Reactions towards diversity recruitment and the moderating influence of the recruiting firms' country-of-origin

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A B S T R A C T

This study examines how diversity messages in recruitment advertisements affect the attraction of minority and majority group member applicants (here, minorities are defined as ethnic minorities, i.e., inhabitants with a migration background). Drawing on international management research, we evaluated whether the country-of-origin of the recruiting firm affects applicant attraction, and whether the effect of diversity recruitment messages is moderated by the recruiting firm's country-of-origin. To test our hypotheses, we conducted an experimental study with 387 participants and demonstrated that diversity messages contribute to minority applicants' attraction. Further, we found that minority applicants react positively if the recruiting firm is from their home country. However, the results illustrate that diversity recruitment only positively influences minority jobseekers' attractiveness towards an employer if the recruiting firm does not stem from their home country. Thus, our paper provides a contingent perspective about determinants of minority attraction.

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1. Introduction

Recruitment is one of the most important functions required for attaining and retaining human capital-based competitive advantages. In particular, a firm’s ability to attract high-caliber applicants has been subject to intense debate (Chapman, Uggerslev, Carroll, Piasentin, & Jones, 2005; Uggerslev, Fassina, & Kraichy, 2012), as the early stages of the recruitment process affect later stages, as well as the general pool of human resources, from which a firm can draw personnel (Allen, Mahto, & Othando, 2007; Jones, Williness, & Madey, 2014). While applicant attraction has been intensely studied, our understanding of diversity recruitment or, more specifically, the question of how to attract minority applicants (here defined as prospective applicants from ethnic minority populations) remains scant (Avery et al., 2013). This dearth of research contrasts with the practical and scientific relevance of this topic. As Ployhart (2006, p. 877) articulated in his review, this continues to be a key question in recruitment research, namely “how can organizations best attract and retain a diverse applicant pool?”

The increased interest in a diversified workforce (Avery, 2003; Rynes & Barber, 1990) and growing international exchange and migration require practitioners and scholars to understand minorities’ reactions towards recruitment advertisements (Avery, Hernandez, & Hebl, 2004). However, research on this topic is still in its infancy (Avery et al., 2013; Casper, Wayne, & Manegold, 2013). Consequently, this study attempts to address the limited research with regards to ethnic minorities on this matter.

Moreover, while previous studies yielded important and interesting insights into diversity recruitment, they also showed mixed results about the effectiveness of diversity messages in enhancing applicant attraction (Avery & McKay, 2006; Avery et al., 2013). To resolve these ambiguities, the existing literature focused on individual or job level moderators, such as an individual’s previous experience with discrimination (Williamson, Slay, Shapiro, & Shivers-Blackwell, 2008), racial tolerance (Brown, Cober, Keeping, & Levy, 2006) and the hierarchical level of the advertised job (Avery, 2003). However, characteristics of the recruiting firm, such as its country-of-origin, have received far less attention. In an increasingly globalized world, firms no longer only recruit in their domestic environment but also in foreign markets (Baum & Kast, 2013). Given the continuously rising number of migrants and internationally operating firms, there is a greater likelihood that both the prospective applicant and the recruiting firm have a migration background. We therefore add to the findings of previous studies by introducing the country-of-origin of the recruiting firm as a moderating factor in diversity recruitment. The country-of-origin of the recruiting firm might be an important contingency for understanding reactions of ethnic minorities towards recruitment activities in general and diversity messages in particular. Especially for ethnic minorities, reactions towards recruitment materials might be more positive if the recruiting firm has the same country-of-origin as the prospective applicant because of perceived similarities (Min Han, 1989).

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This study presents three main contributions to diversity recruitment research. First, we examine the impact of diversity messages in recruitment advertisements on prospective applicants’ attraction towards a company, primarily in regard to minority applicants (Avery & McKay, 2006; Brown et al., 2006; Rau & Hyland, 2003). We argue that advertisements containing diversity messages have a significantly stronger impact on minorities than ads without diversity messages. Second, we integrate research on country-of-origin effects in order to enrich our understanding of the effects of diversity recruitment. The country-of-origin effect traces back to Schooler (1965); it is a well-known phenomenon in the marketing literature where a product’s country of origin has been shown to influence buyers’ perceptions (Amine, 2008; Bilkey & Nes, 1982; Koschatte-Fischer, Diamantopoulos, & Oldenkotte, 2012; Peterson & Jolibert, 1995; Batra, Ramaswamy, Alden, Steenkamp & Ramachander, 2000). Other fields have also adopted the country-of-origin effect, for instance when evaluating efforts in internationalization (Elango & Sethi, 2007; Sethi & Elango, 2000) or human resource (HR) practices (Ferner, 1997; Ngo, Turban, Lau, & Lui, 1998). We use parallels between studies on this topic to describe the effects of the country-of-origin on targeting minority jobseekers. Arguing from a similarity perspective (Min Han, 1989), we propose that minority jobseekers react more positively to recruitment ads from firms that have the same ethnic background.

Third, we evaluate the joint moderating effect of both the ethnicity of the applicants and the recruiting firm’s country-of-origin. Several studies have emphasized that minorities are clearly influenced by diversity messages (Appiah & Liu, 2009; Avery et al., 2004; McCarthy, van Iddekinge, & Campion, 2010), whereas majorities may react negatively to these messages or are not affected at all (Green, 1999). However, this was previously only observed in situations involving an indigenous recruiting firm. We stipulate that the recruiting firm’s country-of-origin is an important moderator of the effects of diversity messages on different ethnic groups. Contrasting the positive effect of a similar country-of-origin for minorities’ attraction towards a firm, we demonstrate that diversity messages lose their positive effect for these prospective applicants if the firm is from their home country. We argue that this phenomenon may be due to a perceived advantage if the firm comes from the minority applicant’s home country, which erodes when diversity job ads are displayed. This can also be related to an adverse effect of affirmative action (Kravitz et al., 2000; Summers, 1995).

For human resource professionals, our study provides information that diversity messages in recruitment ads attract minority jobseekers only under specific circumstances. Thus, this study may help managers better understand the impact of diversity messages in recruiting advertising and, further, suggests that using diversity messages might be predominantly useful for indigenous firms.

2. Theoretical background

The term “diversity” has received much academic and public attention recently. Studies, especially in entrepreneurship and strategic management research (Marino, Parrotta, & Pozzoli, 2012; Richard, Barnett, Dwyer, & Chadwick, 2004), marketing (Bartikowski & Walsh, 2015) and recruitment strategies (Bopp, Goldsmith, & Walker, 2014; Herring, 2009), place great importance on the diversity issue. As Magnusson (2011, p. 90) explained, “…diversity directs attention to the meanings and personal consequences of identifying as part of, or being allocated to, particular categories within a certain cultural setting.”

When we observe the effects of diversity messages in recruitment ads, we define “diversity” as the displayed group differences in race or ethnicity. This definition has been applied in multiple recruitment studies (e.g., Avery, 2003; Avery et al., 2004) and has guided research in other domains, such as sociology, social psychology, and strategic management (e.g., Bernell, Mijanovich, & Weitzman, 2009; Richard, Murthi, & Ismail, 2007; Seaton & Douglass, 2014). The ethnicity of the displayed persons in recruitment ads is an easily accessible cue that can be used by jobseekers to evaluate their fit with the potential employer and how highly the firm values diversity.

To develop hypotheses about the effects of diversity messages on applicant attraction (and, particularly, for effect differences between minority and majority jobseekers), we mainly draw on social identity theory as well as recruitment and international business literature. Social identity theory (Tajfel, 1974) has been implemented in the recruitment context several times, especially to explain the behavior of minority applicants (Avery & McKay, 2006; McCarthy et al., 2010; Walker, Feild, Bernerth, & Becton, 2012). According to social identity theory, people tend to classify themselves and others into various social categories, such as gender, language, nationality, or religion (Tajfel, 1974). As a result, people compare themselves with various groups in society and determine whether or not they identify with those groups.

Jobseekers use recruitment advertisements to interpret how similar the workforce and the company would be to them with regard to the abovementioned categories. Recruitment ads that are perceived to be highly similar to the message receiver (i.e., the potential recruit) positively influence the level of attraction and intention to apply (Brown et al., 2006; McCarthy et al., 2010). Human resource professionals therefore try to create messages which allow the applicant to better identify with the recruiting firm (Appiah & Liu, 2009).

According to the job market signaling model (Spence, 1973; Rynes, 1991), the problem of asymmetric information being shared between the recruiting firm and the jobseeker can be mitigated by implementing cues or signals. Among others, applicants obtain information about a company’s values and organizational attributes from its recruitment advertisement (Baum & Kabst, 2014; Highhouse, Sterwalt, Bachiochi, Elder, & Fisher, 1999). These ads can be enhanced with diversity messages, which act as a cue, signaling organizational racial diversity to applicants. The purpose of diversity embedded ads is to actively promote the concept that the firm sets a high value on diversity and that they are likely to employ diverse/minority talents (Avery & McKay, 2006). Usually, applicants do not know ex ante whether a company truly values diversity without actually having worked for that company. Hence, to reduce the information gap, jobseekers search for signals such as diversity messages (Avery et al., 2004) as they provide insight into the company.

Furthermore, diversity messages within ads are important to minority jobseekers in order for them to feel targeted by an advertisement (Appiah & Liu, 2009). Minorities generally use race/ethnicity as an eminent criterion in their evaluation processes (Appiah & Liu, 2009). Although there is some literature that analyzes the impact of diversity messages on applicant attraction (e.g., Highhouse, Lievens, & Sinar, 2003; Highhouse et al., 1999; Richard, Fubara, & Castillo, 2000), it is limited to the reactions of certain minority groups (Avery, 2003; Avery et al., 2004). When regarded from a social identity perspective, we suggest that high levels of similarity between the viewer and the content of the advertisements will increase the impact of diversity messages on minority applicants.

3. Hypotheses

Building on prior studies surrounding recruitment strategies, we posit that diversity messages in recruitment advertisements have a positive impact on applicant attraction (Avery, 2003; Avery et al., 2004; Avery & McKay, 2006; Williamson et al., 2008). Because applicants possess incomplete information about the potential employer, they tend to use the provided material in recruitment channels as signals of the qualities of the recruiting firm (Baum & Kabst, 2013). Based on these signals, potential applicants evaluate the attractiveness of an employer and decide whether they should apply for a job (Allen et al., 2007). We argue that two signaling-mechanisms account for the positive effect of diversity recruitment messages: 1) perceived socially responsible behavior exhibited by the recruiting firm and 2) increased potential of identification with the firm.
Companies that enhance their workforce diversity are generally assumed to have higher levels of corporate social responsibility (Avery et al., 2004; Avery & McKay, 2006; Thomas & Wise, 1999). If a firm emphasizes diversity messages in its recruitment material, applicants are more likely to perceive this company as acting in a positive and socially responsible manner, exemplified by the firm’s attempt to attract a diverse workforce from different ethnic backgrounds. Similarly, applicants believe that firms with diversity represented in their recruitment ads place greater value on a diverse workforce (Avery & McKay, 2006) in comparison to firms that do not integrate diversity messages into their recruitment process (Rau & Hyland, 2003). In this study, Thaler-Carter (2001) observed that jobseekers use a company’s workforce diversity as a signal of its commitment to diversity. Diversity messages also indicate to applicants that the recruiting firm does not discriminate (Avery & McKay, 2006) and that minority applicants are actually welcome (McKay & Avery, 2005) and valued as employees. Overall, one could say that applicants in general use the content of recruitment ads to form some impression about the employer (Avery & McKay, 2006). We expect that individuals perceive potential employers as more positive and socially responsible when such firms use diversity messages.

Moreover, diversity messages attract a broader workforce, as a greater number of job seekers can identify themselves with the company. Diversity recruiting attracts a broader set of talents from different social and ethnic groups. For instance, some research has shown that recruitment advertisements or websites displaying testimonials from different ethnic groups attract a more diverse workforce than those showing only testimonials from the majority population (Avery, 2003; Avery et al., 2004; Walker et al., 2012). Wyse (1972), for example, first examined the effect of recruiter race on minority and majority applicants. He found that minority jobseekers responded more positively to minority recruiters and that the effect on majority applicants was different. In contrast to minority applicants, the recruiter’s race had little or no significance for majority jobseekers. Subsequent studies have confirmed these early findings (Kerin, 1979). Moreover, the reactions of majority applicants are unaffected when evaluating ads featuring racially diverse characters versus ads featuring majority characters (Green, 1999). This suggests that when firms use racially mixed images they target both minority and majority jobseekers, which leads to a larger pool of applicants who could potentially identify themselves with the employer. These findings lead us to the following hypothesis:

H1. Jobseekers are more attracted to firms showing diversity messages in their recruitment ads.

Consistent with previous research, we suggest that minority jobseekers are more attracted to diversity embedded advertisements than majority jobseekers (Appiah & Liu, 2009; Avery, 2003; Avery et al., 2004). Applicants use recruitment advertisements to decide whether they will fit in with the organization (Cable & Judge, 1994). Accordingly, applicants use information in recruitment advertisement to evaluate if they can identify with the firm. If ethnic diversity is displayed in recruitment advertisements, minority jobseekers receive a positive signal that the recruiting firm tries to hire not only persons from the majority population, but also from different ethnic groups. We propose that minority applicants better relate to diversity recruitment messages compared to their majority counterparts because ethnic identity is more salient to them than it is for the majority population (Green, 1999).

According to our main theoretical framework, the social identity theory, individuals have several social identities that are ordered hierarchically according to salience (Tajfel, 1974). Usually, individuals tend to act in conjunction with their most salient identity (Avery & McKay, 2006; Phinney, 1992; Tajfel, 1974). Whereas for ethnic minorities ethnicity is their most salient identity (Appiah & Liu, 2009), this is not the case for majority jobseekers because they belong to the majority population (Phinney, 1992). In support of this hypothesis, recent studies have found that ethnic cues are less salient to majority jobseekers than to their minority counterparts (Avery & McKay, 2006; Thomas & Wise, 1999). In contrast to majority group members, minorities generally think of themselves as being part of a specific ethnic group. Thus, ethnic minority jobseekers are more attracted to targeted advertising (Avery & McKay, 2006). In contrast, diversity recruitment messages have no greater effect on majority jobseekers than non-diversity recruitment messages (Appiah & Liu, 2009; Avery, 2003; Avery et al., 2004). Moreover, Thomas and Wise (1999) have indicated that minority applicants attach more value to diversity than majority applicants. Therefore, we expect majority jobseekers to be equally attracted to diversity as well as non-diversity. Accordingly, we posit that diversity recruitment messages influence minority jobseekers more positively than majority jobseekers.

H2a. The relationship between diversity messages in recruitment ads and applicant attraction is stronger for minority jobseekers than for majority jobseekers.

Drawing on findings from previous studies, we contend that a firm’s foreignness affects organizational attractiveness differently for minority and majority applicants (Newbury, Gardberg, & Belk, 2006). Minorities identify themselves in terms of ethnicity, whereas majority jobseekers do so in terms of social class (Appiah & Liu, 2009; Phinney, 1992). The underlying reasons for the different effects foreign firms exert on applicants include the demographic characteristics of the applicants and the liability of foreignness.

Each person possesses different demographic characteristics, such as gender, age, or race (Tajfel, 1974) that shape the level of their identification with firms (Newbury et al., 2006). For our purposes, we focus on race as an important cue to minority applicants. Ethnicity is the most salient identity for minorities, whereas ethnic identity is less important to majority members (Phinney, 1992; Thomas & Wise, 1999). Thus, we expect minorities to be more attracted to foreign firms with the same ethnic background. Such reactions are supported by the sociological research finding that individuals favor others who are more similar to themselves and tend to refuse people who are dissimilar (Batra, Ramaswamy, Alden, Steenkamp, & Ramachander, 2000; Tajfel, 1974). This is consistent with the findings of Min Han (1989), who showed that people have more favorable attitudes towards countries that are similar to their home country. Thus, we argue that minorities are more attracted to foreign firms than majority jobseekers because minorities may favor working in a work environment that displays aspects of their own cultural background (Newbury et al., 2006). If the recruiting firm has the same ethnic background as the applicant, the assumption is that the quality of ethnic identification will be activated and applicant attraction will increase. For majority jobseekers, the country-of-origin of the recruiting firm will be less of a salient feature because they rely on other cues with which to identify themselves (Appiah & Liu, 2009).

Minority applicants will also identify more strongly with the ethnic background of the recruiting firm because they share with the firm the experience referred to as the liabilities of foreignness. Liability of foreignness (Zaheer, 1995) is defined as the (additional) cost of doing business abroad (Sui & Baum, 2014) which may result from a subject’s lack of specific knowledge of the foreign market, the absence of readily established connections in the foreign environment, or direct confrontation with prejudice and negative reactions because of his/her foreigner status (Cuervo-Cazurra, Maloney, & Ramachandran, 2007). In particular, discrimination by different groups (such as government, consumers, or suppliers) is an important impediment because in certain countries foreigners and nationals may receive very different treatment (Hymer, 1976). Accordingly, individuals and organizations coming from abroad may experience liabilities of foreignness as they face hurdles and
disadvantages, which include negative reactions of the local populace towards foreign companies and individuals (Kostova & Zaheer, 1999; Mezias, 2002; Zaheer, 1995; Zaheer & Mosakowski, 1997). People and firms from abroad are more likely to be viewed as “outsiders,” whereas native firms and local employees are seen as “insiders.” Thus, when the recruiting firm originates from minorities’ home country, minority applicants can interact more frequently with people from the same ethnic background and might feel themselves less as outsiders. These arguments and previous findings lead us to the following hypothesis:

**H2b.** Minorities are more strongly attracted to a firm from the same ethnic background. For majority members, the ethnic background of the firm is of less relevance for determining organizational attractiveness.

While we posit that minority jobseekers are more attracted by recruiting firms from their home country (Avery, 2003; Budescu & Budescu, 2012; Highhouse et al., 1999), we propose that if those firms display diversity recruitment messages, the positive country-of-origin effect will be mitigated. Thus, while minorities are generally positively affected by diversity recruitment messages or by recruiting firms from their home country (Perkins, Thomas, & Taylor, 2000), they are less attracted if both attributes are present simultaneously.

When minorities apply for jobs, they usually face discrimination and liabilities due to being perceived as foreigners. Accordingly, minority jobseekers may feel that they are not only evaluated based on their qualifications but also by their ethnic background. These experiences cause minority jobseekers to suspect that their chances of gaining employment are less than those of the majority jobseekers. Accordingly, minority jobseekers are more likely to regard themselves as being treated in an unjust way (Aberson, 2003). Such perceptions of injustice have been shown to negatively influence applications as well as the perceived organizational attractiveness (Colquitt, 2001). If minority applicants are confronted with a recruitment advertisement from a firm from their home country, they may have the expectation that such a firm will positively value their “foreignness,” turning the felt disadvantage or liability of foreignness into an advantage when applying for a job at that company (Batra et al., 2000). However, this perceived advantage erodes if the firm displays diversity recruitment.

Diversity messages signal a company’s desire to attain a diverse workforce. With such messages, a company demonstrates that it is seeking applicants from multiple ethnic and demographic backgrounds. When a firm from minority applicants’ home country displays diversity recruitment messages, minority jobseekers are discouraged from seeking employment with that firm because they no longer consider they have an advantage in the application process. That disappointment has a negative impact on the perceived organizational attractiveness. Furthermore, this is comparable to the adverse effects of affirmative action policies, which actually intend to regulate the allocation of scarce positions in order to enhance the representation of minorities (Fryer & Loury, 2005). For instance, Kravitz et al. (2000) showed that Caucasians were resistant to affirmative action policies if they believed these policies benefited African Americans and Hispanics. Summers (1995) found that opposition to affirmative action stems from individuals who believe that these policies decrease their job opportunities.

Moreover, previous studies have demonstrated that prospective applicants may feel excluded from the recruiting firm if they do not view themselves as part of the recruitment advertisement’s main audience (Grier & Brumbaugh, 1999; Williamson et al., 2008), which again may lead to lower levels of applicant attraction. If minority members see diversity recruitment advertisements from a firm of their country-of-origin, they may feel that they are not the main targets of the advertisement campaign and therefore may be less attracted to the organization. Accordingly, we posit the following hypothesis:

**H2c.** Diversity messages have a less positive effect on applicant attraction of minorities if the recruiting firm is from the same country-of-origin as the minority jobseeker.

4. Methodology

4.1. Design

Prior to our main study, we conducted an in-depth pretest with an independent sample to assess the different advertisements and to ensure: a) diversity was perceived differently and b) we did not unintentionally manipulate other important items. Pretesting is usually undertaken with a small number of participants from the population of interest (Hunt, Sparkman, & Wilcox, 1982); therefore, it is not used to statistically determine the manipulation of the instruments used but to obtain a more profound understanding of study participants’ cognitive processes when viewing the stimuli. Consequently, the pretest complements the manipulation check that we used in our main study. The pretest (eight participants) consisted of two parts. First, we generated a chat platform in which participants were able to debate the attractiveness of companies that were actively showing an interest in hiring minorities. We used the essence of this debate to create different advertisements with various levels of diversity messages. In the second step, the participants were asked to state their opinion regarding four randomly assigned ads (out of twelve fictitious ads), that differed in terms of pictures represented in the testimonials (with or without minorities), the contact person’s name (Chinese, Turkish or German) and the company’s name (either mentioned or not). Additionally, participants were asked to select the job offer(s) with which they were most interested in submitting an application.

The main survey consisted of two parts. First, participants randomly received an advertisement featuring either a German, Turkish, or Chinese firm with different diversity commitment levels. A questionnaire was presented after the advertisement. Participants were told that they would participate in a recruitment survey to understand the effects of recruitment advertisements. To ensure that participants had no prior knowledge of the companies, three fictitious companies were created: Hoffman GmbH from Germany, Arslanoglu Holding from Turkey, and Feng Li Corporation from China. We decided on Germany because it is the home country of most of the study participants. Turkey was selected because migrants from Turkey belong to the largest minority group in Germany. We chose China as a control group because of its cultural dissimilarity to both Germany and Turkey (Hofstede, 2001; House, Hanges, Mansour, Dorfman, & Gupta, 2004).

To ensure that our advertisements were realistic and authentic, we compared and adjusted them to resemble real job advertisements. Moreover, as mentioned above, we pretested our diversity messages to increase the validity of our data. The job advertisements were created to vary in terms of the country of the recruiting firm (3 countries) and the level of commitment to diversity (4 levels of diversity) in a 3 × 4 format resulting in 12 different scenarios, which we tested later in a between-subject design. The general layout was similar across all the advertisements. In line with previous studies in the diversity recruitment literature (Rau & Hyland, 2003; Walker et al., 2012), the level of diversity was manipulated by adding several diversity cues, such as the name of the contact person (foreign name) and diversity messages, such as a diversity slogan. We decided to craft different levels of diversity to control for the separate effects of verbal and pictorial diversity messages. We had four diversity messages. The high diversity scenario was expressed with a diversity workforce picture and diversity messages conveying the company’s commitment to diversity. The two middle-level diversity scenarios were expressed with either a diversity workforce picture or diversity statements in the text. The low-diversity scenario showed a majority workforce picture without mentioning of diversity practices in the text. These pictures informed jobseekers that these individuals would be their potential coworkers at the company. We manipulated the text by adding diversity messages to target minority applicants. The diversity messages consisted of the recruiting firm’s commitment to a diverse workforce. Such messages signaled that the company valued diversity.
Furthermore, we conducted a manipulation check in our main study to ensure that our manipulation worked appropriately. We used three manipulation-check items ranked on a five-point-Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree): “This company offers attractive opportunities to women and minorities,” “This company offers equal opportunity for all,” and “This company values diversity.” The manipulation showed that the diversity-level was perceived significantly different among the four scenarios ($F = 7.419$, $p < 0.001$). However, the mixed scenarios (either text or pictures presenting a diverse workforce), were not perceived differently from each other ($difference = −0.12$, $p = n.s.$) and were thus collapsed into one category for our regression analyses. Accordingly, we included three stages of diversity (low, middle, and high) in our final analyses.

4.2. Sample

The hypotheses were tested on empirical data collected via a mail survey of a middle-sized German university from March to April 2013. Most of the study participants were current or former students. We believe that a student sample was an appropriate choice for our research question, as students are among the most important target group for firms seeking highly qualified personnel, and they have frequently been the study population in numerous studies (Aberson, 2003; Allen et al., 2007; Avery et al., 2013; De Goede, van Vianen, & Klehe, 2011).

In total, we surveyed 387 participants, most of which were undergraduate students. Because we wanted to detect if minority jobseekers reacted differently to diversity messages and to messages from firms from their home country, it was important to have a sufficient number of minority members in our sample. We therefore attempted to target minority members more strongly when recruiting for the study to receive a sufficient minority group size. Our efforts yielded a total sample of 387 participants, 108 of whom were minority jobseekers. Thus, our sample size appeared to be sufficient for a comparative analysis of both groups.

Demographically, our group was made up of 67.4% female students and 32.6% male students. The ethnic composition of the 27.9% who belonged to minority groups included 10.1% European, 5.4% East European, 9.3% Asian, and 3.4% students from other regions. The average age of the survey respondents was 24.53; 26.6% were aged between 18 and 21, 40.3% between 22 and 25, 24% between 26 and 29, and 8.8% were over the age of 30. A total of 27.1% had studied two semesters at most, 20.7% had studied between three and five semesters, 19.9% had studied between six and nine semesters, and 10.1% had studied for 10 semesters or more.

4.3. Measurement

The variables in the present model have been adapted from established items in the recruitment and management literature. Predominantly, items were measured using a five-point-Likert scale (where 1 = “strongly disagree” to 5 = “strongly agree”). The measured variables are presented in detail in Appendix 1.

4.4. Dependent variable

4.4.1. Organizational attractiveness

Three items were used to assess the organizational attractiveness. An example item is “A job at this company is very appealing to me” (Highhouse et al., 2003). The high Cronbach’s alpha value of .90 shows internal consistency and, therefore, underlines the reliability of this scale.

4.5. Independent and moderating variables

4.5.1. Manipulated variable: diversity recruitment message

Diversity was manipulated at four levels. Because both intermediate levels did not reveal significant differences in the diversity perception when checking our manipulation, we collapsed them into one category, leaving three categories (low, middle, and high) for our final analyses. Accordingly, we coded the independent variable into the categories: “0 = no diversity,” “1 = diversity text or diversity picture,” and “2 = diversity text and diversity picture.”

4.5.2. Manipulated variable: country-of-origin

Country-of-origin of the recruiting firm was manipulated and coded as “1” if the country-of-origin of the recruiting firm matches with the country-of-origin of the potential applicant, and “0” if the firm comes from a different country than the applicant.

4.5.3. Ethnic background of the applicant

We measured the ethnic backgrounds of the participants by asking them if they had a migration background (Semrau & Werner, 2012). If they answered “no,” we coded them into the majority jobseeker category (0 = majority); if they stated “yes,” they were included into the minority jobseeker category (1 = minorities). In total, we had 289 majority jobseekers and 108 minority jobseekers. In our experimental design, 75 minority jobseekers received a job advertisement from a company that did not come from the jobseekers’ home country, while 33 received a job advertisement from a firm that came from the jobseekers’ home country (see Appendix 2). Specifically, of the 33 minority jobseekers that viewed an advertisement from a home-country firm, 32 were from Turkey and one was from China.1

4.6. Control variables

To exclude alternative explanations for our findings, we controlled for several factors that might have influenced our results. In line with previous recruitment literature showing the pivotal effect of fit between an applicant and a job in regard to application decisions (Chapman et al., 2005), we controlled for perceived person–job fit (P–J fit). Perceived P–J fit was measured by three items. One example is “I believe the company is seeking to hire people such as me” (Feldman, Bearden, & Hardesty, 2006). The high Cronbach’s alpha value of .84 underscores the reliability of the scale. We also followed the recommendation of De Goede et al. (2011) and controlled for several demographic control variables including age, gender and previous work experience.

5. Analysis and results

We used multiple methods to assess the reliability and validity of our findings. For assessing scale reliability, we computed Cronbach’s alpha and critical ratios for the two multi-item factors (organizational attractiveness and perceived P–J fit) and found these to be well above the cut-off-value of 0.7.

We checked the validity of our measurement model by applying confirmatory factor analyses (CFAs). There, we included each measured variable (not the manipulated ones) i.e., the three observed variables, namely age, gender, and previous work experience and the two latent factors: organizational attractiveness and perceived P–J fit (each measured by three items as described above). The initially assumed 5-factor CFA yielded a satisfactory model ($χ^2$($df$) = 46.130(20), $p = 0.001$; RMSEA = 0.058; CFI = 0.983; TLI = 0.962), and the factor loadings were above 0.7, supporting our measurement quality. CFA not only facilitates the confirmation of a theoretically assumed factor structure but also allows for further tests of discriminant validity by comparing different factor solutions. We therefore computed additional CFAs with differing factor solutions. However, the second-best model (a 4-factor solution) provided a worse model fit ($χ^2$($df$) = 101.10(21), $p = 0.001$; RMSEA = 0.099; CFI = 0.948; TLI = 0.888), and chi-square difference tests showed this deterioration to be significant ($Δχ^2$($df$) =

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1. We also re-calculated our regressions without this one participant from China; this led to the same results.
54.970(1), p < 0.001). Furthermore, we assessed convergent and discriminant validity with the procedure proposed by Fornell and Larcker (1981). To assess convergent validity, we calculated the average variance extracted (AVE) for both latent variables. Both variables scored above the common cut-off value (AVE ≥ 0.5) as outlined in Table 1 (Fornell & Larcker, 1981), indicating convergent validity. To measure discriminant validity, we compared the inter-factor correlations with the square root of the AVE. The analysis showed that discriminant validity existed. All AVE exceeded the highest inter-factor correlation (Fornell & Larcker, 1981).

We evaluated multicollinearity by employing zero-order correlations and the variance inflation factor (VIF). As shown in Table 1, all VIF values stayed far below 2 (VIF ≤ 2.5) indicating that multicollinearity problems did not occur. To further ensure data quality, we checked for common method bias (CMB). The threat of CMB is already reduced by our experimental design, which allows for the simultaneous prevention of endogeneity and CMB problems (Antonakis, Bendahan, Jacquart, & Lalive, 2010). By manipulating rather than measuring our independent variables, we can rule out most sources of CMB. However, to further test if CMB contaminates the measures in the same direction, we also used an unmeasured latent method factor approach, as recommended by several authors (Chang, van Witteloostuijn, & Eden, 2010; Podsakoff, Mackenzie, Lee, & Podsakoff, 2003). Accordingly, we added a same-source factor to the indicators of the entire model constructs in the CFA and compared two models against each other. In the first model, the same-source factor loadings were estimated freely (unconstrained model), whereas in the second model, the factor loadings were constrained to zero (constrained model). As no significant changes between the model components (e.g., factor loading) were found between the constrained model and the model considering for CMB, we can assume that CMB is not a major threat in our analyses.

Following Armstrong and Overton (1977), we also tested for non-response bias. To reveal any non-response bias, we compared early and late respondents in terms of three variables: organizational attractiveness, likelihood of pursuing application process further, and perceived influence on organizational attractiveness. A t-test showed no significant differences for all three variables. Thus, the results do not suffer from non-response bias.

To secure the validity of our study and to reduce potential sources of bias, we randomly assigned the participants to the different study scenarios. However, this procedure yielded different subgroup sizes because: a) only approximately 28% of the study participants were minority jobseekers, and b) the likelihood of obtaining a recruitment ad from a firm from a different country is two times higher than receiving an ad from a same-country firm. Accordingly, we performed several steps to assess potential problems due to small subsample sizes and distribution differences. First, we analyzed the sizes of the different subgroups (see Appendix 2). Because the smallest subgroup contained 33 subjects, the group size should be sufficient for detecting differences between the groups (Cohen, 1988). Moreover, because we used multiple regression analysis to test our assumptions, conducting a subgroup analysis was not necessary; therefore, we could rely on the total sample size (n = 387) to calculate our effects.

While the sample size of the smallest group appears sufficient after consulting power-analysis literature (e.g., Cohen, 1988), it could be that the distributions within the subgroups are significantly different from each other because of the different sample sizes. If that is the case, it becomes more unlikely that moderator effects can be detected because moderator analysis is vulnerable to distributional differences (Aguinis & Gottfredson, 2010). Thus, to further underscore that the different group sizes are not problematic for our results, we performed multiple Kolmogorov–Smirnov difference tests (KS-test) with our dependent variable. KS-tests check whether two samples have significantly different distributions regarding a focal variable. Comparing the distribution of the dependent variable (applicant attraction) among the subgroups, we found that none of the KS-tests became significant (p ≥ 0.344). This further supports our analyses and enhances the confidence in our results.

The means, standard deviations, average variances extracted, variance inflation factors, and correlations among study variables are shown in Table 1. To test our hypotheses, we conducted a regression analysis with organizational attractiveness as the dependent variable. To better interpret the interaction terms, we followed Cohen, Cohen, West, & Aiken (2003) and supplemented the analytical procedure with plots. In the plots we selected the low (minus 1 SD) and high scores (plus 1 SD) of the moderator variable to illustrate the different slopes.

Table 2 shows the results of the regression analysis. In model 1 we only entered the control variables showing that perceived P–J fit is the only control variable that has a significant influence on organizational attractiveness, while the other control variables have no significant influence on organizational attractiveness. In model 2, we entered the independent and moderating variables, while in model 3, the interaction variables were included into the model. The R²-value shows that all three models are significant.

**Hypothesis 1** proposed that jobseekers are more attracted to firms showing diversity recruitment ads. Hypothesis 1 is supported by a weak yet significant positive relationship between diversified recruitment ads and organizational attractiveness (model 2: β = 0.087, p ≤ 0.05). According to **Hypothesis 2a**, the relationship between diversity messages in recruitment ads and applicant attraction should be stronger for minority jobseekers than for majority jobseekers. The interaction is statistically significant (model 3: β = 0.223, p ≤ 0.05), indicating that diversity adds has a stronger effect on minorities’ organizational attractiveness perception. To better interpret this effect, we plotted the interaction effect (Fig. 1). As depicted in Fig. 1, the effect of diversity recruitment advertisements on organizational attractiveness is stronger for minority jobseekers than for majority jobseekers; this lends further support for **Hypothesis 2a**.

**Hypothesis 2b** proposed that minorities are more strongly attracted to an organization than majority jobseekers if the recruiting firm comes...
Hypothesis 2c is supported, we draw the interaction in Fig. 3 and per-
country and applicants’ ethnic background. To further evaluate if our
diversity advertisements on attraction is contingent on
\( p \leq 0.1 \) supports this notion. Fig. 2 further underlines that
minorities are more strongly affected by the country-of-origin of the
recruiting firm than majority jobseekers. Thus, Hypothesis 2b receives
support.

Hypothesis 2c proposed a three-way interaction between diversity,
country-of-origin, and ethnic background of the potential applicant.
The interaction term is statistically significant (model 3: \( \beta = -0.169, p \leq 0.1 \))
providing initial support for our hypothesis that the effect of
diversity advertisements on attraction is contingent on firms’ home
country and applicants’ ethnic background. To further evaluate if our
Hypothesis 2c is supported, we draw the interaction in Fig. 3 and per-
form additional slope difference tests (Dawson & Richter, 2006). With
these additional tests, we see that diversity messages have a strong
positive effect on minority jobseekers’ attractiveness perception, only
if the firm does not come from their home country. If the firm comes
from their home country, diversity messages actually have a slightly
negative effect on minority jobseekers. For majority jobseekers, we do
not find significant differences in the effect of diversity messages be-
tween home country and foreign recruiting firms. These findings are
in line with Hypothesis 2c, which is therefore supported.

Fig. 1. Two-way interaction effect between diversity and minority vs. majority jobseeker.

Fig. 2. Two-way interaction between country-of-origin and minority jobseekers vs.
majority jobseeker.

Fig. 3. Three-way interaction effect between diversity, country-of-origin and minority
jobseeker vs. majority jobseeker.

6. Discussion and implications

This study aimed to corroborate the burgeoning research on diversi-
ity recruitment (Avery et al., 2013), and augment our understanding of
how firms can enhance their organizational attractiveness (Kim, Jeon,
Jung, Lu, & Jones, 2012) through diversity recruitment. In this regard,
we particularly sought to contribute to our understanding of how diversi-
ity recruitment advertising shapes organizational attractiveness in dif-
f erent recipient groups (minority and majority jobseekers), and how it
is influenced by the different characteristics of the recruitment firms
(recruiting firms with the same vs. a different ethnic background as the
applicant). We used an experimental design to test our predictions
and the empirical findings lend support for our hypotheses.

This paper contributes to the recruitment literature by showing that
diversity recruitment enhances the attractiveness among potential ap-
plicants. Diversity recruitment serves as a positive signal towards an
open company culture and thus increases the organization’s attractiv-
eness as an employer. Our moderator analysis, however, revealed that
this positive effect is not equally distributed among applicant groups.
Diversity recruitment is particularly attractive to minority jobseekers,
while it does not influence the attractiveness perception of majority
appliances. Thus, the benefit of diversity recruitment predominantly comes from an enhanced attractiveness perception among minority jobseekers. This suggests that diversity recruitment can be used as a specific strategy to attract minorities, without discouraging potential applicants from the majority population. This is in line with previous research in the burgeoning field of diversity recruitment and thus underscores existing contention surrounding the differential impact of diversity recruitment (e.g., Avery & McKay, 2006; Walker et al., 2012).

Our paper further advances those previous arguments and provides a slightly different and more nuanced picture of the effect of diversity recruitment, particularly regarding its main target group: minority jobseekers. By introducing the country-of-origin of the recruiting firm into the realm of diversity recruitment, we find that diversity recruitment only affects minorities’ attractiveness perceptions if the recruiting firm has a different ethnic background than the applicant. If the recruiting firm is from the same country-of-origin as the minority jobseeker, the effect of diversity recruitment is so severely weakened that it actually has a slightly negative effect. We propose that this effect may stem primarily from injustice perceptions among minority jobseekers. If a foreign company having the same ethnic roots as the minority jobseeker advertises a job, a minority jobseeker may experience a feeling of advantage compared to majority jobseekers. This perceived advantage replaces the disadvantages that a minority jobseeker may feel and may actually have, when applying for a job in a domestic firm. When a company from the same country-of-origin as the minority applicant displays diversity recruitment messages, minorities will be discouraged from applying because they feel disappointment about their non-existent advantage in the application process. Moreover, minority jobseekers may also think that they are not the main target group when they see diversity ads from home country firms; as a result, they evaluate those companies as less attractive. By empirically showing that minority jobseekers are significantly less attracted by diversity recruitment advertisements from their home country firms (compared to less diversified ads), we demonstrate that consideration should be given not only to an applicant’s ethnic background when observing diversity recruitment, but a firm’s ethnic background as well. This finding also contributes to the international recruitment literature and provides some impetus for integrating international business frameworks, such as the liabilities of foreignness (Zaheer, 1995) into the recruitment context.

From the findings of the present study, some implications for practice can be drawn which may give some fruitful insights for companies’ recruitment marketing. The results of our empirical research propounds that companies could use diversity embedded ads to attract minority jobseekers without being afraid of eliciting negative reactions from majority applicants. However, foreign firms should use diversity cues with caution because as our results show, in such cases, minorities are actually more attracted to the less diversified job ads when the recruiting firm comes from the same home country.

7. Limitations and avenues for future research

While the present study holds some theoretical and practical implications, limitations exist as well. There is still a paucity of diversity recruitment research (Avery et al., 2013; Walker et al., 2012), particularly in countries other than the US. Therefore, this topic still calls for further in-depth research in multiple countries and in different cultural settings. We drew on studies that predominantly originate from an American setting, and transferred those studies into the German context; despite the fact that minority integration and recruitment is of pivotal relevance in Germany, research on this issue is still in its infancy. While we found that our hypotheses were equally true for diversity recruitment in Germany, future research in other countries on this topic is needed.

Following the example of previous recruitment studies (e.g., Allen et al., 2007; Avery et al., 2013; Baum & Kabst, 2013; Collins, 2007; De Goede et al., 2011), we decided to draw on a student sample. Students are among the most important target groups for many firms (Baum & Kabst, 2014) and thus represent a viable sample for recruitment studies. However, using a student sample is not without limitations, and it remains unclear if our findings can be generalized to other applicant groups. Accordingly, future studies might want to repeat our design focusing on additional groups of potential recruits, and thus extend our findings. Furthermore, future research might take industry sector-specific differences into consideration because different industry sectors also vary with regards to their attractiveness, cultural stereotypes (De Goede et al., 2011), and recruitment strategies. It might well be possible that diversity messages are less important in a very attractive industry (such as the automotive industry), while firms operating in less attractive industries might profit more strongly from diversity messages because they provide a positive signal towards a certain diversity climate within the firm. Accordingly, future studies may account for industry effects in the domain of diversity recruitment.

We further differentiated potential applicants regarding their ethnic background. This might have a limitation because not all people from one ethnic background have the same level of ethnic identity. We therefore decided to include ethnic identification as a control in a post-hoc analysis. Ethnic identification was measured by asking whether an individual's ethnic background was important to their overall identity. The post-hoc analysis produced comparable effects that were consistent with the initial analysis. The effects of diversity recruitment and the interaction effects became even slightly more pronounced (“MIN × COO” and “DIV × COO × MIN” both turn significant at the 5%-level), which further underscores our hypotheses. However, as the impact of ethnic identity is notably fundamental in multicultural societies such as Germany, future research may be able to draw on ethnic identity content to explore whether there are other effects that influence applicant attraction. In addition, the length of time a foreigner has lived in Germany and the information about his or her country of birth may be another crucial variable that determines how strongly minorities respond to diversity embedded advertisements. Thus, it should be explored in future inquiries whether there are differences in minorities’ responses to diversified and non-diversified ads based on either the length of time a minority applicant has lived in Germany or whether the minority applicant is a first-, second-, or third-generation migrant.

Appendix 1. List of the measured variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Measurement</th>
<th>Factor loadings</th>
<th>Cronbach's alpha</th>
<th>Example reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational attractiveness (DV)</td>
<td>A job at this company is very appealing to me</td>
<td>0.799</td>
<td>0.90</td>
<td>Highhouse et al. (2003)</td>
</tr>
<tr>
<td></td>
<td>This company is attractive to me as a place for employment</td>
<td>0.777</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I am interested in learning more about this company</td>
<td>0.755</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived person-job fit (CV)</td>
<td>The jobs being offered seem appropriate for someone with my education and interests.</td>
<td>0.856</td>
<td>0.84</td>
<td>Feldman et al. (2006)</td>
</tr>
<tr>
<td></td>
<td>The jobs being advertised here are appropriate for me, given the amount of work experience I've had.</td>
<td>0.834</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Appendix 1 (continued)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Measurement</th>
<th>Factor loadings</th>
<th>Cronbach’s alpha</th>
<th>Example reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethnic background (IV)</td>
<td>I believe the company is seeking to hire people like me.</td>
<td>0.706</td>
<td>–</td>
<td>Sensenbrenner and Werner (2012)</td>
</tr>
<tr>
<td>Prior work experience (CV)</td>
<td>Do you have a migrant background? (yes/no)</td>
<td>–</td>
<td>–</td>
<td>De Goeje et al. (2011)</td>
</tr>
<tr>
<td>Demographics (Age and gender) (CV)</td>
<td>“How long have you been working so far (including internships)?”</td>
<td>–</td>
<td>–</td>
<td>De Goeje et al. (2011)</td>
</tr>
</tbody>
</table>

Note: DV = dependent variable; IV = independent variable; CV = control variable.

The variables “diversity recruitment message” and “country-of-origin of the recruiting firm” were manipulated, not measured and thus are not part of this measurements table.

Appendix 2. Sample sizes of the different experimental subgroups

<table>
<thead>
<tr>
<th>Variable</th>
<th>Measurement</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Majority jobseeker</td>
<td>191</td>
<td>279</td>
</tr>
<tr>
<td>Minority jobseeker</td>
<td>75</td>
<td>108</td>
</tr>
<tr>
<td>Sum</td>
<td>266</td>
<td>387</td>
</tr>
</tbody>
</table>

References


