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Steven A. Edelson
*Walsh University, sedelson@walsh.edu*

J. Michael Haynie
*Syracuse University*

Alexander McKelvie
*Syracuse University*

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WORKING FOR A START-UP? INVESTIGATING THE ROLE OF ‘VENTURE PERSONALITY’ IN THE RECRUITMENT OF HUMAN CAPITAL

Steven A. Edelson, Walsh University, USA
J. Michael Haynie, Syracuse University, USA
Alexander McKelvie, Syracuse University, USA

ABSTRACT

New firms often have difficulties recruiting key employees, impacting the growth and viability of the firm. The majority of the literature has examined this difficulty from the hiring firm’s perspective. In this paper, we adopt the job seeker’s perspective and build on work in organization behavior and human resource management to examine job seekers’ preconceived notions and perceptual differences of ascribed organizational personality characteristics based on firm size and age. We empirically find that job seekers attribute certain personality characteristics to startups and these characteristics significantly affect whether seekers will evaluate the attractive of working for these firms on the basis of perceived fit. Implications for future research and practice are discussed.

INTRODUCTION

New firms often struggle to recruit key employees (Williamson, Cable & Aldrich, 2002). Many candidates perceive employment opportunities with start-up ventures as inherently risky based on such factors as ill-defined organizational structure and work-roles, and also due to uncertainty with regard to the long-term viability of the firm (Cardon & Tolchinsky, 2006; Williamson, 2000). Yet attracting the ‘right’ human capital in the start-up phase of venture creation has been demonstrated to be central to achieving [and sustaining] competitive advantage and long-term growth (Delmar, Davidsson & Gartner, 2003). In fact, arguably the significance ascribed to the successful recruitment of key employees to new ventures should exceed that of larger firms, given that fact that employees in new ventures tend to take on a myriad of tasks, and also because ‘founding’ employees tend to have an enduring impact on the development of the firm (Heneman, Tansky & Camp, 2000; Berkley, 1999; Baron, Hannan & Burton, 1999). Moreover, recruiting the ‘right’ type of employee is increasingly difficult, given the on-going battle for the best talent (Chambers et al., 1998; Trank, Rynes & Bretz, 2002), and the increasing importance of human and social capital in a knowledge-based competitive environment (Unger et al., 2009). In this research we draw from extant scholarship in organizational behavior and human resource literatures focused on the relationship between organization personality and the recruitment of key employees (e.g. Breaugh & Starke, 2000). We extend those theoretical prescriptions to a new venture context. Specifically, we propose that an important antecedent to successful recruitment of key personnel to new ventures relates to the ‘signaling’ mechanisms embedded in the recruitment process; that is, those signals that communicate information related to the potential for person-organization ‘fit’ in a new venture context.
Previous research has shown that organizations are seen as having personality traits, and that these traits are communicated to potential employees as signals embedded in the recruitment process (Slaughter, Zickar, Highhouse & Mohr, 2004). In a large firm context, these attributes of ‘personality’ have been demonstrated to be important with regard to the ability of the firm to attract key human capital resources (Highhouse & Hoffman, 2001). Yet, the majority of the growth research in entrepreneurship does not consider this important finding. Indeed, research on growing new firms has tended to assume the perspective of the employing firm with regard to costs and benefits of adding employees (e.g. Wiklund, Davidsson & Delmar, 2003), at the expense of the practical reality that potential, key employees often have multiple options with regard to future employment.

We extend existing research by using size and age as key variables, and argue that examining the effects of firm size and firm age from the individual job-seeker’s perspective allows us to test and expand the boundary conditions of existing staffing and environmental fit research. This helps to respond to calls to better integrate the relatively separate research areas of entrepreneurship and human resource management research. For instance, Barrett and Mayson (2006) appeal for a greater convergence of human resource management and entrepreneurship research to help further understanding of how well theories of HRM apply to new and/or small ventures and others have proclaimed: “Small and medium sized enterprises (SMEs) have been treated as second class citizens by authors in the human resource management literature for too long” (Tansky & Heneman 2003, p. 299).

This is an important area of study as the resources of the firm, including human capital, are frequently shown to be among the most important predictors of growth and performance of new firms (Baum, Locke, & Smith 2001; Gilbert, McDougall, and Audretsch 2006) and employment growth is one of the most commonly used measures of new venture performance (Shepherd and Wiklund 2009). An entrepreneur rarely works alone, and sooner or later, ventures require additional human capital (Jack, Hyman, and Osborne 2006). Furthermore, studies have shown that larger firms tend to be more likely to survive (Short et al. 2009). This suggests that finding and recruiting new employees is clearly an important challenge for new firms, and practitioners agree. A recent study showed nearly 70% of firms were “very concerned” about their ability to attract appropriate staff (Mayson and Barrett 2006), while recruitment has been considered challenging for small organizations (Gupta and Tannenbaum 1989) due to limited financial and material resources and the high number of jobs where employees typically perform multiple roles with unclear boundaries and job responsibilities (May 1997). Nearly a quarter of small businesses view a lack of qualified workers as a threat not only to their plans to grow and expand, but as more importantly a threat to their very survival (Mehta 1996). However, the great majority of articles addressing recruitment, personnel selection, human resources and hiring issues focus on, or used for their sample, medium or large sized businesses (Williamson 2000).

Thus, this paper makes two novel contributions to the literature. First, we extend theorizing on organizational personality as it relates to the acquisition of human capital to the context of new and small firms. There exist key differences between smaller, newer businesses and larger, established ones when it comes to acquiring human capital; for instance, small and new firms face unique challenges with regard to the attraction and selection of new employees and may also be at a disadvantage in their ability to offer compensation packages, and thus attract employees (Klaas, McClendon, and Gainey 2000). A recent review of the literature on the subject of employment and entrepreneurship noted that there are “key HR challenges in emerging ventures, including
establishing firm identity and legitimacy, attaining critical skills and capabilities, maintaining flexibility and developing sustainable practices” (Cardon and Stevens 2004, 297). As such, this is an important extension. Second, we theoretically justify and empirically capture the signals that new ventures send to potential employees through the recruitment process, and we relate these personality signals to the attractiveness of accepting a position at a small and new firm – and importantly, we take the novel step of assuming the perspective of the job seeker. This breaks away from the traditional perspective taken in the entrepreneurship literature that has assumed either an economic perspective on hiring (e.g. Chandler, McKelvie & Davidsson, 2009) or the founders’ view of the effects of further employment growth on the firm (e.g. Wiklund, Davidsson & Delmar, 2004).

There is hitherto little research has been done to examine how job-seeking individuals’ perception of organizations based on their size and age impact their intention to seek employment with an organization. This is despite the fact that staffing, compensation and reward issues appear to be most relevant to CEO/founders of high growth small and medium sized enterprises (Heneman, Tansky, and Camp 2000).

THEORETICAL DEVELOPMENT AND HYPOTHESES

Person-Environment Fit

Fit can be conceptualized along two dimensions: supplementary and complementary fit. Supplementary or congruent fit occurs where an individual supplements existing characteristics in their environment, thus providing another brick in a homogeneous environmental wall (Muchinsky and Monahan 1987; Kristof 1996). Complementary fit, on the other hand, exists when an individual adds to an environment what it is missing – being a necessary piece in the environmental puzzle adding heterogeneous characteristics (Kristof 1996; Muchinsky and Monahan 1987). Fit can further be understood using a needs-supplies vs. demands-abilities dichotomy. Fit can be achieved when elements of the environment meet an individual’s desires (i.e., needs-supplies) or when the environmental requirements match that which an individual brings into the relationship (i.e., demands-abilities). Recognizing the dual dimensionality of fit, we adapt Kristof’s (1996) definition of fit which encompasses these dimensions, “The compatibility between people and [their environment] that occurs when: (a) at least one entity provides what the other needs, or (b) they share similar fundamental characteristics, or (c) both” (Kristof 1996, 4-5).

Schneider et al. (1995) put forth that fit is a feasible construct at various levels of analysis. Similarly, recruiting research has recognized the multi-faceted nature of fit. The company with which an individual is considering employment is an oft-examined area of fit research, representing person-organization (POF; e.g., Kristof 1996; Westerman and Cyr 2004) fit. Person-job (PJF; e.g., Edwards and Harrison 1993) fit is the other most frequently reviewed fit construct in the context of organizational attraction and represents an individual’s compatibility with the potential job itself and the tasks inherent in that job. To examine person-organization fit in a new venture context, it is important to examine the unique characteristics of a new venture, including organizational size and age, and the signals these characteristics send, as they impact perceived POF from the viewpoint of the individual job-seeker.

As discussed earlier, fit can be measured on two dimensions, supplementary and complementary fit. Because individuals tend to prefer to work with people demographically more like themselves, it could be that in terms of personality characteristics, individuals will be more attracted to firms that they perceive to be comprised of similar individuals, thus illustrating the importance of supplementary needs fit from the needs-supplies perspective. Previous research has shown that
individuals are more attracted to organizations that are similar to them in terms of organizational values and goals than to organizations that are dissimilar (Rentsch and McEwan 2002). Research able to replicate those results in a new venture setting will add to our understanding of these issues.

Research that broached the subject of person-job fit in a new venture context tended to discuss the “job” of entrepreneur or new venture founder (Schjoedt 2007) and was more in line with person-vocation (PVF; Holland 1977, 1985) fit than PJF research. Often examined in tandem with person-organization fit, person-job fit is another distinct construct (Kristof-Brown 2000) impacting the hiring process from both the individual and organizational perspective. The needs-supplies side of PJF, that a job provides an individual with qualities they desire (e.g., autonomy, responsibility, challenge, etc.), is most likely to impact individuals’ perceptions as to whether they feel compatibility with the job. In the realm of staffing, this compatibility, or fit, has shown various empirical outcomes such as attraction to an organization and intention to accept a job offer from an organization (Carless 2005).

One purpose of this study is to challenge the assumption that research findings from large organizations apply evenly to new ventures as they do to established organizations. There is evidence that smaller or newer ventures do not have the traditional human resource practices in place that larger, established organizations have (Heneman, Tansky, and Camp 2000). For instance, Hanks and colleagues (1993) found that only later in an organization’s life cycle, at maturity, along with greater size came greater formalization of human resources practices.

The very nature of person-job fit, from either the individual or organizational perspective, suggests a comparison between the characteristics of an individual as they relate to a given job. In new and/or small ventures, given jobs do not appear to exist in the same manner as they do in established organizations; role ambiguity is prevalent due to a lack of structure and design (May 1997). Levesque (2001) found that in start-up companies, roles do not exist before individuals are hired and “there is typically very little written documentation to rely on to understand roles, structure or role expectations” (Levesque 2001, 2). These findings suggest that in a new venture, it may be impossible for job seekers to determine compatibility with a job when the nature of the job itself evolves with the individual’s tenure in the organization.

Because of the paucity of research in PJF in a new venture setting, it is impossible to say whether an assumption of unclear job descriptions is appropriate across all new venture settings. But the evidence, however anecdotal, seems to suggest that this is an acceptable assumption upon which to found further confirmatory research. For instance, this assumption appears to be appropriate when dealing with growth-oriented founders; these founders were not concerned with traditional staffing procedures, but rather “concern was instead expressed about matching characteristics of the person other than KSAs to the values and culture of the organization” (Heneman, et al., 18), indicating a bias toward POF from the viewpoint of the hiring organization. Supporting this assertion, Levesque (2001) argued that in new ventures, the organization may forego optimal PJF in an attempt to obtain and keep a good employee. The extent to which job seekers are willing to make this trade-off is unclear and will be examined in the second study as described in the Methods section of this paper.

**Signaling Theory**

The concept of signaling as an information transferring mechanism has been examined in great deal since Spence (1973) first clarified this construct as a means through which information is trans-
ferred in any market featuring incomplete information. Spence (1973, 2002) and many who followed (e.g., Salop and Salop 1976; Lippman and McCall 1976; Coff 1997) used the labor market to build and test propositions around signaling theory, as the job market is considered “the paradigm case of the market” (Spence 1973, 356) featuring numerous signalers who do not invest in acquiring signaling reputations. Whereas the aforementioned research focused on the signals being sent by job seekers, I contend that organizations send signals through their size and age as well.

Signals can be further understood to comprise two types: indices and signals. Indices are those observable attributes generally considered to be fixed or unalterable, while the term ‘signals’ is reserved for those observable characteristics that are subject to manipulation. In an organizational context, age and size would be considered indices because they are generally fixed. While these attributes do change, these changes are generally speaking organic, and not subject to manipulation in the same manner as organizational personality perceptions could be through the strategic use of brand or corporate image management (Gatewood, Gowan, and Lautenschlager 1993).

Recruitment and the Resource-Based View

Using the resource-based theory of the firm (Barney 1991, 1996, 2001), it has been postured that the human capital pool can be viewed as a source of sustained competitive advantage (Wright, Dunford, and Snell 2001; Wright, McMahan, and McWilliams 1994) as an organization’s human assets can be considered unique bundles of resources that competitors cannot imitate (Coff 1997). In light of this, attracting high quality employees can make a significant difference in the performance of a firm – a consequence of the war for talent. A resource-based approach focuses on difficult or costly to imitate attributes of a firm as sources of economic rents and, therefore, as the dominant drivers of performance and competitive advantage, “According to this perspective, a firm’s ability to attain and keep profitable market positions depends on its ability to gain and defend advantageous positions in underlying resources important to production and distribution” (Conner 1991, 121-122).

A firm’s past history (i.e., ‘resource endowment’) is considered an internal constraint on inputs able to generate rent. In this context, a firm’s reputation (i.e., an intangible information resource) or signals thereof can be thought to constrain the attainment of rent-generating resources (Conner 1991), such as human capital. It is likely that individual’s perceptions of organizations by size and age will impact their employment choice and thus could have significant implications for the nature of resource combinations between newer, smaller firms and larger, established firms. In the research we present herein, we suggest that firm size and age will have a significant effect on organization personality perception and thus, also in the recruitment process – a process that is vital in allowing a firm to acquire the employees that contribute to organizational success (Pfeffer and Veiga 1999).

Organizations that are successful in the recruitment and retention of employees with relatively rare skills create a human capital pool that is valuable and difficult to imitate. This can be expected to lead to better performance than those organizations that are not successful in this area (Barney and Wright 1998; Barney 1991), thus recruitment and staffing strategies are amongst the most vital strategic mechanisms for achieving competitive advantage (Ployhart 2006).

While other resources are subject to organizational ownership, individual human assets are unique in that they cannot be owned to the same extent; the risk of voluntary turnover, for positive or negative individual reasons, is present. Organizations must mitigate that risk, and research has consistently shown that strong POF and PJF are negatively related to turnover intentions (Kristof
Recruiting employees who best fit an organization is a key component of developing human capital as a source of competitive advantage (Ollala 1999); POF can be thought of to produce rents, “… the existence of gains is likely to result automatically from the underlying likedness of the firm’s resources” (Conner 1991, 140).

**Organizational Attributes**

In this section, we examine various key organizational attributes that potential job seekers may take into consideration during their job search process. The attributes discussed have been chosen because they have frequently been examined in recruitment research, can be posited to be differentially perceived on the basis of firm size and age, or both.

Though often used as a control variable in entrepreneurship and other management research, organizational size takes center-stage in this section as a critical variable because it is considered salient to individuals’ perception of organizations (Lievens et al. 2001). Firm size and age are not merely control variables in this research, but rather are key independent variables which we propose will impact organizational attractiveness.

Familiarity with an organization is suggested to be positively related to organizational attraction and perceived fit (Lievens, Van Hoye, and Schreurs 2005; Cable and Turban 2001). New ventures are naturally considerably less likely to be familiar to potential job seekers than established firms. Further lending credence to the suggestion that smallness and newness may be liabilities, research suggests that new ventures don’t have the established human resource systems in place to support a recruitment function to the same extent their established counterparts do (Hanks et al. 1993; Heneman, et al. 2000).

However all is not negatively skewed for new ventures. Their small size suggests greater flexibility in uncertain times as well as a less bureaucratic structure – attributes that may be considered favorable in the eyes of potential job seekers. Of specific interest in this study is the extent to which organizations are perceived to differ on key organizational attributes based solely on their age and size. We contend that the silent signals about organizational attributes sent by a new venture will be different than those sent by established ventures, thus,

**Proposition 1:** Key organizational attributes will be perceived differentially based solely on the explicitly defined attributes of age and size.

This generalized proposition is examined in greater detail through hypotheses presented as follows. The key organizational attributes being examined are organization personality dimensions as well as the extent to which tasks and roles are perceived to be defined in organizations. The second proposition is examined through the conjoint analysis as described in greater detail in the methods section of this dissertation, whereby salience is ascertained through an examination of the Level-1 Beta coefficients for each attribute relative to one another. Further, individual-level personality and values variables are posited to moderate the relationship between perceived organizational attributes and perceived fit as is hypothesized below.

**Organization Personality**

Recent research (e.g., Slaughter et al. 2004) has led to the development of an organization personality construct which has been related to organizational attraction (Harold and Slaughter 2007; Harold and Holtz 2007; Slaughter et al. 2004). Organization personality, “the set of human...
personality characteristics perceived to be associated with an organization,” has been likened to 
brand personality (Aaker 1997) and Slaughter et al. (2004) showed that individuals’ ascription of 
human personality traits was not limited to themselves, other individuals and product brands, but 
that individuals also described organizations in trait terms.

As Slaughter et al. (2004) clarify, the development of an organization personality taxonomy 
is not akin to anthropomorphizing organizations, but recognizes that individuals’ perceptions of 
an organization’s social reputation lead to the perceptions of that organization’s personality. In 
the context of recruitment, organization personality may serve as an indirect information cue – a 
silent signal to would-be applicants.

Similar to the five-factor model of individual personality (McCrae and Costa 1999; Costa and 
McCrae 1992), organization personality can also be divided into five distinct factors: Boyscout, 
Innovativeness, Dominance, Thrift and Style (Slaughter et al. 2004). Despite having the same 
number of dimensions, the factors of individual personality cannot be directly mapped onto 
organization personality dimensions; the organization personality measure is a distinct construct 
with its own implications for organizational studies, though the interaction of organization and 
individual personality dimensions is an area ripe for fit and recruitment research.

An organization considered to be Boyscout is attentive to people, personal and friendly. An 
Innovative organization is seen as interesting, exciting, unique and creative. Dominant organiza-
tions are successful, popular and busy. Organizations ascribed the trait of Thrift are viewed as 
low-budget, simple and undersized. Finally, the organization personality trait of Style is assigned 
to those organizations perceived to be fashionable, hip and trendy (Slaughter et al 2004).

Very little research exists on perceptions of firms by size and age, and thus, the research pro-
posed here is exploratory and attempts to uncover perceptual biases, positive or negative, that may 
exist based on a ventures size and age. Organization personality dimensions are key attributes that 
contribute to job-seekers’ perceptions of fit and organizational attraction (Slaughter et al. 2004) 
and are among those hypothesized to vary based solely on the explicitly stated attributes of size 
and age.

Large, established organizations are more likely to be structured in a bureaucratic manner (Child 
1973), and employees considered “just another number” (Business Wire 2006). Further, being large and 
profitable has been negatively associated with Boyscout perceptions (Slaughter et al. 2004), therefore:

_Hypothesis 1: New ventures will be ascribed the organization personality trait of Boyscout to a 
greater degree than will established ventures._

Though large organizations such as Nike and Disney are considered innovative (Slaughter 
et al. 2004), the basis of much entrepreneurial theory is innovation; in fact, in his seminal work, 
Schumpeter (1934) considered innovation a necessary precondition for (true) entrepreneurship. 
Schumpeter (1934) suggested that creative destruction – his term for innovation – was at the root 
of venture creation, therefore:

_Hypothesis 2: New ventures will be ascribed the organization personality trait of Innovativeness to a 
greater degree than will established ventures._
New ventures are often created to address an opportunity the founders see existing in the market (Kirzner 1973), therefore new ventures may be created to meet stylish, fashionable trends. This isn’t to suggest that established organizations cannot be fashionable, but “teaching an elephant to dance” – as the analogy for IBM’s renewal went – takes time. Established organizations may have been created to meet the trends and demands of the time of their founding, but their very established nature suggests they weren’t created to meet current market trends to the same extent that new ventures might be, therefore,

**Hypothesis 3:** New ventures will be ascribed the organization personality trait of Style to a greater degree than will established ventures.

One outcome of financial success is growth and survival. This suggests that bigger, longer established organizations must have experienced a certain amount of financial success to achieve their very size and age, therefore:

**Hypothesis 4:** Established ventures will be ascribed the organization personality trait of Dominance to a greater degree than will new ventures.

Beyond the dimensions of organization personality, another key characteristic of interest in this dissertation that can be signaled based on organizational size and age is the extent to which tasks and roles are defined in an organization.

**Defined Tasks and Roles**

As person-job fit considerations have been shown to be the strongest fit predictor of organizational attraction (Harold et al. 2007) and new ventures tend to have greater role ambiguity and defined tasks associated with jobs (May 1997; Levesque 2001), it can be expected that new ventures will also be perceived to have less role certainty and defined tasks. Because established organizations are more likely to have defined human resource management processes (Hanks et al. 1993), including job analysis and job description,

**Hypothesis 5:** Established ventures will be perceived to have more clearly defined roles assigned to jobs than will new ventures.

While hypotheses 1-5 may seem relatively intuitive, it is important to understand the differences in organizational trait inferences based on size and age as these differences can profoundly impact the recruitment process (Anderson, Haar, and Gibb 2010; Slaughter et al. 2004; Slaughter and Greguras 2009), including job seekers’ self-selection out of this process (Turban, Eyring, and Campion 1993; Rynes and Cable 2003; Cable and Turban 2001). From a practitioner’s perspective, understanding how one’s firm is perceived allows careful image management during the recruitment process, possibly by highlighting perceptions that are positive, or working to change incorrect perceptions.

Further, from both a theoretical and practical perspective, understanding the relative salience each of these factors has on job-seekers’ attraction to a given organization is important, and thus we hypothesize,

**Hypothesis 6:** The differentially perceived organizational attributes will have varying salience to job seekers when influencing perceptions of fit with an organization or job.
METHODS

We designed two, related experimental studies. In Study 1, over 200 active job seekers ascribed relative importance to a set of key venture attributes, based on their perceptions of a portfolio of hypothetical venture types and configurations. In Study 2, we employed conjoint analysis and HLM to decompose 6912 decisions nested in 216 active job seekers as they evaluated their fit perceptions.

Sample and Data Collection

A web-based survey was conducted on 344 participants; the sample comprised of students enrolled in undergraduate human resource management courses at a large Mid-Atlantic university who participated in exchange for course-credit. Of the original sample, 306 began completing the survey instrument, constituting an initial response rate of 88.9%. However, 56 respondents completed only one of the two-parts, reducing the effective sample size to 250. Of these, 34 submitted surveys with incomplete data and their responses were removed from the sample, leaving the usable sample size at 216, or 62.8% of the initial sample size. The sample was 59.9% female and averaged 23.7 years of age. There were no non-response biases on the basis of known sample characteristics (p < .10).

Though students cannot be considered to completely mirror the population of job seekers, the use of students, however, is a high-fidelity sample representing potential new entrants to the workforce. To control for the level of fidelity, respondents were asked what stage of the job search process they were in. 90.7% of respondents had searched for employment within the past year, were currently searching for employment or planned to search within the next year. As thus, the use of a student sample for this context is appropriate and valid.

Nevertheless, criticism of using students in behavioral research, or as proxies for organizational decision makers has existed for over half a century (e.g., McNemar 1946), with a primary concern being on the generalizability of student sample results to professional organizations. Despite this type of criticism, the use of student samples is relatively common in the investigation of basic cognitive, psychological and organizational questions (e.g., Harkness, Tellegen, and Waller 1995) including those for use in management (e.g., Brock and Slusky 1994) and often when examining organizational trait inferences (e.g., Slaughter et al. 2004; Lievens and Highhouse 2003; Anderson, et al., 2010; Slaughter and Greguras 2009) and in recruitment research (e.g., Thompson and Aspinwall 2009; Collins 2007; Rynes, Bretz, and Gerhart 1991; Trank, et al., 2002; Cunningham 2009). To note however, is that our intent is not to employ students as surrogates for business professionals. Rather, our focus is on their role as job seekers, which over 90% of the sample proved to be as one might expect of a sample of upper-level students. Further, as smaller organizations provide 67% of “first jobs” (United States Department of Labor 2010), examining a sample consisting of respondents who are likely searching for their first professional job makes a student sample not merely convenient, but high fidelity. We do, however, recognize this as a potential limitation.

Study 1 – Differential Perception of Organizational Attributes

One of the key drivers of this research is to determine whether perceptual biases exist with respect to organizational size and age and test Hypotheses 1-5. Before carrying out the main data collection efforts for this study, a pilot study was conducted in order to ensure that the questions were clear and understandable and that the web-delivery of the survey did not create any undue
confusion. Twenty-two undergraduate students from the same university used in the main sample volunteered to take part in the pilot study in exchange for course credit. Minor wording adjustments to the response scales, such as the use of semantic differential scales versus Likert scales, were made as a response to the feedback received from these. There were no significant differences in the results based on a comparison of these two methods however.

This characterization of new ventures being both young in age and small in size is in line with previous studies and guidelines. For instance, the United States Small Business Administration defines a small business as having fewer than 500 employees. The European Commission has further delineated between types of small business and considers businesses with fewer than 50 to be “small businesses” and fewer than 250 to be “medium-sized”. The organizations are described as follows:

*Organization A was founded in 1966 and has over 1,000 employees*

*Organization B was founded last year and has fewer than 50 employees*

We have intentionally chosen to examine size and age together in Part 1 of our study in order to examine perceptive differences between a new venture and its opposite – a large, established venture. Certainly all organizations do not fall into one of these two neat categories; there are established firms that have a relatively small workforce, and there are also firms whose age may be young, but have grown rapidly to accommodate many employees. By deliberately examining only these two contrasting ends of the spectrum, we are hoping to get a clearer distinction of the attributions made of small, new ventures compared to those of large, established ventures.

**Measures**

The measures of interest for this study are the key organizational attributes as well as demographic controls. The measures of organization personality are based on Slaughter et al. (2004) and we have created a 3-item measure for this study to assess the extent to which organizations are perceived to have jobs which feature defined tasks and roles. An example is, “This organization has clearly defined roles for its employees.” This measure was included in the pilot study as described above to test for validity.

The sample was controlled using single-item variables measuring age, gender, work experience and current job search status. Exposure to new ventures, small-sized ventures, large ventures and established ventures were controlled using single-item measures, for instance, “I have worked for, or currently am employed by an organization that was founded less than 2 years before I joined that organization” (New Ventures).

**Study 2 – Salience of Organizational Attributes with Respect to Perceived Fit**

The purpose of Part 2 of our study was to examine which organizational attributes are most salient to job seekers and thus have the greatest impact on the perceived fit of them to that firm. Further, recognizing that these factors are usually not considered individually, in performing this study, we have used a methodology that enables us to assess relative salience when all attributes are considered in tandem.
Conjoint Analysis

In Study 2, we employed conjoint analysis. Conjoint analysis is a policy capturing tool that is often used in marketing research (Green and Srinivasan 1990, 1978) to determine which product attributes are most important in purchase decisions for consumers; it has proven to be a popular and effective method in estimating customers’ preference structures (Sattler and Hensel-Börner 2001) and has also been employed in entrepreneurship studies (McKelvie, Haynie & Gustafsson, 2011; Lohrke et al., 2010). Conjoint analysis requires respondents to make a series of judgments based on a set of attributes (cues) from which the underlying structure of their decision policy can be investigated. From this series of judgments the respondent’s decisions can be decomposed, providing the researcher an opportunity to investigate the underlying structure of the decisions (Douglas and Shepherd 2002). It has been used as a policy capturing methodology in hundreds of studies of judgment and decision making (cf. Green and Srinivasan 1990) and is considered to be an appropriate analytic framework when decisions are assumed to involve the simultaneous evaluation and combination of information on multiple characteristics (Green and Srinivasan 1978, 1990), as is the case in a recruitment context for job-seekers and their perceived fit with an organization or job.

In conjoint analysis, respondents are presented scenarios reflecting the decisions they are expected to make. These scenarios, or vignettes, include descriptions of organizations based on their attributes. A consideration in conjoint experimental design is the number of attributes that are presented in each profile; respondents have difficulty processing more than seven attributes at a time – when more than seven attributes are present, respondents tend to group several of these into a macro variable with the individual attributes within being traded off in a separate micro-conjoint set (Simmons and Esser 2001). This study consisted of seven attributes that vary at two levels each. Respondents will be presented with a series of descriptions of organizations; each description will consist of statements about the organization and each statement can vary at one of two levels. We do however acknowledge the criticisms of conjoint analysis including the artificiality of the environment in which these decisions are made and the forced limitation in the number of attributes to be included in the decision policy (e.g. Wittink et al. 1992; Wittink, Krishnamurthi, and Reibstein 1990).

We used a fractional factorial design (Hahn and Shapiro 1966, plan 6b) consisting of 16 profiles. This design is orthogonal, meaning that inter-correlations between the variables are zero. This eliminates concerns of multicollinearity and “increases the robustness of the conjoint by making it less likely that coefficients have counter-intuitive signs” (Huber 1987, as quoted in Haynie, Shepherd, and McMullen 2009, 347). With its advantages in examining respondents’ ‘theory in use’, conjoint analysis may help to open the decision making ‘black box’ by providing insight into job seekers’ attribute preference structures.

Measures

The 3-item measures of perceived person-organization fit and person-job fit from Cable and DeRue (2002) are used and the wording is altered to reflect a recruitment focus as opposed to the original measure of fit with one’s current organization. Examples are, “The things I value in life are very similar to the things that this organization values” (POF), and, “The attributes I look for in a job would be fulfilled very well by a job in this organization” (PJF). Internal reliability for both the POF and PJF measures was greater than $\alpha=0.9$, consistent with Cable and DeRue (2002).
**Procedure**

Respondents were directed to a website to complete the instrument. The directions ensured participants of their anonymity instructed them to place themselves in the situation of evaluating an organization from which they may receive a job offer. They are told to assume that pay and geographic location are the same for all organizations and to make their evaluation of the organizations based on the information provided, even if they find the information to be incomplete. This mirrors real-life decisions job seekers face in making decisions under conditions of imperfect information. Respondents considered the descriptions of the organizations, or conjoint profiles as described by the characteristics, one at a time and indicate their perceived fit.

**Results**

To test hypotheses 1-5 and identify which organizational attributes are perceived differentially between small, new organizations and large, established ones, paired sample t-tests were run to determine group differences comparing new and small organizations to large and established organizations. The results of this analysis are summarized in Table 1. The results of the paired-sample t-tests showed support for all Hypotheses 1-5 as there were significant differences in how organizations were perceived on the various organizational personality dimensions based on size and age. For defined roles and tasks, new ventures were perceived as having less defined roles and tasks as hypothesized.

Several one-way ANOVAs were performed to control for the impact of gender, age, prior exposure to entrepreneurship, and job-search status. None of these individual variables had a significant (p<0.10) impact on this study. This suggests that the differences in organizational traits are perceived relatively universally.

Although two or more organizational attributes may significantly affect an individual’s perception of fit, it is unlikely that those characteristics will be of equal importance. Therefore, omega squared was used to assess the relative importance of the organizational attributes for each individual. Reporting the $\omega^2$ is common in conjoint studies (e.g., Shepherd and Zacharakis 1999; Leslie, Ettenso, and Cumsille 2000; Shepherd, Ettenso, and Crouch 2000) as a way to assess the relative importance of the variables under study – in this case, the relative salience of organizational personality attributes for individual’s assessment of fit. Further, the use of this statistic resonates with the American Psychological Association (APA) Task Force on Statistical Inference urging for researchers to pay much less attention to accept–reject decisions such as significance, and to focus more on measures of effect size such as omega-squared, stating that “reporting and interpreting effect sizes . . . is essential to good research” (Wilkinson and The Task Force on Statistical Inference 1999, 599). Moreover, further, significance levels do not reflect the magnitude of an effect or the strength of a relationship. By examining the $\omega^2$ values, effect size is presented alongside the traditional significance levels.

On average, the most important organizational attributes for individuals in their assessment of person-organization fit is that an organization is considered to be Boyscout ($\omega^2 =0.28$), has defined tasks and roles ($\omega^2 =0.05$) and is considered Stylish ($\omega^2 =0.03$). Relatively speaking, when assessing person-organization fit, individuals place considerably higher importance on an organization’s personality characteristic of Boyscout than they do on any other characteristic as it accounts for over a quarter of variance in person-organization fit perceptions.
Compared to person-organization fit assessment, defined tasks and roles are more salient in assessing person-job fit, however, as with the POF analysis, the most important organizational attributes for individuals in their assessment of PJF is that an organization is considered to be Boyscout ($\omega^2 = 0.24$), followed by the presence of defined tasks and roles ($\omega^2 = 0.07$) and that it is considered Stylish ($\omega^2 = 0.04$).

**DISCUSSION**

The research we conducted develops and tests a model of organization personality in a recruitment context, specifically as it relates to the organization personality trait impressions as signaled by organizational size and age. Previous research had informed that signals are sent by organizations in the recruitment process, and we extend the literature concerning these signals to the context of new ventures. We argue that these helps to establish the boundary conditions of the concepts brought forward in the organization behavior and human research management literature. We framed our hypotheses on the organizational personality literature but note that it is important to understand the differences in organizational trait inferences based on size and age as these differences can profoundly impact the recruitment process (Slaughter et al. 2004; Anderson, et al., 2010). From a practitioner’s perspective, understanding how one’s firm is perceived allows one to manage one’s firm’s image during the recruitment process, possibly by highlighting perceptions that are positive, or working to change incorrect perceptions.

Individuals generally perceive greater fit with organizations perceived to be high in Boyscout, Innovativeness, Dominance and Style (Slaughter et al. 2004) We were able to replicate Slaughter et al.’s (2004) findings that individuals perceived greater fit with organizations high in Boyscout, Innovativeness, Dominance and Style. Extending this line of research, we examined the relative salience of each organization personality dimension as well as the extent to which tasks and roles were clearly defined. With respect to perceived fit, both POF and PJF, Boyscout was the single most salient characteristic accounting for more variance than all other examined characteristics combined. This finding suggests that organizations who are perceived to be Boyscout may have a significant edge at least in the initial stages of the recruitment process. For instance, organizations demonstrating work/life balance policies and benefits may be considered higher Boyscout than those not demonstrating such benefits and recent research has suggested that certain work/life benefits have a positive impact in a recruitment context (Thompson and Aspinwall 2009). Combining this finding with the earlier personality trait inferences, small and new organizations are perceived to be attentive to people, personal and friendly to a greater degree than are large and established firms. This suggests that perhaps small size and young age are not necessarily liabilities in a recruitment context.

The extent to which roles and tasks were defined was the second most important attribute in predicting perceived fit for job seekers. This finding is especially relevant for small and new ventures, as small and new ventures tend to have greater role ambiguity and defined tasks associated with jobs (May 1997; Levesque 2001), and are less likely to have defined human resource management processes (Hanks et al. 1993), including job analysis and job description that facilitate task and role definition. That job seekers seem to prefer structured jobs suggests that small and new ventures may benefit from HR outsourcing and the use of professional employer organizations (Klaas 2003; Klaas, McClendon, and Gainey 2000).
This has a number of implications for the entrepreneurship literature, and in particular that which focuses on employment growth. Traditional views of new firm growth have clearly taken the perspective of the firm and their decision as to whether and how they can employ more people (e.g. Chandler, et al., 2009; Cardon & Stevens, 2004; Wiklund, et al., 2004). However, our study suggests that job seekers view new firms differently, and that acquiring the needed human capital may be more of a difficult task than is currently considered in the mainstream entrepreneurship literature. That is, new ventures may need to massage the implied organizational personality via important concrete signal sending prior to seeking new employees, beyond the simplistic characteristics of size and age.

Research into person-job fit in a new venture context is sorely needed. This will serve not only to broaden our academic understanding of PJF and expand its application to new settings, but also, from a practitioner’s standpoint, help guide new venture management in the staffing process and provide them with an element of human resource management guidance that has both been missing, and sought after (Heneman, Tansky, and Camp 2000). Better understanding the challenges facing new ventures have been espoused by many researchers, with some suggesting that only 10% of all ventures ever achieve growth (Aldrich 1999). Organization attraction is vital in the recruitment context (Rynes and Barber 1990), and it has been suggested that an inability to attract suitable candidates to an organization is a key factor leading to organizational failure (Barber and Roehling 1993).

Our findings, which extend this line of research in a new venture setting, are valuable not only from a theoretical perspective, but may also provide practitioners with insights valuable for staffing their ventures. If job seekers perceive there to be differences in key organizational attributes based on firm size and age, then understanding what these perceptions are can allow practitioners to manage their firms’ image as may be appropriate to increase job seekers’ attraction to their organizations (Gatewood, et al., 1993). Evidence shows that actions once the recruitment process has begun have little impact on job seekers’ perceptions of firms (Powell and Goulet 1996; Turban 2001). We find that image perception is important and that managing this can only serve to help practitioners manage as appropriate before engaging themselves in the recruitment process at which point it may be too late to take corrective action.

**Conclusions**

Our findings suggest a number of key insights positioned to inform theory and practice. Firstly, job seekers draw complex inferences about the nature of a venture based on attributions related to its age and size. New and small firms were perceived to: consider employees as ‘family;’ empower employees to innovate; and be ‘forward-thinking.’ Secondly, these attributes demonstrably impact job seekers’ attractiveness and fit perceptions. Interestingly, perceptions of attractiveness and fit were only negligibly impacted by perceptions of market leadership, an attribute not ascribed to small and new firms. Overall, our findings suggest important implications related to actively managing organization personality and how personality is signaled to potential employees throughout the recruitment process.

**CONTACT:** Steven Edelson; sedelson@walsh.edu; (T): 330-490-7218; (F): 330-490-7359; Walsh University, 2020 East Maple Street, North Canton, OH, 44720.
Notes

1. For the purposes of the hypotheses, “New Venture” will refer to ventures that are characterized as both new and small, while “Established Venture” will refer to those ventures that are characterized as both large and established.

Selected References

Full Reference List Available From Corresponding Author


Table 1. Organizational Attribute Means by Organization Type

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<tr>
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<th>Dominance</th>
<th>Style</th>
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<td>-0.2538*</td>
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* p ≤ .05, ** p ≤ .01, *** p ≤ .001, N=216

Table 2. Omega Square (ω²) for Person-Organization Fit Variables

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<th>ω²</th>
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Table 3. Omega Square (ω²) for Person-Job Fit Variables

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