one item (see Appendix B) resulted in a good fit of the data for the original three components of the construct (Highhouse et al. 2003) (see Appendix B): CMIN
Table 1
Three-way interaction: tie strength, information valence and information type.

<table>
<thead>
<tr>
<th>Information type</th>
<th>Intangible information (organizational climate)</th>
<th>Tangible information (pay and conditions)</th>
<th>Test of 3-way interaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tie strength</td>
<td>Weak</td>
<td>Strong</td>
<td>Weak</td>
</tr>
<tr>
<td>Information valence</td>
<td>Neg</td>
<td>Pos</td>
<td>Neg</td>
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<tr>
<td>Organizational attractiveness: means</td>
<td>5.12 7.53</td>
<td>4.66 7.69</td>
<td>5.29 7.54</td>
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</tbody>
</table>

63.77, df 17, $p < .01$ CMIN/DF 3.75 GFI .944 RMSEA .065 (.049–.083) $p = .063$. These three components were highly correlated with each other (.955, .903, .877), suggesting these are not truly separate constructs; however, a first order one factor solution produced a degradation of fit. The alternative is that the three components contribute to a single, second order factor, in this case, overall OA. This second order model is as constrained as the initial model; the advantage is a structure accounting for the interrelationships among the factors (Brown 2006, pp. 320). The second order model produced no appreciable reduction in model fit and, as all three factors load significantly (.97, .91 and .98) onto the second order factor (Brown 2006), it accounts well for the first-order factor correlations. The three first order factors provide a composite variable of overall OA with AVE 98% and reliability .98; coefficient Alpha is .94, mean 6.19, $SD 1.93$.

Study 1: analyses and results

Data screening confirmed there were no missing data, but multivariate outliers and consistency checks suggested removal of 38 cases. Manipulation checks confirm appropriate perceptions of each scenario: differentiating between negative and positive messages ($t = 25.86$, df 295.78, $p < .01$), pay/conditions and organizational climate information ($t = 4.51$, df 321, $p < .01$) and perceived tie strength with the fictional employee ($t = 7.03$, df 321, $p < .01$).

Testing Hypotheses 1a and 1b

An ANOVA with OA as the dependent variable and message valence, message content and tie strength as independent variables revealed significant main effects for valence and message content. A test of the model required by the hypotheses shows a significant three-way interaction between valence, content and tie strength (Table 1; Fig. 2). Supporting H1a, when the message contains intangible experience/credence attribute content, negative information from a strong tie source (mean = 4.66) has a stronger negative influence (resulting in a lower OA rating) than the same information from a weak tie source (5.12), Supporting H1b, when the message contains more concrete search attribute content, then negative information from a weak tie source has a stronger negative influence resulting in lower OA (5.29) than the effect resulting from the same information from a strong tie source (5.91) (see Fig. 2). There is no main effect of organizational level of the respondent (i.e., managerial role or not) ($F = .036; p = .849$).

Overview: Study 1

In the controlled conditions of an experimental setting, the results of Study 1 confirm that message content is an additional factor in the impact of SWOM on job seeker assessments of OA. Until now, messages from a strong tie source were assumed more influential than from a weak tie source. Study 1 demonstrates this may not always be the case, depending on the content of the message. The experimental study controls effects of familiarity with the company and, through the planned manipulations, demonstrates the value of distinguishing between types of information as experience/credence job attribute information and search attribute related information about pay packages/conditions. The former is difficult to obtain and verify from other sources; the latter, while also based on personal experience, can be mostly obtained and verified from a wider variety of sources.

Fig. 2. Interaction of tie strength, information valence, and information type.
Nevertheless, experimental work suffers from external validity limitations, as the situation is artificial and cannot capture effects in the actual job search process or long term relationships. Further, there is difficulty in accounting easily for real world job seeker motivational factors that might increase precommitment to a particular job or organization. Hence, this first study lays the foundation for a second study amongst respondents who are actually at the information gathering stage of job search and explores further the effects of message content and source credibility, together with three possible precommitment motivational aspects affecting the influence of information from a member of staff on OA.

Study 2

Methods

Participants

Data were collected from a US national sample through invitations sent to a random selection of 4837 panelists of working age across the USA, identified within the database as working in the retail sector but not in a managerial capacity. Respondents (n = 250) represent a wide range of ages (18–69; mean 36 years) and retail experience (51% up to 5 years; 18% over 10 years), a good gender split (female 59%), 61% had no college degree, and 66% were employed. Nearly 13% of respondents reported on their discussion with a former rather than a current employee: this shows no systematic relationships with demographic variables, the valence or type of information talked about, or the results of the conversations. Former employee informants are however given a higher rating for tie strength than current employees.

Procedure

A series of prescreening questions ensured respondents were actively looking for work in the retail sector within a 30-day time frame, had found a job opportunity, had talked to one or more members of staff about that job, but reported no interview or receipt of a job offer at this stage. A number of distracter cues within the screening process helped ensure the sample comprised only those genuinely interested in retail, e.g., respondents were asked if they were looking for work in any of three sectors in addition to retail, namely health care, retail banking and catering, each specifying the type/level of jobs (non-managerial). Only those choosing retail were allowed to continue. Demographic and human capital variables are relevant in job choice contexts; however, Judge and Bretz (1992), using age, gender, education, job experience and job offer receipt, found the latter the only consistently significant control variable (accounting for 24% of variance in OA). This aspect is, therefore, already controlled in the present study, as data are collected only from job seekers reporting no interview or job offer from the prospective employer. Thus, remaining control variables are age (years), months of retail role experience and education level (some college or more versus no college).

At subsequent steps, sufficient choices were given that the focus of the questionnaire was not self-evident, to help ensure the validity of the final sample. To help avoid common method variance (CMV) and self-generated validity (SGV) (Feldman and Lynch 1988) respondents were screened to be within the job search process and the initial questionnaire items prompted respondents to make accessible their first hand, firm-specific SWOM knowledge before responding to the scales (Kleine, Kleine, and Kernan 1993). These included: the age of the informant staff member compared to the respondent, whether the staff member is a current or former employee of the retail company, works in the same function and at the same/ lower/ higher organizational level than the job being considered, and a measure of their relationship with the informant before discussion of the job/company under consideration. Procedures were implemented to restrict connections between and access to prior answers. Measures were mostly on separate pages, with no back button used allowed; different scaling formats were used, with separation of measurement in the questionnaire where possible (Mackenzie and Podsakoff, 2012), all serving to interrupt respondent response style. Further, in this investigation the effects of SGV may be alleviated, as it concerns vivid and direct cognitions on ‘central life interests’ (Lichtenstein, Netemeyer, and Maxham 2010, p. 430). Such cognitions are considered more accessible and “more diagnostic of how to answer a question than is their answer to an earlier question” (Kleine, Kleine, and Kernan 1993). The marker variable approach indicates that CMV effects between individual variable correlations fall well below the ‘reasonable range’ of up to .15 before CMV becomes problematic (Malhotra, Kim, and Patil 2006).

Measures

Valence of information assessments came from single item omnibus measures with continuous rating scales (anchors 0–100). Technology assists by reading the exact point from 0–100, where a cursor is placed along the line, according to a respondent’s judgment. Single item scales are considered appropriate for omnibus measures of psychological constructs where holistic assessments such as these are required (Rossiter 2002). Such measures reduce redundancy in measurement and the respondent task, enhancing their attention; these measures are often used in recruitment research (Judge and Bretz 1992).

The precommitment features operationalizing this factor provide a range of outcome and value relevant involvement (Johnson and Eagly 1989). Outcome relevant goals are represented firstly, by an interest in the retail role providing varying levels of precommitment based on general expectations of retail careers (Hurst and Good 2009) formed during career exploration independent of information about a particular job opportunity. As discussed above, the measure for respondent interest in the retail role also employed a single item with anchors ‘not true of me at all’ to ‘very true of me’ (7-point scale).
Secondly, personal goals often drive communication choices (Graham, Argyle, and Furnhan 1980). A prospective applicant may seek relationships with employees to provide support in achieving employment and through early career, but they are not necessarily friends (Shah 1998). The investment in building such mentoring or aspirational tie relationships enhances precommitment to the decision object and so goal-directed motivated reasoning (Khare, Labrecque, and Asare 2011). To represent dimensions of network contact benefits in the preemployment stage for a mentoring/aspiration measure, four items cover perceptions of the employee informant as provider of access to information and resources, career sponsorship and as a role model (Dreher and Ash 1990; Ragins and McFarlin 1990) (Appendix B).

The notion of person-organization fit is germane to value relevant involvement, as measures of fit often include reference to values (Judge and Cable 1997) and play a substantial role in job pursuit intentions (Chapman et al. 2005). Before receiving SWOM information, job seekers may use prior company knowledge as a proxy to form judgments about the fit between themselves and the organization (Judge and Cable 1997). Subjective fit is assessed through the measure of demands-abilities fit from Cable and Judge (1996) and their measure of subjective person-organization fit (Judge and Cable 1997) (see Appendix B).

Credibility covers the elements from initial source credibility research (Hovland and Weiss 1951), and directly linked by Cable and Turban (2001) to job information sources, namely expertise and trustworthiness (e.g., Pornpitakpan 2004); four items cover perceptions of the employee informant as provider of access to information and resources, career sponsorship and as a role model (Dreher and Ash 1990; Ragins and McFarlin 1990) (Appendix B).

A CFA produced a satisfactory three factor fit with the data for the aspirational or mentor tie, fit, and credibility constructs (CMIN 92.58 df 51 CMIN/DF 1.82, GFI .899, RMSEA .058 (.038–.076) p = .239). The AVE for credibility is .57, reliability .80; AVE for mentoring or aspirational tie is .57, reliability .80; AVE for fit perceptions is .56, reliability .86. The squared correlations (.20, .44 and .45) did not raise significant concerns about discriminant validity.

For OA, the same measurement model as in Study 1 produced a satisfactory three factor fit (CMIN 30.00 df 17 CMIN/DF = 1.77, RMSEA .056 (.02 –.09) p = .351, GFI .934). Again, a second order model showed no degradation of fit: all three primary constructs load well on the second order factor (.97; .91; .98).

**Study 2: Analyses and results**

Appendix C reports correlations, means and standard deviations of the composite study constructs. Regression is less limiting than SEM when considering a variety of cross-product terms, therefore we deployed Moderated Regression Analysis (MRA) (Sharma, Durand, and Gur-Arie 1981), after mean-centering of independent variables. Complete mediation is indicated when tie strength or information valence no longer affects OA, after addition of the precommitment variable. Partial mediation is when the coefficient reduces in size but is still different from zero when the mediator is controlled. A significant contribution from the interaction term without the same from the moderating variable signifies a pure moderator variable; but a quasi-moderator if both produce significant contributions (Sharma, Durand, and Gur-Arie 1981). Spotlight analyses (one standard deviation above and below the mean) were used to examine the nature of the interaction (Cohen et al. 2003; Irwin and McClelland 2001).

**Testing Hypotheses 2 and 3**

Model 1 (see Table 2) reports the results before the addition of precommitment variables. As expected, in all cases, the valence of the information is a strong predictor; together, credibility, pay and conditions information valence explain nearly 22 percent of OA variance in this study, while organizational climate and reputation information and credibility combined explain nearly 52 percent.

Supporting H2, climate and reputational information valence has greater influence on OA (32%) than pay and conditions information (5%) (Z = 7.45 p < .01). There is a higher contribution to OA variance explanation by source credibility perceptions in the pay and conditions case (14%) than in the climate and reputation case (7%) (Z = 2.45, p = .014). Thus, H3 is supported.

**The effects of precommitment**

Hypothesis H4a is mainly supported, as the results show a significant two-way interaction between precommitment and information valence to affect OA for all except one condition (interest in the retail role and intangible climate and reputational information valence) (see Table 2, models 2–4). Spotlight analyses were used to consider the effects of each factor (information valence and precommitment) at high and low levels of the other (one standard deviation above and below the mean) (Cohen et al. 2003; Preacher, Rucker, and Hayes 2007). The results are in the expected direction (Table 3); for negative information, the means for OA are higher when an individual has stronger precommitment compared to lower precommitment. This does suggest the effects of higher precommitment in mitigating negative information.

Hypothesis 4b is also supported, as all three precommitment factors show a direct influence on OA (see Table 2, models 2–4) adding between 5 and 49 percent to the explanation of variance and resulting in reduction in the information valence coefficients, though the remaining significant direct contributions of information valence indicate precommitment is a partial mediator (Sharma, Durand, and Gur-Arie 1981). Thus, overall, the results illustrate both moderation and mediation, that is, moderated mediation, or conditional indirect effects (Judd, Kenny, and McClelland 2001). That is, the precommitment

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4 Consistent with previous studies (Judge and Bretz 1992); the contribution from the control variables is small, in the interests of parsimony, these are not reported here.

Table 2
Regression analyses results.

<table>
<thead>
<tr>
<th>Beta coefficients:</th>
<th>Pay and conditions (tangible, concrete)</th>
<th>‘Climate’ and reputation (intangible)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1: Relationships between OA, type of information, valence and source credibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perception of source credibility</td>
<td>.388***</td>
<td>.300***</td>
</tr>
<tr>
<td>Information valence</td>
<td>.187**</td>
<td>.554***</td>
</tr>
<tr>
<td>R square</td>
<td>.218</td>
<td>.516</td>
</tr>
<tr>
<td>Model 2: Addition of perceptions of fit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perception of source credibility</td>
<td>.111***</td>
<td>.176***</td>
</tr>
<tr>
<td>Information valence</td>
<td>.115***</td>
<td>.223***</td>
</tr>
<tr>
<td>Fit</td>
<td>.646***</td>
<td>.523***</td>
</tr>
<tr>
<td>Fit × information valence interaction</td>
<td>−.191***</td>
<td>−.163***</td>
</tr>
<tr>
<td>R square</td>
<td>.717</td>
<td>.748</td>
</tr>
<tr>
<td>Model 3: Addition of interest in the retail role</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perception of source credibility</td>
<td>.227***</td>
<td>.277***</td>
</tr>
<tr>
<td>Information valence</td>
<td>.185***</td>
<td>.395***</td>
</tr>
<tr>
<td>Interest in retail role</td>
<td>.420***</td>
<td>.299***</td>
</tr>
<tr>
<td>Interest × information valence interaction</td>
<td>−.302***</td>
<td>−.090</td>
</tr>
<tr>
<td>R square</td>
<td>.540</td>
<td>.621</td>
</tr>
<tr>
<td>Model 4: Addition of perceptions of benefits of mentor/aspirational tie</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perception of source credibility</td>
<td>.286***</td>
<td>.241***</td>
</tr>
<tr>
<td>Information valence</td>
<td>.179***</td>
<td>.479***</td>
</tr>
<tr>
<td>Benefits of aspirational/mentoring tie</td>
<td>.236***</td>
<td>.195***</td>
</tr>
<tr>
<td>Benefits × information valence interaction</td>
<td>−.296***</td>
<td>−.178***</td>
</tr>
<tr>
<td>R square</td>
<td>.342</td>
<td>.571</td>
</tr>
</tbody>
</table>

** Significant at <.01.  
*** Significant at <.001.

Table 3
Spotlight analysis results.

<table>
<thead>
<tr>
<th>Pay and conditions (tangible, concrete) information</th>
<th>‘Climate’ and reputation (intangible) information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay and conditions (tangible, concrete) information</td>
<td></td>
</tr>
<tr>
<td>Low fit perceptions</td>
<td>High fit perceptions</td>
</tr>
<tr>
<td>Negative valence</td>
<td>5.09</td>
</tr>
<tr>
<td>Positive valence</td>
<td>5.89</td>
</tr>
<tr>
<td>F for interaction</td>
<td>14.29, p &lt; .001</td>
</tr>
<tr>
<td>Low role interest</td>
<td>High role interest</td>
</tr>
<tr>
<td>Negative valence</td>
<td>5.07</td>
</tr>
<tr>
<td>Positive valence</td>
<td>5.72</td>
</tr>
<tr>
<td>F for interaction</td>
<td>25.99, p &lt; .001</td>
</tr>
<tr>
<td>Low mentor/aspirational tie</td>
<td>High mentor/aspirational tie</td>
</tr>
<tr>
<td>Negative valence</td>
<td>5.18</td>
</tr>
<tr>
<td>Positive valence</td>
<td>6.39</td>
</tr>
<tr>
<td>F for interaction</td>
<td>18.18, p &lt; .001</td>
</tr>
</tbody>
</table>

mediation of the message effect is conditional on the valence of the information.

**H4c has some support,** with partial mediation of credibility perceptions by the precommitment factors. The degree of mediation seems strongest for the fit perceptions factor (see Table 2) as the residual credibility coefficients in the fit condition are significantly lower than in the other two conditions (all p < .5), supporting the distinction between value and outcome relevant involvement (Johnson and Eagly 1989). For benefits of a mentor/aspirational tie, credibility mediation is weak and source credibility direct effects remain strong, as expected.

Appendix D summarizes the support for the hypotheses in this study.

Conclusions and implications

Previous research notes a difference in impact on OA between information about company performance and other information
concerning pay and conditions (Lievens, Van Hoey, and Anseel 2007). A contribution of this paper is to confirm this effect (see H2), but then develop a theoretical grounding to investigate the effects of different modifiers of SWOM on OA as an employer, adding to the current knowledge on how SWOM can alter the views of prospective employees. A further contribution to theory is the suggestion that both moderation and mediation effects are present in this complex processing of information; mediation can be explained by the ‘attraction increases liking’ theory, while biased processing explains the effects of moderation.

The data from both studies confirm previous findings that positive and negative information have distinct effects on OA (Collins and Stevens, 2002; Van Hoey and Lievens 2005) and that relationship strength moderates these effects. The contribution from Study 1 offers a nuanced account, considering effects predicted from theories of social exchange expectancies and the search/experience/credence paradigm. For OA, negative organizational climate (experience/credence attribute) content from a strong tie source has a stronger effect (results in a lower OA rating) than the same information from a weak tie source. Conversely, when SWOM from a weak tie source contains negative pay and conditions (search attribute) content, it results in stronger negative influence on OA than the same information from a strong tie. This finding modifies the Brown and Reingen (1987) proposition that strong-ties are more influential on decision making than weak-ties, as these influences are moderated by information type. In the retail employment context, the subject as well as the valence of the message clearly matter.

The contributions from Study 2 are how job seeker precommitment may modify the impact of negative information and credibility for pay and conditions messages (tangible, concrete information) or organizational climate and reputation messages (intangible information). To summarize, for the baseline model before the addition of precommitment factors, the valence of SWOM regarding reputation and organizational climate has most effect on OA (H2). The effect of adding precommitment factors shows at least some mediation of the direct effects of information valence (H4b), consistent with the ‘attraction increases liking’ premise that precommitment raises the baseline for OA. Nonetheless, information valence still maintains a significant direct role in prediction and this is the case for both information types. This demonstrates that staff members are regarded as a valid source of information, especially on hidden practices in working conditions and employment practices.

Evidence also supports the explanation of motivated reasoning to maintain pre-existing preferences, even in the presence of negative information (Ahluwalia, Burnkrant, and Unnava 2000) (H4a). Spotlight analyses of interactions show a consistent pattern of negative information accompanying reduced OA in lower precommitment compared to higher precommitment (Table 3). Higher precommitment seems to protect against negative information effects, as predicted.

The mediation of credibility by all precommitment factors, as hypothesized (Table 2: models 2–4) supports the Dholakia and Sternthal (1977) suggestion that highly involved subjects are less sensitive to non-message factors such as source expertise. The strong mediation of credibility when fit perceptions are added is also consistent with our argument that precommitment based on fit perceptions can be conceptualized as value relevant involvement (Johnson and Eagly 1989) and underlines the value of understanding reactions to communications in this context.

Implications for recruitment practice

While our empirical work necessarily focused on very specific hypotheses, it is important to consider wider implications and opportunities of SWOM. In extrapolating beyond our empirical studies, we were advised by a panel of senior industry experts from 19 major companies, who commented on this research and debated its wider implications during seven full-day meetings. Due to the large scale and cost of their recruitment activities, major retailers especially seek innovative ways to enhance the size, quality, and diversity of their applicant pool, while reducing costs and errors in hiring. As retailers are often among the largest employers in their regions, their scale offers great scope to develop the potential of SWOM.

As job seekers regularly approach staff members for company information, retailers must ensure a flow of accurate information to staff about the organization, to improve the company’s appeal as a place of work, particularly information regarding the organizational climate and reputation. For example, Lichtenstein, Netemeyer, and Maxham (2010) note that employees as well as customers see retailers engaging in socially responsible behaviors as more attractive, and are drawn to see themselves as more like that retailer. Such considerations could lead to better targeting of company messages both to and via different groups, increasing chances that prospective employees will perceive a relevant fit between their values and the organization.

Given the findings regarding the influence of mentoring or aspirational ties within the linkages between SWOM and OA, employers have more reasons to target their SWOM promotion efforts toward employees representing good role models. These employees’ positive influence on the OA to those people will likely be the strongest. Retailers should also consult and include staff, as practiced and knowledgeable communicators about work issues within their networks, during the development of communication messages to prospective employees. Such consultations will generate ideas about what job seekers find relevant, interesting and thought-provoking for use in traditional or SWOM channels.

Information gained from such staff insight research will benefit training; organizations could educate their employees in the types of information of particular interest to prospective employees, such as staff benefits or the social aspects of working for the company. Helping existing staff be more aware of available opportunities, such as training, career progression and development, should lead to increased employee commitment and spontaneous communication of job advantages to people within their social networks. Traditional recruitment communication channels could also both harness and promote SWOM, for example, using real members of staff in advertising and offering contact with staff who can act as mentors to new employees. The latter strategy could particularly help in enlarging the applicant pool, attracting also those job seekers whose more
Fig. 3. Actions suggested for effective SWOM strategy.

<table>
<thead>
<tr>
<th>Research</th>
<th>Formal and informal channels – what do our employees think/say about us?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remedy</td>
<td>If possible, address causes of negative SWOM and/or explain actions/policies.</td>
</tr>
<tr>
<td>Motivate</td>
<td>Employee satisfaction and internal marketing to encourage positive SWOM.</td>
</tr>
<tr>
<td>Inform</td>
<td>Equip employees with the information of most interest to job seekers.</td>
</tr>
<tr>
<td>Target</td>
<td>Deploy staff opinion leaders, as information sources and brand advocates.</td>
</tr>
<tr>
<td>Assess</td>
<td>Evaluate SWOM effects on recruitment to develop further the SWOM strategy.</td>
</tr>
</tbody>
</table>

restricted social networks may offer little access to company employees.

In summary, Fig. 3 suggests steps toward developing an effective SWOM strategy. This needs to extend beyond the realms of marketing and training to identify and address the root causes in the organization of positive/negative SWOM, and whether staff members are disposed toward enthusiastic brand advocacy. For companies to be aware of their SWOM reputation requires the type of research endeavors currently devoted to assessing consumer WOM, possibly through greater coordination of the staff and marketing insight functions. Failure to diagnose and if possible rectify major sources of employee dissatisfaction will largely neutralize even the most sophisticated measures to encourage positive SWOM.

Most retail organizations already have motivational practices to enhance staff morale and productivity, normally requiring effective communications and sometimes extensive internal marketing. The additional objective to encourage positive SWOM and to mitigate potential negative SWOM is a logical and relatively inexpensive extension of these processes. In particular, it is important to equip present and former staff with information that must be sufficiently interesting to encourage SWOM conversations, which unlike formal referrals are not motivated by financial gain or specific employment targets.

In these endeavors, companies may deploy some of the techniques of viral marketing (e.g., Hinz et al. 2011), developing messages and probably online content that people will want to share. Analogous to the practice of deploying market mavens (Higie et al. 1987), companies may also target the opinion leaders most likely to spread SWOM within and beyond the organization, based on knowledge of staff members’ social skills, staff surveys extended to include SWOM activity, or both. SWOM effectiveness should also be assessed and the strategies further refined. Again, many retailers could integrate the evaluation of SWOM effects at modest cost into their existing procedures, such as application forms, induction questionnaires, or both.

Limitations and future research

This was exploratory research and, as such, could include only certain criteria. Not included were differences in the type of information desired between seekers of part-time or full-time work. Furthermore, message order effects need more detailed research (Van Hoye and Lievens 2005), as does message intensity and amount, as these aspects are important in other contexts (Khare, Labrecque, and Asare 2011). Distinctive features of SWOM summarized in Fig. 1 also point to areas of worthwhile further investigation, including the credibility and valences of SWOM information from current versus former employees, the relative credibility of ERP and SWOM sources, the impact of SWOM compared with ERPs on the diversity of the applicant pool, and strategically oriented work on the development potential of SWOM.

These empirical studies considered one crucial stage in the recruitment process. Future research could examine the role of moderators at other stages in the recruitment process, for example, after interview, where the job seeker perceptions of procedural fairness or perceptions of the interviewer may play a role. Researchers could also extend the fairly constrained range of jobs used in this study, to examine the nature of the relationships between information valence and type of information in other job roles, conditions, and sectors.

SWOM is a powerful, direct influence on job seeker attraction to organizations, which retailers may employ as a valuable recruitment tool with potential to enhance the diversity, size and quality of the application pool. However, developing the potential of SWOM requires not only spanning different academic disciplines but also crossing functional boundaries within organizations, which may involve changes in strategy, personnel policies, operations practices, internal marketing and information systems to address salient issues. While full exploration and testing of this potential is beyond the scope of this paper, it is hoped that SWOM will attract further attention from researchers, retailers and other marketers.

Acknowledgements

The authors are grateful to the Journal of Retailing editors for their comments on earlier versions of this paper. We also thank the three anonymous reviewers for their extensive commitment of time in helping us to develop this paper through the review stages. Their many insightful questions and suggestions have led to a significant extension of this investigation and extensive reshaping of this paper. For their funding and insights, we are also grateful to the directors and senior executives within the Retail Research Forum, who commented on industry relevance and debated implications at several stages in the work. We also thank the many retail staff members and potential retail recruits who participated in the two main studies.
Appendix A. Study 1 scenario options

TIE STRENGTH

a) CLOSE TIE: This employee is someone you know very well and have extensive contact with, such as a close friend or family member. He/she has been working at Company X for 3 years. This person and you share similar values and preferences about work.

b) WEAK TIE: This employee is someone you don’t know particularly well and have limited contact with, such as a passing acquaintance. He/she has been working at Company X for 3 years. This person and you share similar values and preferences about work.

THE INFORMATION GIVEN BY THE EMPLOYEE:

SOCIAL CONDITIONS (ORGANIZATIONAL CLIMATE)

NEGATIVE: “Working here can be very boring; we don’t have much to look forward to. They always promise us that they are going to arrange social events and staff outings, but I’ve yet to be invited to one! Also, you often find yourself doing more work than you bargained for, there’s just no sense of teamwork in this place. I barely get to see my manager compared to other staff here. I confronted him recently about this. It ended up as a heated discussion, with him claiming that I was being oversensitive! Sometimes I feel like I just don’t matter and it puts me off going in to work.”

POSITIVE: “One of the main reasons I love working here is because of the people I work with. The staff here really pull together to get things done and there is always someone ready to help out. Working here can be quite fun. We organize staff outings and buy each other gifts on special occasions like birthdays. My manager includes everyone in regular meetings and always takes time out to make sure I’m OK and shows appreciation of hard work. I feel like part of a team and I actually look forward to going in to work!”

PAY AND CONDITIONS

NEGATIVE “The salary here is on the lower end of current market rates. As well, although they say you get a 10% staff discount, you are not actually entitled to it for nine months. The same applies for the bonus scheme. Even if you have met all your targets within those first nine months, you don’t get paid anything for it. It’s also difficult to see opportunities to work your way up in the company. They are not very flexible about the hours you work; these are usually planned to fit around their needs rather than yours. If you need to change your hours, they would make you use your holiday allowance rather than find someone to cover or swap shifts. They always seem to be looking out for their own interests!”

POSITIVE “Compared to other retailers, the pay rates here are actually above the average. Then, of course, there are the added perks of working here, including generous staff discounts and performance based bonuses. The discount is 10% off the marked prices for you and your family. In terms of the bonuses, if you meet your monthly targets then you can expect to receive approximately 5% extra. The opportunities are excellent for those looking to work their way up in the company. Also they are really understanding about flexible working. If you need to change your hours they find someone to cover or exchange shifts. They always seem to be looking out for the interests of their employees.”

Appendix B. Measurement items and descriptive statistics

<table>
<thead>
<tr>
<th>Organizational Attractiveness (OA) (Highhouse et al. 2003)</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your overall impressions of the company now, from what this person has told you (1–7 scale; strongly disagree–strongly agree)</td>
<td>6.05</td>
<td>.96</td>
</tr>
<tr>
<td>General attractiveness of the organization as an employer</td>
<td>5.96</td>
<td>.03</td>
</tr>
<tr>
<td>For me, this company would be a good place to work</td>
<td>6.30</td>
<td>.99</td>
</tr>
<tr>
<td>The company is attractive to me as a place to work</td>
<td>5.98</td>
<td>.51</td>
</tr>
<tr>
<td>I would only be interested in this company as a last resort (rev)(removed)</td>
<td>5.94</td>
<td>.13</td>
</tr>
<tr>
<td>Intentions to pursue a job at the organization</td>
<td>5.79</td>
<td>.21</td>
</tr>
<tr>
<td>If this company invited me for a job interview, I would go</td>
<td>5.99</td>
<td>.06</td>
</tr>
<tr>
<td>I would exert a great deal of effort to get a job with this company</td>
<td>5.91</td>
<td>.21</td>
</tr>
<tr>
<td>I would recommend this company to a friend looking for a job</td>
<td>5.76</td>
<td>.11</td>
</tr>
<tr>
<td>Perceived level of prestige of the organization</td>
<td>6.12</td>
<td>.91</td>
</tr>
<tr>
<td>Employees must be proud to say they work for this company</td>
<td>6.07</td>
<td>.99</td>
</tr>
<tr>
<td>This company must have a reputation as an excellent employer</td>
<td>6.06</td>
<td>.84</td>
</tr>
<tr>
<td>There are probably many people who would like to work for this company</td>
<td>5.76</td>
<td>.11</td>
</tr>
<tr>
<td>Subjective Person-Organization Fit (Cable and Judge 1996; Judge and Cable 1997)</td>
<td>5.78</td>
<td>.19</td>
</tr>
<tr>
<td>Thinking about the match between your personal skills and abilities and what you have been told about this job, please consider the following:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>My personal abilities and education provide a good match with the demands of this job (1–7 scale; not at all–completely)</td>
<td>5.12</td>
<td></td>
</tr>
<tr>
<td>The match is very good between the demands of this job and my personal skills</td>
<td>6.07</td>
<td></td>
</tr>
<tr>
<td>My abilities and training are a good fit with the requirements of this job</td>
<td>6.06</td>
<td></td>
</tr>
<tr>
<td>My values, goals, and personality ‘match’ or fit this organization and the current employees in this organization</td>
<td>5.76</td>
<td></td>
</tr>
<tr>
<td>The values and ‘personality’ of this organization reflect my own</td>
<td>5.78</td>
<td></td>
</tr>
<tr>
<td>My values and personality will prevent me from fitting in this organization because they are different from most of the other employees (removed)</td>
<td>5.78</td>
<td></td>
</tr>
</tbody>
</table>
Appendix C. Correlations, means and standard deviations of Study 2 constructs

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Mean (SD)</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Organizational attraction</td>
<td>6.03 (0.78)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Valence of pay and conditions information</td>
<td>144.05 (36.44)</td>
<td>.184**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Valence of climate and reputation information</td>
<td>157.06 (28.99)</td>
<td>.645** .230**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Perception of source credibility</td>
<td>5.84 (0.98)</td>
<td>.510** .113 .296**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Perception of person-organization fit</td>
<td>5.98 (0.75)</td>
<td>.792** .132** .599** .408**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Perception of benefits of source as mentor/aspirational tie</td>
<td>5.35 (1.27)</td>
<td>.449** .055 .228** .500** .338**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Interest in a retail job</td>
<td>5.68 (1.41)</td>
<td>.574** .113 .402** .260** .506** .441**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Significant at <.05.  
** Significant at <.01.

Appendix D. Support for hypotheses

H1a. When SWOM contains more intangible job experience content (experience/credence attributes), negative information from a strong tie source has a stronger influence on organizational attractiveness (OA) than if from a weak tie source.

H1b. When SWOM contains more tangible job related content (search attributes), negative information from a weak tie source has a stronger influence on OA than if from a strong tie source.

H2. The impact of information valence on OA is stronger when considering organizational climate and reputational (intangible, experience/credence) information, compared with pay and conditions (tangible, search attributes) information.

H3. The relationship of source credibility to OA is stronger when considering pay and conditions (tangible attribute) information, compared with organizational climate and reputational information (intangible attribute).

H4a. Precommitment factors moderate the effects of information valence on OA (except for the desire for retail role and intangible information valence case).

H4b. Precommitment factors mediate the effects of information valence on OA.

H4c. Precommitment factors mediate the effects of credibility of information from the staff member on OA; this effect is strongest when precommitment is based on value relevant involvement.

References


Breagh, James A., Leslie A. Greising, James W. Taggart and Helen Chen (2003), “The Relationship of Recruiting Sources and Pre-Hire Outcomes:


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