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ORIGINAL PAPER

"Just Look the Other Way": Job Seekers' Reactions to the Irresponsibility of Market-Dominant Employers

Paolo Antonetti[1] · Benedetta Crisafulli[2] · Aybars Tuncdogan[3]

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Abstract

Past research on recruitment has shown that employer image predicts job seekers' perceptions of organizational attractiveness. We contribute to this body of work by examining job seekers' reactions to a market-dominant employer that has suffered from a case of corporate social irresponsibility (CSI). We show that job seekers' reaction is buffered in the case of dominant employers' wrongdoing. This effect is stronger for job seekers who are very interested in working in the dominant employers' industry. Market dominance, however, reduces the negative impact of CSI only under certain circumstances. We find that market dominance provides a buffer against the negative effect of CSI only when (1) CSI is directly relevant to the domain of performance of the organization and (2) job seekers feel very certain about their attitudes toward the organization. In two experiments with participants actively looking for employment at the time of study, we tested a model of moderated mediation examining how market dominance and CSI influence perceived employer ethicality and perceived employer competence. These two variables, in turn, explain how job seekers form perceptions of organizational attractiveness. This is the first study to explore how job seekers react to potential employers that are dominant in a market but have suffered from a CSI incident. The study identifies the boundary conditions that explain why sometimes market-dominant employers can emerge relatively unscathed in the eyes of job seekers following CSI. The research opens important managerial implications concerning the recruitment efforts of organizations that have suffered from CSI.

Keywords Corporate social irresponsibility · Job seekers · Organizational attractiveness · Recruitment · Competence · Ethicality

Introduction

Research shows that job seekers respond positively to employers' engagement in Corporate Social Responsibility (CSR) (Jones et al. 2014; Tsai et al. 2014; Wang 2012). CSR increases the perception of value fit between the employee and the organization and conveys the impression that the employer treats its employees fairly (Albinger and Freeman 2000; Jones et al. 2014; Tsai et al. 2014; Wang 2012). At the same time, job seekers are especially attracted to impressive organizations that dominate their respective markets (Highhouse et al. 2007; Lievens and Slaughter 2016). Market dominance suggests that the company is prestigious (Highhouse et al. 2009) and offers better compensation and more opportunities for career progression than its competitors (Lievens and Highhouse 2003). A 2019 Global Talent Trend Report (Mercer 2019) shows how job seekers care as much about strong performance as they do about the ethicality of an organization. Yet, there can be instances where these two

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✉ Paolo Antonetti
paolo.antonetti@neoma-bs.fr

Benedetta Crisafulli
b.crisafulli@bbk.ac.uk

Aybars Tuncdogan
aybars.tuncdogan@kcl.ac.uk

1 NEOMA Business School, Rouen Campus, Mont-Saint-Aignan, France

2 Birbeck University of London, London, UK

3 King's College London, London, UK

attributes are in conflict with each other. Cases of corporate social irresponsibility (CSI), where an organization shows disregard and/or lack of care for the environment or for the local community, can lead to job seekers facing negative information about the integrity of an organization that would otherwise be attractive because of its dominance in an industry. This study explores such tension in order to understand whether and under what circumstances market dominance can buffer or alleviate the negative effects of CSI in the eyes of job seekers.

Past research shows that, while sometimes a strong image can buffer stakeholders' reactions to CSI, in other circumstances, stakeholders can be even more critical of companies with a positive image due to heightened expectations that magnify negative reactions to CSI (Lenz et al. 2017; Vanhamme et al. 2015; Wagner et al. 2009). Extant research, however, suffers from two key limitations. First, existing debates privilege the macrofoundations of CSI (Shea and Hawn 2019) and focus on the impact of irresponsible behavior at the organizational level (Kang et al. 2016; Lenz et al. 2017; Rotundo 2019). This approach overlooks the analysis of individual perceptions of corporate irresponsibility. It is nonetheless the individual perceptions of organizational irresponsibility that often determine stakeholders' behaviors. Consequently, scholars have called for more investigations that examine the microfoundations of CSI and theorize the impact of irresponsibility on individual perceptions (Shea and Hawn 2019). Second, existing studies that investigate individual perceptions and the microfoundations of CSI have thus far ignored job seekers as a critical stakeholder group, favoring the perceptions of consumers (Antonetti and Maklan 2016), employees (Vlachos et al. 2013), and investors (Groening and Kanuri 2018). Yet, given the significant personal investment involved in the selection of an employer and the reliance on external signals for this choice (Highhouse et al. 2007; Jones et al. 2014), CSI is likely to have a significant impact on recruitment outcomes.

To address the research gaps discussed above, we build on earlier research on the signals job seekers perceive about organizational reputation (Carpentier et al. 2019) and the implications of CSI as a signal (Voliotis et al. 2016) to examine how job seekers react to CSI information when evaluating a market-dominant organization. We show that, since market-dominant employers are appealing (Highhouse et al. 2007; Lievens and Slaughter 2016), in some circumstances job seekers downplay the effect of CSI and "just look the other way." Such a buffering effect is especially marked for those highly interested in working in the industry. Building on attitude change theory (Pham and Muthukrishnan 2002; Pullig et al. 2006), we show that the buffering effect of market dominance depends on: (1) whether the CSI incident is directly relevant to the domain of performance of the organization; and (2) the certainty of the attitude already held by job seekers toward a potential employer.

Our study develops three contributions. First, we contribute to the literature on employer image and recruitment outcomes (Highhouse et al. 2009; Jones et al. 2014; Tsai et al. 2014; Wang 2012) by studying job seekers' perceptions when CSI affects a market-dominant organization. While CSI always decreases organizational attractiveness, market dominance buffers or alleviates the negative impact of CSI. Second, this research extends prior work on the microfoundations of CSI (Lange and Washburn 2012; Shea and Hawn 2019), by theorizing the mechanisms and the boundary conditions by which market dominance provides a buffering effect against the negative impact of CSI. We focus here specifically on the perceptions of job seekers and show that market dominance provides a buffer only when CSI is directly relevant to the organization's domain of performance and when job seekers are certain about their preexisting view of the organization. Third, we contribute to a stream of research on job seekers' perceptions of corporate social responsibility (CSR) and how these perceptions influence organizational attractiveness (Jones et al. 2014; Tsai et al. 2014). While in the last few years several studies have examined the effects of CSR on job seekers' perceptions, to the best of our knowledge, this is the first investigation to focus on the potential effect of CSI. We contribute to these debates by clarifying the impact that CSI information has on organizational attractiveness and showing under what circumstances market dominance alleviates the damaging effects of CSI.

Conceptual Background

The Literature on CSR and Job Seekers

The social performance of an organization, characterized by programs in support of the natural environment and/or local communities, can make an organization particularly attractive to job seekers (Albinger and Freeman 2000; Tsai et al. 2014; Turban and Greening 1997). Jones et al. (2014) have shown that this effect is explained by three mechanisms: responsible organizations are perceived as prestigious, they offer a good fit with personal values, and are perceived as more likely to treat employees well. These positive signals, triggered by social responsibility information, increase perceived organizational attractiveness (Jones et al. 2014). Table 1 reviews key studies that have linked socially responsible initiatives to positive job seekers' responses.

Despite significant research attention on job seekers' reactions to CSR, no investigation to date has analyzed explicitly the impact of CSI on organizational attractiveness.

Table 1 A summary of representative studies on the effect of socially responsible initiatives on job seekers

Study	Method	Type(s) of socially responsible initiative examined	Other variable(s) examined	Outcome(s)	Key findings	Explanatory mechanism
Turban and Greening (1997)	Survey	Index of corporate social performance in various domains		Organizational reputation Organizational attractiveness	Corporate social performance is positively related to organizational reputation and attractiveness as employers	Positive self-concept of potential applicants
Albinger and Freeman (2000)	Survey	Index of corporate social performance	Job choice	Organizational attractiveness	The positive link between corporate social performance and attractiveness of a potential employer increases for applicants with high job choice	Positive self-concept of applicants
Turban and Cable (2003)	Secondary data (S1 and S2)	Index of organizational reputation		No. of applicants Applicant quality	Organizations with better reputation attract more applicants, who are of higher quality	Positive self-concept of applicants
Kim and Park (2011)	Experiment	Manipulated corporate ability and CSR performance	P–O fit	Organizational attractiveness Intent to apply	Companies with good CSR are preferred over those with poor CSR	Ethical fit between personal and corporations' ethics
Wang (2012)	Survey	Perceived corporate citizenship (economic, legal, ethical, and philanthropic)	Corporate reputation Job advancement prospects	Job pursuit intentions Recommendation intentions	Economic and legal citizenship are the most powerful signals in stimulating job pursuit and recommendation intentions	Expected job advancement and signaling of ethicality
Gully et al. (2013)	Experiment	Manipulated organization's social responsibility in communications	P–O fit Organizational attraction Desire for significant impact via job	Job pursuit intentions	Messages communicating high social responsibility are related to high job pursuit intentions among those with strong desire for significant impact via job P–O fit perceptions and organizational attraction explain the effect of messages of social responsibility on job pursuit	Signaling of prospective work environment

Table 1 (continued)

Study	Method	Type(s) of socially responsible initiative examined	Other variable(s) examined	Outcome(s)	Key findings	Explanatory mechanism
Rupp et al. (2013)	Experiment (S1) + survey (S2)	Manipulated and perceived CSR efforts	First-party distributive justice Moral identity	Job pursuit intention Organizational citizenship behaviors	CSR perceptions influence job applicants' job pursuit intentions especially if applicants have high moral identity Justice perceptions, as a form of self-interest, attenuate the positive relationship between CSR perceptions and employees' organizational citizenship behavior	Self-interest and morality as key aspects of self-identity
Jones et al. (2014)	Lab experiment (S1) + survey (S2)	Manipulated corporate social performance		Organizational attractiveness	Perceived value fit, expected treatment and organizational prestige explain the positive impact of corporate social performance on organizations' attractiveness as employers	Perceived value fit Expected treatment Organizational prestige
Tsai et al. (2014)	Survey	Perceived corporate citizenship (economic, legal, ethical citizenship, philanthropic citizenship)	Socio-environmental consciousness	Job pursuit intentions	Job seekers with high socio-environmental consciousness are not particularly affected by economic and legal citizenship in their job pursuit, but most concerned about ethical and philanthropic citizenship	Consistency in values between the individual and the company

P–O fit Person-organization fit

We address this research gap and theorize how job seekers respond to CSI information about a potential employer.

The Social Perception of CSI

Most social agents, including organizations (Kervyn et al. 2012), are perceived based on two dominant dimensions: perceived warmth and perceived competence (Fiske et al. 2007). Perceived warmth encapsulates an evaluation of the intentions of the social agent. High warmth organizations are perceived as helpful, well-intentioned and caring (Shea and Hawn 2019). Competence refers instead to an assessment of the agent's ability to carry out such intentions. A very competent organization is thus perceived as skillful, effective and able to carry out its plans (Fiske et al. 2007; Shea and Hawn 2019). A significant amount of evidence shows that organizations are evaluated on these two dimensions, which, in turn, influence how individuals behave toward them (Kervyn et al. 2012; Kirmani et al. 2017; Shea and Hawn 2019). Highly competent and warm organizations are very attractive to stakeholders who want to support them, be associated with them and buy their products (Kervyn et al. 2012; Kirmani et al. 2017; Shea and Hawn 2019). We expect therefore that perceived competence and perceived warmth will be highly related to organizational attractiveness in job seekers' evaluations (Lievens and Slaughter 2016; Shea and Hawn 2019).

Recent evidence further differentiates within the domain of warmth between two dimensions: ethicality and sociability (Kirmani et al. 2017; Leach et al. 2007). The first concerns the perceptions of integrity of an organization; that is, an overall perception that the organization behaves ethically and respects acceptable standards of conduct (Jones et al. 2014; Turban and Greening 1997). Sociability is instead more closely linked to warmth as it indicates an organization's friendliness and openness to social interaction of an organization (Kirmani et al. 2017; Leach et al. 2007).

Evidence shows that cases of irresponsibility reduce the perceived ethicality of the organization (Antonetti and Anesa 2017; Shea and Hawn 2019), and lead to retaliation (Antonetti and Maklan 2016; Grappi et al. 2013). Unless otherwise specified, an organization tends to be blamed for CSI and its integrity is called into question (Antonetti and Maklan 2016). While CSI is primarily indicative of poor ethicality, it also suggests a lack of competence because, in the absence of other information, it suggests that the company is unable to meet stakeholders' normative expectations (Shea and Hawn 2019). Since CSR has been linked with better product performance (Chernev and Blair 2015), it is reasonable to expect that CSI will lower perceived competence (Shea and Hawn 2019). Moreover, in the absence of specific information to the contrary, job seekers attribute CSI to both incompetence and a lack of integrity (Kim et al. 2004).

Accordingly, in this study we focus on how CSI influences perceived employer ethicality and perceived employer competence as two dominant drivers of organizational attractiveness. CSI will lower the perceived ethicality and the perceived competence of the organization and, through these two mediators, lower perceived attractiveness. However, we do not expect this effect to be the same across all types of organizations. Rather, we argue that market dominance will reduce the negative impact of CSI for the dominant employer in an industry.

The Buffering Effect of Market Dominance

Market-dominant employers are especially attractive (Highhouse et al. 2007; Lievens and Slaughter 2016). Importantly, there are different cues that job seekers use to infer market dominance (Highhouse et al. 2007; Lievens and Highhouse 2003): the size of the organization, the relative market share, the degree of internationalization, and its position in relevant industry rankings. Consistent with several of the signals identified by Highhouse et al. (2007), we focus here on the number of employees, the organization's relative market share and the level of international expansion to communicate the market dominance of a potential employer. We use these signals as they are easily accessible and routinely communicated by prospective employers on websites and promotional materials in order to attract applicants (Puncheva-Michelotti et al. 2018).

We envisage that job seekers will be more lenient in their reactions when cases of CSI affect a dominant employer. Job seekers might perceive the signals implicit in CSI incidents and in market dominance as compensating each other. To the extent that CSI does not affect the job seeker directly (Antonetti and Maklan 2016), its negative effect might be compensated by information about the dominance of the organization in the marketplace. While social irresponsibility might convey the impression that the organization is uncaring (Shea and Hawn 2019), and by extension, unlikely to treat its employees well (Jones et al. 2014), market dominance might signal, on the contrary, that the organization offers better working conditions than the average organization in the same sector (Lievens and Highhouse 2003; Jones et al. 2014). Similarly, while CSI might reduce competence because it suggests an ability to conform to required standards of conduct (Shea and Hawn 2019), dominance might increase competence by suggesting that the organization is more effective than its peers (Highhouse et al. 2007). These opposing effects might rule each other out, thus weakening the negative impact of CSI for market-dominant employers. Based on the preceding discussion we hypothesize that:

H1a Market dominance will moderate the negative influence of CSI on perceptions of employer ethicality so that

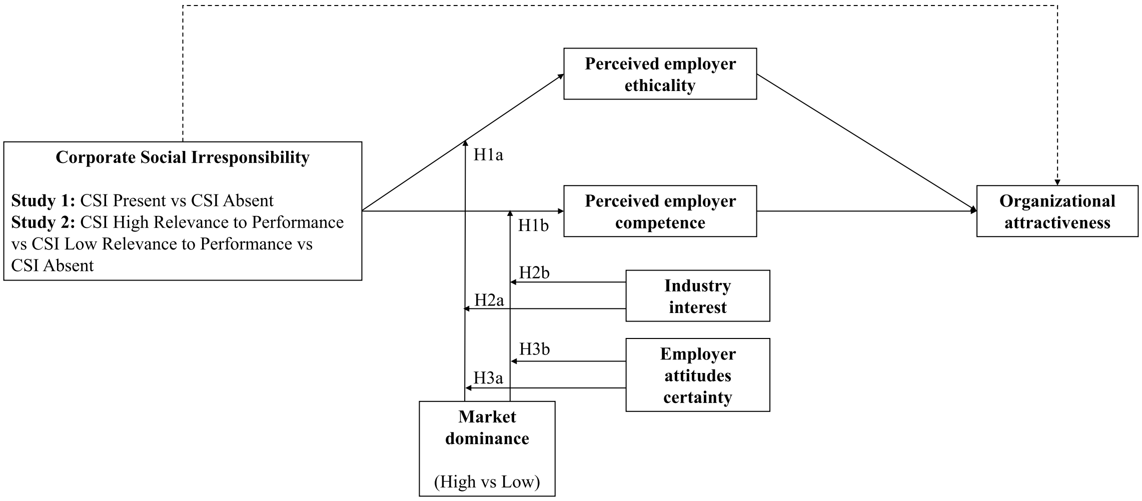


Fig. 1 Conceptual model

the negative effect of CSI on ethicality will be weaker for market-dominant employers (vs employers that are not market dominant).

H1b Market dominance will moderate the negative influence of CSI on perceptions of employer competence so that the negative effect of CSI on competence will be weaker for market-dominant employers (vs employers that are not market dominant).

Furthermore, job seekers might morally disengage (Bandura 1990) from the evaluation of corporate wrongdoing because of their desire to work for a dominant employer. Moral disengagement is the process by which individuals justify unethical behavior to themselves because of perceived extenuating circumstances (Bandura 1990). Research shows that moral disengagement can be activated by personal self-interest (Kish-Gephart et al. 2014). This process might apply to job seekers who are keen to work for a dominant employer and therefore might be tempted to justify CSI to shield the employer from connotations of immorality. The immorality of the employer in fact would also reflect negatively on the job seeker once they join the organization. Moral disengagement takes the form of minimizing the negative consequences of CSI, or diffusing responsibility to other actors beyond the organization (Kish-Gephart et al. 2014; Moore et al. 2012). This process would lead to a stronger buffering effect of market dominance for job seekers who have high self-interest in joining the organization.

In the recruitment literature, a strong research tradition considers how individual preferences for certain work activities and work environments influence job choice and retention (Van Iddekinge et al. 2011). Here we focus specifically on job seekers' interest in a certain industry. There is evidence that belonging to a certain industry influences an employer's reputation and consequently its attractiveness (Cable and Graham 2000). Furthermore, individuals have fairly stable industry preferences and often train for work in a specific sector (Kim et al. 2010). We expect that job seekers who are interested in working in the industry where the market-dominant employer operates will be more likely to show moral disengagement when presented with information about the organization's wrongdoing. For this group of jobseekers, the market-dominant employer will benefit from a strong buffering effect, resulting in CSI having a weaker influence on perceived employer's ethicality and competence. Based on the above, we hypothesize that:

H2 Interest in the industry will moderate the interaction between CSI and market dominance. Specifically:

H2a When industry interest of job seekers is high, CSI will have a weaker negative effect on perceived ethicality for market-dominant employers (vs employers that are not market-dominant).

H2b When industry interest of job seekers is high, CSI will have a weaker negative effect on perceived competence for market-dominant employers (vs employers that are not market-dominant).

Figure 1 summarizes the model tested in Study 1. The links between perceived employer ethicality, perceived employer competence and organizational attractiveness have already been validated in previous work (Antonetti and Anesa 2017; Shea and Hawn 2019). We focus here on two interaction effects. First, we seek to establish whether there is evidence of a buffering effect for market-dominant employers facing CSI. Second, we test a three-way interaction between CSI, market dominance, and industry interest to assess whether such a buffering mechanism is affected by job seekers' interest in the industry. We discuss the background and the testing of H3a and H3b in Study 2.

Study 1

Methods

Research Design and Sample

We conducted a 2 (CSI: present vs absent) × 2 (market dominance: low vs high), between-subjects, scenario-based experiment, with industry interest measured as a continuous variable. We recruited 299 US participants[1] from the online panel Prolific Academic. Prolific Academic is an online participant pool with about 30,000 active members in the USA (https://www.prolific.co/participants). Several studies have highlighted the suitability of Prolific Academic for social science research (Peer et al. 2017; Palan and Schitter 2018). Specifically, scholars have demonstrated the reliability and high quality of data collected on Prolific Academic when compared to other online sources and/or institutional participant pools (Peer et al. 2017).

The panel provider recruited for the study only participants that were looking for a job. At the beginning of the experiment, a further screening was conducted to confirm that all participants were still actively looking for employment at the time of the study. We presented all participants with the advertisement of a job fair where three fictitious sport retailers participated. Based on previous research (Jones et al. 2014), we asked participants to evaluate more than one potential employer to make the process realistic, given that job seekers typically compare several employers when searching for a job. After evaluating the three potential employers, participants read a CSI scenario affecting the featured sport retailers. Next, they answered questions measuring our constructs in relation to only one potential employer, whose profile manipulated dominance to half of the participants. The survey lasted 10 min and participants received $1 for their participation. The sample was evenly split between male and female participants and included different age groups: 39% were 18 to 24 years old, 37% were 25 to 34 years old, 16% were 35 to 44 years old, 6.4% were 45 to 55 years old, and 1.6% were 55 years of age or older. Additionally, 56% of the participants had previously worked in retailing[2].

Stimuli

We developed the scenarios based on a number of pretests. In the high market dominance condition, participants read three employer descriptions, including one representing an organization that dominates the market in terms of size, revenue, and level of internationalization. To ensure that the descriptions would be relevant to job seekers having various interests, we made clear that the companies were looking for employees in all areas of the business and were seeking to recruit candidates with different educational backgrounds. The organizational profiles were pretested in order to ensure that, when evaluated without the market dominance manipulation, the companies were perceived as being similarly attractive by participants. The CSI scenario entailed a case of environmental pollution in the supply chain that affected all three potential employers. Participants imagined reading a news item about the scandal in a trusted newspaper (see details of the scenarios in Web Appendix A). Next, participants were informed that the software had randomly selected one organization for evaluation and they answered only the questions concerning the target organization.

As manipulation checks, we used three items measuring perceptions of market dominance concerning the sport retailer responsible for CSI (e.g., "… is a dominant company"—rated from 1 = strongly disagree to 7 = strongly agree). The market dominance manipulation was successful ($M_{\text{No MD}} = 5.28$, $M_{\text{MD}} = 5.74$; $t(296) = 3.99$, $p < 0.001$). We checked the manipulation of CSI with two items, asking participants to rate whether the relevant sport retailer "has been involved in environmental scandals" ($M_{\text{No CSI}} = 3.65$, $M_{\text{CSI}} = 5.99$; $t(296) = 15.32$, $p < 0.001$) and "is responsible for serious environmental pollution" ($M_{\text{No CSI}} = 3.78$, $M_{\text{CSI}} = 5.71$; $t(296) = 12.87$, $p < 0.001$). Ratings were in line with our expectations.

Measures

We used scales borrowed from the literature (see Web Appendix B for details of the items used) and implemented a series of steps to reduce common method bias (CMB). We randomized all scales, reassured participants about answers' confidentiality, stressed the importance of participants' answers to increase motivation and used simple language

[1] Eleven participants failed an instructional manipulation check and were warned to pay attention to the study. Following recommendations in the literature (Oppenheimer et al. 2009) we decided not to exclude these participants. However, in all studies, we analyzed the data with and without participants who failed the attention checks. Excluding these participants did not affect the results.

[2] Of these participants, 12% had less than one year of work experience in retail, 21% between one to two years, 13% between three to five years, and 10% more than five years.

throughout (MacKenzie and Podsakoff 2012; Podsakoff et al. 2003). We measured perceived ethicality with five items from Brunk (2012), where participants rated the extent to which the company was ethical and adhered to moral norms of conduct (*sample item*: Activestyle respects moral norms; from 1 = strongly disagree to 7 = strongly agree). Perceived competence was measured with three items from past research (Fiske et al. 2007; Kervyn et al. 2012) tapping into a general perception of the company as effective and skillful (*sample item*: Activestyle is a competent organization; from 1 = strongly disagree to 7 = strongly agree). Organizational attractiveness was measured using four items from Jones et al. (2014) capturing the image of the company as a potential employer (*sample item*: Activestyle is attractive to me as a place of employment; from 1 = strongly disagree to 7 = strongly agree). Lastly, the scale for industry interest was borrowed from Coulter et al. (2003) and included three items (*sample item*: Employers in sport retailing are exciting to me; from 1 = strongly disagree to 7 = strongly agree). We collected a range of demographic and personal information including; gender, age, education, prior experience in retailing, and the industry participants held their last job. These were later used as covariates in our statistical analyses.

Analysis

We assessed our measures to ensure that scales are reliable and valid before testing our research hypotheses. To assess the measures, we conducted a Confirmatory Factor Analysis (CFA) using IBM SPSS AMOS (version 23). This analysis also allows examining the potential influence of CMB in the data. To test our research hypotheses, we conducted a Multivariate Analysis of Covariance (MANCOVA) with CSI and market dominance as independent variables. Finally, to test the model of moderated mediation proposed in Fig. 1, we ran a conditional effect analysis using PROCESS (Model 11) and 10,000 resamples for the estimation of confidence intervals (CIs) using bias-corrected and accelerated bootstrap (Hayes 2018). We included the covariates in both the MANCOVA and the conditional effect analysis.

Results

Assessment of Measures

The CFA offers a good fit to the data: $\chi^2 = 170.36$, $df = 84$, $p < 0.01$; $\chi^2/df = 2.03$; root mean square error of approximation [RMSEA] = 0.06; comparative fit index [CFI] = 0.98; Tucker–Lewis index [TLI] = 0.98. The standardized loadings for all our conceptual scales are presented in Web Appendix B. All scales are reliable, with high loadings on the intended constructs. Average variance extracted (AVE) and composite reliability (CR) are above established thresholds. The Fornell–Larcker criterion is respected for all constructs (Fornell and Larcker 1981). To assess statistically the potential impact of CMB, we estimated a one-factor solution (see Craighead et al. 2011). Results show that a one-factor solution offers a much worse fit (CFI = 0.62, TLI = 0.56, RMSEA = 0.25) than the four-factor solution. This indicates that CMB is unlikely to be a concern in our findings.

Hypotheses Testing

We conducted a MANCOVA with CSI and market dominance as independent variables and the covariates mentioned above. Results show a main effect of CSI on perceived ethicality ($M_{\text{No CSI}} = 4.88$, $M_{\text{CSI}} = 3.30$; F (1, 298) = 106.09, $p < 0.001$), perceived competence ($M_{\text{No CSI}} = 5.62$, $M_{\text{CSI}} = 5.11$; F (1, 298) = 15.77, $p < 0.001$), and organizational attractiveness ($M_{\text{No CSI}} = 4.84$, $M_{\text{CSI}} = 4.26$; F (1, 298) = 14.44, $p < 0.001$). In contrast, there is no main effect of market dominance on ethicality ($M_{\text{Low MD}} = 3.97$, $M_{\text{High MD}} = 4.20$; F (1, 298) = 2.16, $p > 0.05$), perceived competence ($M_{\text{Low MD}} = 5.27$, $M_{\text{High MD}} = 5.47$; F (1, 298) = 2.33, $p > 0.05$), or organizational attractiveness ($M_{\text{Low MD}} = 4.47$, $M_{\text{High MD}} = 4.64$; F (1, 298) = 1.02, $p > 0.05$). There is a significant interaction effect between CSI and market dominance on perceived ethicality (F (1, 298) = 6.84, $p < 0.01$). The interaction on perceived competence is not significant (F (1, 298) = 0.62, $p > 0.05$) and the interaction on organizational attractiveness is marginally significant (F (1, 298) = 3.38, $p = 0.06$). Consistent with H1a, the negative effect of CSI is weaker for market leaders as evidenced by greater levels of perceived ethicality (High market dominance: $M_{\text{CSI}} = 3.61$, $M_{\text{No CSI}} = 4.78$; Low market dominance: $M_{\text{CSI}} = 2.99$, $M_{\text{No CSI}} = 4.98$) and organizational attractiveness (high market dominance: $M_{\text{CSI}} = 4.50$, $M_{\text{No CSI}} = 4.77$; Low market dominance: $M_{\text{CSI}} = 4.02$, $M_{\text{No CSI}} = 4.92$).

Table 2 shows the parameter estimates for the conditional effect analysis. As hypothesized, we found a significant three-way interaction between CSI, market dominance, and industry interest on ethicality and on competence. Table 3 shows the indirect effects at different levels of market dominance and industry interest. The effect of CSI on organizational attractiveness, through the two mediators examined, is significantly reduced for a market-dominant employer and for job seekers with high interest in the industry.

To illustrate the three-way interaction graphically, we created two groups using a median split to differentiate between job seekers with high and low industry interest. Figure 2 shows the interaction plots. Consistent with H2a and H2b, it is apparent that market-dominant employers are especially buffered from CSI in the case of job seekers with high industry interest.

Table 2 Moderated mediation model estimates

Parameters estimated	Study 1 CSI absent vs CSI present			Study 2 CSI absent vs CSI low relevance to performance			Study 2 CSI absent vs CSI high relevance to performance		
	β	95% CI lower	95% CI upper	β	95% CI lower	95% CI upper	β	95% CI lower	95% CI upper
CSI → ethicality	− 1.16**	− 1.49	− 0.83	− 1.04**	− 1.32	− 0.77	− 1.13**	− 1.44	− 0.83
Market dominance → ethicality	− 0.13	− 0.47	0.20	− 0.20	− 0.48	0.08	0.17	− 0.13	0.47
CSI × market dominance → ethicality	− 0.26	− 0.59	0.07	− 0.05	− 0.33	− 0.23	0.36*	0.06	0.66
Industry interest → ethicality	0.33**	0.24	0.42	0.22**	0.14	0.29	0.26**	0.18	0.35
CSI × industry interest → ethicality	0.10*	0.01	0.19	− 0.01	− 0.09	− 0.06	0.02	− 0.06	0.11
Market dominance × industry interest → Ethicality	0.06	− 0.03	0.15	0.02	− 0.05	0.09	− 0.02	− 0.11	0.06
CSI × market dominance × industry interest → ethicality	0.11*	0.02	0.20	− 0.01	− 0.09	0.06	− 0.07	− 0.15	0.02
CSI → competence	− 0.47**	− 0.76	− 0.19	− 0.45**	− 0.73**	− 0.17**	− 0.78**	− 1.06	− 0.49
Market dominance → competence	0.11	− 0.18	0.40	− 0.02	− 0.30	0.26	− 0.21	− 0.49	0.07
CSI × market dominance → competence	− 0.28	− 0.57	0.01	− 0.27	− 0.55	− 0.02	− 0.46**	− 0.74	− 0.18
Industry interest → competence	0.15**	0.08	0.23	0.09*	0.01	0.17	0.15**	0.07	0.23
CSI × industry interest → competence	0.07	− 0.01	0.14	− 0.03	− 0.10	0.04	0.02	− 0.06	0.10
Market dominance × industry interest → competence	− 0.01	− 0.09	0.07	0.03	− 0.04	0.11	0.10*	0.03	0.18
CSI X market dominance × industry interest → competence	0.08*	0.01	0.16	0.06	− 0.01	0.14	0.13**	0.05	0.21
CSI → organizational attractiveness	0.20**	0.06	0.35	0.19*	0.02	0.38	0.24**	0.07	0.40
Ethicality → organizational attractiveness	0.55**	0.45	0.66	0.61**	0.49	0.73	0.67**	0.58	0.77
Competence → organizational attractiveness	0.31**	0.18	0.44	0.34**	0.22	0.46	0.29**	0.18	0.39
Model summary	$R^2 = 0.48$; F (8, 290) = 32.81, $p < 0.001$			$R^2 = 0.48$; F (9, 324) = 33.22, $p < 0.001$			$R^2 = 0.57$; F (9, 331) = 48.74, $p < 0.001$		

β represents unstandardized path coefficients. *$p < 0.05$; **$p < 0.01$. The CSI variable was coded as − 1 when CSI information was absent and + 1 when CSI information was present. Market dominance was coded as − 1 in case of low market dominance and + 1 in case of high market dominance. The average of all the items is used for the analysis. Covariates with significant effects in Study 1: gender → ethicality 0.01; CI: − 0.58, − 0.02; retail experience → ethicality − 0.40; CI: − 0.68, − 0.12. Covariates with significant effects in Study 2 CSI absent vs CSI low relevance to performance: age → ethicality 0.01; CI: 0.001, 0.02; social desirability → ethicality 0.13; CI: 0.03, 0.23; education → competence − 0.15; CI: − 0.27, − 0.04. Covariates with significant effects in study 2 CSI absent vs CSI high relevance to performance: gender → Competence − 0.34; CI: − 0.56, − 0.12; social desirability → competence 0.16; CI 0.05, 0.26; social desirability → attractiveness − 0.11; CI − 0.21, − 0.01. All other covariates do not have statistically significant effects

Table 3 Conditional indirect effect analysis

Hypothesized indirect effect	Dominance	Industry interest	Coefficient		95% CI	
			Study 1	Study 2	Study 1	Study 2
CSI → ethicality	High	High	0.01	− 1.20**	− 0.25 to 0.24	− 1.45 to − 0.96
CSI → ethicality	High	Low	− 0.48**	− 1.11**	− 0.73 to − 0.23	− 1.36 to − 0.86
CSI → ethicality	Low	High	− 0.28*	− 1.00**	− 0.52 to − 0.03	− 1.23 to − 0.78
CSI → ethicality	Low	Low	− 0.23†	− 1.03**	− 0.46 to 0.01	− 1.28 to − 0.79
CSI → competence	High	High	− 0.36*	− 0.51**	− 0.64 to − 0.08	− 0.76 to − 0.26
CSI → competence	High	Low	− 1.03**	− 0.99**	− 1.32 to − 0.74	− 1.24 to 0.74
CSI → competence	Low	High	− 0.93**	− 0.85**	− 1.22 to − 0.65	− 1.11 to − 0.59
CSI → competence	Low	Low	− 0.91**	− 0.50**	− 1.18 to − 0.64	− 0.75 to − 0.25
CSI → ethicality → organizational attractiveness	High	High	− 0.20*	− 0.67**	− 0.37 to − 0.04	− 0.89 to − 0.46
CSI → ethicality → organizational attractiveness	High	Low	− 0.57**	− 0.57**	− 0.77 to − 0.39	− 0.83 to − 0.33
CSI → ethicality → organizational attractiveness	Low	High	− 0.52**	− 0.71**	− 0.72 to − 0.33	− 0.94 to − 0.48
CSI → ethicality → organizational attractiveness	Low	Low	− 0.50**	− 0.90**	− 0.68 to − 0.34	− 1.08 to − 0.72
CSI → competence → organizational attractiveness	High	High	0.01	− 0.15**	− 0.08 to 0.07	− 0.24 to − 0.07
CSI → competence → organizational attractiveness	High	Low	− 0.15*	− 0.28**	− 0.28 to − 0.05	− 0.42 to − 0.16
CSI → competence → organizational attractiveness	Low	High	− 0.09*	− 0.24**	− 0.20 to − 0.01	− 0.37 to − 0.13
CSI → competence → organizational attractiveness	Low	Low	− 0.07†	− 0.14**	− 0.16 to 0.01	− 0.23 to − 0.07

For Study 2 only the model comparing CSI high relevance to performance with No CSI is considered. Industry interest values considered at + or − 1 SD from the mean

† $p < .1$; * $p < .05$; ** $p < .001$

Discussion

Our results support H1a, H2a and H2b. While H1b is not supported, we find evidence of a buffer effect on perceived competence for those job seekers who are most interested in working in the industry. Overall, market dominance acts as a buffer for employers following CSI, especially when industry interest is high. In Study 1, however, we focused on a type of CSI that directly concerned the core domain of performance of the organization. Seeking to shed further light on the conditions that lead job seekers to minimize CSI, Study 2 explores also a type of CSI which is less relevant to the domain of performance of the employer. Our hypothesis, as we discuss below, is that job seekers' reaction is buffered in the case of dominant employers' wrongdoing when CSI is directly relevant to organizational performance.

Study 2

The Role of CSI's Relevance to the Employer's Domain of Performance

Study 2 tests the boundary conditions of the buffer effect of market dominance. We compare CSI that is highly relevant to the employer's domain of performance to a condition where CSI has a weak link to the employer's domain of performance. We expect that CSI that is highly relevant to performance is less damaging when it affects a market-dominant employer and job seekers have high attitude certainty.

When evaluating a potential employer, job seekers will often obtain positive information from recruitment materials wishing to attract talent to the organization. Such information will ideally generate positive attitudes toward a potential employer. In this context, CSI represents a counter-attitudinal message that might contribute to updating job seekers' perceptions of a potential employer. Research on the "search-and-alignment" model (Pham and Muthukrishnan 2002) theorizes that, when presented with counter-attitudinal evidence concerning a target of evaluation, individuals search their memories for additional information related to the target that might align with the counter-attitudinal message. When the counter-attitudinal message directly challenges information retrieved from memory, a significant attitude change is likely to occur (Pham and Muthukrishnan 2002). For example, the falsification of safety tests would be a particularly damaging CSI event for a car manufacturer famous for producing safe vehicles. Job seekers' perceptions of such a car manufacturer as a potential employer might markedly worsen as the CSI information directly challenges the organization's source of distinctiveness.

In our study, we examine the relevance of CSI to the performance domain of the organization and consider this a critical dimension in determining job seekers' perceptions. Building on previous research (e.g., Bhattacharjee et al. 2013), we propose that CSI is relevant to the

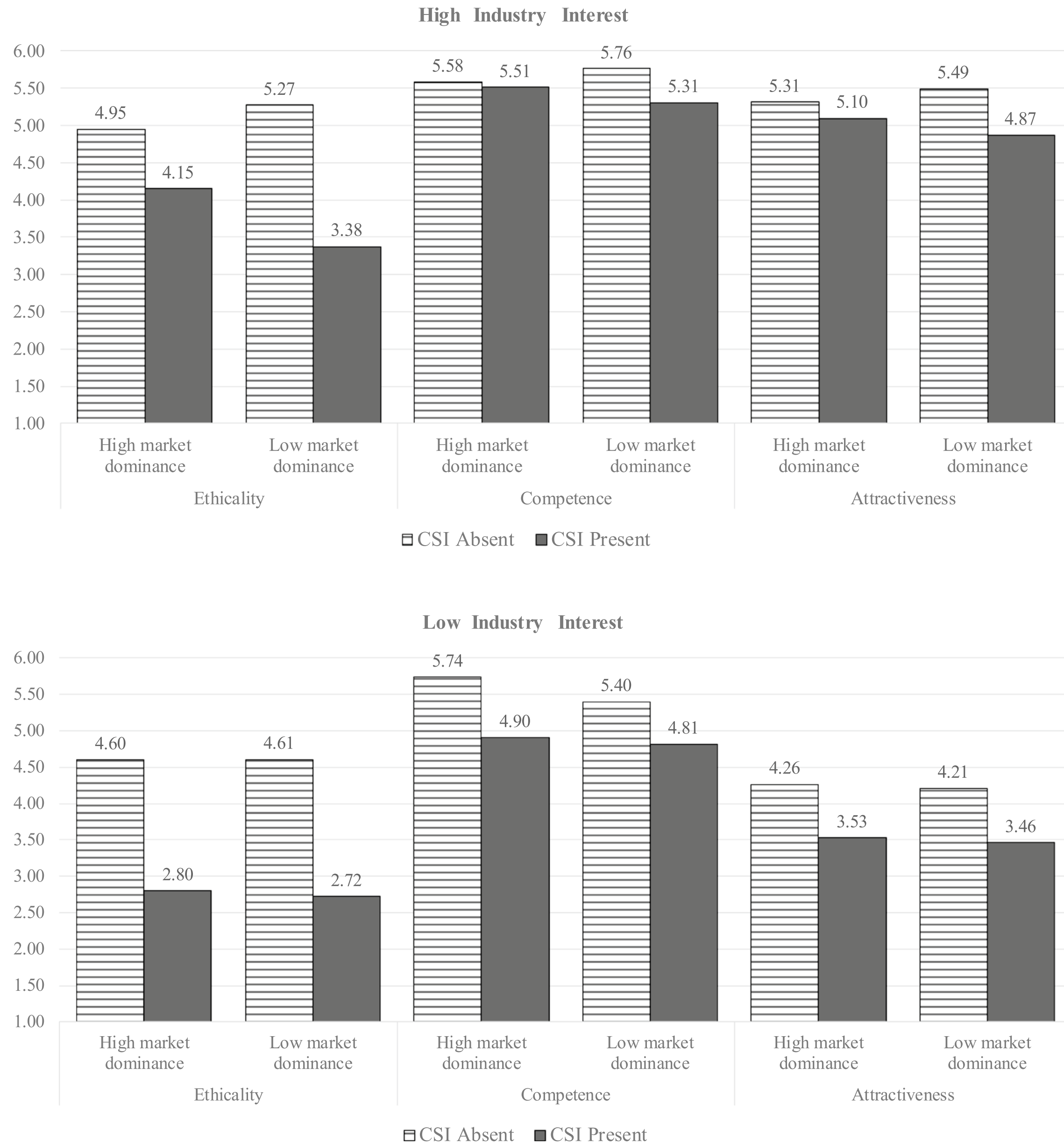


Fig. 2 Interaction of CSI, market dominance and Industry interest (Study 1)

domain of performance of the organization when it affects the organization's core offerings, and calls into question the ability of the organization to perform in accordance with stakeholders' expectations. The idea of relevance to the domain of performance differs from the concept of CSI fit (Sen and Bhattacharaya 2001) because it goes beyond the mere association between CSI and the type of products offered by the employer to focus more explicitly on whether and how CSI is relevant to performance (Bhattacharjee et al. 2013). We expect that information about the association between CSI and the organization's performance will be especially salient for job seekers who are very interested in evaluating potential employers based on their general performance (Lievens and Slaughter 2016).

Consistent with Pham and Muthukrishnan (2002), new information that aligns with previously held beliefs triggers a more significant cognitive processing. The implications of this cognitive processing, however, further depend on the level of certainty with which job seekers hold their preexisting attitudes toward the employer (Pullig et al. 2006).

What to Make of a Dominant Employer: The Role of Employer Attitude Certainty

When job seekers learn that a potential employer dominates the market, they are likely to form positive attitudes toward the organization (Highhouse et al. 2007). There can be differences, however, in the strength with which this positive attitude forms in job seekers' minds. Attitude certainty is defined as the personal sense of being confident that one's view is correct (Gross et al. 1995). Job seekers with high certainty in their attitudes toward an employer are more likely to resist CSI information.

In general, when individuals are certain about their attitudes, they engage in greater elaboration of new, contradictory information (Abelson 1988). This is because attitudes held with certainty are more definite and easily accessible (Gross et al. 1995). Consequently, when individuals have high attitude certainty, information processing is more likely to be biased (Eagly and Chaiken 1995). In this respect, Pullig et al. (2006) show that individuals with high attitude certainty are willing to protect brands confronted with negative information when the negative information closely aligns to preexisting attitudes. In our context we expect that this means that high attitude certainty creates a desire to counter-argue CSI information that is highly relevant to the employer's domain of performance.

Consistent with this perspective, job seekers will judiciously scrutinize CSI information that challenges their existing positive view of a dominant employer when they feel certain about their existing attitudes (Pullig et al. 2006). When CSI is relevant to the market-dominant employer's domain of performance, job seekers with high attitude certainty will protect the organization in order to retain their existing positive view. The fact that CSI is relevant to the employer's domain of performance makes the challenge to existing attitudes highly threatening (Pomerantz et al. 1995). Job seekers will engage in greater cognitive elaboration as they actively search for alternative explanations that confirm existing positive perceptions of ethicality and competence (Fabrigar and Petty 1999), consistent with a buffering mechanism. In contrast, when CSI is not relevant to the market-dominant employer's domain of performance, the motivation to protect the brand subsides as the counter-attitudinal information is less threatening (Pullig et al. 2006).

When job seekers have low certainty about their attitudes toward the potential employer, however, the cognitive elaboration of the new, counter-attitudinal information will be reduced. Job seekers who are unsure about the potential employer are likely to accept CSI information at face value, without seeking to protect the market-dominant employer (Pullig et al. 2006). The lack of certainty in their attitudes will diminish the motivation to look for alternative reasons that might justify the wrongdoing. We test this process both for the perceived competence and the perceived ethicality mechanisms examined in Study 1. Accordingly, we hypothesize that:

H3 Attitude certainty will moderate the interaction between CSI relevance to the employer's domain of performance and market dominance. Specifically:

H3a When employer attitude certainty is high, CSI relevance to the employer's domain of performance will increase perceived ethicality for market-dominant employers (vs employers that are not market-dominant).

H3b When employer attitude certainty is high, CSI relevance to the employer's domain of performance will increase perceived competence for market-dominant employers (vs employers that are not market-dominant).

In Study 2 we also aim to replicate the findings of Study 1 by comparing a condition where CSI information is absent to a condition where participants evaluate a case of CSI. The discussion above, however, implies that the buffering effect identified in Study 1 should hold only when considering CSI with high relevance to the employer's performance.

Methods

Research Design and Sample

Following the same procedures of Study 1, we conducted a 3 (CSI: absent vs CSI low relevance to performance vs CSI high relevance to performance) × 2 (market dominance: low vs high) between-subjects, scenario-based experiment, with interest in the industry and employer attitude certainty measured as continuous variables. We recruited 506 job seekers who were looking for a job at the time of the study.[3] All other procedures were consistent with Study 1. The sample included 51% female and different age groups: 38% were 18 to 24 years old, 37% were 25 to 34 years old, 14% were 35 to 44 years old, 7% were 45 to 55 years old, and 4% were 55 years of age or older. Moreover, 55% of participants had some past work experience in retail.[4]

[3] Similar to Study 1, 11 participants failed an attention check and were reminded of the importance of paying attention to the experimental protocol and to the survey questions. The exclusion of these cases, however, does not affect the results.

[4] Of these participants, 34% had less than one year of work experience in retail, 27% between one and two years, 20% between two and five years, and 19% more than five years.

Measures

We retained the same measures of Study 1. To measure employer attitude certainty, we used the approach and scales reported in Pullig et al. (2006). Specifically, after reading the profile of the three companies, participants reported their general attitude toward the target organization (*sample item*: Which of the following would you say best describes your opinion of the company Activestyle as a potential employer? from 1 = extremely bad to 7 = extremely good). Next, they answered the questions on employer attitude certainty (see Web Appendix B for details). Then, participants saw the CSI information and answered questions measuring the other constructs. At the end of the survey, we collected demographic information and the same covariates measured in Study 1. In addition, we controlled for the potential role of social desirability bias (Fisher 1993) using a four-item scale from past research on the microfoundations of CSI (Grappi et al. 2013) to assess this construct (*sample item*: I am always courteous even to people who are disagreeable from 1 = strongly disagree to 7 = strongly agree). Finally, we added a marker variable to the survey (i.e., "I daydream and fantasize, with some regularity, about things that might happen to me" from 1 = strongly disagree to 7 = strongly agree) to test for CMB (Bagozzi 2011).

Stimuli

The CSI manipulation was different from Study 1 and focused only on one employer. It described a case of environmental contamination in a factory that manufactured items for the brand's clothing line Qikko. We used the manipulation of market dominance employed in Study 1. A minor adaptation to the employer profiles allowed us to manipulate the relevance of CSI to the employer domain of performance. In the high CSI relevance to the employer's domain of performance, CSI affected one of the organization's brand, which was described as core to the organization's success. In the low CSI relevance to the employer's domain of performance, the organization's most important brand is not affected by CSI. Specifically, participants read that the employer's *"[…] popularity is linked with its extremely popular range of outdoor clothing, sold under the brand Qikko/Marlin. Qikko/Marlin includes a wide range of high-performance outdoor items such as jackets, trousers, sweaters, shoes and backpacks. Qikko/Marlin is the main reason for Activestyle's success."* There are no significant differences in participants' attitudes between the two versions of the description ($M_{\text{CSI absent}} = 5.32$, $M_{\text{Low CSI relevance to performance}} = 5.32$ vs $M_{\text{High CSI relevance to performance}} = 5.28$, F (2, 505) = 0.09, $p > 0.05$) suggesting that the difference in brand name does not affect the general evaluation of the organization.

As in Study 1, market dominance was successfully manipulated ($M_{\text{Low MD}} = 4.39$, $M_{\text{High MD}} = 5.55$; t (504) = 11.44, $p < 0.001$). As a manipulation check for CSI relevance to the employer's domain of performance, we used four items assessing the criticality of the CSI incident for the employer's performance (*sample item*; the case of environmental pollution described represents a threat to Activestyle's primary activities, from 1 = strongly disagree to 7 = strongly agree). The average of the four items showed that the variable was successfully manipulated ($\text{M}_{\text{High CSI relevance to performance}} = 5.61$, $\text{M}_{\text{Low CSI relevance to performance}} = 4.60$; t (335) = 7.71, $p < 0.001$).

Analysis

As in Study 1, we first examine the measures, using a CFA, and then test our research hypotheses through a MANCOVA and a conditional effect analysis. In addition to the covariates examined in Study 1, we added social desirability as a further statistical control.

Results

Assessment of Measures

As in Study 1, all scales performed adequately, and no concerns were raised in terms of reliability. Standardized loadings are reported in Web Appendix B. Overall the model offers a good fit to the data: $\chi^2 = 322.18$, $df = 142$, $p < 0.01$; $\chi^2/df = 2.27$; RMSEA = 0.05; CFI = 0.98; TLI = 0.98. Discriminant validity is also supported by the Fornell-Larcker criterion (Fornell and Larcker 1981). To test for the potential role of CMB, we ran the CFA estimating a one-factor solution. Results show that a single-factor model has a much worse fit than the model with six factors (CFI = 0.48, TLI = 0.42, RMSEA = 0.27). Furthermore, we inspected the correlations between our conceptual constructs and the marker variable. Only ethicality has a small significant correlation with the marker variable ($r = -0.10$, $p < 0.05$). When running a partial correlation analysis between our conceptual constructs, and using the marker variable as a control, we find that all correlations remain unchanged (Bagozzi 2011). This evidence indicates that CMB is not an issue of concern in the interpretation of results.

Hypotheses Testing

MANCOVA results show no significant main effect of market dominance on perceived ethicality ($M_{\text{Low MD}} = 3.27$, $M_{\text{High MD}} = 3.33$; F (1, 505) = 0.12, $p > 0.05$) or organizational attractiveness ($M_{\text{Low MD}} = 3.73$, $M_{\text{High MD}} = 3.86$; F (1, 505) = 0.85, $p > 0.05$). There is, however, a main effect of dominance on perceived competence ($M_{\text{Low MD}}$ = 4.54, $M_{\text{High MD}}$ = 4.79; F (1, 505) = 4.07, $p < 0.05$). There is main effect of CSI condition on ethicality ($M_{\text{CSI absent}}$ = 4.75, $M_{\text{Low CSI relevance to performance}}$ = 2.60, $M_{\text{High CSI relevance to performance}}$ = 2.56; F (2, 505) = 165.14, $p < 0.01$), competence ($M_{\text{CSI absent}}$ = 5.45, $M_{\text{Low CSI relevance to performance}}$ = 4.39, $M_{\text{High CSI relevance to performance}}$ = 4.14; F (2, 505) = 165.14, $p < 0.01$) and attractiveness ($M_{\text{CSI absent}}$ = 4.68, $M_{\text{Low CSI relevance to performance}}$ = 3.41, $M_{\text{High CSI relevance to performance}}$ = 3.29; F (2, 505) = 165.14, $p < 0.01$). There is also a significant interaction of CSI condition and dominance on ethicality (F (2, 505) = 6.68, $p < 0.01$). High dominance provides a buffer on ethicality in the case of high CSI relevance to performance ($M_{\text{CSI absent}}$ = 4.67, $M_{\text{Low CSI relevance to performance}}$ = 2.44, $M_{\text{High CSI relevance to performance}}$ = 2.89). For non-dominant employers, on the contrary, high CSI relevance to performance can be problematic ($M_{\text{CSI absent}}$ = 4.83, $M_{\text{Low CSI relevance to performance}}$ = 2.78, $M_{\text{High CSI relevance to performance}}$ = 2.24). The interaction of CSI condition and market dominance on competence (F (2, 505) = 0.19, $p > 0.05$) and attractiveness (F (2, 505) = 0.61, $p > 0.05$) are not statistically significant.

Next, we examined a model of moderated mediation through conditional effect analysis. First, we replicated the analysis of Study 1 and compared the CSI absent group to the two different CSI relevant conditions. Table 2 presents the results. In line with our expectations, market dominance provides a buffer only when CSI is highly relevant to the employer performance. We find, however, that the three-way interaction of CSI condition, dominance and industry interest is significant only for competence, not for ethicality. The indirect effect estimates, comparing the CSI absent condition to the condition where CSI is relevant to performance are presented in Table 3 and they reveal two insights. First, while dominance buffers somewhat the negative effect of CSI on ethicality (high dominance = − 1.02; low dominance = − 1.16), there are no differences across industry interest levels. Second, the effect of industry interest is different across dominance conditions. Industry interest worsens the effect of CSI for a non-dominant employer while the negative effect of CSI is buffered for a market-dominant employer. As in Study 1, we created two groups in terms of industry interest with a median split. Figure 3 shows how market dominance buffers the effect of CSI relevance to the employer's performance on the three variables considered.

Finally, we compared the two CSI relevant conditions to test H3a and H3b. Table 4 shows the estimates of the moderated mediation model. We find support for H3a, as the respective three-way interaction is significant, but not for H3b. CSI that is highly relevant to the performance of the organization increases ethicality for a market-dominant employer when attitude certainty is high (effect = 0.48, CI 0.21 to 0.75). This effect, however, disappears when attitude certainty is low (effect = − 0.17, CI − 0.44 to 0.10). The indirect effects are consistent and show that, when considering a market-dominant employer, CSI relevant to the domain of performance increases organizational attractiveness, compared to CSI that is not relevant to performance (effect = 0.32, CI 0.11 to 0.52). Figure 4 visualizes this interaction effect.

Discussion

The findings support H1a, H1b and H2b. However, H2a is not supported by the data. Overall, comparing CSI that is highly relevant to the domain of performance of the employer with a no CSI condition, we find that the buffering effect of market dominance is supported by the data. However, we find that industry interest reinforces this effect only through the competence mechanism. In comparison to Study 1, ethicality is very strongly reduced by CSI and such negative effect is consistent across industry interest levels. The difference in results between Study 1 and Study 2 is due to the fact that in Study 1 the CSI information affected all the companies considered whereas in Study 2 CSI focused specifically on the target organization.

Furthermore, our results support H3a and show that CSI highly relevant to performance is criticized less than CSI with a weak link to the organization's domain of performance by job seekers who feel certain about their attitudes toward the potential employer. These findings explain the presence of a buffering effect of market dominance when CSI is relevant to the employer's performance. H3b is not supported. This means that, when comparing the two types of CSI, information that is relevant to performance is more strongly counter-argued in relation to the perceived ethicality of the employer rather than its competence. Such an effect seems justified by the fact that the attitudinal challenge, represented in our context by the CSI information, primarily informs ethicality judgments and does not contain explicit references to competence.

General Discussion

We investigated how job seekers react to a market-dominant potential employer facing an incident of CSI. As demonstrated by our two experiments, market dominance can buffer against the negative effect of CSI. The buffering effect is explained by higher perceptions of ethicality and competence reported by job seekers, especially those with a keen interest in the industry. Perceptions of ethicality and competence in turn explain greater organizational attractiveness. However, the buffering effect does not apply to all cases of CSI. The buffering mechanism occurs only when the CSI event is directly relevant to a potential employer's

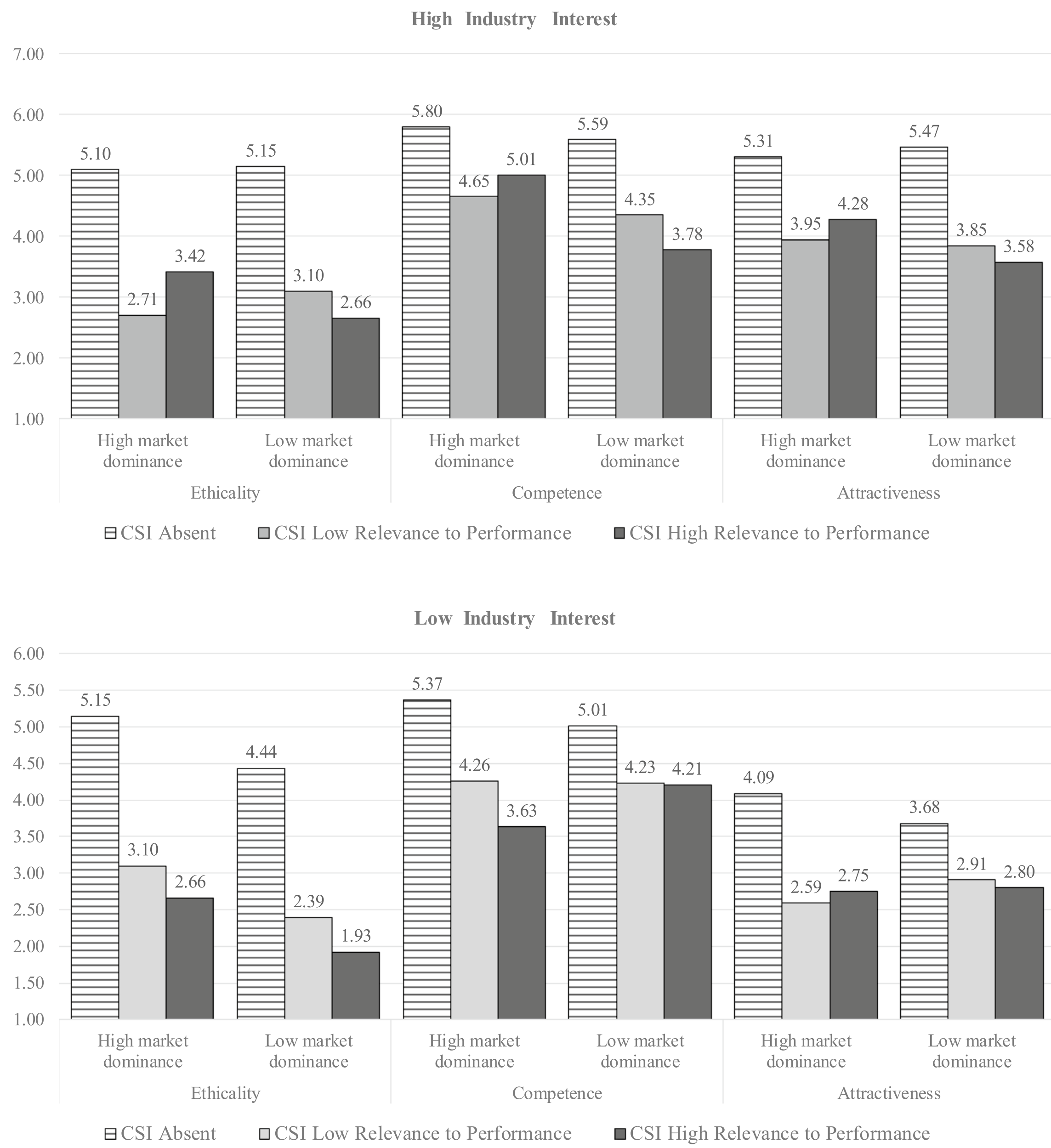


Fig. 3 Interaction of CSI, market dominance and Industry interest (Study 2)

performance and job seekers feel certain about their attitudes toward the organization.

Theoretical Implications

Our study makes a number of important theoretical contributions across two related literature domains, namely research on the effect of employer image on recruitment (Highhouse et al. 2009; Tsai et al. 2014; Jones et al. 2014; Wang 2012), and research on the microfoundations of CSI (Lange and Washburn 2012; Shea and Hawn 2019). First, we contribute to the literature on job seekers' responses to employer image. We show how market dominance can alleviate the impact of damaging CSI information in some circumstances. While CSI reduces perceived ethicality and perceived competence, with further negative consequences for organizational attractiveness, our findings demonstrate that such a negative effect is attenuated for market-dominant employers. When evaluating market-dominant employers, especially if they have a strong interest in the industry, job seekers are more lenient in their reactions to CSI.

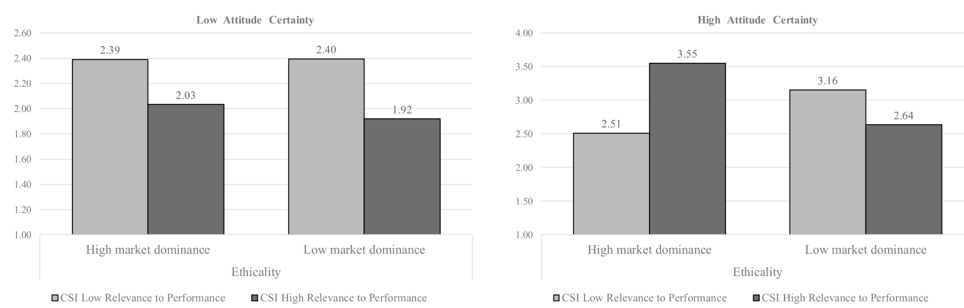
Second, we add to research on the microfoundations of CSI (Lange and Washburn 2012; Shea and Hawn 2019) by theorizing the mechanisms and the boundary conditions

Table 4 Moderated mediation model for Study 2

Parameters estimated	CSI low relevance to performance versus CSI high relevance to performance		
	β	95% CI lower	95% CI upper
CSI relevance to performance → ethicality	− 0.42	− 0.85	0.01
Market dominance → ethicality	− 0.09	− 0.51	0.33
CSI relevance to performance × market dominance → ethicality	− 0.32	− 0.74	0.09
Attitude certainty → ethicality	0.26**	0.17	0.35
Market dominance × attitude certainty → ethicality	0.09*	0.01	0.18
CSI relevance to performance × attitude certainty → ethicality	0.03	− 0.05	0.12
CSI relevance to performance × market dominance × attitude certainty → ethicality	0.11*	0.02	0.20
CSI relevance to performance → ethicality	0.01	− 0.43	0.44
Market dominance → competence	0.09	− 0.34	0.52
CSI relevance to performance × market dominance → competence	− 0.02	− 0.45	0.41
Attitude certainty → competence	0.12*	0.03	0.21
Market dominance × attitude certainty → competence	− 0.03	− 0.12	0.06
CSI relevance to performance × attitude certainty → competence	0.01	− 0.09	0.09
CSI relevance to performance × market dominance × attitude certainty → competence	0.01	− 0.08	0.10
CSI relevance to performance → organizational attractiveness	− 0.01	− 0.13	0.10
Ethicality → organizational attractiveness	0.67**	0.58	0.76
Competence → organizational attractiveness	0.31**	0.21	0.40
Model summary	$R^2 = 0.54$; F (9, 327) = 42.50, $p < 0.001$		

β represents unstandardized path coefficients. *$p < 0.05$; **$p < 0.01$. Covariate with significant effects: gender → competence − 0.53; CI: − 0.79, − 0.28. All other covariates do not have statistically significant effects

Fig. 4 Interaction of CSI relevance to the domain of performance, market dominance and employer attitudes certainty



to the buffering effect of market dominance. While stakeholders routinely form perceptions of market dominance, which are supported by rankings and other sources of public information (Highhouse et al. 2007), this is the first study to consider specifically the buffering mechanism associated with this feature of organizational image. We find that market dominance functions as a buffer only in situations where CSI is relevant to an employer's domain of performance, and the affected organization already enjoys a strong image in the minds of job seekers. Market dominance, however, does not act as a buffer if job seekers are not certain about their attitudes toward a potential employer, and consequently do not feel motivated to counter-argue CSI information.

Third, our study contributes to research on how job seekers react to information concerning the social responsibility or irresponsibility of an organization. In recent years, several studies have investigated how job seekers react to information about CSR and have shown how good social performance leads to better recruitment outcomes for organizations (Highhouse et al. 2009; Tsai et al. 2014; Jones et al. 2014; Wang 2012). To the best of our knowledge, this is the first study to consider under what circumstances CSI might reduce the attractiveness of an organization to job seekers. We add to extant research (Tsai et al. 2014; Jones et al. 2014; Wang 2012) by demonstrating how job seekers are negatively affected by incidents of corporate irresponsibility. Crucially, we provide evidence that job seekers do not evaluate CSI in a vacuum but react to cases of irresponsibility in the light of other important organizational variables. We show that market dominance offers a self-interested motivation for job seekers to minimize the impact of CSI in an attempt to limit the damage to the image of an appealing employer.

Managerial Implications

Our study offers important implications for the effective management of recruitment activities. Setting aside moral considerations, which of course require to avoid irresponsible practices irrespective of the egoistic consequences for the organization, the study offers important insights on how to deal with the fallout from CSI. First, our findings show consistently that CSI reduces organizational attractiveness. Even though the negative effect of CSI is attenuated in some circumstances, we find that corporate irresponsibility seriously harms prospects of talent recruitment. This evidence stresses the importance for organizations to behave responsibly to avoid reputational damage as potential employers. From this point of view, our findings are consistent with past research on the role of CSR for job seekers (Tsai et al. 2014; Jones et al. 2014; Wang 2012). In the same way as positive social performance improves organizational attractiveness, we find that CSI makes an organization unattractive to job seekers thus hindering its recruitment efforts.

Second, our findings highlight how CSI is especially damaging for non-dominant organizations, which by definition represent the majority of companies in the marketplace. Non-dominant employers are especially damaged by CSI and should therefore work to minimize the risk of irresponsibility incidents. Importantly, in Study 1 we find that when CSI affects many players in an industry, non-dominant employers are disproportionately affected. Consequently, non-dominant players have a further incentive to invest in socially responsible initiatives that will allow them to build a distinctive image in job seekers' minds (Jones et al. 2014) while potentially protecting them against the negative effects of a reputational crisis (Vanhamme et al. 2015). It is important to remember, however, that socially responsible efforts need to be genuine and not motivated by instrumental and egoistic concerns. Stakeholders are influenced by the motives they attribute to organizations that invest in socially responsible initiatives and they react with skepticism to CSR engagements that are not genuine (Vlachos et al. 2013).

A further implication of this study lies in demonstrating the symbolic effects of market dominance. In addition to signaling prestige (Highhouse et al. 2007), market dominance can reduce the negative impact of CSI. Consequently, market-dominant employers are advised to reinforce market dominance in their communications with relevant stakeholders to leverage the advantages it offers. At the same time, external stakeholders such as the media, NGO's and/or educational institutions should become aware of the potential bias job seekers might suffer from when considering market-dominant employers. Since the evaluation of a potential employer is "colored" by the status of the company, market-dominant employers should be even more closely scrutinized by external stakeholders to ensure they do not unduly benefit from their competitive position. In any case of CSI, market-dominant organizations should be pressured to engage with the stakeholders affected and ensure a serious and genuine commitment to help, irrespective of the reputational advantages they might be able to leverage.

Limitations and Areas for Further Research

A number of limitations inherent to our study present fruitful avenues for further research. Our study focuses on fictitious employers in retailing. While the retail industry is intrinsically able to employ a variety of job profiles, the results obtained in this context do not necessarily generalize to all other industries that might be affected by CSI. Future research could test the generalizability of our findings to other industries. Furthermore, our two studies rely on scenario-based experiments where participants evaluate hypothetical employers. The scenario-based approach is well established in the study of CSI (e.g., Shea and Hawn 2019) because it allows researchers to create conditions and outcomes similar to those in field settings while controlling for specific critical features, thereby ensuring high internal validity (Kim and Jang 2014). Despite the strengths of this methodological approach, future research would benefit from empirical investigations based on methods with high ecological validity, though with potentially less stringent controls of internal validity.

An interesting finding of this study is that the impact of CSI on ethicality is much stronger in Study 2, where CSI affects only the target organization rather than several employers in the industry. This suggests that the influence of consensus information (Kassin 1979) can be an interesting avenue for further research is the analysis of how job seekers react to CSI. Job seekers' perceptions might be influenced by the expected frequency of corporate wrongdoing in a particular industry. While on the one hand this could lead to the stigmatization of certain industries (Devers et al. 2009), on the other hand, job seekers who have invested significant resources in preparing for a career in a sector that they perceive as prone to CSI might learn to turn a blind eye to irresponsibility as they feel that would be the only way to progress in a certain field. Further research should examine this domain further to clarify how CSI consensus information might influence the attractiveness of different organizations and industries to job seekers.

In this study we focused on market dominance as a potential buffer to CSI as this variable is routinely considered when evaluating a potential employer (Highhouse et al. 2007; Jones et al. 2014). However, there are other important signals that might also influence job seekers' reactions in predictable ways. Relevant examples include organizational features that are often assessed and ranked by external stakeholders such as the relative innovativeness of an organization, its reputation as a good employer and its policies toward specific groups (e.g., LGBTQ employees). Future research can examine the impact of different signals on organizational attractiveness and whether other signals have buffering effects similar to those of market dominance.

Furthermore, signals might differ in their salience to different groups of job seekers. It is possible that job seekers who are particularly keen to work for a high-status employer might be more willing to overlook CSI concerning a market-dominant employer (Highhouse et al. 2007). In contrast, job seekers with strong moral identity centrality (Aquino et al. 2009) might judge CSI more severely and therefore react more negatively to it. Further research is necessary to explore how personality factors might influence job seekers' responses to CSI under different circumstances.

Compliance with Ethical Standards

Conflict of interest The authors declare that they have no conflict of interest.

Ethical Approval All procedures performed in the studies presented were in accordance with the ethical standards of the institutional research committee at the authors' host institutions and with the 1964 Helsinki declaration and its later amendments or comparable ethical standards.

Informed Consent Informed consent was obtained from all individual participants included in the study.

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