



# Finding Meaning in Contradiction on Employee Review Sites — Effects of Discrepant Online Reviews on Job Application Intentions<sup>☆</sup>

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## Abstract

Sharing experiences with peers through online reviews has amplified the impacts of individual articulations on the reputations of firms across many industries. With employee review sites, current and former employees share their positive and negative experiences with their company, which has become an increasingly important aspect for reputation management and for job seekers' decision-making on where to apply. In the present study, the effects of discrepant reviews (i.e., reviews with a high variance in company evaluations) are examined in the context of employer review sites. In particular, we investigate how review discrepancy, persuasion knowledge activation, and constructive company responses affect job seekers' trust in the company and the resulting application intentions. In our preliminary study, we analyzed a sample of 25,827 published company reviews on the German employee rating site Kununu.de. The results revealed that high levels of discrepant reviews for the same company exist, thus underlining the need for additional studies. In our main study, a 2 (review discrepancy) × 2 (persuasion knowledge activation) × 2 (company response) between-subject-design experiment was conducted with 311 respondents. We find that high levels of discrepancies lead to increased intentions to avoid submitting applications to the focal company and reduced intentions to pursue employment. This study complements the research concerning online reputation by highlighting the relevance of discrepant reviews for job seekers' application intentions.

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## Introduction

In an era in which firm- and marketing-controlled channels (e.g., corporate web sites, online advertising) as main drivers of a company's reputation seem bygone and their effectiveness on consumer attitudes and behaviors is lacking, stakeholders (such as customers or employees) influence peer consumers' perceptions and behaviors, as well as the firms' brands via various online articulations (Huebner-Barcelos, Dantas, and Sénécal 2018; Pitt et al. 2018). Multiple online platforms, such as travel and

hospitality review sites like TripAdvisor, provide highly accessible and influential venues to express opinions, share experiences, and encourage or discourage peers from choosing a specific brand or service provider (Melián-González and Bulchand-Gidumal 2017). Those platforms distribute and aggregate feedback about firms, products, and services of all kinds (Dabirian, Kietzmann, and Diba 2017; Diekmann et al. 2014). In this new area in which traditional marketing-controlled media are complemented (and sometimes replaced) by consumer-initiated communications, Hennig-Thurau et al. (2010, p. 324) label the consequences for marketing management as playing pinball, in which extensive information is “available on brands and products which can multiply, but also interfere with the companies' marketing messages (such as bumpers do when playing pinball),” thus making it more complex to control the firm's reputation online.

In this context, the role of consumers' online articulations in shaping the attitudes and behaviors of peers, thus influencing

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the firm's and its offerings' reputations, has received a significant amount of empirical research (e.g., King, Racherla, and Bush 2014; Lamberton and Stephen 2016). This line of research has been complemented by investigations of online articulations' characteristics, such as their valence (e.g., Plotkina and Munzel 2016; Purnawirawan et al. 2015) and their volume (Chevalier and Mayzlin 2006; Liu 2006). In addition to the valence and volume, another line of research integrated the notion of a consensus among individual reviews that amounts to an aggregated picture of the products or services that reflects the underlying consensus among raters (Benedickus 2011; Purnawirawan, De Pelsmacker, and Dens 2012). However, while the consensus of online articulations of consumers has received some empirical research, the effects of the discrepancy between those articulations have remained widely under-researched.

More recently, with the rise of online employee review sites such as Glassdoor, online articulations by other-than-customer-stakeholders of the firm (e.g., employees) and their impacts on the reputation of the company's brands and offerings became the focus of empirical research (King and Grace 2010; Pitt et al. 2018). With online employee review sites, current and former employees can anonymously and publicly write visible reviews regarding their current or former employer. Similar to customer review sites, employee review sites are more credible than corporate websites (Kaur and Dubey 2014) because they are independent and are not controlled by the company, as is the case for owned social media (Sivertzen, Nilsen, and Olafsen 2013). Consequently, recent research highlights the importance of online feedback from employees on the firm's attractiveness as an employer and the firm's overall reputation. For example, Opitz, Chaudhri, and Wang (2017) show that, compared to customers' articulations, the negative voices of employees cause disproportionately more harm to a firm's reputation.

Despite the growing popularity of employee review sites (for instance, Glassdoor has approximately 35 million reviews of 700,000 companies (Glassdoor 2017) against 11 million reviews in early 2016 (Forbes 2016)) and their importance for employer branding, they have received surprisingly little attention in marketing research (Ollington, Gibb, and Harcourt 2013). For example, Schmiedel et al. (2016) examined company reviews from Glassdoor to identify cultural factors that matter to the IT workforce. Other researchers have pointed to the potential of social media for online recruiting in general (e.g., Holland and Jeske 2017; McFarland and Ployhart 2015; Sivertzen, Nilsen, and Olafsen 2013). However, there remains a need for research to investigate the consequences of different company review characteristics (e.g., positive, negative, and mixed) on job seekers' intentions to apply for a job or to deny submitting an application. These are important outcomes since attracting and retaining key talents may determine the company's future competitiveness in times in which employee loyalty has decreased (Bondarouk, Ruel, and Weekhout 2012; Roth et al. 2016).

The present research contributes therefore to the marketing literature in four ways. First, by investigating the effects of discrepant online reviews on trust perceptions and behavioral consequences, this research further complements research on the effects of specific review characteristics (here, the discrepancies

between reviews). For the present research, discrepant reviews refer to the extent of disagreement among different company reviews of the same organization (Jiménez and Mendoza 2013), and it might be considered the opposite of consensus information, which signals forms of social proof (Cialdini 2006). The current study therefore seeks to gain an understanding of the impacts of discrepant reviews on readers' behavioral consequences.

Second, the present research adds to the literature on the effects of online reviews on attitudinal and behavioral outcomes by focusing on online articulations in an under-researched setting: employee reviews on employee review sites. As customers increasingly take into account the treatment and working conditions of employees in their purchasing decisions, the consideration of employees' reviews seems important as a highly impactful driver of a firm's overall reputation. In addition, employee reviews form a signal to potential job applicants and may influence their intentions to submit an application or not.

Third, this research also studies the role of persuasion knowledge activation in evaluating online reviews. Potential customers or job seekers may be generally aware of company's persuasion attempts in various forms, such as marketing campaigns or news reports, on marketing tactics (Bambauer-Sachse and Mangold 2013; Munzel 2016). Having this knowledge activated may be an important determinant of the context of employee review sites. The third contribution therefore pertains to the analysis of the effects of persuasion knowledge activation in job application scenarios.

Finally, as a potential coping strategy, the role of firm responses is examined, such as constructive statements regarding negative evaluations. Marketing scholars already investigated how firms could and should respond to criticism voiced online to prevent unfavorable effects on their reputation (Dens, De Pelsmacker, and Punawirawan 2015; Schamari and Schaefer 2015; Ullrich and Brunner 2015; Van Laer and de Ruyter 2010). However, while existing research includes the roles of consensus and constructive firm responses, their scrutiny so far is separate. This final contribution pertains therefore to the investigation of managerial constructive responses to negative company reviews. Additionally, together with the discrepancy of reviews, it fills an important gap in the literature on the combination of firm responses and a consensus among reviews.

The research aims to address outlined gaps in the literature and to test the motivated hypotheses in a two-step approach. In a preliminary study, we first assess the extent of review discrepancies for 25,827 employer reviews of 400 companies drawn from a large German employee review site called Kununu.de. The results of this preliminary study confirm high levels of discrepant reviews for the same company. Based on the findings of our preliminary study, our main study employs a  $2 \times 2 \times 2$  between subject design experiment with 311 participants to unravel the effects of review discrepancies, persuasion knowledge activation, and companies' intervening actions on job seekers' perceived trust and related application intentions. In particular, in the main study, we manipulated the company's review discrepancy (factor 1: low vs. high), persuasion knowledge activation (factor 2: active vs. not active), and constructive company responses to negative comments (factor 3: available vs. not available).

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