

Getting Bang for Your Buck:
The Specificity of Compensation and Benefits Information in Job Advertisements

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Abstract

Even though some organizations are trying to attract high-level applicants through offering superior compensation and benefits, reward statements in job advertisements are sometimes rather general and vague. On the basis of person-environment fit theories, we examine whether providing more specific information on attractive reward packages in job advertisements leads to higher perceived person-reward fit and subsequent job pursuit intentions. Furthermore, based on signaling theory, we propose that person-reward fit allows job seekers to make inferences about broader person-organization fit. Applying an online experimental design among 283 experienced potential applicants, we find that more specific compensation and benefits information results in higher job pursuit intentions and that this relationship is fully mediated by person-reward fit perceptions. In turn, the effect of person-reward fit is partially mediated by perceptions of person-organization fit, indicating that people might use reward information as signals for other organizational attributes in early stages of recruitment.

Keywords:

Recruitment, job advertisement, rewards, compensation and benefits, specificity, fit.

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Being an attractive employer is increasingly important for organizations, even in times of economic turmoil (McDonnell, 2011). In fact, recruitment has become one of the most critical human resource processes, as attracting the right human capital is key for organizational success and survival. Consequently, some organizations are willing to offer superior compensation and benefits in order to attract scarce profiles, using reward packages as a differentiator in the so-called ‘war for talent’ (Aon Hewitt, 2012). At the same time, organizations are sometimes hesitant to reveal specific pay information in their job advertisements, using instead vague statements such as ‘We offer an attractive reward package’. This is especially true in most continental European countries, where there seems to be a culturally determined reluctance to provide specific reward information in job advertisements, even if it is attractive (Gorenack, Mlaker Kac & Orthaber, 2010). However, if potential applicants have no knowledge of the specific attractive compensation and benefits offered by the organization, the money spent to attract top-notch candidates is not likely to lead to actual advantages in recruitment.

Therefore, the present study explores the use of job advertisements to communicate attractive reward packages in the recruitment of high-profile candidates. In a sample of actual job seekers, we examine how the specificity of compensation and benefits information in job advertisements affects job pursuit intentions. On a theoretical level, we contribute to the literature by introducing perceived person-reward fit (i.e., the extent to which job seekers perceive that a particular reward package matches their needs and expectations) as a new explanatory mechanism for the effects of specific reward information. On a practical level, our study offers key implications for organizations on how best to communicate attractive reward packages to prospective applicants.

Theoretical Background and Hypotheses

Information Specificity in Job Advertisements

Job advertisements (online or in print) are a key means for organizations to attract applicants (CIPD, 2009; Lievens & Harris, 2003). They provide information on various job and organizational characteristics that are taken into account when forming early judgments about potential employers (Chapman, Uggerslev, Carroll, Piasentin, & Jones, 2005). Several empirical studies have investigated the effects of providing more specific information in job advertisements, suggesting that higher specificity might lead to better recruitment outcomes. For instance, Barber and Roehling (1993) used a verbal protocol analysis to examine job seekers' reactions to job advertisements. They found that participants frequently commented on the adequacy of the information provided and that more negative comments were given on job postings that were low on information. Feldman, Bearden and Hardesty (2006) investigated the effects of specificity in different segments of the job advertisement, namely job information, company information, and work context. As expected, they found positive effects of specificity for all three sorts of information on outcomes such as the perceived informativeness, truthfulness, and appropriateness of the job advertisement.

Specificity of Compensation and Benefits Information

An important element of job advertisements contributing to their attractiveness for job seekers is the description of the compensation and benefits offered by the organization (Uggerslev, Fassina, & Kraichy, 2012). Theoretically, this information should matter to job seekers, given that compensation and benefits relate to the satisfaction of various human needs, ranging from the basic needs of food and shelter to more higher-level needs such as esteem and need for achievement (Rynes, 1987 as cited in Barber & Bretz, 2000). Accordingly, empirical

research (e.g., Barber & Bretz, 2000; Kaplan, Aamodt, & Wilks, 1991; Saks, Wiesner, & Summers, 1996) has found that providing compensation and benefits information can increase organization's attractiveness as an employer.

As prior research has pointed out the overall positive effects of providing more specific information in job advertisements, one might wonder whether the same is true for providing more specific compensation and benefits information, especially given the tendency for organizations to use only vague reward statements. Little empirical work has been done in this area, but some results suggest that a positive effect may be expected here as well. In their verbal protocol analysis of job advertisements, Barber and Roehling (1993) also manipulated the specificity of salary and benefits information. Analysis of the comments made by participants suggests that they noticed a lack of reward information and that this information was used to decide whether or not to apply for a position. Yüce and Highhouse (1998) found that ambiguous (versus explicit) pay information in 'help wanted' ads negatively affected student ratings of organizational attractiveness, but only when the total information value of the ad was low.

Therefore, we hypothesize that including more specific information about compensation and benefits in job advertisements will increase job seekers' intentions to pursue a job opportunity, especially when the reward package, regardless of its specificity, can be considered attractive. We extend prior studies by distinguishing between increasing levels of specificity (see method section) and by investigating person-reward fit as an explanatory mechanism (see next section). In addition, to overcome the limitation of prior research conducted in samples of undergraduate students (Barber & Roehling, 1993; Yüce & Highhouse, 1998), we test our hypotheses among actual job seekers, mostly with extensive prior work experience.

H1: Higher specificity of compensation and benefits information in job advertisements will

positively affect job pursuit intentions.

Person-Reward Fit as a Mediator of Compensation and Benefits Specificity

To explain the effect of reward information specificity on job pursuit intentions, we draw from a person-environment fit perspective. Person-environment fit models have been used to explain differences in attraction to industries, organizations, vocations, jobs, supervisors, and groups (De Goede, Van Vianen, & Klehe, 2011; Kristof, 1996; Kristof-Brown, Zimmerman, & Johnson, 2005). Person-environment (P-E) fit is defined as ‘the compatibility between an individual and a work environment that occurs when their characteristics are well matched’ (Kristof-Brown et al., 2005, p. 281).

This compatibility may relate to different areas. Early approaches to fit have focused on the match of people’s knowledge, skills, and abilities (KSAs) with the requirements of the job. More recently, conceptualizations of fit as needs-supplies fit and value congruence have received increased attention (Bretz & Judge, 1994; Bretz, Rynes & Gerhart, 1993). By taking a broader perspective on fit, the domain of person-environment fit has been divided into several more specific sub-areas. Examples include person-organization fit, person-job fit, person-vocation fit, and person-group fit (see Kristof-Brown et al., 2005 for a review). These distinct types of person-environment fit have been used to explain why some applicants or employees feel more inclined to pursue a job at a certain employer, intend to quit the organization, or are more committed (Carless, 2005; Judge & Cable, 1997; Kristof-Brown et al., 2005). Although job seekers may find it hard to assess their fit with an environment with which they have no direct experience, perceptions of anticipated fit have been proven to be a strong predictor of applicant attraction even at the early stages of the recruitment process (Uggerslev et al, 2012).

In this study, the role of P-E fit in explaining the relationship between the specificity of

compensation and benefits information and potential applicants' job pursuit intentions is examined. The reasoning is that more specific and detailed information in job advertisements allows readers to form a more accurate judgment about the content of the job and the organization and thus allows for stronger fit perceptions (Roberson et al., 2005; Saks & Ashforth, 1997). Presented with low-specificity job information, applicants will not be able to detect whether or not their personal preferences and characteristics fit well with the characteristics of the job. On the other hand, presented with specific job information, applicants will be able to form a good idea of what the job or organization looks like and whether this fits with what they want.

It can be expected that different kinds of specific information will mostly affect corresponding distinct types of fit. For instance, specific job information is likely to influence person-job fit whereas specific co-worker information might impact person-group fit. Along these lines, Roberson et al. (2005) observed that more specific organizational information directly affected person-organization fit perceptions. Similarly, we propose that more specific reward information is likely to directly influence perceptions of person-reward fit. Person-reward fit is defined as the degree to which job seekers perceive that a compensation and benefits package fits with their personal characteristics and expectations, and will fulfill their needs (Rynes, 1987). This conceptualization thus combines the KSA orientation and the needs-supplies orientation to fit, yet not a value congruence orientation (Saks & Ashforth, 1997). By excluding value congruence from the definition of person-reward fit, it is possible to examine the subsequent relationship of person-reward fit with such broader organizational values (see the next section).

Consistent with earlier research (e.g., Roberson et al., 2005), we propose that person-reward

fit perceptions will mediate the relationship between the specificity of compensation and benefits information and intention to pursue the job. More specific information will enable job seekers to better assess whether the offered reward package meets their expectations and needs. Concretely, if a job ad only contains vague information about compensation and benefits, job seekers will not be able to get a good idea about if and how a reward package will satisfy their needs and expectations. On the other hand, if specific reward information is provided, this can be used to more accurately determine the degree of person-reward fit. Given that we examine how organizations might best communicate *positive* compensation and benefits information in job advertisements to attract high-level candidates, we expect that higher reward specificity will lead to higher perceptions of person-reward fit, and subsequently to higher job pursuit intentions.

H2: Higher specificity of compensation and benefits information in job advertisements will positively affect perceptions of person-reward fit.

H3: Perceived person-reward fit will mediate the effect of compensation and benefits specificity on job pursuit intentions.

Fit with Rewards as Signal for Person-Organization Fit

Research has consistently found that perceptions of fit with the values of the organization (i.e., value congruence) is linked to organization attractiveness, even for job seekers that have no direct experience with the organization (Uggerslev et al., 2012). This means that job seekers use information sources during the recruitment process to infer organizational values (Saks & Ashforth, 1997). Thus, compensation and benefits practices communicated in the job advertisement might be used as an indication for other, broader organizational characteristics (Kuhn, 2009; Rynes, 1991). Along these lines, Rynes (1987) suggested that compensation and benefits are informative about “an organization’s philosophy, values, and practices” (p. 190).

The theoretical framework to explain these effects is signaling theory (Spence, 1973). In the event of information asymmetry between sender and receiver in a communication situation, a piece of information communicated by the sender may be interpreted by the receiver as a signal of something else (Connelly, Certo, Ireland, & Reutzel, 2011). In the context of job advertisements, signaling theory suggests that, in the absence of direct information, job seekers use other information to make inferences about unknown characteristics of a firm (Celani & Singh, 2011). For instance, Cable and Graham (2000) showed, using a field study and a policy-capturing methodology, that a company with a higher pay level is perceived as having a better reputation. These inferences, in turn, have an effect on job seekers' perceived fit with the organization (Celani & Singh, 2011). In other words, signaling theory predicts that job seekers will use any available information to make inferences about elements on which there is little or no direct information and these deductions will give rise to perceptions of person-organization fit. For instance, Kuhn (2009) found that an organization advertising a bonus based on individual performance was perceived as having a more individualistic culture, whereas a company advertising bonuses based on team performance was thought of as more collective.

These results suggest that perceptions of fit with the reward system may also indicate perceived fit with the value system of the organization. Person-reward fit thus allows job seekers to form better judgments about person-organization fit and these fit perceptions will at least partly explain the effect of person-reward fit on job pursuit intentions.

Hypothesis 4: The relationship between person-reward fit and job pursuit intentions will be (partially) mediated by person-organization fit.

Figure 1 summarizes this study's variables and their proposed relationships.

<<<Insert Figure 1 about here>>>

Method

Sample

An invitation to participate in the study was sent, via email, to 5,781 job seekers who registered in the online database for spontaneous applications of a large recruitment agency, based in Belgium. Participants were the newly joined job seekers that registered in the database between January and August 2011. Judging by the fact that they recently registered themselves in the database of a recruitment agency, they all had recent experience in at least some form of job search behavior. An explicit goal was to obtain a relevant sample (Shen et al., 2011) and only include actual job seekers, most of them with prior working experience.

364 job seekers participated in the study, accounting for a response rate of 6%. According to the recruitment company, this response rate is not unusual for an online survey. Respondents that did not complete the entire survey or used less than 2.5 minutes, as this was found to be the minimum amount of time needed to go through the material and complete the survey, were dropped for further analysis. Respondents for whom the dependent variable could not be calculated due to missing values were also removed. This left us with 283 usable responses.

Our sample predominantly consisted of senior job seekers, with an average work experience of 16.8 years ($SD=9.96$) and an average age of 40.94 years ($SD=9.97$). About a third (33%) was female and 85% had the Belgian nationality. Participants were mainly Dutch speaking (66%). Most participants indicated that they were currently employed (85.2% provided specific information on current job characteristics). A variety of functional domains were represented: HR, marketing, and general management (45.6%), commercial (16.6%), financial (6.7%), technical (4.2%), ICT (3.9%), and 'other' (23.0%). In addition, participants worked in diverse industries including consultancy (11.7%), corporate services (11.3%), retail (7.4%), chemical

(7.1%), ICT (7.1%), finance (6.4%), food (4.6%), transportation (3.2%), publishing (2.5%), telecom (2.5%), assemblage (2.1%), and 'other' (33%).

Study Design and Experimental Conditions

The recruitment agency sent out an invitation to participate via email. This email contained a short text inviting recipients to participate in a research project on the effectiveness of recruitment and a link to the online study materials. In the general instructions, participants were asked to read the job advertisement and act as if it could be an advertisement of interest. However, it was explicitly mentioned that the advertisement they were about to see was not related to an actual vacancy.

After completing some demographic items, participants were presented with a job advertisement, which included information on the company, responsibilities in the function, and qualification criteria. At the bottom of the advertisement, the compensation and benefits information was included. This is a standard design for a job ad in newspapers or online job boards. The content of the job ads was deliberately generic, in order to appeal to all types of job seekers that are part of the target sample. Furthermore, to enhance realism, three different versions of the job advertisement were designed, for different levels of experience, to include job characteristics that would appeal more to job seekers of different experience levels. Therefore, participants first completed the demographics part of the survey, including a question on seniority, and were then directed to an entry-level/professional (0-4 years of experience), middle management (5-9 years), or senior management (10+ years) version of the job advertisement (an example is provided in the Appendix). As mentioned above, the sample consisted primarily of senior management job seekers (75%), and less of entry-level (18%) and middle management (7%) job seekers.

Within these experience cohorts, all participants received the same version of the job advertisement. Keeping all elements (other than the compensation and benefits information) constant should avoid attribute set size effects (Yüce & Highhouse, 1998). Furthermore, all advertisements had a word count of more than 100 words, which should be sufficient to rule out a simple word-count effect to explain potential differences between conditions (Roberson et al., 2005).

Only the compensation and benefits information was different, based on the experimental condition to which a participant was randomly assigned. On the basis of methodologies applied in previous studies (Barber & Roehling, 1993; Roberson et al, 2005; Yüce & Highhouse, 1998), four conditions were designed to vary on the specificity of the provided pay and benefits information. By designing four different condition we were able to capture the effects of increasing levels of specificity in compensation and benefits information. The following conditions were used:

No reward information condition (control group).

An attractive salary and benefits (vague condition).

We offer a salary in line with the market, with variable elements based on individual and organizational performance. In addition, we offer benefits related to work-life balance, mobility, retirement, and protection against risks together with other tax-friendly benefits (more specific condition).

We offer a base salary ([€6,000-€8,000] gross, depending on experience) with annual increases based on performance. The base salary is supplemented by variable elements based on individual and organizational performance (target at 20 percent of annual salary). Additional benefits are offered including flexible working hours, 28 vacation days, pension

plan with life insurance, hospital insurance, lease car with fuel card, cost allowance, and meal vouchers (most specific/number condition, example for senior management level).

Pay ranges in the number condition were different, depending on the work experience of the participant, corresponding with the three versions of the job advertisement described earlier. The pay ranges were defined by the recruitment agency with whom we collaborated to reach the target sample. This agency, which is also active as a provider of salary surveys, advised to use three broad ranges in gross salary: €2,200-€3,000 (entry/professional level), €3,500-€5,500 (middle management), and €6,000-€8,000 (senior management). Pay ranges were based on percentile 25 and 75 of pay levels (across industries) for the specific function level and age ranges. Figures were rounded, as is customary in real job advertisements. For developing the benefit package in the most specific condition, the agency with whom we worked to collect the data, was consulted as well. In Belgium, fairly extensive benefits are typically offered, even for entry-level jobs. In addition, the kind of benefits offered by an organization does not usually vary with experience level. Therefore, the list of benefits was kept the same for the three versions of the job advertisement, except for the ‘lease car with fuel card’ and a ‘cost allowance’, which were excluded for the least experienced (‘entry level’) group.

Pilot Study

A pilot study was conducted to assess the internal and external validity of our stimulus materials and to exclude some possible alternative explanations for our findings. We wanted to make sure that the different compensation and benefits statements that we developed would be perceived as significantly different in terms of information specificity as we intended, but as equally attractive and realistic. To this end, we relied on a sample of subject matter experts consisting of compensation and benefits managers associated with a Belgian research center on

strategic rewards. Of the 56 invited managers, 22 agreed to participate in a short online survey (68% male; mean age=41.91 years, $SD=7.34$; mean professional experience=15.82 years, $SD=5.52$). Participants were randomly assigned to either the vague, the more specific, or the most specific/number compensation and benefits package described above. One-item scales were used to measure the specificity ('specific'), attractiveness ('attractive'), and realism ('realistic') of the reward statements on a five-point scale ranging from 1 = 'strongly disagree' to 5 = 'strongly agree'. Given that the sample of our main study consisted predominantly of senior-level job seekers, participants were provided with the senior management versions of the reward statements.

Table 1 summarizes the results of the pilot study. Consistent with our intended operationalization, the three conditions were perceived as significantly different in terms of specificity, $F(2,19)=11.51$, $p=.001$. Post hoc tests indicate that the more specific reward statement was seen as more specific than the vague statement, and that the most specific/number statement was seen as more specific than both the vague and more specific statements. Importantly, the three compensation and benefits packages were not significantly different in terms of attractiveness, $F(2,19)=1.12$, $p=.346$, and realism, $F(2,19)=1.62$, $p=.224$.

<<<Insert Table 1 about here>>>

Translations

We prepared all survey materials in three languages, Dutch, French, and English, and participants could choose the language that suited them best. An original version was designed in English, after which native speakers (French and Dutch) made the translations. All languages were subsequently checked by native speaking subject-matter experts (i.e., compensation and benefits managers) to ensure the quality and validity of the translations.

Measures

Respondents used a five-point scale to indicate their level of agreement with the items, ranging from 1 = 'strongly disagree' to 5 = 'strongly agree'.

Job pursuit intention. Five items from Highhouse, Lievens, and Sinar (2003) were used to assess job seekers' intention to pursue the job opportunity. The items were: 'I would make this company one of my first choices as an employer', 'I would accept a job offer from this company', 'If this company invited me for a job interview, I would go', 'I would exert a great deal of effort to work for this company', and 'I would recommend this company to a friend looking for a job'. Reliability for the scale was good, with Cronbach alpha at .87.

Person-reward fit. Person-reward fit concerns the extent to which a job seeker perceives a proposed reward package to match her/his needs and expectations (Rynes, 1987). A four-item measure was constructed, analogous to the person-job fit scale from Saks and Ashforth (1997). The items were 'My knowledge, skills, and abilities match the reward package and system proposed for this job', 'The reward package and system fulfill my needs', 'The reward package and system are a good match to my expectations', and 'The reward package and system will enable me to live the life I want'. The scale's reliability was high, with Cronbach alpha at .92.

Person-organization fit. The degree to which job seekers felt they fitted into the organization was measured with two items from Judge and Cable (1997). These items were 'The values and 'personality' of this organization reflect my own values and personality' and 'My values, goals, and personality 'match' or fit this organization and the current employees in this organization'. Reliability for the scale was good ($\alpha=.86$).

Test of measurement model. To demonstrate the discriminant validity of our measures, we conducted several confirmatory factor analyses. First, a three-factor model in which job pursuit

intention, person-organization fit, and person-reward fit represented distinct factors, was tested ($\chi^2(41)=71.88$, $p=.002$; RMSEA=.05; CFI=.99; BIC=212.84; AIC=121.88) and compared to a two-factor model in which the two fit variables were combined into a single factor ($\chi^2(43)=364.12$, $p<.001$; RMSEA=.16; CFI=.85; BIC=493.80; AIC=410.12). The three-factor model showed superior fit over the two-factor model ($\Delta\chi^2(2)=292.24$, $p<.001$), demonstrating discriminant validity. Then, a one-factor model was fitted combining all items of PR-fit, PO-fit, and job pursuit intention. This one-factor model showed an inferior fit ($\chi^2(44)=788.61$, $p<.001$; RMSEA=.25; CFI=.64; BIC=912.66; AIC=832.61), suggesting common-method bias was not a major concern (Podsakoff & Organ, 1986).

Manipulation Check

To assess the effectiveness of the between-participant manipulations in our main study, an additional item was included at the end of the survey, asking participants to evaluate the completeness of the reward information in the job advertisement they saw on a five-point scale. An ANOVA testing the effect of specificity condition on perceived completeness indicated that the manipulations worked as expected ($F(3, 274)=51.39$; $p<.001$). Post-hoc comparisons show that the job advertisement in the number condition was perceived as more complete ($M=3.27$, $SD=1.07$) than the advertisement in the more specific condition ($M=2.13$, $SD=.95$), which in turn was seen as more complete than either the vague ($M=1.63$, $SD=.80$) or no reward information ($M=1.64$, $SD=.80$) conditions.

Analysis

The analytical method proposed by Hayes and Preacher (2014) is applied to test mediation with a categorical (non-dichotomous) independent variable, with four conditions (k-1 recoded variables with effect coding). This method provides an OLS-regression approach, using

bootstrapping, for estimating the indirect effect, rather than judging this effect based on a series of null-hypothesis testing to infer full or partial mediation (for an example, see Lenton, Slabu, Sedikides and Power, 2013). In our study, this estimate should be interpreted as the indirect effect of being in a certain reward specificity condition on job pursuit intention, via person-reward fit, relative to the mean. It has been argued, that this sort of quantitative interpretation of indirect effects is superior to qualitative interpretations, such as ‘full’ versus ‘partial’ mediation (Hayes, 2009; Preacher & Kelley, 2011).

In the results, both this estimation of the indirect effect and the traditional causal steps approach for mediation (Baron & Kenny, 1986) are reported.

Results

Table 2 shows the means, standard deviations, and bivariate correlations for all study variables. Given that significant correlations are found for language, it will be taken into account as a control variable in all further analyses. In addition, given that different versions of the advertisement were used for job seekers of different seniority levels, all analyses control for seniority level as well. Two dummy variables were created for each covariate, with ‘Dutch’ and ‘entry-level’ as respective reference levels. Table 3 shows the average scores per experimental condition for the dependent variable and for the two mediating variables in the model.

<<<Insert Table 2 and Table 3 about here>>>

The first hypothesis concerns the direct effect of specificity on intention to pursue. The results of a regression analysis presented in Table 4 show that only the most specific (i.e., number) information condition has a positive effect on job pursuit intention ($B=.18, p=.014$). No significant effect of the other conditions on job pursuit intention are found. Therefore, the first hypothesis is only partially supported.

<<<Insert Table 4 about here>>>

Hypothesis 2 addresses the direct effect of the specificity of the compensation and benefits information on perceptions of person-reward fit. The second regression analysis in Table 4 finds a negative effect on person-reward fit in the vague information condition ($B = -.24, p = .003$), a marginally significant positive effect in the more specific condition ($B = .16, p = .055$), and a positive effect for the number condition ($B = .46, p < .001$). Thus, Hypothesis 2 is largely supported.

Hypothesis 3 concerns the mediating effect of person-reward fit between specificity and intention to pursue. First, a causal steps method is used to assess mediation (Baron & Kenny, 1986). Here, the focus is on the difference between the direct effect of specificity on job pursuit intention, and the effect of specificity on intention to pursue when person-reward fit is controlled for. These regression analyses are summarized in Table 4. As already noted, we find significant effects of specificity on job pursuit intention and person-reward fit. Next, when person-reward fit is introduced in the model, the effect of specificity on job pursuit intention is no longer significant, whereas person-reward fit is a strongly positive predictor ($B = .46, p < .001$), suggesting full mediation.

Second, a more adequate way to test this mediation effect is via the approach described by Hayes and Preacher (2014), for which the results are provided in Table 5. The unstandardized coefficients show a negative mediation effect of person-reward fit for the vague condition (-.11) and positive mediation effects in the more specific (.07) and number conditions (.22), with bootstrapped confidence intervals excluding zero. In other words, using very specific (number) information on compensation and benefits accounts for a difference of .22 (on the five-point scale) in job pursuit intention compared with the mean score, due to the effect of the very

specific information through person-reward fit. These results are supportive of Hypothesis 3.

<<<Insert Table 5 about here>>>

Finally, Hypothesis 4 proposes that person-organization fit mediates the relationship between person-reward fit and job pursuit intention. Table 6 shows the results of the regression analyses conducted to test this mediation following the causal steps procedure. First, person-reward fit significantly predicts job pursuit intention ($B=.43, p<.001$). Additionally, person-reward fit is significantly related to person-organization fit ($B=.41, p<.001$) and a model including both person-reward fit and person-organization fit as predictors of job pursuit intention shows that the coefficient of person-reward fit ($B=.25, p<.001$) is lower than in the model without person-organization fit, although still significant. This would lead to a qualitative evaluation of ‘partial’ mediation. This result is supported using Hayes and Preacher’s (2014) bootstrapping method. The estimated indirect effect of person-reward fit on job pursuit intention through person-organization fit is significant at .18 ($LLCI=.135; ULCI=.281$). Thus, the data are supportive of Hypothesis 4.

<<<Insert Table 6 about here>>>

Discussion

Main Conclusions

The results are generally supportive of a positive effect of including more specific information on attractive compensation and benefits in job advertisements on job pursuit intentions. Specifically, it is shown that increasingly specific reward information is associated with stronger perceptions of person-reward fit, and consequently, with higher intentions to pursue a position. The greatest positive effect was observed for the most specific reward information, including actual pay ranges and explicit listing of benefits, which directly affected

job pursuit intentions. However, we also found a negative indirect effect for providing vague reward information and positive indirect effects for the more and most specific conditions. This means that person-reward fit significantly explains the relationship between reward specificity and intention to pursue, even in the conditions where the direct relationship is not statistically significant (Hayes & Preacher, 2014; Zhao, Lynch & Chen, 2010). Thus, our results extend previous research on specificity in job advertisements (Roberson et al., 2005) and show that a fit perspective is a useful avenue for explaining the effects of differences in information quality (i.e., specificity) of attractive reward packages on organizational attraction.

Furthermore, the results are supportive of the introduced concept of person-reward fit. Parallel with other specific types of P-E fit during the recruitment process, such as person-job fit (Uggerslev et al., 2012), we found that job seekers' perceptions of how the reward package fits with their personal needs predicts their job pursuit intentions. In addition, the results show that the positive effect of person-reward fit is partially mediated by perceptions of person-organization fit. In other words, the extent to which applicants see the compensation and benefits information as appropriate also influences the extent to which the organization's values and culture are perceived as 'fitting'. This indicates that compensation and benefits information might be used by potential applicants as a signal for other organizational features and that information on compensation and benefits may have effects beyond the realm of reward perceptions (Connelly et al., 2011).

Limitations and Directions for Future Research

There are limitations to this study that need to be acknowledged. First, on a methodological level, this study attempts to optimize external validity. Although the study employs an experimental methodology, the relevant sample (actual job seekers with working experience) and

the use of generic, yet realistic job advertisements and collaboration with a recruitment agency contribute to the generalizability of the results. Notwithstanding these efforts, external validity remains an issue that can never be fully remedied in an experimental approach. Second, by using self-report measurement of both the dependent and the mediating variables, common-method bias could possibly be an issue. However, we do argue that self-reported data are appropriate given the private nature of the measures (Chan, 2009) and the indications of construct validity of the various measures (Conway & Lance, 2010), in terms of strong reliabilities and adequate factor structure indices found using CFA. A final limitation of the study is the exclusive focus on compensation and benefits. While this addresses the lack of research on the topic, other job and organizational factors are important as well and pieces of information in a job advertisement may interact (Mathews & Redman, 1998).

In addition, this study focused solely on the use of job advertisements to communicate attractive (i.e., at least in line with the market) compensation and benefits packages in the recruitment of high-profile candidates. Future research is needed to explore the effects of being specific about less favorable reward offers. Following a person-reward fit perspective, it is reasonable to assume that being explicit about unfavorable compensation and benefits may result in lower perceived fit and intention to pursue. However, the realistic job preview literature suggests that being explicit about unfavorable properties of a job can also have beneficial effects for the organization (Earnest, Allen and Landis, 2011). For instance, applicants might be able to spot the mismatch between their own expectations and what the company is offering sooner and could thus remove themselves from the recruitment process early on.

Furthermore, although there is limited research on this topic, there seem to be cultural differences in attitudes and practices concerning compensation information in general (Colella,

Paetzold, Zardkoohi & Wesson, 2007) and the compensation and benefits information in job advertisements in particular (Gorenack et al., 2010). For instance, researchers found that job advertisements in Slovenia and Germany usually do not include specific compensation and benefits information, but rather include vague phrases or no information at all. For the United Kingdom, on the other hand, these authors reported that a more specific pay level or range is typically given (Gorenack et al., 2010). Although we are not aware of any formal research, anecdotal evidence suggests that Belgium (where our study was conducted) is more closely aligned with practice in Germany and Slovenia than with the UK. For instance, a sample online job search (www.jobat.be) for a generic ‘project leader’ position in Belgium generated 14 job advertisements, all of which contained typical compensation and benefits phrases such as: “An attractive salary with fringe benefits”, “A market oriented compensation, including a range of fringe benefits”, and “An attractive salary package, in line with your level of responsibility”. None of them mentioned a specific pay level or pay range, even though benefits were sometimes further specified. Therefore, we urge future researchers to take these cultural differences into account and to investigate the role of reward information specificity in various cultural contexts.

Lastly, whereas we focused on pre-hire attitudes, future research could further explore whether the specificity in compensation and benefits information also relates to post-hire attitudes such as job satisfaction and satisfaction with the reward package in particular. Building on the realistic job preview literature (e.g., Meglino, Ravlin, & DeNisi, 2001), it could be expected that more specific reward information leads to a more accurate assessment of person-reward fit, which would reduce the chance of unmet expectations once the person has accepted the job. Thus, higher job and reward satisfaction and lower turnover intentions could be hypothesized.

Implications for Practice

This study also holds implications for HR practitioners who are tasked with recruiting scarce, high-profile candidates. Consistent with previous research, this study shows that giving more information in job advertisements increases the attractiveness of the job. Adding to previous work, the results highlight the importance of including relevant and specific information on attractive reward packages in job advertisements, especially in situations where competitive packages are provided.

Furthermore, it seems that the greatest potential benefit can be expected when using number information, including actual pay ranges. In addition, our findings indicate that it makes no sense to include vague reward information (e.g., ‘an attractive package’), as this was even negatively related to the extent people perceived a reward package to be adequate to fulfil their needs.

Moreover, it seems that compensation information in job advertisements is used by job seekers not only to form perceptions of the appropriateness of the compensation and benefits offer, but also as a basis to make inferences about broader organizational attributes. This should urge designers of job advertisements to include all relevant information on reward package and compensation systems and to aim for consistency between different parts in job advertisements.

In conclusion, the study shows that when attractive compensation and benefits are provided to attract top profiles, little can be won by being vague about it.

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Appendix

*Example of Job Advertisement***SENIOR MANAGER****Company**

Our client is a well-known and growing company in the services industry which has gained a dominant position in a future-oriented market.

Function

As a senior manager, you will be responsible for an important sub-unit of the company. In this capacity, you will:

- Lead a team (app. 15 people) to achieve results
- Be responsible for the financial results of your department
- Translate the corporate strategy into practice
- Represent your department towards the executive management

Profile

- You have substantive managerial experience
- You are entrepreneurial and ambitious, with the drive to achieve your goals
- You are an excellent leader, communicator and team player
- You have long term strategic orientation
- You have a good knowledge of the English language

Offer

We offer a base salary (€6000-€8000 gross, based on experience) with annual increases based on performance. The base salary is supplemented by variable elements based on individual and organizational performance (target at 20% of annual salary). Additional benefits are offered including flexible working hours, 28 vacation days, pension plan with life insurance, hospital insurance, lease car with fuel card, cost allowance, and meal vouchers.

Table 1

Results of Pilot Study

Variables	Specificity level						
	Vague (<i>n</i> =7)		More specific (<i>n</i> =6)		Number (<i>n</i> =9)		<i>N</i> =22
	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>	<i>F</i>
Specificity	1.43 _a	.54	2.83 _b	1.72	4.11 _c	.93	11.51**
Attractiveness	2.86 _a	.90	3.50 _a	1.05	3.56 _a	1.01	1.12
Realism	2.86 _a	1.22	3.17 _a	.75	3.67 _a	.71	1.62

Note. Means in the same row that do not share subscripts differ at $p < .05$ in Fisher's Least Significant Difference (LSD) post hoc comparison.

** $p < .01$

Table 2

Means, Standard Deviations, and Correlations of Study Variables

	<i>M</i>	<i>SD</i>	1	2	3	4	5	6	7	8	9
1. Language: French ^a	.20	.40	-								
2. Language: English ^a	.13	.34	-.20**	-							
3. Seniority level: Middle ^b	.07	.25	-.10	.02	-						
4. Seniority level: Senior ^b	.75	.43	.05	-.01	-.47**	-					
5. Specificity: Vague information ^c	.26	.44	.00	-.07	-.03	.00	-				
6. Specificity: More specific information ^c	.24	.43	.05	.02	-.02	.01	-.33**	-			
7. Specificity: Number information ^c	.27	.44	-.05	.04	.03	-.00	-.36**	-.34**	-		
8. Person-reward fit	3.12	.79	.01	.05	.02	-.03	-.18**	.10	.32**	-	
9. Person-organization fit	3.15	.84	.11	.12*	.01	.00	-.05	.08	.02	.44**	-
10. Job pursuit intention	3.39	.74	.16**	.10	-.06	.07	-.10	-.03	.14*	.50**	.63**

Note. ^aControl variable language was dummy coded, with Dutch as the reference level. ^bControl variable seniority level was dummy coded, with entry-level as the reference level.

^cEffect coding was used to represent the categorical variable specificity, with the no information condition as the reference level.

* $p < .05$. ** $p < .01$. *** $p < .001$.

Table 3

Descriptive Statistics for Experimental Conditions

Condition	Job pursuit intention		Person-reward fit		Person-organization fit	
	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>
No reward information (<i>n</i> =67)	3.37	.78	2.77	.76	3.05	.82
Vague reward information (<i>n</i> =73)	3.26	.75	2.90	.84	3.05	.78
More specific reward information (<i>n</i> =67)	3.35	.75	3.31	.64	3.23	.76
Number reward information (<i>n</i> =76)	3.56	.67	3.61	.85	3.15	.79
Total (<i>N</i> = 283)	3.39	.74	3.15	.85	3.12	.79

Table 4

Main Effect of Specificity and Mediating Role of Person-Reward Fit

Independent variables	Job pursuit intention			Person-reward fit			Job pursuit intention		
	<i>B</i>	<i>SD</i>	β	<i>B</i>	<i>SD</i>	β	<i>B</i>	<i>SD</i>	β
Person-reward fit							.46***	.05	.53***
Vague information	-.11	.07	-.11	-.24*	.08	-.20*	.00	.06	.00
More specific information	-.05	.08	-.05	.16	.08	.13	-.12	.07	-.12
Number information	.18*	.07	.17*	.46***	.08	.39***	-.04	.07	-.03
Adj. R^2	.05**			.14***			.29***		

Note. Specificity was recoded using effect-coding, with the first level (no information) as reference. All models controlled for the effect of language and seniority level (each recoded in two dummy variables).

* $p < .05$. ** $p < .01$. *** $p < .001$.

Table 5

Indirect Effects of Specificity on Job Pursuit Intention Through Person-Reward Fit

Condition	95% CI ^a			
	<i>B</i>	<i>SD</i>	<i>LL</i>	<i>UL</i>
Vague information	-.11	.04	-.19	-.04
More specific information	.07	.04	.01	.14
Number information	.22	.05	.13	.31

Note. ^aBootstrap percentile intervals based on 10,000 samples.

Table 6

Mediating Effect of Person-Organization Fit

Step	Dependent variable	Independent variable(s)	<i>B</i>	<i>SE</i>	β	Adjusted
						R^2
1	Job pursuit intention	Person-reward fit	.43***	.04	.50	.28
2	Person-organization fit	Person-reward fit	.41***	.05	.44	.21
3	Job pursuit intention	Person-reward fit	.25***	.05	.29	.47
		Person-organization fit	.46***	.05	.48	

Note. All models controlled for the effect of language, seniority level, and specificity. All coefficients are unstandardized.

*** $p < .001$.

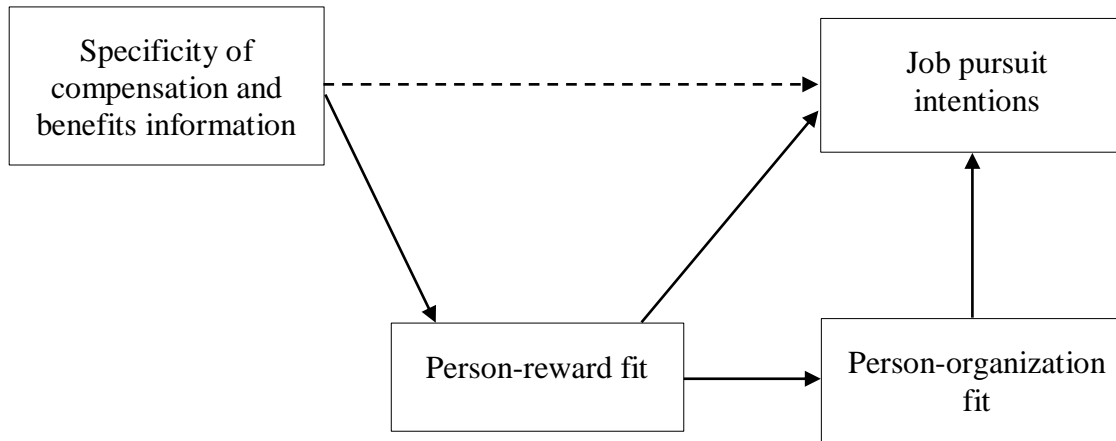


Figure 1. Conceptual research model.

Note. Dashed line indicates hypothesized fully mediated effect.