

# **Go, Stop, Yield: The Effect of Ethical Signals on Recruitment Outcomes**

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*The applicant decision making process is a complex one. During the recruitment process, signals from the organization provide information to the candidates and affect important recruitment outcomes. Ethics is one area the organization can utilize to communicate information regarding the organizational culture and environment. Drawing on signaling theory, the current research suggests that ethical signals during the recruitment process affect recruitment outcomes through the mediating effect of the perception of the organization as ethical. Using a longitudinal field study, this research tested various hypotheses regarding the relationship between ethical signals and applicant attraction to the organization at different stages in the recruitment process. Results showed that ethical signals (both organizational practices and recruitment practices) were positively related to organizational attraction; recruitment practices were partially mediated by the perception of the organization as ethical. Practical implications and areas for future research are discussed.*

## **INTRODUCTION**

Recruitment is a very complex process during which applicants can be affected by a variety of factors (Barber, 1998). Although the number of studies on recruitment has increased substantially over the last several years, we still do not fully understand why recruitment affects applicants in the manner it does (Breugh & Starke, 2000). Reviewers have been critical of research in this area claiming that it is, “poorly designed, narrow in focus, and not grounded in theory” (Breugh & Starke, 2000, p. 430). Other recruitment researchers have called for more research on what affects applicant decisions (Powell, 1984). One relatively under-studied variable that may be affecting applicant decisions is *ethics* of the organization.

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

In an attempt to address some of the above issues, the purpose of this study is to examine how ethical signals (i.e., organizational practices and recruitment practices) can affect applicant attraction to the organization through the mediating effect of perception of the organization as ethical. It is important for

researchers and practitioners alike to recognize that applicants consider the overall character of the organization (including ethics) when making job choice decisions. Ethical signals from an organization may cause the applicant to “go” (continue with the recruitment process), “stop” (end the recruitment process), or “yield” (slow down the recruitment process).

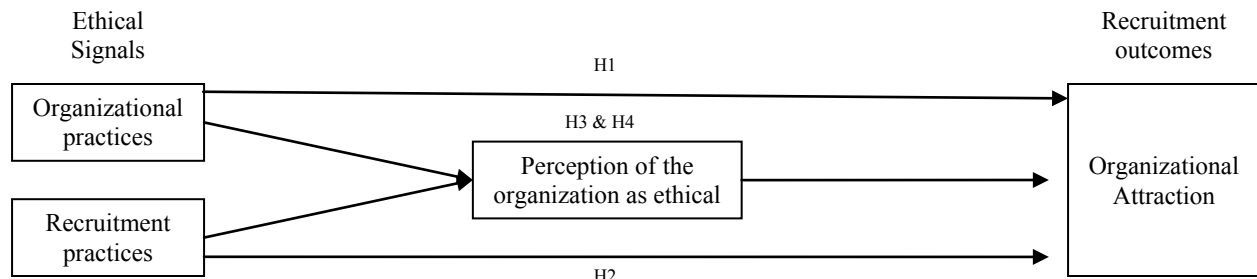
This study will contribute to the literature in several ways. First, it will fill a gap in the recruitment literature by helping researchers and practitioners understand more about the complex applicant decision making process. Second, it will answer a call for more research on applicant perceptions. Finally, it will respond to the need for more rigorous studies in ethics research (Trevino, Weaver, & Reynolds, 2006).

The basic research questions I intend to address are:

1. Do the ethical signals of organizations influence recruitment outcomes?
2. If so, why (i.e., is it through the mediating effect of the perception of the organization as ethical)?

Figure 1 delineates the model:

**FIGURE 1**



In the next sections, I will outline the literature findings in recruitment and ethics as well as describe how signaling theory can be utilized to better understand the relationship between ethical signals and recruitment outcomes. The purpose of this research is to better understand the consequences of ethical behavior of organizations in the recruitment context and to further develop and test a theory of ethical signals from organizations and their impact on applicants. Specifically, I will explore the influence of ethical signals on applicant attraction, as well as an important mediator of this relationship. In order to test my hypotheses, I will use a longitudinal field study of summer interns.

## **THEORY AND HYPOTHESES**

### **Recruitment**

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

Organizational attraction is a key variable in the literature on organizational choice (Bretz, Ash, & Dreher, 1989). Attraction is described as “people’s preferences for particular organizations...based upon an implicit estimate of the congruence of their own personal characteristics and the attributes of potential work organizations” (Schneider et al., 1995, p. 749). Attraction may change during the recruitment process and should be examined at different stages (application, selection, job choice) (Barber, 1998).

When making a job choice decision, the applicant will not have complete information and must choose based on that information which has been “signaled” by the organization. Signaling theory is rooted in economics and the work of Spence (1973, 1974). The theory posits that “in the absence of complete and accurate information, decision makers rely on observable factors or signals as substitutes” (Hannon & Milkovich, 1996, p. 417). Applicants are making a decision (to apply or accept a job) given imperfect information about the organization. As with the stock market, applicants have to make important decisions on where to “invest” time and/or money based on the limited information they are given from the organization during the recruitment period. Given the short amount of time spent with recruiters and other members of the organization (from several days at best to perhaps as little as a phone call), every piece of information counts, and it is vital that the organization relays positive information to the applicant if they want to remain attractive. The ethical or unethical behavior of an organization during the recruitment period can act as a signal to the applicant, affecting important recruitment outcomes such as attraction to the organization. Drawing on signaling theory, as the applicant learns more about the organization, perceptions change, and these changes affect subsequent recruitment outcomes. The following sections identify two clear ethical signals that are affecting the applicant: organizational practices and recruitment practices.

### **Ethical Signals**

A review of the ethics literature finds it to be a very broad topic, spanning every discipline from medicine to business to religion. The aim of the following sections is to explore the literature pertaining to ethics in the workplace, which is the focus of the current study.

First, it is important to understand what is meant by “ethical” behavior. Remembering that ethical action is on a continuum (Nicotera & Cushman, 1992), a seminal piece in the ethics literature defined an ethical decision as “both legal and morally acceptable to the large community,” while an “unethical decision is either illegal or morally unacceptable to the larger community” (Jones, 1991, p. 367). A recent review of ethics in organizations defines behavioral ethics as: “individual behavior that is subject to or judged according to generally accepted moral norms of behavior” (Trevino et al., 2006, p. 952). Both definitions recognize that ethical decisions and behaviors are affected by the norms of society; business ethics cannot be completely understood outside the realm of the social environment or culture (Payne & Giacalone, 1990; Trevino, 1986).

The interactionist perspective highlights the importance of both selecting “ethical” individuals and promoting an “ethical” environment. In Trevino’s (1986) article, she argued that ethical decision making is in fact an interaction of person and situation. She developed a model combining individual variables with situational variables in order to better understand ethical and unethical behavior in organizations. Individual differences (i.e., locus of control, hostility, aggression, Machiavellianism, ego strength, and field dependence) in isolation are not enough to explain ethical or unethical behavior (Beu & Buckley, 2004; Trevino, 1986; Victor & Cullen, 1988). The organization also plays a role in encouraging ethical or unethical behavior from its employees. Organizations have certain ethical practices and behaviors that shape their characters (Cullen, Victor, & Stephens, 1989). Employees face ethical dilemmas daily, and they often look for external cues, or signals, as to how to react (Trevino, 1990). Employees who commit unethical acts are sometimes simply responding to the cultural pressures to behave unethically (Trevino, 1990).

The effectiveness of the recruitment efforts by organizations is impacted by their ethical behavior. The choices that the organization makes during the recruitment process can provide signals to the applicant and affect applicant attraction to the organization (Boswell, Roehling, LePine, & Moynihan, 2003). Most would rather be in an organization that encourages ethical behavior and provides

consequences for unethical behavior (Trevino, 1990), and it is in the best interest of the organization to behave ethically, so that the signal of ethicality is relayed. Two ethical signals that will be explored in this study and are developed in more detail in the next sections are organizational practices and recruitment practices.

### *Organizational Practices*

Ethical or unethical organizational practices can act as a signal to applicants and affect their attraction to the organization. The job search process begins with an applicant's evaluation of information from sources such as media, advertisements, and friends (Gatewood et al., 1993). In fact, potential applicants tend to search recruitment materials and advertisements before deciding to apply (Barber, 1998). Organizations may choose to engage in activities that communicate information about themselves through mediums such as the media; this information can affect organizational perceptions and attractiveness to applicants (Barber, 1998). Using this information, the applicant makes an initial decision whether or not to apply and pursue employment opportunities with the organization (Gatewood et al., 1993). In their qualitative study, Rynes, Bretz, and Gerhart (1991) found that press coverage (including information regarding the organization's ethics) did influence some applicants' impressions. Applicants tend to be more attracted to organizations with more positive images (Barber, 1998). Some moral guidelines that have come to be expected from organizations include "protect[ing] the environment, adopt[ing] preventative measures to avoid environmental harm, and rehabilitat[ing] environments damaged by operations" (Frederick, 1991, p. 167). The following paragraphs outline some of the findings regarding organizational practices and recruitment outcomes.

An organization's concern for the environment can influence organizational attraction, intentions to apply, and job choice (Bauer & Aiman-Smith, 1996). Researchers have found that corporate social performance dimensions (measured by an external source) such as community relations, employee relations, and product quality are positively related to attractiveness as an employer (Turban & Greening, 1996). Applicants will pursue jobs with organizations that have a positive reputation (measured by 500 ratings), as they use the reputation to infer certain attributes of the job and pride from membership (Cable & Turban, 2003). Firms with positive reputations are able to attract more and higher quality applicants (Turban & Cable, 2003). Additionally, researchers have found work values to be related to job choice decisions (Judge & Bretz, 1992) and recruitment brochures containing statistical information supporting the organization's values to be positively related to potential applicants' attraction to the organization (Highhouse et al., 2002). Recognizing these relationships, organizations engage in practices to highlight their reputation, social responsibility, and values (Pirsch, Gupta, & Grau, 2007; Aiman-Smith, Bauer, & Cable, 2001). These studies have linked the public perceptions of certain activities of organizations with important recruitment outcomes.

The variables in these studies, however, have been quite broad and objectively measured. For example, Turban and Greening's (1996) definition of "corporate social performance" included a wide range of dimensions such as community relations, treatment of women and minorities, and quality of services and products that may or may not be related to ethical behavior of the organization. Additionally, Aiman-Smith et al. (2001) claim organizational image can include "good corporate citizenship, progressive labor practices, an emphasis on diversity, sponsorship of cultural activities, and pro-environmental practices" (p. 222). The Pirsch et al. (2007) study describes corporate social responsibility as having four components: economics, the law, ethics, and philanthropic activities. Finally, regarding the studies on values, the Judge and Bretz (1992) and the Highhouse et al. (2002) studies defined work values as achievement, concern for others, fairness, and honesty. Again, while some of these values would be considered to lie on the ethics continuum (i.e., honesty), others may not (i.e., valuing achievement). The previous research in this area has lacked precision. It has labeled values everything from justice to achievement. The current study has a much more explicit and concise definition and operationalization of the ethics construct.

Ethical organizational practices (as defined in the current study) are different than an objective reputation index or broad values measure. Organizations are actors (separate from the individuals in

them) who are capable of choosing ethical or unethical behaviors (Nicotera & Cushman, 1992). Ethical organizational practices send signals to applicants that positively affect applicant attraction to the organization.

*Hypothesis 1: Organizational practices are positively related to organizational attraction.*

### *Recruitment Practices*

The second ethical signal that applicants may receive during the recruitment period is recruitment practices. Recruitment practices can signal broader characteristics of the organization to the applicant; a negative experience during the recruitment process may even result in an elimination of the organization from the applicant's consideration (Joo & McLean, 2006; Rynes et al., 1991). Similarly, a positive experience may give the organization an advantage in an environment that is highly competitive for well-qualified candidates.

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

*Hypothesis 2: Recruitment practices are positively related to organizational attraction.*

### *Perceptions*

In order to understand *why* ethical signals influence recruitment outcomes, the model proposes the mediating effect of perceptions of the organization as ethical. Ethical signals give applicants cues that mold their perception of the organization, which then affects their attitudes. In their review of applicant perceptions of selection procedures, Ryan & Ployhart (2000) delineate the perceptions that have been studied in the organizational literature from 1985-1999, including perceptions of the interviewer, perceptions of the interview format, perceptions of fairness, and perceptions of interpersonal treatment, among many others. The authors call for research on different perceptions that may have outcomes that are important to the recruitment literature.

One perception that has not been studied is the applicant perception of the organization as ethical, the mediating variable in Figure 1. Additionally, Ryan and Ployhart (2000) call for more research exploring what could be determining applicant perceptions. In this study's model, I propose that the ethical signals from the organizational and recruitment practices are in fact determining perceptions of the organization as ethical. These perceptions, in turn, affect attraction to the organization.

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

*Hypothesis 4: The relationship between recruitment practices and organizational attraction will be mediated by applicant perception of the organization as ethical.*

## **METHODS**

### **Sample**

Participants were 99 graduate and undergraduate students at a large southwestern university who were on the job market for a summer internship. Seventy-seven percent were graduate students, while 23% were undergraduates. Forty-six percent were business majors, 25% were government, 10% were engineering, 9% were education and the remaining participants were veterinary medicine (4%), health (2%), communication (1%), economics (1%), sports management (1%), and architecture (1%) majors. The average age was 24 years, and the mean work experience was 5 years. About 53% of the sample was female. Seventy-seven percent of the sample was Caucasian, 13% was Asian, 7% was Hispanic, and 3% was African American. The participants applied for an average of 8.69 jobs, received 4.24 interviews, attended 3.82 interviews, attended 1.20 office visits, and received 1.75 offers for an internship. Eighty-eight percent of the participants completed time 2 of the study, and 84% completed time 3.

Some participants were recruited with a face-to-face presentation of the study by the primary investigator. Other participants were recruited via e-mail with the help of department advisors. In exchange for their participation, some participants were offered extra course credit (when available); all participants were entered in a drawing for over \$800 in gift cards (over the entire study period). A sample of interns is fitting in order to better understand the actual influence of ethical signals on applicant attraction because the internship is the perfect opportunity for the applicants to gather more ethical information about the organization (both positive and negative) and make a more informed decision about potential employment. Additionally, interns enter the organization for a pre-determined short period of time (approximately 3 months), experience the ethics of the organization first hand, and then leave the organization. Some interns may leave the organization on good terms with an offer for full-time employment in hand. In this case, interns may choose to accept the offer or continue the job search. Other interns may leave on negative terms without an offer. In this case, they must re-enter the applicant pool. Either way, this is a rich data set that can assist researchers in answering many questions regarding the effect of organizational ethics on applicant attraction. In an attempt to measure ethical activities, this study followed participants through the entire job search process: before they started their internship, during their internship, and following their internship.

### **Procedures**

Data was collected over 3 periods of time. At time 1, participants completed a survey regarding their demographics, socially desirable responding (SDR), job search success, ethical signals during the recruitment period, perceptions of the organization, and attraction. Time 2 surveyed the participants during their internship and asked questions regarding ethical signals, their perceptions of the organization as ethical, and attraction to the organization. The final survey at time 3 was administered after the internship was completed. The participants were again asked about their perceptions and attraction to the organization. They were also asked to answer questions regarding their job choice behaviors (i.e., received job offer, acceptance, etc.).

### **Measures**

#### *Organizational Practices*

In Time 1, organizational practices were measured with two items: "This organization mentioned their involvement in 'corporate social responsibility' activities such as being environmentally conscience" and "This organization used the internet to describe their ethical activities." Participants answered on a scale from 1 (strongly disagree) to 5 (strongly agree). The alpha for this scale was .58. Time 2 organizational practices were measured with four items. A sample item was: "Ethical behavior is

rewarded in this organization.” The alpha for this scale was .61, and the participants answered on the same Likert scale from 1 to 5.

#### *Recruitment Practices*

In Time 1, the recruitment practices scale consisted of two items. The items were: “During the interview, the recruiter asked me questions about my ethics” and “This organization used marketing materials such as brochures and handouts to describe their involvement in ethical activities.” The alpha for this scale was .44. In Time 2, recruitment practices were measured with four items (alpha = .86). A sample item was, “Given what I now know, I believe this organization’s recruitment process was ethical.” Both scales were answered using a Likert scale from 1 (strongly disagree) to 5 (strongly agree).

#### *Applicant Attraction to the Organization*

Applicant attraction to the organization was measured using Judge and Cable’s (1997) three-item scale which has been found to have an internal consistency of .85. A sample statement is: “rate your overall attraction to this organization.” Participants answered on a scale from 1 (not attracted) to 7 (very attracted). Alpha for the current study was found to be .90.

#### *Perception of Organization as Ethical*

In Time 1, perception of the organization as ethical was measured with one overall item: “This organization is concerned with ethical practice.” Participants answered on a 5-point scale from strongly disagree (1) to strongly agree (5). In Time 2, it was measured using two items, including “To what extent do you perceive this organization to be ethical?” Participants answered on a 5-point Likert scale from a small extent (1) to a large extent (5). The alpha for these two items was .86. In Time 3, perceptions were measured with four items (alpha = .87). A sample item is: “To what extent do you perceive the organization to be ethical?” Answers were on a Likert scale from 1 (to a small extent) to 5 (to a large extent).

#### *Controls*

I controlled for socially desirable responding (SDR) because participants who are high in SDR may be more likely to give more socially acceptable and “ethical” responses. Socially desirable responding was measured using Crowne and Marlowe’s scale (1960). Sample items include, “I am always careful about my manner of dress” and “I like to gossip at times.” I also controlled for job search success, measured by the number of internship offers received because if job search success is low (i.e., one only receives 1 internship offer), attraction will likely be high.

## **RESULTS**

### **Analyses**

Table 1 in Appendix A contains the correlation matrix and descriptive statistics for the study variables.

#### *Hypothesis Tests*

As shown in Table 2, organizational practices were positively related to attraction to the organization at both Time 1 ( $t=3.00, p<.01$ ) and Time 2 ( $t=2.67, p<.01$ ). This supports Hypothesis 1. Recruitment practices were also positively related to attraction to the organization in time 1, ( $t=1.68, p<.10$ ) and time 2 ( $t=3.95, p<.01$ ). This provides support for Hypothesis 2. The control variables, socially desirable responding and job search success, were not significantly related to the dependent variable, so they were not included in the model.

In order to test for mediation, I used the Baron and Kenny (1986) method. See Table 3 for results. First, I tested the relationship between the independent variables (organizational practices and recruitment practices) and the proposed mediator (perception of the organization as ethical). The relationship was

only significant for the recruitment practices-perception variables. Organizational practices were not significantly related to perception of the organization as ethical in Time 1 ( $t=1.25$ , n.s.) or Time 2 ( $t=1.54$ , n.s.). Further mediation analysis was not performed for organizational practices. Thus, Hypothesis 3 was not supported. Continuing with the recruitment practices mediation analysis, the next step was to determine if recruitment practices were related to attraction. This significant relationship can be found in step 1 of Table 3. Time 1  $t=2.74$ ,  $p<.01$ ; time 2  $t=5.40$ ,  $p<.01$ . Finally, the last step in the mediation analysis was to determine if the effect of recruitment practices on attraction after controlling for perceptions. As is seen in step 2 of Table 3, the effect of recruitment practices is reduced after controlling for perceptions of the organization as ethical. Time 1 beta is reduced from .28 to .20, and time 2 beta is reduced from .51 to .20. Neither are significant at the  $p<.01$  level, as was the case in step 1 of the analysis. Taken together, this provides support for Hypothesis 4.

Table 3 also shows that perceptions of the organization as ethical was related to attraction in Time 3 ( $t=5.21$ ,  $p<.01$ ). Additional qualitative analyses were performed in order to explore the role ethics played in the applicant's job choice. Results showed that ethics was either "very important" or "extremely important" when choosing a job to 94% of the participants. In addition, for those who had already made a job choice at Time 3, 66% agreed or strongly agreed that ethics of the organization played a part in their job choice and 73% agreed or strongly agreed that they considered ethics when choosing the organization. When asked to rank the importance of nine items in their job choice decision, ethics was ranked number 5 overall (behind people, salary, job duties, and location). Interestingly, ethics was ranked above benefits, corporate performance, industry, and size of the organization, many of which have been found to be important for job applicants. For example, firm performance, or profitability, has been found to be related to both reputation and attractiveness as an employer (Cable & Graham, 2000; Turban & Greening, 1997). If performance is high, applicants will be more attracted to the organization. If ethics is ranked above performance, it may play a more vital role than previously thought. See Appendix B for data.

Finally, some participants offered insights into how ethics affected their job choice:

"When deciding on whether or not to accept the offer, I spoke with my parents. One thing that my mother emphasized was how well I was treated during my internship and how honest and open they were with the process. I believe that I will work in an ethically sound environment with this company" (female graduate business major).

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

## DISCUSSION

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

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



Results showed that ethical signals are positively related to organizational attraction. Additionally, the relationship between recruitment practices and attraction can be explained by the partially mediating effect of the applicant's perception of the organization as ethical. Applicant perceptions play a vital role. Perceptions of the organization as ethical was related to organizational attraction at all three time intervals. How the applicant views the ethical character of the organization is a variable that should not be overlooked in today's research or practice. Ethical signals during recruitment provide important cues to the applicant that they can then generalize to form attributions of the organization as a whole.

The current research has many practical implications for managers in organizations. One practical implication is that managers need to "manage" the ethical information that applicants receive regarding the organizational and recruitment practices. Guided by its findings, managers can gain a better understanding of the decision making processes of applicants and the influence ethics can have on these processes. Contrary to what some may believe, organizations that behave ethically will be more productive and survive longer than those that are dishonest and behave unethically (Sims, 1991). Even within one industry, there can be great variability in the frequency and manner in which ethics is raised during the recruitment process (Brown & Trevino, 2006). Therefore, organizations who value ethics will benefit by signaling this information during the recruitment and selection process in order to gain a competitive advantage and attract ethical individuals.

Adequate recruitment and selection may abate future problems such as lack of fit and turnover, which can be very costly to the organization and the employee. As such, it is in the best interest of the organization and the employee to ensure that the applicant is aware of company culture and norms (especially as it relates to ethics) early in the employee-employer relationship. Organizations should be aware that applicants are attempting to gather and interpret a large amount of information in a short amount of time, and every piece of information communicated (including ethics) is an important indicator of life in the organization.

Future research should address the influence of individual differences such as self-importance of moral identity (SIMI), cognitive moral development (CMD), and personality on these relationships. Although the sample size in this study was too small to adequately test for such interactions (a limitation of the current study), a better understanding of these variables would certainly benefit the future research agenda. Applicant perceptions are likely influenced by the applicant's individual differences and preferences, which few studies have examined (Ryan & Ployhart, 2000). In an organizational setting, individuals will have a wide range ethical beliefs, or values. As a result, they will differentially process the ethical signals sent by the organization. More ethical individuals will seek and be selected by those organizations with a strong ethical culture (Brown & Trevino, 2006). Additionally, the more morally developed the individual, the more likely they are to detect and be influenced ethical signals from the organizational and recruitment practices. Therefore, it is important to examine certain individual difference moderators and their effect on the relationship between ethical signals and recruitment outcomes.

Applicants are looking for ethical companies today more than ever, and it starts very early in the recruitment process. There is some idealism involved with starting a new job, and applicants want to work for an organization they can be proud to claim as part of their identity. After the public downfall of organizations such as Enron and WorldCom, applicants are paying more attention to the ethical behavior of organizations and ethics is an important piece of the decision-making puzzle.

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**APPENDIX A**

**TABLE 1  
CORRELATION MATRIX**

Variable	Mean	SD	1	2	3	4	5	6	7	8	9
1. OP-T1	3.69	.99	1.00								
2. RP-T1	3.10	1.09	.32**	1.00							
3. Perc-T1	4.43	.79	.20	.23*	1.00						
4. Att-T1	5.91	1.14	.37**	.28**	.37**	1.00					
5. OP-T2	3.97	.71	.38**	.22*	.15	.22	1.00				
6. RP-T2	4.40	.63	.07	.06	.19	.20	.42**	1.00			
7. Perc-T2	4.56	.64	.12	.15	.30**	.24*	.39	.67**	1.00		
8. Att-T2	5.94	1.26	.26*	.22	.20	.43**	.43**	.51**	.59**	1.00	
9. Att-T3	4.45	1.02	.29**	.32**	.16	.44**	.46**	.50**	.53**	.71**	1.00

\*\*p<.01

\*p<.05

Notes: OP is organizational practices; RP is recruitment practices; Perc is perceptions of the organization as ethical; Att is attraction to the organization

**TABLE 2  
REGRESSION TABLE**

*Attraction to the organization*

Variables	Time 1			Time 2		
	Model $R^2$	B	$t$	Model $R^2$	B	$t$
	.16**			.31**		
Org Practices		.31	3.00**		.27	2.67**
Recruitment Practices		.17	1.68 <sup>†</sup>		.39	3.95**

\*\*p<.01

\*p<.05

<sup>†</sup>p<.10

**TABLE 3  
MEDIATOR ANALYSIS**

*Perception of the organization as ethical*

	Time 1			Time 2		
	Model $R^2$	B	$t$	Model $R^2$	B	$t$
	.07**			.46**		
Org Practices		.14	1.25		.14	1.54
Recruitment Practices		.19	1.73 <sup>†</sup>		.61	6.93**

\*\*p<.01

\*p<.05

<sup>†</sup>p<.10

*Attraction to the organization*

	Time 1			Time 2			Time 3			
	Model $R^2$	B	$t$	Model $R^2$	B	$t$	Model $R^2$	B	$t$	
1			.08**			.26**				
RP			.28	2.74**		.51	5.40**			
2			.18**			.37**				
RP			.20	2.06*		.20	1.72 <sup>†</sup>			
Perc			.33	3.32**		.46	3.92**	.25**	.50	5.21**

\*\*p<.01

\*p<.05

<sup>†</sup>p<.10

Notes: RP is recruitment practices; Perc is perceptions of the organization as ethical

## APPENDIX B

### Time 1 Job Search Statistics

	Mean	SD
Number organizations applied	8.69	10.79
Number interviews received	4.24	5.49
Number interviews attended	3.82	3.34
Number office visits received	1.46	1.71
Number office visits attended	1.20	1.38
Number offers received	1.74	1.33

### Time 3 Job Search Statistics

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

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

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