

CHAPTER II LITERATURE REVIEW

Organizational Attraction Literature

In order to meet the challenge of business competition today, to increase the talent is vital for the survival of the organizations. For the purpose of building up the excellent human resources, to recruit the well qualified applicants is the initial phase of staffing.

In the business practice, recruitment takes the role as the major technique for attracting applicants and influencing their job choices (Rynes, 1991). Reviewing the recruitment literature, job-organization attraction is identified as one of the most popular outcome variables (Chapman et al., 2005). Job-organization attraction involves the applicants' overall evaluation of the attractiveness of the job and/or organization. In the present study, however, attention is focused on the organization attraction only. Organization attraction has been defined broadly in the literature (Ehrhart & Ziegert, 2005). In some previous research, organization attraction is reflected in individuals' affective and thoughts about particular organization as a desirable place to work for (Aiman-Smith et al., 2001; Ehrhart & Ziegert, 2005; Rynes, 1991). However, in other research, items contained in the measurement of organization attraction assess not only the general attitude toward the attractiveness, but also the intention to apply to the organization (e.g. Gatewood, Gowan, & Lautenschager, 1993 ; Highhouse, Lievens, & Sinar, 2003 ; Judge & Cable 1997 ; Turban & Keon, 1993). Therefore, from the measurement perspective, the definition of attraction is ambiguous.

Consisting with the previous research, in the present study, organization attraction is operationalized as a positive attitude toward viewing the organization as a

desirable place to work for (Rynes, 1991), not including the application intention.

Organization attraction is a crucial variable for its influence on application behavior. It is supported that applicants' attraction to the organization would influence the application intention, which, in turn, influence the actual application behavior (Carless, 2005 ; Roberson, Collins, & Oreg, 2005).

Beside the support from empirical research results, the mentioned sequence relationship has its theoretical root in reasoned theory (Fishbein & Ajzen, 1975). It indicates that the most proximal determinant of behavior is a person's intention to engage in it which is also a function of attitude toward the behavior and norms. In terms of reasoned theory, the company attraction seems to map on to the attitude component, and intention of application seems to map on to the behavior intention (Carless, 2005). Consequently, the present study focuses on organization attraction and application intention and investigates the sequence relationship further.

On the other hand, in attraction literature, past research takes an experimental approach and shows that organization and job characteristics affect the organization attraction to the applicants and their job choices. Moreover, the attractiveness of these features may be heightened by the level of congruence between individual and organization (Cable & Judge, 1994 ; Judge & Bretz, 1992 ; Turban & Keon, 1993). For example, in Cable and Judge's (1994) study, the results indicates that subjects are more attracted to firms offering fix pay policies, and, attractiveness is higher for subjects with high risk aversion than those with low risk aversion.

These findings support propositions of Schnieider's (1987) attraction- selection- attrition (ASA) theory and similarity-attraction paradigm (Byrne, 1971) stating that people are much more attracted to organizations with certain characteristics similar to their own. For the popularity of the models of P-O fit as explanations of organization attraction and choices (Kristof, 1996), in the next section, the relationship among

organization attraction, application intention and P-O fit, which is widely investigated in the attraction literature, will be examined.

Organization Attraction and P-O Fit

According to Kristof (1996), P-O fit is defined as the compatibility between people and organization. However, an important aspect of both individuals and organizations that can be compared directly and meaningfully is values (Chatman, 1989 ; O'Reilly, Chatman, & Caldwell, 1991). Therefore, a value-based congruence becomes widely accepted as the operationalization of P-O fit (Kristof, 1996). Kristof (1996) has made a distinction between objective and subjective P-O fit stating that objective P-O fit refers to actual fit, or measured values congruence between individual and organization, whereas subjective P-O fit refers to perceived fit, or the level of individual's direct judgments of the fit level (e.g. Carless, 2005 ; Dineen et al., 2002 ; Dineen, 2003 ; Ehrhart & Ziegert, 2005 ; Judge & Cable, 1997). For example, subjective P-O fit is assessed by a person through direct judgments of the compatibility between himself and the organization, whereas objective P-O fit is calculated indirectly through the explicit comparisons of separately rated person and organization variables reported in different sources (Kristof-Brown, Zimmerman, & Johnson, 2005). Consistent with past research, the definition of subjective and objective P-O fit mentioned above is adopted in the present study

However, before Cable and Judge's (1996) work, most research in attraction literature did not measured job seekers' subjective and objective P-O fit directly. Cable and Judge (1996) not only revised and shortened the Organizational Culture Profile (OCP) scale (O'Reilly et al., 1991) which was developed to assess objective P-O fit by correlating the value profiles of individual and organization, but also developed the subjective P-O fit measurement. After a series of studies by Cable and Judge (1996 ; Judge & Cable, 1997), these two instruments were adopted frequently in the succeeding studies.

Cable and Judge (1996) found that objective P-O fit significantly predicted subjective P-O fit, and objective value congruence influenced organization attraction through subjective P-O fit perception. Further, in Judge and Cable's (1997) longitudinal study, the results supported that both objective P-O fit and subjective P-O fit were positively related to organization attraction, and subjective P-O fit mediated most of the relationship between objective P-O fit and organization attraction.

Dineen et al. (2002) examined the effect of provision of fit feedback. In this study, results of experiment manipulating fit feedback level indicated that objective P-O fit influenced subjective P-O fit, which, in turn, influenced the organization attraction. Also, in Dineen's (2003) work, it was supported that subjective P-O fit mediated the relationship between objective P-O fit and organization attraction.

Ryan, Horvath, and Kriska (2005) demonstrated that perceived organizational fit was significantly positively related to intentions to apply. Roberson et al. (2005) found that applicant perception of organization attraction and P-O fit influenced intentions to apply to the organization. In the meta-analytic study (Chapman et al., 2005), it was noted that perception of fit contributed to be one of the strongest predictors of the applicant attraction outcome.

In summary, previous research has implicitly implied the casual relation that individuals rely on perception of subjective P-O fit to make inference about their organization attraction. The past research are stemmed from similarity-attraction theories (Byrne, 1971) stating that people would be attracted to the organizations that similar to themselves (Dineen, 2003). Although this proposition has been supported in several studies, however, some challenges about the implicit casual relation were raised due to the concern of correlational research design.

For example, in Cable and Judge's (1996) study, perception of subjective P-O fit and organization attraction were measured using a common method at the same time.

Therefore, interpretation about causality was precarious. Although, Judge and Cable (1997) conducted research in a longitudinal design which may mitigate the concern regarding casual directions, the relationship between subjective P-O fit and organization attraction should be interpreted as association rather than causality. Compatible with Cable and Judge's (1996) study, Dineen et al. (2002), also Dineen (2003), noted that correlation research design was a concern, and caution was called for interpreting the mediation effect of subjective P-O fit. Finally, both studies of Ryan et al. (2005) and Roberson et al. (2005) were conducted in correlational design, therefore, the casual relation mentioned between subjective P-O fit and organization attraction is controversial. In the conclusion, no previous research in attraction literature was conducted in experimental design that manipulated the subjective P-O fit perception. Therefore, the casual relation between subjective P-O fit and organization attraction is precarious. This concern is frequently mentioned as a limit in the literature above.

Under such circumstances, it is possible that the presumed casual relation might be the reverse. That is, the causal route, underlying high correlation between subjective P-O fit and organization attraction in the past research, might be organization attraction influences subjective P-O fit, rather the opposite. This proposition has got some support from consistency theory : "Individuals who are attracted to an organization should be more likely to believe that they fit well with the organization in order to maintain their self-image" (Ehrhart & Ziegert, 2005, p. 914).

Besides the consistency theory, according to the social identity theory, individuals' self-concept is influenced by the social categories or groups which they belong to (Turban & Cable, 2003). Organization or company people work for is one of these groups influencing the personal self-concept. As demonstrated in the past findings, in order to maintain or enhance their self-concept, people were more

attracted to and willing to apply to the company viewed positively and attractively (Lievens & Highhouse, 2003). Therefore, it is inferred that people would tend to report high fit level to an attractive organization in order to maintain the self-concept as positive, no matter the level of real fit.

Consequently, the present study would examine whether organization attraction influences subjective P-O fit. For this purpose, the present study will be conducted in an experimental setting in which the level of organization attraction will be manipulated to affirm the casual effect of the organization attraction on subjective P-O fit. Thus,

H₁ : Organization attraction has a positive effect on subjective P-O fit.

In terms of the reasoned theory (Fishbein & Ajzen, 1975), application intention is a function of organization attraction. The results of past research showed both a positive relationship between organization attraction and intention, as well as between organization attraction and subjective P-O fit (e.g. Carless, 2005 ; Judge & Cable, 1997). In addition, it was illustrated that subjective P-O fit positively related to the intention to apply to the company (Scheu, 2000). Based on the research findings, it is reasonable to expect that organization attraction may influence the subjective P-O fit, which, in turn, affect the intention to apply to the organization. Thus,

H₂ : Subjective P-O fit mediates the relationship between organization attraction and intention to apply.

The Moderating Effect of Objective P-O Fit

Several research mentioned previously has investigated the relationship between objective P-O fit and subjective P-O fit, and it is widely supported that applicants develop perception of subjective P-O fit based on the objective P-O fit (e.g. Cable & Judge, 1996 ; Dineen et al., 2002 ; Dineen, 2003 ; Judge & Cable, 1997). However, previous literature has not much considered the mediation effects of subjective P-O fit on the relationship between objective P-O fit and attitude outcomes (Ravlin & Ritchie, 2006). Besides, the implicit casual relation has not been demonstrated in experimental research. Therefore, it is worthwhile to review the relationship between objective P-O fit and subjective P-O fit again.

Although these two types of P-O fit are positively correlated, research has shown inconsistencies between them, such that an applicant's perceived fit or subjective P-O fit is not always an accurate portrayal of his actual fit or objective P-O fit (Dineen, 2003). Further, the correlation between objective P-O fit and subjective P-O fit does not tend to be as high as one might expect (e.g. $r = 0.37$, $p < .05$, for Judge & Cable, 1997 ; $r = 0.23$, $p < .01$, for Dineen et al., 2002). Thus, the P-O fit could not always be perceived accurately. The reason for these inconsistencies might be that the company information would be overstated or understated during the recruitment process (Dineen, 2003). Therefore, other possible relationship between subjective and objective P-O fit ignored in the literature is worthy of examining.

According to the relative research theme, Ravlin and Ritchie (2006) examined the relationship between P-O fit, including subjective and objective P-O fit, and attitudinal outcomes. Referring to the findings, both subjective and objective P-O fit, had unique effects on the attitudinal outcomes. Also, the interaction had unique effects. Based on these evidences, the interaction between subjective and objective P-O fit is

possible.

Therefore, in the present study, based on the purpose of testing the casual relation between organization attraction and subjective P-O fit, it is wondering that the objective P-O fit may take the role as the moderator. It is expected that when facing high attraction organization, participants with high level of objective P-O fit will perceive higher level of subjective P-O fit than those with low level of objective P-O fit.

Therefore, in the present study, the moderating effect of objective P-O fit on the hypothetical relationship between organization attraction and subjective P-O fit will be examined. Thus,

H3 : The level of objective P-O fit moderates the relationship between organization attraction and subjective P-O fit, such that, the relationship between organization attraction and subjective P-O fit would be stronger among people with high objective P-O fit than those with low objective P-O fit.

The Moderating Effect of Preference for Consistency

The primary purpose of the present study is to examine the hypothetical relationship whether organization attraction influences subjective P-O fit, which, in turn, influences the application intention. Besides, the second purpose is to test the moderating effect of the objective P-O fit on the relationship between organization attraction and subjective P-O fit. Finally, in the present study, the moderating effect of preference for consistency (PFC) (Cialdini et al., 1995) on the relationship between organization attraction and subjective P-O fit is examined.

In the literature, in addition to ASA theory, similar-attraction theory and reasoned theory, consistency theory is one of the theories that is used as the explanation for the casual relation between organization attraction and subjective P-O fit (Ehrhart & Ziegert, 2005). The basic assumption of consistency theory is that people tend to maintain a state of simplicity and harmony, and create balance or consistency among cognitive elements (Allen, 1968). In order to be consistent, person tends to behave in ways that minimize the internal inconsistency among his beliefs and support his self-image (McGuire, 1966).

Past studies illustrated that responses to the instruments, including subjective P-O fit, organizational attraction and objective P-O fit, may be affected by the need to maintain consistency (Cable & Judge, 1996 ; Dineen, 2003 ; Ehrhart & Ziegert, 2005 ; Judge & Bretz, 1992 ; Kristof-Brown et al, 2005). That is, for maintaining consistency, applicants who appraise a good subjective P-O fit tend to report a high level of organizational attraction. However, no research has involved the measurement about the consistency in the attraction literature.

Following this line of thinking, in the present study, it is expected that people high in preference for consistency (PFC) may be more likely to report a higher level

of subjective P-O fit with an attractive organization than those low in preference for consistency (Ehrhart & Ziegert, 2005). The PFC was asserted by Cialdini et al., (1995) in three conceptually separate domains : The desire to be consistent within one's own responses (internal consistency), the desire to appear consistent to others (public consistency), and the desire that others be consistent (other's consistent). Therefore, people high in preference for consistency place value on stability, predictability, and reliability (Nail et al., 2001). Support for PFC was obtained by Cialdini et al. (1995), a consistency-based effect emerge only in the responding of participants with high PFC.

Therefore, the moderating effects of consistency on the hypothetical casual relation between organization attraction and subjective P-O fit may be examined. Thus,

H₄ : The level of preference of consistency (PFC) moderates the relationship between organization attraction and subjective P-O fit. Such that the relationship between organization attraction and subjective P-O fit would be stronger among people high in PFC than those low in PFC.

The main model of present study is shown below (see Figure 1) :

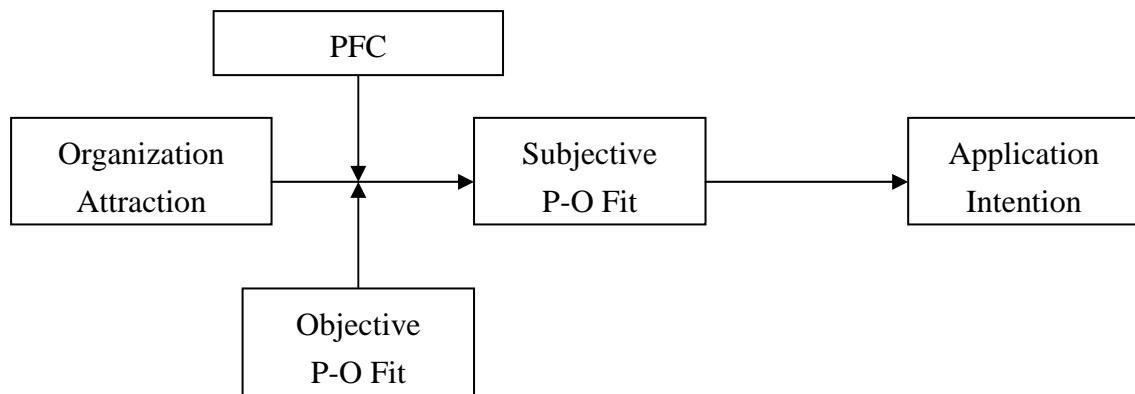


Figure 1 : Model of the present study

Finally, past research had frequently focused on specific topics in the recruiting process rather than the relationship or change along the entire recruiting process (Breaugh & Starke, 2000). Therefore, the present study would investigate the longitudinal effects of organization attraction on subjective P-O fit and application intention.