

# **Online Employer Reviews - On the Interplay Between Workplace Vibes and Wage**

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## Current situation and motivation

- ▶ Every second U.S. company cannot find suitable workforce
- ▶ There are around 10 M unfilled positions in the USA
- ▶ Labor shortage will cost the U.S. economy \$1.2 trillion
- ▶ Companies not being able to fill open positions is forecasted to continue as a main reason holding back growth

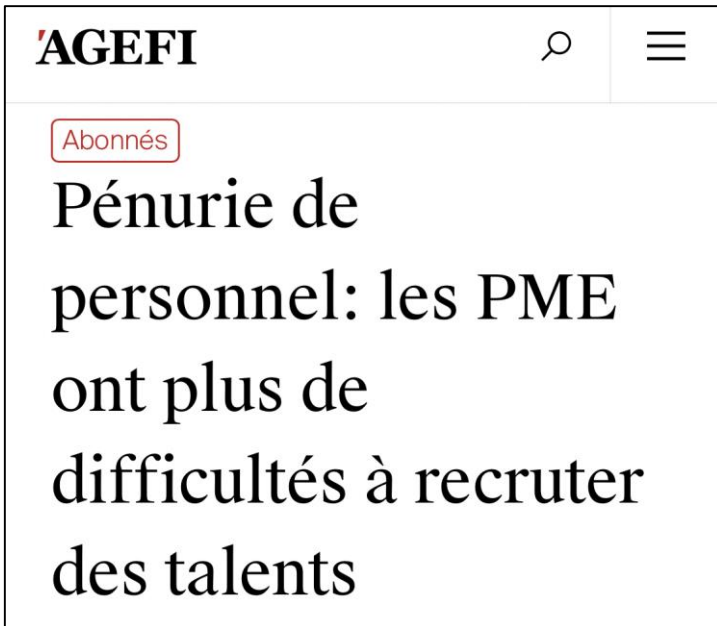
# Not just a US problem...



DIHK

Mangel an Fachkräften  
bremst wirtschaftliches  
Wachstum

The screenshot shows the DIHK website header with a search icon and a menu icon. The main headline reads 'Mangel an Fachkräften bremst wirtschaftliches Wachstum'.

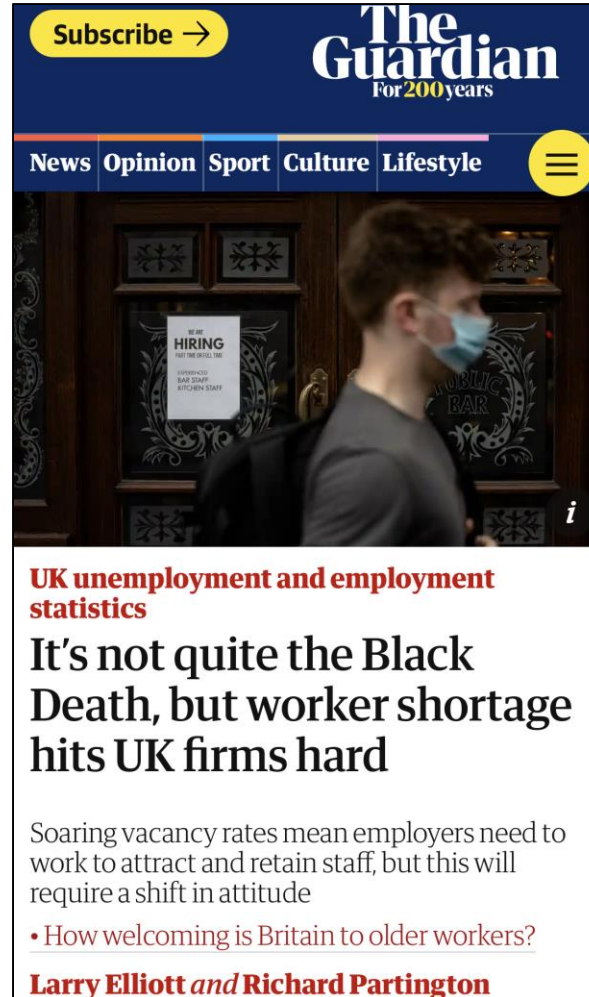


AGEFI

Abonnés

Pénurie de  
personnel: les PME  
ont plus de  
difficultés à recruter  
des talents

The screenshot shows the AGEFI website header with a search icon and a menu icon. Below the header is a red 'Abonnés' button. The main headline reads 'Pénurie de personnel: les PME ont plus de difficultés à recruter des talents'.



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UK unemployment and employment statistics

It's not quite the Black Death, but worker shortage hits UK firms hard

Soaring vacancy rates mean employers need to work to attract and retain staff, but this will require a shift in attitude

- [How welcoming is Britain to older workers?](#)

Larry Elliott and Richard Partington

The screenshot shows the The Guardian website header with a 'Subscribe' button and navigation tabs for News, Opinion, Sport, Culture, and Lifestyle. Below the header is a photo of a man wearing a face mask in front of a door with a 'WE'RE HIRING' sign. The main headline reads 'UK unemployment and employment statistics' and 'It's not quite the Black Death, but worker shortage hits UK firms hard'. A sub-headline reads 'Soaring vacancy rates mean employers need to work to attract and retain staff, but this will require a shift in attitude'. A bullet point links to 'How welcoming is Britain to older workers?'. The byline is 'Larry Elliott and Richard Partington'.



FINANCIAL REVIEW

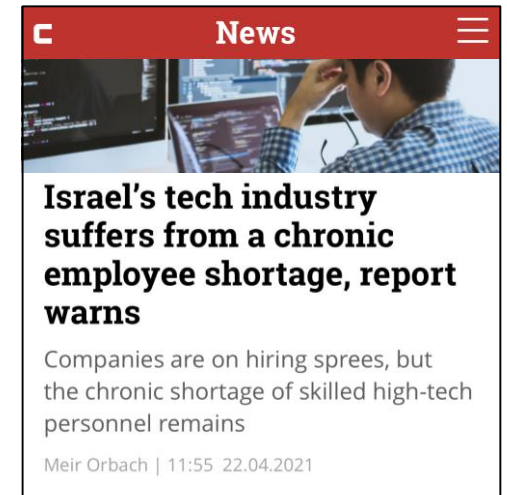
Worker shortage hits growth

Ronald Mizen Economics correspondent

Feb 3, 2022 - 6.51pm

A record 85 per cent of Australian businesses report staff shortages are holding back their ability to operate at full capacity and capitalise

The screenshot shows the Financial Review website header with a menu icon and a user profile icon. The main headline reads 'Worker shortage hits growth'. The author is 'Ronald Mizen Economics correspondent'. The date is 'Feb 3, 2022 - 6.51pm'. The text below reads 'A record 85 per cent of Australian businesses report staff shortages are holding back their ability to operate at full capacity and capitalise'.



News

Israel's tech industry suffers from a chronic employee shortage, report warns

Companies are on hiring sprees, but the chronic shortage of skilled high-tech personnel remains

Meir Orbach | 11:55 22.04.2021

The screenshot shows a News website header with a 'News' tab and a menu icon. Below the header is a photo of a man working at a computer. The main headline reads 'Israel's tech industry suffers from a chronic employee shortage, report warns'. The text below reads 'Companies are on hiring sprees, but the chronic shortage of skilled high-tech personnel remains'. The byline is 'Meir Orbach | 11:55 22.04.2021'.

# What is it that companies can do about it?

- ▶ Companies can apply marketing to the employment context  
(Ambler and Barrow 1996)
- ▶ Branding is a multi-dimensional construct. A brand matters  
(Bastos and Levy 2012)
  - towards consumers
  - towards investors
  - towards employees
- ▶ Employer branding / Employee-based brand equity  
(Tavassoli, Sorescu and Chandy 2014)

# Platforms collecting workplace vibes

indeed®

glassdoor®

Ambitionbox

saramin

kununu<sup>es</sup>

careerbliss

Job Advisor

seek

vault®

i JOBVINE

COMPARABLY

The JobCrowd

RateMyEmployer.ca

LookBeforeYouLeap

FIRSTHAND

jobplanet

FAIRYGODBOSS

INHERSIGHT

Great Place To Work®

rankmyinternship

jobcase

yelp

blind

JobStreet.com

WorkAdvisor

naukri.com

CompuTrabajo

In total: >1 billion publicly available online reviews and salary data points

# Research question

Two perspectives:



*Do job seekers integrate  
online employer reviews?*



*How does salary relate to a  
positive recommendation at  
the workplace?*

# Conjoint Analysis

## Respondents and exemplary choice set




### Sample:

► n = 300 managers




► Four attributes:

- Brands (#4)
- Awards (#7)
- Employer reviews (#3)
- Salary (#7)

► “Which of the choice sets would you accept?”

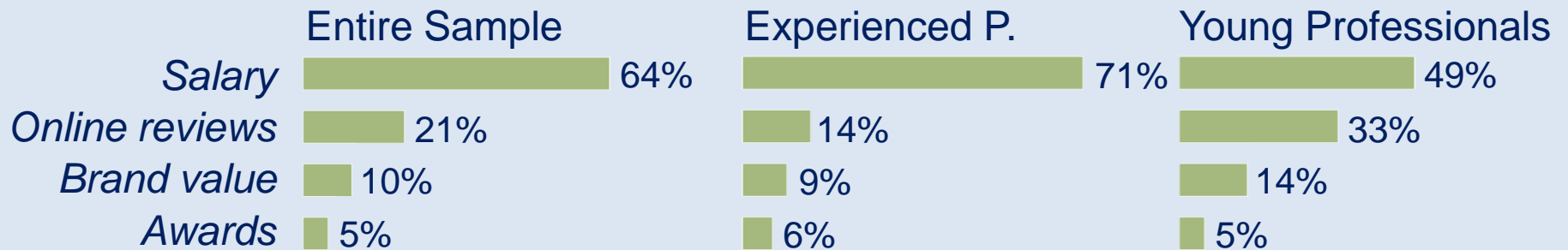
Arbeitgeber	
Award	 Great Place to Work
Social Media	 negative Bewertung bei Glassdoor und Kununu
Gehalt	€ 120.000

Arbeitgeber	
Award	 Working Mother – 100 Best Companies
Social Media	 positive Bewertung bei Glassdoor und Kununu
Gehalt	€ 90.000

Arbeitgeber	
Award	 Fortune 100 Best Companies to Work For
Social Media	 neutrale Bewertung bei Glassdoor und Kununu
Gehalt	€ 105.000

# The importance of employer reviews in job seekers' choice to apply for a job

## Influence of factors on employer choice:



## Scenario Analysis:

What would a company have to pay to have an applicant choose them with equal probability?

**If negatively rated**

€X + 10%\*€X

**If neutrally rated**

€X

**If positively rated**

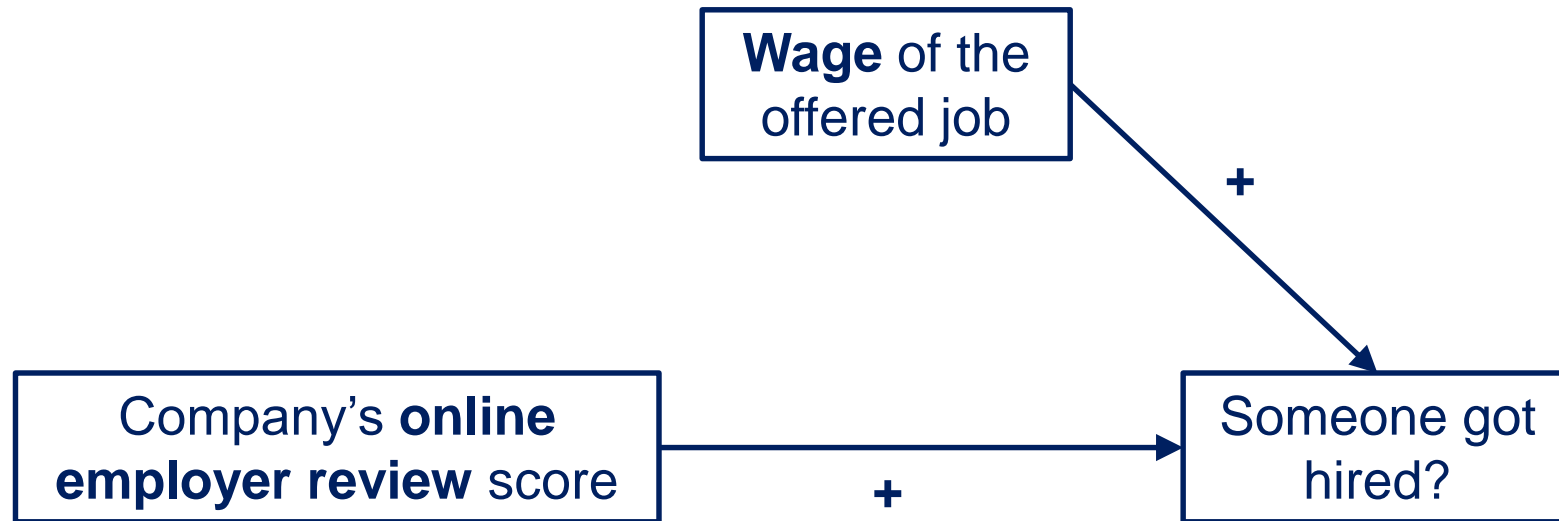
€X - 13%\*€X



# The association between online job recommendations and successful recruiting

## Sample:

- ▶ Data from an applicant tracking software:  
90,000 job openings, 1,300 companies, 3.3 M applications
- ▶ Manually enriched with the company's average online recommendation rate

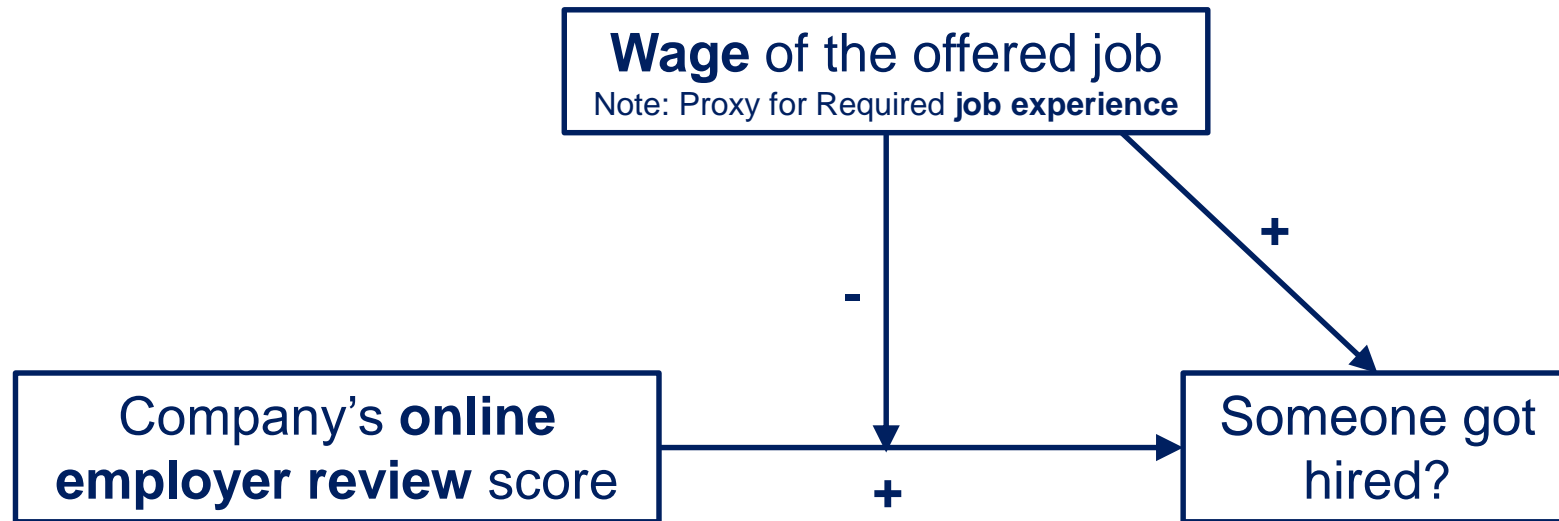


**Controls:** Department, job's collar type, industry, number of applications

# The association between online job recommendations and successful recruiting

## Moderation Hypothesis:

Especially for unexperienced professionals in lower salary classes, the recommendation rate is important, because they are less experienced.



**Controls:** Department, job's collar type, industry, number of applications

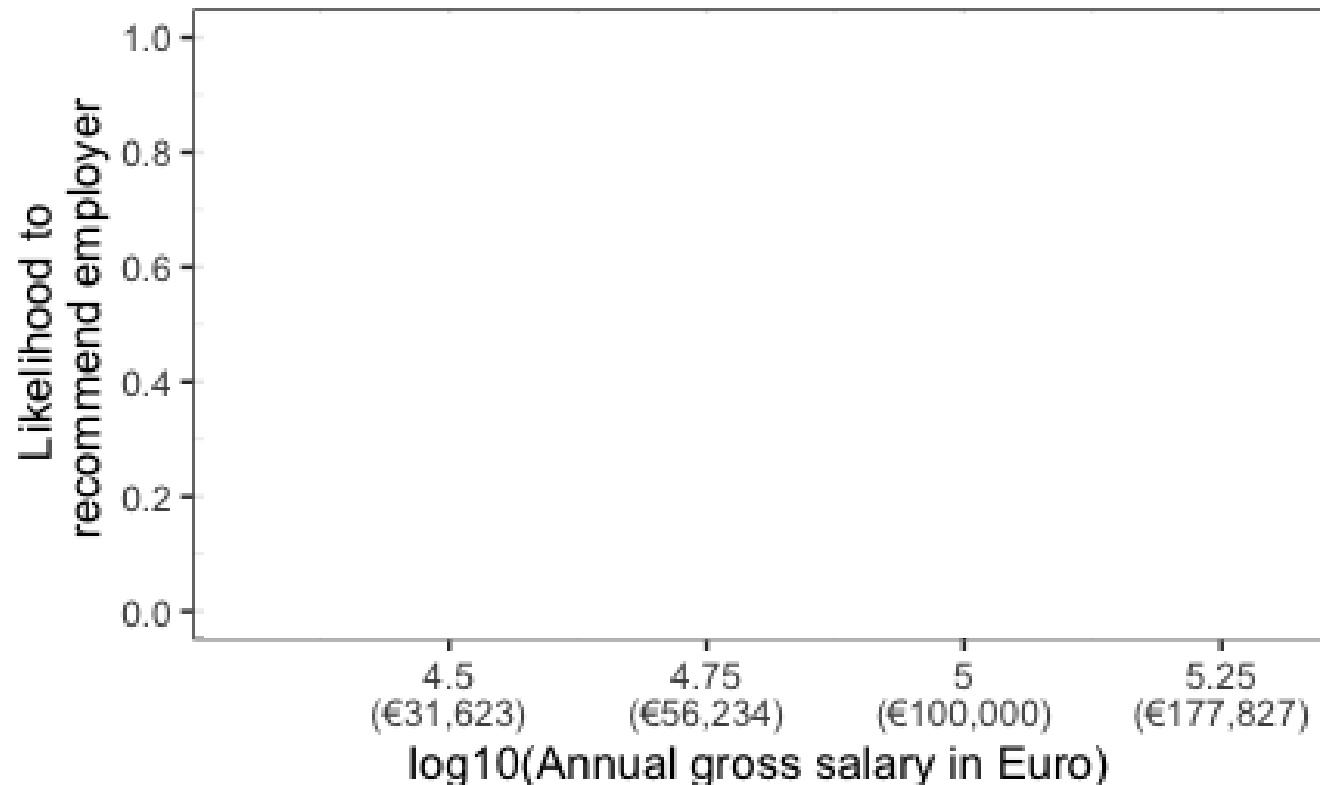
# Model-free relationship

## How does salary relate to a positive recommendation at the workplace?

Data Source: Europe's leading online employer review platform (4 M reviews, 1 M salary data points, 1 M employers)



**“Would you recommend your employer to a friend?”**

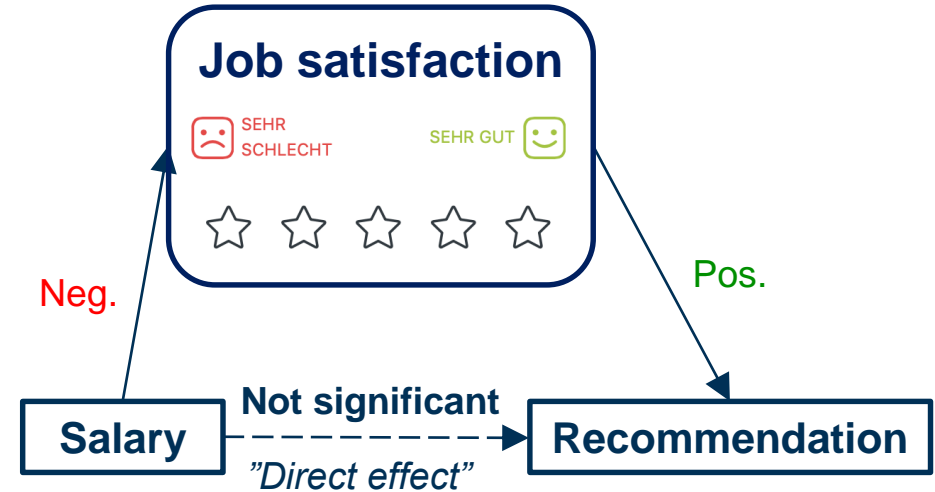


# Mediation analysis to understand the mechanism

“Low and medium salary range”



“High salary range”



**Controls:** Industry of reviewed company, department of reviewed job, reviewers' gender, job experience, personnel responsibility, job position, ex or current job, white or blue collar job, type of company profile (claimed and paid for or not)

# Contribution to the total indirect effect

## Contribution of mediators to total indirect effect:

Indirect effect via	Low and medium salary range	High salary range
Company Culture	53%	66%
Career & Benefits	36%	25%
Working environment	9%	7%
Diversity	3%	3% (not sign.)



**Note concerning methods:** Baron and Kenny's three step approach, khb-method, bootstrapping, LPMs

# Job recommendation and salary: Experiment among employees

Respondents: 289 survey takers, no students, actual working employees across all salary ranges (via Prolific)

## Expectation Question

To understand whether people are aware that:  
More money  $\neq$  higher job satisfaction



- ▶ Especially in high salary ranges they understand this!

## Choice Question

To understand if people incorporate that more money is not automatically ideal.  
**Cost / Benefit manipulation**



- ▶ Especially in high salary ranges it is incorporated
- ▶ Especially for participants that we manipulated to consider the personal costs of better paid jobs it is incorporated

# Main Findings

## Job seeker perspective

- ▶ Job-seekers incorporate online employer reviews and even accept lower salaries for well-rated companies
- ▶ Employees' voices captured in online employer reviews has financial impact

## Employee perspective

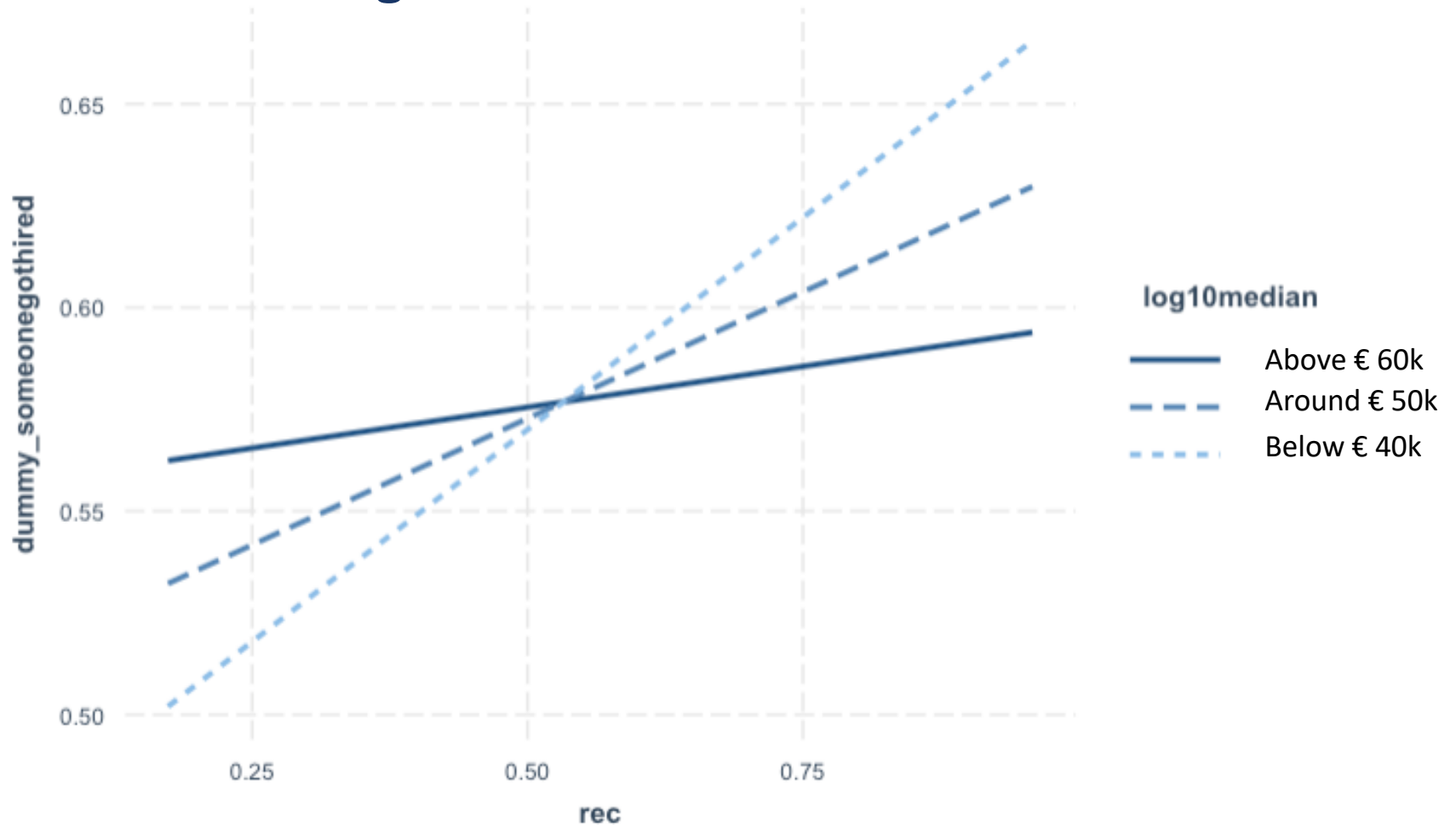
- ▶ With increasing salary, the likelihood to recommend the employer does not keep increasing
- ▶ Employees have to “pay” for high salaries

**Thank you  
for your attention!**

Contact: [andreas.bayerl@uni-mannheim.de](mailto:andreas.bayerl@uni-mannheim.de)



# The association between online job recommendations and successful recruiting



**Controls:** Department, job's collar type, industry, number of applications

# Managerial implications

- ▶ Marketers need to consider employees' perception of their employer (which can be revealed in employer reviews), as their perception and employer recommendation correlate with and contribute to overall brand perceptions
- ▶ Employees' voices captured in EGC have a financial impact:



Neutral online employer ratings



Positive online employer ratings



**Potential salary savings:  
US\$60 billion**

30 M \* 20% \* 2 \* US\$ 5,000

# Vibes > Money

- ▶ Especially for Millennials: Vibes > Money

(Rob Asghar, Forbes 2014)

- ▶ Job postings that contain references to company culture are more engaged with

(LinkedIn Report 2021)

- ▶ Employees would trade-in parts of their future lifetime earnings for having a nice work environment

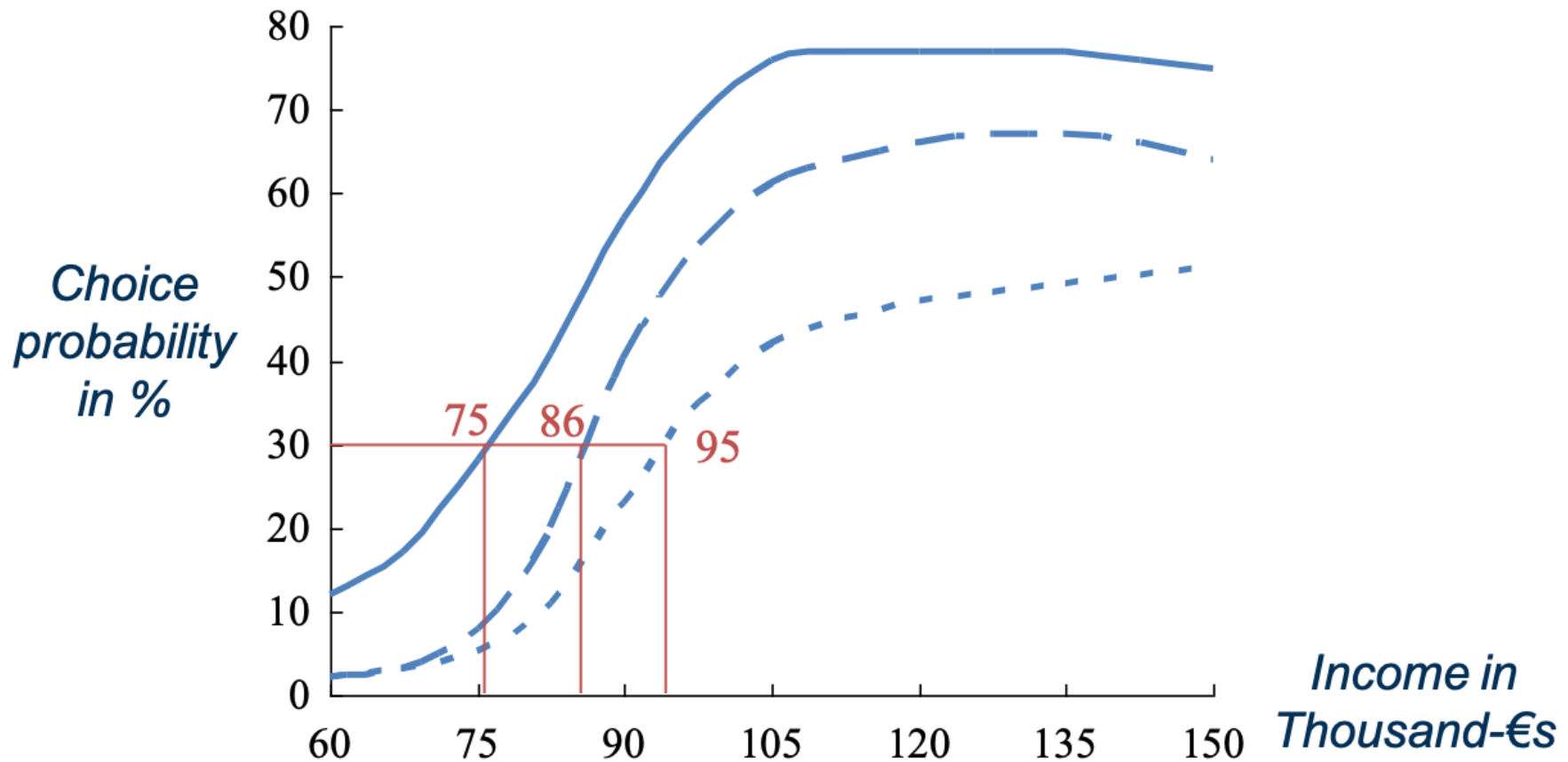
(Achor et al., Harvard Business Review 2018)

- ▶ Corporate culture is much more important in predicting employees leaving a company than compensation

(Sull et al., MIT Sloan Article, 2022)

# The importance of employer reviews in job seekers' choice to apply for a job

— Positive ratings    - - Neutral ratings    - - - Bad ratings



# Contribution to existing literature streams

- ▶ The interplay between salary and the brand  
(Tavassoli, Sorescu and Chandy 2014; Benson, Sojourner and Umyarov 2020; Oh et al. 2020)
- ▶ The “affective revolution” and what matters at the workplace  
(Brasade, Brief and Spataro 2003)
- ▶ User-Generated Content impacting decision-making  
(Babić Rosario 2016; Gutt et al. 2019)
- ▶ Online reviews as a signal of quality  
(Moore and Lafreniere 2020)
- ▶ Employer branding through social-media  
(Love and Singh 2011; Dineen and Allen 2016; Moorman and Day 2016)

**Note:** The underlined sources contain specific calls for research for what we are doing

# Existing research about online employer reviews

## OUTSIDE OF MARKETING

### ▶ Online employer reviews and:

- ...stock market performance  
(Green et al. 2019; Symitsi, Stamolampros and Daskalakis 2018)
- ...employee turnover  
(Stamolampros et al. 2019)
- ...corporate scandals  
(Gadgil and Sockin 2020)
- ...accounting fraud  
(Ji, Rozenbaum and Welch 2017)
- ...tax avoidance  
(Lee et al. 2021)

### ▶ Analyzing text of online employer reviews (Schmiedel, Müller and vom Brocke 2019; Jung and Suh 2019; Corritore, Goldberg and Srivastava 2020)

## WITHIN MARKETING



Still, employee-, salary- & work-related topics are covered in MKT very recently:

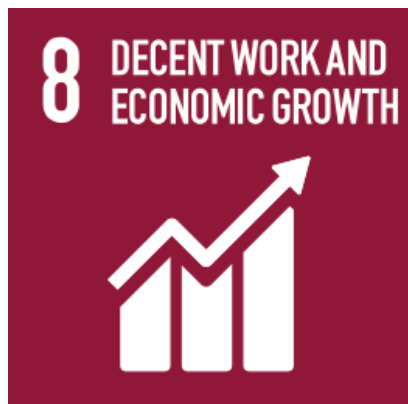
- ▶ Targeting job-seekers  
(Ebbes and Netzer 2021)
- ▶ Wage inequality  
(Bamberger, Homburg and Wielgos 2021)
- ▶ Employees' language  
(Li, Packard and Berger 2020)
- ▶ Employees' digital presence  
(Herhause et al. 2020)

# The importance of the workplace

90,000 hours

1/3

The 17 goals for sustainable development:



# Comparison of Salary Distribution

