

Diverse and Just? The Role of Quota-Based Selection Policies on Organizational Outcomes

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Abstract

Quota-based selection systems are viewed as a way to overcome biases; however, they may produce negative effects on the individuals as well as on the organizations that enact said procedures. To date, the processes underlying these negative effects have been relatively neglected in the literature and thus warrant further investigation. The current paper specifically seeks to address the process through which quota-based selection policies influence applicant evaluations of the organization and ultimately their decision to pursue employment. We demonstrate that quota-based selection policies negatively impact procedural justice perceptions, which in turn influenced perceptions of anticipated organizational support, organizational prestige, and organizational attractiveness. Ultimately, these organizational evaluations worked together to predict job pursuit intentions. The findings suggest that organizations need to carefully consider how they present their selection policies to applicant pools as they may harm organizational attractiveness and job pursuit intentions. The present study comes at a timely point in the discussion and implementation of quotas in Europe, and specifically in Germany, and provides some initial insights into how organizations are likely to be affected by such policies.

Quota-based selection policies are being strongly debated in the public media as a tool for solving underrepresentation. This particular form of diversity policy has taken the spotlight in European Union legislation debates as government and organizations work to find solutions to the underrepresentation of specific applicant groups, for example, women in management. Within continental Europe, Norway has been cited as the hallmark quota story having successfully implemented and executed a quota for 40% representation of either gender on corporate boards. More recently, the debate in Germany focused on a governmentally implemented quota to facilitate the movement of women into top management positions. In November 2014, the German government increased pressure on the corporate sector by implementing a legal quota of 30 percent female members for all Supervisory Boards of approximately 100 listed and co-determined companies (Bundesministerium für Familie, Senioren, Frauen und Jugend, 2015; Der Spiegel, 2015).

A quota-based selection policy is a form of proportional decision making that ensures that a certain number of jobs go to a particular segment of the population (i.e., 30 percent of supervisory seats going to women by 2017; Kravitz & Platania, 1993) and is considered the strongest form of affirmative action (Kravitz, 2008). Diversity policies are generally aimed at counteracting persistent biases in corporate selection processes and at correcting for discrimination against underrepresented groups (Cropanzano et al., 2005; Kravitz, 1995). Through quota-based selection policies, social groups that have been disadvantaged by past and present inequalities (e.g., women in management) receive favorable treatment in order to reduce imbalance and ultimately restore balance (Kravitz, 2008). However, after 40 years of research on diversity policies (Harrison, Kravitz, Mayer, Leslie, & Lev-Arey, 2006), it is clear that reactions to such policies are not always positive and that these policies do not only affect social equality, but may have other unintended consequences (i.e., Martins & Parsons, 2007; Walker et al., 2009;

Walker et al., 2011). The current study seeks to contribute to the literature on diversity policies and organizational perceptions (Martins & Parsons, 2007; Avery, 2003), and specifically investigates the impact of different quota-based selection policies on how organizations are perceived.

It is often in the process of applying for job vacancies that employees learn about the diversity policies of their potential new employers. In general, the diversity policies that organizations implement influence the justice perceptions of potential applicants (Cropanzano et al., 2005; Harrison et al., 2006; Kravitz, 1995). The current research employs fairness heuristic theory (Lind, 2001) to examine how the use of quotas affects procedural justice perceptions, which have, in turn, been previously shown to explain applicant reactions to organizations (Gilliland, 1993; Steiner & Gilliland, 2001; Hausknecht, Day, & Thomas, 2004; Ployhart & Harold, 2004; Ryan & Ployhart, 2000). Given that quotas refer to the procedures used to make hiring decisions, procedural justice perceptions are likely to serve as a useful heuristic in developing the first impression of an organization and ultimately both beneficiaries' and non-beneficiaries' decisions to apply. Thus, integrating justice perceptions with applicants' views of the organization and, ultimately, their decision to apply for a position in the organization, will enrich our understanding of the process through which applicants come to this decision.

This study is both timely and innovative. First, the current study builds on diversity policy research and places the research question in the ongoing debate about quota-based selection policies in Europe. Although these policies are illegal in many countries, like the United States (Deutsch & Hegewisch, 2013), this study is carried out in Germany, a society where the quota system has recently been implemented. Second, in order to examine the generalizability of our findings (and their practical implications), we compare the effects of a quota-based selection policy for gender with a quota-based selection policy for nationality. Thus, the current study

contributes not only to an improved understanding of quota-based policies in Europe (as currently debated for women), but also of how they could expand to other underrepresented groups.

Finally, we contribute to a growing body of literature that has begun to investigate the processes through which applicant reactions develop (i.e., Ababneh, Hacket, & Schat, 2014; Stoughton, Thompson, & Meade, 2015). The current study seeks to facilitate that understanding by developing and testing a process model of how applicants' procedural justice reactions to quota-based selection policies ultimately inform job pursuit intentions.

Selection policies and justice perceptions

Scholars have asserted that procedures used for selection and recruitment can serve as the initial building blocks of the relationship between applicant and organization (Herriot, 1989). Selection policies that aim to increase employee diversity range from a weaker form that includes simply trying to remove discrimination from selection procedures to stronger forms that require substantial weighting of minority groups, such as quota-based policies (Kravitz, 2008). The degree to which the selection policies affect the decisions of the selection committee, is likely to be inversely related to perceptions of justice (Harrison et al., 2006). It follows then that quota-based selection policies are likely to invoke strong injustice perceptions, especially for non-beneficiaries, due to the perceived violation of merit-based norms (Bobocel, Son Hing, Davey, & Zanna, 1998; Cohen-Charash & Spector, 2001; Colquitt, Conlon, Wesson, Porter, & Ng, 2001; Harrison et al., 2006; Slaughter, Bulger, & Bachiochi, 2005; Slaughter, Sinar, & Bachiochi, 2002).

Research on the role of justice in recruitment shows that job seekers are likely to actively search for signals about how fairly they are likely to be treated in the organization (Lind, 2001), since such signals influence job applicants' beliefs about their future relationship with the organization. Fairness heuristic theory (Lind, 2001) suggests that procedural justice information can be used as a heuristic to inform all subsequent observations (Lind & Van den Bos, 2002; Van

den Bos et al., 1997). Procedural justice perceptions capture assessments of the decision making process and the degree to which it is consistently implemented across individuals (Leventhal, 1980; Thibaut & Walker, 1975). As the central tenant to procedural justice is equal treatment across all people, equal opportunity policies, despite their intentions, directly challenge that aspect of fairness (Tyler & McGraw, 1986).

This research focuses on quota-based selection policies, but not on the organizational system in which they are implemented, or on the inequalities they aim to correct. In this case, when reasons underlying the quota-based policy are not transparent, the policy raises doubts as to the merit, or competence of the beneficiary. Thus, both beneficiaries and non-beneficiaries can be sensitive to the violation in procedural fairness implied by quotas (Cropanzano et al., 2005). Indeed, previous research suggests that under certain circumstances, beneficiary and non-beneficiary groups react similarly to the procedural justice violation underlying quotas (Bobocel et al., 1998; Williamson, Slay, Shapiro & Blackwell, 2008). Given limited information about the system surrounding a quota-based selection policy, we expect that the effect of the demographic background of the potential candidate (i.e., whether or not they belong to the beneficiary group) on justice perceptions is likely to be diminished.

Hypothesis 1. The use of a quota-based hiring policy will be negatively related to procedural justice perceptions for both beneficiaries and non-beneficiaries.

Effects of justice perceptions

There is significant theoretical and empirical support for the importance of procedural justice perceptions on a range of work-related outcomes, such as applicants' assessments of the organization. As already mentioned, theorists posit that procedural justice is often interpreted to be a reflection of how much authorities, or in this case the organization, value the focal group (Lind & Tyler, 1988; Tyler & Lind, 1992). A procedurally just selection policy is likely to signal

that applicants are valued and would be treated fairly upon joining the organization. In a meta-analysis of recruitment predictors and relevant applicant outcomes (Chapman et al., 2005), procedural justice perceptions were found to be significantly and positively related to job pursuit intentions, job-organization attraction, acceptance intentions, and ultimately, job choice. Furthermore, Harold and colleagues (2015) found that procedural justice – as compared with the organization’s perceived values, image, and person-organization fit perceptions – was a central determinant in actual job acceptance.

Anticipated organizational support and organizational prestige. Backed by fairness heuristic theory (Lind & Van den Bos, 2002), the current research considers quota-based hiring policies to affect the support individuals expect to receive from the organization and the prestige they afford to the organization, via procedural justice perceptions. Casper and Buffardi (2004) found that anticipated organizational support fully mediated the relationship between work-life benefits provided by the organization and job pursuit intentions. However, beyond the cited studies, limited research has focused on how applicants form their perceptions of anticipated support, or identified its effects on other relevant evaluations or behavioral intentions. Based on the arguments described above, the current work considers procedural justice perceptions to predict applicants’ expectations of support from their organization.

Organizational prestige is a reputational measure that assesses how one views the organization if one assumes the role of an external evaluator (Turban & Cable, 2003). It reflects perceived social consensus about the positive or negative reputation of the organization and how beneficial it would be to be associated with the organization as an employee (Highhouse et al., 2003). Reputational information about potential employers has been found to be influenced by diversity efforts and influence organizational attraction and job pursuit intentions (Wayne & Casper, 2012). Wayne and Casper (2012) investigated anticipated organizational support and

organizational prestige simultaneously and found that the relationship between diversity reputation and job pursuit intentions was fully mediated by both measures—with organizational prestige as the strongest mediator.

The current study includes both organizational prestige and anticipated organizational support to capture applicants' interpretation of procedural justice perceptions. Specifically, we assume that applicants will be less inclined to perceive organizations as supportive and prestigious, when they use quota-based selection procedures due to a perceived violation of merit-based selection norms. Building on fairness heuristic theory (Lind, 2001), we posit that applicant perceptions of procedural justice, derived from the organization's quota-based policy use, will inform subsequent expectations about organizational prestige (the reputational capital to be gained from association with the organization) as well as anticipated organizational support (the expectation that applicants will be valued and cared for as an employee of the organization).

Hypothesis 2. Procedural justice perceptions will mediate the relationship between the presence of a quota-based hiring policy and (a) anticipated organizational support and (b) organizational prestige.

Organizational Attractiveness and Job Pursuit Intentions

Organizational attractiveness is the affective assessment of the organization, or the degree to which the applicant expects to like the organization (Highhouse et al., 2003). Perceived procedural justice is likely to be expected to generalize to the way the organization conducts itself and therefore inform perceptions of organizational attractiveness and, finally, intentions to pursue a job (Cropanzano et al., 2005; Chapman et al., 2005; Gilliland, 1993; Harold et al., 2015; Hausknecht et al., 2004; Stoughten, Thompson & Meade, 2015). In other words, the perceived justice of selection procedures can signal the likelihood of positive treatment by the organization. The opposite (i.e., perceived injustice) is likely to suggest that pursuing a job with the

organization will place the applicant at risk of unfair treatment (Lind, 2001). Therefore, it follows that the effects of justice perceptions on attraction to the organization are likely to develop through expectations of reputational gain and future support.

We further propose that the relationship between procedural justice and intentions to pursue a job is mediated by organizational attractiveness, via anticipated organizational support and organizational prestige. That is, if applicants' procedural justice perceptions are violated by the quota-based selection procedure, they will be less likely to perceive the organization as supportive and prestigious. This devaluation of organizational support and prestige will then lower organizational attractiveness and, ultimately, applicants' intentions to pursue a job in the organization. Based on this reasoning, we present a sequential mediator model that connects quota-based hiring policies to job pursuit intentions through procedural justice, anticipated organizational support, organizational prestige and ultimately, organizational attractiveness.

Hypothesis 3. Perceptions of (a) anticipated organizational support and (b) organizational prestige will mediate the relationship between procedural justice and organizational attractiveness.

Hypothesis 4. Perceptions of organizational attractiveness will mediate the relationship between (a) anticipated organizational support and (b) organizational prestige and intentions to pursue a job.

Further, to improve generalizability beyond gender quotas, we take into account quota-based hiring policies for other social groups. The debate in Europe has concerned the representation of women in male-dominated groups and industries. Indeed, in Germany, when the quota is discussed the term *Frauenquote*, meaning "women's quota," is used, further highlighting the female-centric way in which this policy is approached. However, recent debates have focused on how to increase the percentage of people from different nationalities. Therefore, in this study

we compare gender quotas to quotas of nationality for management positions. We expect to find similar results for gender quotas and quotas for diverse nationalities.

Method

Participants and Design

Participants were recruited from various social networking sites in Germany and were offered to be entered into a lottery for a computer tablet in exchange for their participation. After a data collection period of four weeks 140 responses to the online questionnaire were received. As the study was specifically designed to investigate the attitudes of German citizens, we asked for participants to confirm that they were of German nationality and that their mother tongue was German. The participants were 57.1% female, had an average age of 27.44 years ($SD = 9.31$) and 4.29 years ($SD = 7.78$) of job experience on average.

The study was based on a between-participants design with one factor (Type of quota: nationality vs. gender vs. no statement). The no statement condition served as a control.

Procedure and Measures

Upon accessing the survey, participants were told that the objective of this particular study was to gain understanding about how applicants' initial impressions of organizations are formed through their websites and other promotion material. The participants were provided with specific instructions to take on a role as an active job seeker for a management position and evaluate the website of the corporation as if they were considering it as a potential employer. The website contained the manipulation in the form of a press release from the organization. The only difference between the websites was the text in the press release. The participants were randomly assigned to a condition for either a hiring action plan including: (1) a quota for women, or (2) a quota for diverse nationalities, or (3) no reference to a quota-based hiring plan. Participants were

then asked to respond to a short survey about their reactions to the website itself and then to the organization.

Experimental manipulations. The exact text for the press release translated to English is included in the Appendix and was based on an actual press release by a well-known financial organization in Europe. In each condition, the context was that the executive board had decided to appoint new members to their middle and senior management positions. In the quota for women and in the quota for diverse nationalities conditions, specific targets were mentioned to double the number of women or individuals from diverse national backgrounds in management positions, respectively. In the no statement condition, no mention was made of targets or a quota. It presented general information about the organization's plan to restructure both their middle and senior management positions.

Control variables. Demographics were also collected and participants' gender was included as a non-experimental factor in the analyses. Further, since previous research has found corporate websites to affect perceptions through assessments of usability or subjective evaluations (i.e., liking; Allen et al., 2013), we included these as control variables. We asked participants to what extent they found the organization's webpage "appealing", "well-structured", "comprehensible", and to what extent they liked the webpage (evaluated on a scroll bar from 0 "not at all" to 100 "very much"). Of these four items, an overall scale was created ($\alpha = .86$).

Procedural justice. Procedural justice perceptions ($r = .74, p = .00$) were measured with two items, similar to Cropanzano et al. (2005), which included a global measure of fairness and an item to address the degree to which the procedure was free of bias ("Has the process been fair?"; "Have the procedures been free of bias?"), directly after reading the hiring policy information.

Anticipated organizational support. Three items were used from Wayne and Casper's (2012) measure ($\alpha = .87$) that were most relevant to the current context ("This company provides adequate support for its employees"; "This company treats its employees well"; "The company cares about its employees") and achieved a reliability similar to that of the extended scale (i.e., $\alpha = .94$).

Organizational prestige. Based on Highhouse et al. (2003) a three-item measure was used to capture organizational prestige ($\alpha = .87$; "Employees are probably proud to say they work at this company"; "This is a reputable company to work for"; "This company probably has a reputation as being an excellent employer") and produced a similar reliability to that of the extended scale (i.e., $\alpha = .83$).

Organizational attractiveness. Using Highhouse et al.'s (2003) scale, organizational attractiveness was measured using three items ($\alpha = .90$; "For me, this company would be a good place to work"; "This company is attractive to me as a place for employment"; "I am interested in learning more about this company").

Job pursuit intentions. An additional measure assessing intentions to pursue a job offer from the company was included in the final study consisting of three items, which maintained an approved reliability from the five item measure ($\alpha = .91$; Highhouse et al., 2003), including: "I would accept a job offer from this company", "I would exert a great deal of effort to work for this company," and "I would recommend this company to a friend looking for a job").

Results

Initial analyses. A summary of the descriptive statistics as well as reliabilities and correlations can be found in Table 1. There are strong connections between most of the variables. We submitted the three mediators (anticipated organizational support; organizational prestige; organizational attractiveness) to a principal components analysis using an oblique rotation (i.e.,

PROMAX). Following the oblique rotation, all items had loadings of .71 or above on their expected factor and together explained 81.38% of the variance. All contrasts reported are using significance values from Tukey's HSD.

We conducted ANOVAs for each of the dependent variables by quota condition, controlling for website perceptions. Website perceptions, the control variable, had a significant effect on all outcome variables ($F_s > 17$, $p_s = .00$). Quota condition had a significant direct effect on procedural justice perceptions, $F(2,136) = 5.19$, $p = .01$, $\eta^2 = .07$, and a marginally significant direct effect on organizational prestige, $F(2,136) = 3.10$, $p = .05$, $\eta^2 = .04$. The univariate effects of quota condition were not significant for anticipated organizational support, $F(2,136) = .90$, $p = .41$, $\eta^2 = .01$, organizational attractiveness, $F(2,136) = .585$, $p = .43$, $\eta^2 = .01$, or job pursuit intentions, $F(2,136) = .29$, $p = .75$, $\eta^2 = .00$.

In post-hoc comparisons of the three quota conditions with the Tukey HSD test, procedural justice perceptions in the nationality-based quota condition ($M = 3.14$, $SD = 1.48$) and in the gender-based quota condition ($M = 3.44$, $SD = 1.37$) did not differ from each other ($p = .55$). However, the nationality-based quota was perceived as less just ($p = .01$) than the no statement condition ($M = 4.06$, $SD = 1.32$) and the gender-based quota displayed a tendency to be perceived as less just than the no statement condition ($p = .10$). For organizational prestige, the nationality-based quota ($M = 4.14$, $SD = 1.23$) was found to be marginally more prestigious than the no statement condition ($M = 3.61$, $SD = 1.23$; $p = .09$). However, the gender-based quota ($M = 3.84$, $SD = 1.11$) was not found to be significantly different from either the nationality-based quota ($p = .42$) or the no statement condition ($p = .63$). No other significant or marginally significant differences were found between the quota conditions or between each quota condition and the control condition.

In addition to the hypothesized differences between conditions (gender quota, nationality quota, no statement), we present a summary in Table 2 of the means and standard deviations for the dependent variables by condition and participant gender as well as the results of Tukey HSD post-hoc comparisons.

Primary analyses. We based our primary analyses on the full sample (i.e., female and male participants) because our ultimate outcome (i.e., job pursuit intentions) was not significantly affected by participant gender.¹ In the same way, according to the post-hoc tests of the initial analyses, gender quota and nationality quota conditions did not differ in their effects on the ultimate outcome. Therefore, we collapsed the two conditions in the mediation model. As summarized in Table 3, data was analyzed in a serial and a parallel multiple mediator model using PROCESS with a *t*-test statistic as significance test for the path coefficients (Preacher & Hayes, 2008; Model 4, 6). All tests were conducted with 1,000 Bootstrap samples and 95% confidence intervals are reported. The quota condition (quota vs. no statement) was entered as the independent variable to predict procedural justice; then we entered anticipated organizational support with organizational prestige to predict organizational attractiveness. Ultimately, the full model was tested to predict job pursuit intentions and the detailed results can be found in Table 3.

To begin with, the results show support for the first part of the model: The use of a quota-based hiring policy ($b = -.80, t = -3.12, p = .00$) negatively predicted procedural justice.² Thus, we find support for Hypothesis 1. Furthermore, procedural justice, anticipated organizational support, and organizational prestige were again examined as sequential predictors of

¹Additional analyses for each gender subgroup indicated that the model held for both men and women. A minor difference in the subsample of women occurred such that the indirect effect of the complete model including anticipated organizational support as a mediator, while controlling for organizational prestige, became significant ($CI[-.16, -.01]$). Also, for women the indirect effect of the complete model including organizational prestige as a mediator, while controlling for anticipated organizational support, became marginally significant. ($CI[-.09, .00]$).

²When the conditions are not collapsed, the relationship between the quota-based hiring policy and procedural justice remains significant ($b = .31, t = 2.09, p = .04$).

organizational attractiveness. Procedural justice was found to significantly predict anticipated organizational support ($b = .30, t = 5.04, p = .001$) and organizational prestige ($b = .25, t = 3.83, p = .00$). The indirect effects confirmed a significant mediating effect of quota-based selection policy on anticipated organizational support (Effect = $-.23, CI[-.51, -.08]$) and organizational prestige (Effect = $-.20, CI[-.47, -.05]$) via procedural justice. These findings support Hypotheses 2a and 2b.

Further, when included in the same equation, anticipated organizational support ($b = .32, t = 2.55, p = .01$) and organizational prestige ($b = .52, t = 4.73, p = .00$) significantly predicted organizational attractiveness. To test the mediating effects on organizational attractiveness, results for both the indirect effects of anticipated organizational support (Effect = $.09, CI[.02, .20]$) and organizational prestige (Effect = $.13, CI[.06, .27]$) did not include zero and thus, the indirect effect was significant. A contrast of the effects revealed no significant differences between the indirect effects of anticipated organizational support and organizational prestige (Contrast effect = $.04, CI[-.09, .20]$). These results support Hypotheses 3a and 3b that procedural justice perceptions inform organizational attractiveness via anticipated organizational support and organizational prestige.

Finally, in a test of the complete mediation model, job pursuit intentions were included as the final dependent variable in the equation. As expected, organizational attractiveness significantly and positively predicted intentions to apply ($b = .72, t = 11.97, p = .00$). The indirect effect of the proposed model to predict job pursuit intentions was also found to be significant for the complete path including organizational prestige as a mediator, while controlling for anticipated organizational support (Effect = $-.01, CI[-.04, -.00]$), via organizational attractiveness. By contrast, when anticipated organizational support was included as a mediator, the indirect effect via organizational attractiveness for the complete model was not significant (Effect = $.00,$

$CI[-.00, .01]$). Thus, applicant perceptions of organizational attractiveness ultimately lead to their intention to pursue a job, supporting Hypotheses 4.

We also alternated the positions of the three mediators in both of these models to examine other possible causal patterns. In the first alternative model, we switched the position of organizational attractiveness with anticipated organizational support and organizational prestige. Similar to the proposed model, we found a significant indirect effect of organizational attractiveness on job pursuit intentions through organizational prestige (Effect = .11, $CI[.04, .20]$), but not for anticipated organizational support (Effect = -.01, $CI[-.07, .06]$). As a second alternative model, we tested the three mediators as three parallel mediators between procedural justice perceptions and job pursuit intentions. Again similar to the results for the proposed model, we found a significant indirect effect of procedural justice on job pursuit intentions through organizational attractiveness (Effect = .26, $CI[.15, .40]$) and organizational prestige (Effect = .06, $CI[.02, .13]$), but not for anticipated organizational support (Effect = -.01, $CI[-.07, .04]$).

General Discussion

The initial impetus for the study was to better understand how organizations are evaluated when they openly communicate their use of quota-based selection policies. We tested and found support for a serial multiple mediator model where the use of quota-based selection policies impacts procedural justice, which in turn informs organizational attractiveness and intentions to pursue a job via anticipated organizational support and organizational prestige. In other words, these findings help to explain how applicants react to organizations that promote quota-based selection policies. Further, insight into this process can help to identify specific areas for organizations to improve upon, i.e., foster perceptions of anticipated support or include testimonials regarding the selection process, to help maintain a positive reputation and encourage applications. To explain these findings, the current research leans heavily on theoretical models

of applicant reactions to selection (Hausknecht et al., 2004; Ryan & Ployhart, 2000; Walker et al., 2013) grounded in fairness heuristic theory (Lind, 2001).

First, the current work contributes to the advancement of applicants' sense-making processes in face of uncertainty through fairness perceptions (Lind, 2001; Lind & Van den Bos, 2002) and to the broader literature of equal opportunity policies (Harrison et al., 2006). In support of the notion that selection policies may impact fairness perceptions, the majority of work on equal opportunity policies has focused on fairness reactions, specifically procedural justice (Kravitz, 1995). Corroborating earlier findings (i.e., Leslie, Mayer, & Kravitz, 2014), we show that the use of quotas puts organizations' general reputation at risk. Since the use of a quota led to negative evaluations of procedural justice, applicants appeared to perceive selection processes that employ quota-based policies as biased. Our research shows that in corporate settings where quotas are communicated as a tool for personnel selection, companies send signals to potential applicants and future employees. Namely, procedural justice assessments regarding hiring policies are used as signals that inform the applicant of the likelihood of support and prestige based on association with the organization.

Interestingly, although we found some single significant and marginal effects of participant gender on reactions to the fairness of the policy or the organizational evaluations, the interaction between participant gender and quota condition did not affect application intentions. Much of the research on affirmative action or preferential selection indicates that beneficiaries and non-beneficiaries tend to react differently to these types of policies – specifically that women and racial minorities tend to favor affirmative action policies more than non-target groups do (Harrison et al., 2006). However, other studies find that these results are not always consistent and sometimes non-significant (Martins & Parsons, 2007). This leaves the possibility that these demographic effects are further tempered by general beliefs about discrimination or other

individual-level attitudes. To further elaborate on the findings of the present work, future research could include individuals' beliefs in the prevalence of discrimination or in the ability of a quota-policy to restore justice.

We tested an expanded theoretical model to demonstrate that not only gender quotas, but quotas in general influenced procedural justice, which ultimately led to intentions to pursue a job in the organization via applicants' anticipated organizational support, organizational prestige and attractiveness. That is, quotas originally meant to avoid and reduce social imbalances in selection processes can actually lead potential applicants to question their perceived fairness. However, we cannot rule out that the mere existence of a quota policy led individuals to infer that the organization was particularly discriminatory - and that it therefore needed such a policy. Thus, not the quota policy per se, but the implementation of an intervention may have conveyed a negative image of the organization. It is important to note, however, that this procedure carries some external validity, since often quota policies are implemented without further information regarding the state of the organization.

Limitations and Future Research

The research we conducted has a number of strengths. By using an experimental design, we were able to systematically vary the presentation of the hiring policy information to develop the study presented here. The study presented a hiring scenario, including the quota-based hiring policy, and collected the procedural justice reactions to the policy itself, allowing us to isolate the justice perceptions of the participants to the policy. We also found that the use of a quota led to more negative justice evaluations and thereby, a lack of anticipated support or prestige. Unexpectedly, the nationality quota led to slightly higher ratings of organizational prestige, which could be explained by participants' assumptions that the organization was a multi-national or international firm; however, this was the only instance in which the two quota conditions

differed. In order to better understand applicants' justice reactions, future research should investigate applicants' underlying assumptions regarding quota-based selection policies.

Second, the applicants were presented with a webpage from an organization to closely resemble the actual job search experience. The results of the study provided evidence for the negative impact of advertising quota-based hiring policies on potential hires' procedural justice perceptions. However, a clear conceptual and external validity limitation of this study is that it did not provide any further information about the organizational context to the participants, thus not embedding the hiring policy in the broader situation of the beneficiary group, or of the organization as a whole. To improve understanding of how quotas affect potential employees, future research should examine whether responses to quotas are modified by explanations for why this policy might be needed and how it might address existing inequalities.

Although vignettes have been shown to contribute substantially to organizational research (Aguinis & Bradley, 2011), future research might replicate these findings in a more immersive context. To overcome this limitation, we based our manipulations on an existing press release, but kept the company hypothetical to control for any confounding factors (e.g., the company's public image). In addition, we implemented an externally valid scenario that reflected online applicant search and hiring procedures. Subsequent experimental research could enrich the scenario to include information about applicant qualifications or organizational values to further mitigate demand characteristics. Future research could investigate actual organizations and their hiring/quota policies, subsequent justice reactions and ultimately their reputation.

Practical implications

As demonstrated in the current research as well as by other scholars (i.e., Walker et al., 2013; 2014), fairness perceptions play a formative role in applicant reactions and perceptions of organizations. It follows that applicant justice perceptions must be carefully managed, especially

with regard to the information communicated to them (Walker et al., 2014). We investigated a specific instance of a press release announcement about quota-based selection policies, which provided little additional information. It represented a mere reference to the use of quotas in this organization. From these initial results, we can conclude that organizations need to be careful when planning to implement a quota.

Recent research has highlighted the positive role an inclusive organization or inclusive organizational culture plays in applicant attraction and retention (Scott et al., 2011). Although the use of a diversity-oriented hiring policy signals that diversity is important in the organization, it can also signal that hiring procedures may not provide an even playing ground. As Scott and colleagues (2011) point out “inclusive organizations understand that making diversity “work” does not end at organizational entry” (p. 49). In the current context, merely advertising a quota-based selection policy, without providing further explanation for it, elicited negative justice-based reactions to the organization. One possible strategy to improve these reactions could be more detailed communication regarding the values of the organization, as well as the systems in place to maintain justice *and* diversity. More specifically, beyond simply releasing a statement regarding the use of a quota, organizations could package such plans with information regarding training programs, diverse employee retention statistics, and testimonials from current employees.

Further, from a practical standpoint, the process model presented here describes the steps through which information about hiring policies translates into justice signals. These justice signals are then interpreted through anticipated support and prestige, which inform the degree to which applicants would be attracted to work for the prospective employer. Further, insight into what underlies these evaluations could help organizations and recruiters develop a more accurate fit diagnosis by considering how perceptions of justice can be managed and improved.

Conclusion

This study was the first to look at the interaction of quota-based hiring policies, procedural justice, and perceptions of the organization. The goal of quotas in organizations is to counteract persistent biases and to correct for past and present discrimination. In order to restore balance, quotas favor social groups that have been disadvantaged previously (e.g., women in management). However, this research provides initial empirical evidence that, given this favorable treatment of disadvantaged groups, doubts about the fairness of such policies may occur and subsequently influence perceptions of the organizations as well as applicants' job pursuit intentions. Given the early stages of this research and the timeliness of the issue, especially for organizations in Europe, we seek to encourage scholars to examine the further implications of our findings to inform organizational practice for an effective implementation of quota policies.

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Figure 1. Conceptual model

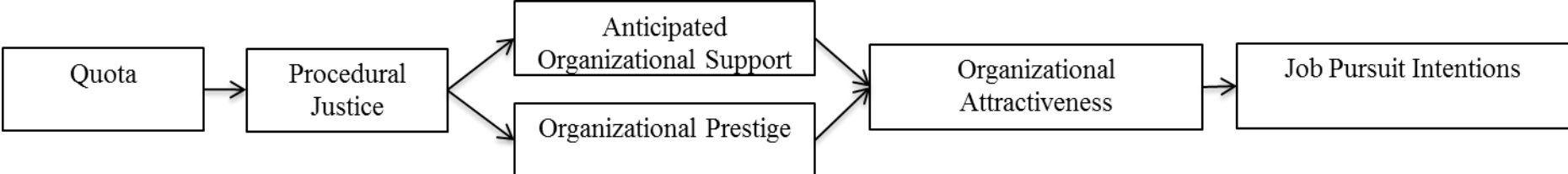


Table 1. Means, standard deviations, reliabilities and correlations

	M	SD	1	2	3	4	5	6	7	8
1. Gender	1.57	.50	(-)							
2. Webpage evaluation	43.86	18.98	.22**	(.86)						
3. Quota manipulation	-	-	.07	.01	(-)					
4. Procedural justice	3.50	1.44	.09	.28**	-.24**	(.74)				
5. Anticipated organizational support	4.11	1.06	.11	.34***	.09	.42***	(.87)			
6. Organizational prestige	3.89	1.20	.10	.41***	.15	.34***	.72***	(.87)		
7. Organizational attractiveness	3.60	1.49	.24**	.40***	.03	.42***	.63***	.67***	(.90)	
8. Job pursuit intentions	3.74	1.46	.24**	.42***	.03	.38***	.58***	.67***	.86***	(.91)

Note. $n = 140$; Gender 1 = male, 2 = female; Quota 0 = no statement, 1 = quota; * $p < .05$; ** $p < .01$; *** $p < .001$. The reliability value for procedural justice is a correlation between the two items.

Table 2. Summary of means and standard deviations for dependent variables and results of post-hoc comparisons (by condition and participant gender)

Dependent variables	Men			Women		
	Gender quota	Nationality quota	No statement	Gender quota	Nationality quota	No statement
Procedural justice	3.32 (.31) _a	2.97 (.30) _a	4.14 (.32) _{a,b}	3.47 (.25) _a	3.30 (.24) _a	4.01 (.31) _a
Anticipated organizational support	3.74 (.22) _a	4.21 (.22) _a	4.26 (.23) _a	4.32 (.18) _a	4.28 (.18) _a	3.70 (.22) _b
Organizational prestige	3.75 (.24) _a	4.02 (.24) _a	3.84 (.25) _a	3.85 (.20) _a	4.27 (.20) _a	3.40 (.25) _{a,b}
Organizational attractiveness	3.14 (.30) _a	3.26 (.29) _a	3.58 (.31) _a	4.26 (.25) _a	3.58 (.24) _a	3.48 (.30) _{b,a}
Job pursuit intentions	3.24 (.30) _a	3.44 (.29) _a	3.80 (.31) _a	4.02 (.25) _a	3.84 (.24) _a	3.96 (.30) _a

Note. $n = 140$; Standard deviations presented in parentheses. Means with different subscripts within rows indicate significant differences from post-hoc comparisons with Tukey HSD ($p < .05$).

Table 3. Summary of regression results on organizational attractiveness

Predictor	Outcome											
	Anticipated organizational support (M ₁)			Organizational prestige (M ₂)			Organizational attractiveness (M ₃)			Job pursuit intentions		
	<i>b</i>	<i>SE</i>	<i>t</i>	<i>b</i>	<i>SE</i>	<i>t</i>	<i>b</i>	<i>SE</i>	<i>t</i>	<i>b</i>	<i>SE</i>	<i>t</i>
Gender	-.03	.16	-.75	-.03	.18	.12	-.43	.18	-2.37*	-.13	.13	-1.00
Webpage	.01	.00	2.79**	.02	.01	4.09***	.01	.01	1.35	.00	.00	1.08
Quota	.43	.18	2.37*	.58	.20	2.85**	-.09	.21	-.45	-.37	.14	-2.56**
Procedural justice	.30	.06	5.04***	.25	.07	3.83***	.15	.07	2.16*	-.02	.05	-.45
Anticipated organizational support (M ₁)	-	-	-	-	-	-	.32	.12	2.55**	-.03	.09	-.38
Organizational prestige (M ₂)	-	-	-	-	-	-	.52	.11	4.73***	.24	.08	2.86**
Organizational attractiveness (M ₃)	-	-	-	-	-	-	-	-	-	.72	.06	11.97***
Intercept	2.28	.42	5.50***	1.65	.47	3.53***	.16	.51	.32	.74	.35	2.11*
	$R^2 = .26$			$R^2 = .27$			$R^2 = .55$			$R^2 = .78$		
	$F(4, 135) = 11.87***$			$F(4, 135) = 12.16***$			$F(6, 133) = 26.71***$			$F(7, 132) = 65.40***$		

Appendix. Press release manipulation (in English, translated from German)

In the gender quota condition, the press release read:

The Executive Board of this corporation has decided to introduce gender targets with the aim of doubling the share of women in management.

By the end of 2019, 35% of positions in middle management and senior management should be held by women. For senior management positions taken alone the target is 28%.

The overall share of women in management positions at present is 17%, while 14% in senior management positions. In order to reach the racial diversity targets, the corporation is implementing a gender diversity action plan.

In the nationality quota condition, the press release read:

The Executive Board of this corporation has decided to introduce nationality targets with the aim of doubling the share of national backgrounds in management.

By the end of 2019, 35% of positions in middle management and senior management should be held by members of different national backgrounds. For senior management positions taken alone the target is 28%.

The overall share of individuals with different racial backgrounds in management positions at present is 17%, while 14% in senior management positions. In order to reach the national diversity targets, the corporation is implementing a national diversity action plan.

In the no statement condition, the press release read:

The Executive Board of this corporation has decided to appoint new members to the management teams.

By the end of 2019, the management will be completed with the restructuring of both the middle and senior management positions.

In order to reach the deadline, the corporation is implementing a hiring action plan.