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PUBLIC ACCOUNTING RECRUITING:
IMPLICATIONS OF THE ANTECEDENTS AND CONSEQUENCES OF ORGANIZATIONAL IDENTITY ON HIRING

A Thesis Submitted
in Partial Fulfillment
of the Requirements for the Designation
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Public Accounting Recruiting:

Implications of the Antecedents and Consequences of Organizational Identity on Hiring

Unfortunately, the industry of public accounting has been plagued with a high turnover rate. Recent studies show that around fifteen percent of staff leave the industry each year with a large portion of these professionals only having spent between three and five years in the profession (Platt Consulting Group, 2013). This problem leads to a constant demand for new hires in public accounting firms, especially recent college graduates entering the job market. As a result, the recruiting process has become the primary way of attracting these new hires in order to continue to replace staff moving to new positions outside of public accounting and to grow the industry.

Students seem to identify with a particular CPA firm at some point during the recruiting process. Not surprisingly, these firms are constantly wondering why recruits choose to identify and accept employment offers from one firm over another. In order to address this need, this research is aimed at offering public accounting firms ways to improve the efficiency and effectiveness of their recruiting process. This will allow the firms to increase the number of qualified applicants, focus more efforts on the most qualified applicants, and increase these applicants' propensity to accept an employment offer with a certain firm.

With this motivation in mind, this survey study analyzes how varied aspects of recruitment affect an applicant's decision to accept a full-time employment offer from a particular public accounting firm. Specifically, the theory of organizational identification as a subcategory of social identification will be used to interpret survey data in order to determine the most influential factors impacting an applicant's choice of one of these firms. These results will

provide insight for public accounting firms regarding implications of organizational identification to help them better manage the recruitment process. Firms can utilize findings from this research to develop more effective recruiting and increase applicants' propensity to accept an employment offer from their organization.

Literature Review

Social Identity Theory

Social identity theory proposes that individuals classify themselves into various social groups (Tajfel & Turner, 1985; Ashforth & Mael, 1989; Ashforth & Mael, 1992; Iyer, Bamber, & Barefield, 1997). These categories are defined by prototypical characteristics demonstrated by the members of the group (Turner, 1985). In turn members are depersonalized as they are assigned qualities held by the group with which he or she identifies. This consequence occurs when members downplay their own personal characteristics and begin to view themselves as members of a group (Oakes & Turner, 1986).

Social classification divides and arranges a social environment by giving a person a method to define others by means of their social group (Tajfel & Turner, 1985). Such is the "relational and comparative" nature of this theory (Tajfel & Turner, 1985, p. 16). Identification allows members to define their group in relation to other clusters and compares the groups based on their prototypical characteristics. Given this relational and comparative nature, social identity theory maintains that individuals identify partly to enhance self-esteem (Abrams & Hogg, 1988). Thus, individuals have a tendency to include valued characteristics in their self-concept and to view their social identities positively (Burke & Franzoi, 1988). However, while classifications tend to be categorical, the intensity of one's perceived identification with a group is a matter of degree (Ashforth & Mael, 1992).

A search for identity also includes a search for a sense of meaning, connectedness, and empowerment (Ashforth & Mael, 1989). A social group may satisfy these needs if it embodies these characteristics. At the very least, social identity theory predicts that individuals identify with social categories in part to enhance self-esteem (Tajfel, 1978; Hogg & Turner, 1985). This is understandable in view of the relational and comparative nature of social identification as the individuals experience the successes and status of the group (Ashforth & Mael, 1989). Positive and negative comparisons between groups have been found to affect members' self-esteem accordingly (Oakes & Turner, 1980; Wagner, Lampen, & Syllwasschy, 1986).

Social classification also allows individuals to define themselves in a social environment (Ashforth & Mael, 1989). A person's self-concept is divided into personal and social identity (Tajfel & Turner, 1985; Turner, 1984). Personal identity includes distinctive characteristics of oneself (e.g., psychological traits, interests, and physical appearance). Social identity is comprised of a person's social classifications. Therefore, social identification is the perception of oneness with a group classification. A person recognizes him or herself as an actual or symbolic member of the group. However, social identification suggests individuals perceive the fate of the group as their own which includes taking ownership of its successes and failures (Tolman, 1943).

Another principle of social identification is the fact that it involves perception as opposed to specific behaviors or emotional states (Gould, 1975; Turner, 1982). Identification may even occur without member interaction or cohesion (Ashforth & Mael, 1995). To identify with the group, a person need only perceive him- or herself as psychologically involved with the fate of the group. Turner (1984) proposed the existence of a "psychological group" defined as "a collection of people who share the same social identification or define themselves in terms of the

same social category membership” (p. 530). A study utilizing the minimal group paradigm suggests that simply assigning a person to a group is enough to stimulate social identification (Taylor & Moghaddam, 1987). Any specific behaviors, such as making financial contributions and participating in a group’s functions, or affective states, such as a feeling of loyalty toward the group, are viewed as consequences of identification and are considered to be separate from this concept (Gould, 1975; Ashforth & Mael, 1989; Ashforth & Mael, 1992, Iyer et al., 1997).

Group membership has been noted to be an influential force in how an individual views oneself, perceives his or her surroundings, and makes decisions (Hogg & Terry, 2001). Research on social identity theory indicates identification may be a particularly important predictor of organizational retention (Ashforth & Mael, 1995; Abrams, Ando, & Hinkle, 1998; Wan-Huggins, Riordan, & Griffeth, 1998; Pratt, 2000). One affective variable suggested to have significance in predicting behavior intentions and actual behavior was attachment (Pratt, 2000). Psychological attachment develops strength from an individual’s association with the organization.

Attachment is related to social identification and has been the centerpiece of numerous organizational withdrawal and attrition models (Hom, Katerberg, & Hulin, 1979; Mowday, Porter, & Steers, 1982; Hanisch & Hulin, 1991; Hom & Griffeth, 1995). The central theory of these models is that when individuals feel more connected and attached to a group, they want to be part of its future and therefore will be less likely to voluntarily leave (Griepentrog, Harold, Holtz, Klimoski, & Marsh, 2012). Social identity theory has discussed this attachment as organizational identification and defined it as the degree to which an individual incorporates the attributes, characteristics, and motives of the organization into his or her self-concept.

Organizational Identification

One such group with which a person may identify is the individual's organization. As such, organizational identification is a specific form of social identification in which people define themselves in terms of a particular organization (Ashforth & Mael, 1989; Ashforth & Mael, 1992; Mael & Tetrick, 1992; Dutton, Dukerich, & Harquail, 1994). When a person strongly identifies with an organization, he or she defines him- or herself by the same characteristics that define the organization and its members (Dutton et al., 1994). Thus, organizational identification is a sense of oneness with the organization. One of the unique contributions of this study is the application of organizational identification to the public accounting industry recruiting process.

It is this perception of oneness that distinguishes identification from related constructs, such as person-organization fit and organizational commitment (Griepentrog et al., 2012). Ashforth and Mael (1995) demonstrated individuals can easily shift their commitment to a different organization with similar benefits. Also, individuals can score high on commitment solely because the organization provides the opportunity to achieve personal goals (Ashforth & Mael, 1989). However, if he or she strongly identifies with a specific organization, then he or she would likely experience a psychic loss upon leaving the firm (Ashforth & Mael, 1992).

Ashforth and Mael (1995) supported this distinction by demonstrating that individuals also develop a strong sense of organization identification prior to working at an organization. One's psychological attachment to the organization is more than an extension of interpersonal relationships, and can exist even in the absence of interpersonal interaction (Ashforth & Mael, 1995). Ashforth and Mael (1995) studied new hire identification with United States Army recruits. These recruits showed a strong sense of organizational identification on only their third

day of induction, some being higher than organizational identification shown by more tenured Army personnel. This provided initial empirical evidence that organizational identification begins early in the employment life cycle. This finding is consistent with theory suggesting that identification can be stimulated quickly and without formal interaction between group members (Turner, 1984; Ashforth & Mael, 1989).

Griepentrog et al. (2012) also studied the concept of organizational identification developing prior to becoming a part of the organization. It is during the recruitment process that the employment relationship is initiated, as individuals are learning more about the organization as a potential employer, and when they begin to have contact with members. This is the time when recruits are identifying similarities in values, personalities, and goals and making decisions about whether to commit to the organization.

Once organizational identification is formed in individuals, beliefs in support of this loyalty are remarkably persistent (Griepentrog et al., 2012). There exists an expectation that one's "own" group will participate in more positive and fewer negative behaviors compared to other groups (Maass, Milesi, Zabbini, & Stahlberg, 1995). However, because people want to believe their group is more favorable than other groups, they may set a particularly high threshold for accepting evidence to the contrary (Trope & Liberman, 1996). Consistent with this idea, applicants who highly identify with the organization should perceive the recruiting process more positively, making them more motivated to pursue employment opportunities with the organization and less inclined to withdraw from the recruiting process (Griepentrog et al., 2012). To the extent the applicant identifies with the organization, withdrawing from the recruiting process would have a more detrimental impact on his or her self-concept. Research has

demonstrated that individuals with stronger identification are less likely to withdraw from the organization (Ashforth & Mael, 1995; Van Knippenberg, Van Dick, & Tavares, 2007).

Antecedents of organizational identification. Literature on organizational identification suggests numerous factors directly relate to organizations which likely increase the tendency to identify with a firm. They separated the proposed antecedents into organizational factors and individual factors.

Organizational factors of Organizational Identification.

Iyer et al. (1997) developed and tested a model of the identification of accounting firm alumni with their former firm and alumni's subsequent inclination to benefit their alma mater. They reported organizational prestige, the firm's socialization process, personnel policies, and mentor relationships to be organizational factors related to alumni's organizational identification. Ashforth and Mael (1992) tested a model to study the identification of college alumni with their alma mater and suggested organizational distinctiveness, organizational prestige, alumni relations, and inter-organizational competition as organizational antecedents having an impact on an alumni's identification to his or her former college. Such identification is found to be significantly positively related to their inclination to benefit their former organization.

Organizational distinctiveness. It is hypothesized that perceived distinctiveness of the firm's values and practices in comparison to those of other organizations relates to organizational identification (Tolman, 1943; Oakes & Turner, 1986; Mael, 1988; Ashforth & Mael, 1992). Distinctiveness differentiates the organization from other organizations and provides a more unique definition of the firm's characteristics for its employees. Organizations often attempt to define their identity by setting themselves apart from others in order to have the ability to make "claims of distinctiveness" (Iyer et al., 1997, p. 107). This is meant to attract followers to the

firm, including job applicants. Thus, the current study proposes applicants' perceptions of a public accounting firm's organizational distinctiveness are positively related to their organizational identification with the firm.

Organizational prestige. Another related antecedent of organizational identification is perceived organizational prestige (Ashforth & Mael, 1992; Iyer et al., 1997). Perceived organizational prestige is described as individuals' beliefs about outsiders' perceptions of the firm (Iyer et al., 1997). This relates back to the argument that a person identifies with a group partly to enhance self-esteem (Ashforth & Mael, 1992). Association with an organization possessing qualities, such as competence, power, efficacy, virtue, and moral worth (Gecas, 1982), enhances members' self-esteem because this affiliation provides them with an opportunity to see themselves embodying these positive characteristics which strengthen the degree to which an individual likes oneself (Dutton et al., 1994). Therefore, it is expected in this current study that the accounting recruits' perceptions of a firm's organizational prestige will be positively related to their organizational identification with the firm.

Socialization process. The applicant's perception of the firm's socialization process also influences his or her identification with the organization. This is defined as the process by which the values, norms, and beliefs of members are merged with those of the organization (Iyer et al., 1997). These processes successfully increase the congruence between how recruits define themselves as well as the firm and foster identification with the company. The current study proposes a recruit's perception of a firm's socialization processes is also positively related to his or her organizational identification.

Personnel policies. Personnel policies, such as recruitment, orientation, training, and evaluation, are common in public accounting firms (Iyer et al., 1997). Applicants' perceptions of

these formalized policies are likely to be of value to recruits if they better prepare them for future employment opportunities. They may also help counter the effect of a deficiency in socialization processes. Therefore, it is expected in the current study that a public accounting recruit's perception of a firm's personnel policies is positively related to his or her organizational identification with the firm.

Recruitment relations. Recruitment relations directly affect the accounting firm's applicants. Efforts to maintain contact with a potential applicant may include e-mails, telephone calls, or on-campus recruitment events. When these contacts increase the recruit's awareness of his or her connection with the firm (Stern, 1988) or highlight the organization's attractive attributes (Bruner, 1957), they are likely to increase organizational identification (Dutton et al., 1994). Therefore, the current study suggests successful efforts by the public accounting firm to maintain communication with the applicant is positively related to his or her organizational identification.

Inter-organizational competition. The final organizational antecedent tested in this research is inter-organizational competition between a firm and other public accounting firms (Ashforth & Mael, 1992). The relational and comparative nature of organizational identification follows that organizational identity emerges when applicants compare their firm to other similar companies (Ashforth & Mael, 1989). One looks for positive differences between the groups with which he or she can identify and other groups in order to enhance self-esteem. When there is competition, these group boundaries become more distinct which makes it easier to identify with the organization (Brown & Ross, 1982; Friedkin & Simpson, 1985). It is hypothesized in the current study that applicants' perceptions of inter-organizational competition between public accounting firms will be positively related to their organizational identification.

Hypothesis 1A: Increases in (a) organizational distinctiveness, (b) organizational prestige, (c) socialization processes, (d) personnel policies, (e) recruitment relations, and (f) inter-organizational competition lead to higher levels of organizational identification in public accounting job applicants.

Individual factors of Organizational Identification.

In addition to the organizational antecedents of organizational identification, previous research has proposed certain individual factors of organizational identification to have an impact on how individuals identify with a particular organization (Ashforth & Mael, 1992; Iyer et al., 1997). The study of college alumni by Ashforth and Mael (1992) suggested that alumni's sentimentality affected their level of identification with their alma mater. Furthermore, the study of accounting firm alumni by Iyer et al. (1997) reported tenure with the firm, the existence of a mentor relationship, and an individual's sentimentality as having an influence on the alumni's identification with their former firm. Such identification is found to be significantly positively related to their inclination to benefit their alma mater.

Tenure. Applicants' tenure is described as the amount of time individuals have been actively involved with the accounting firm (Iyer et al., 1997). As more time is spent with the organization, the recruit becomes more familiar with its collective identity and begins to accept him- or herself as a member of the organization. The longer the involvement with the firm, the more significant this group membership becomes, relative to other group memberships (Kramer, 1991). The current study predicts an applicant's tenure with the firm is positively related to his or her organizational identification.

Mentor relationship. Another individual factor expected to be relevant to the study of organizational identification is the existence of a mentor relationship. In public accounting firms, a mentor provides advice and support, such as social support, career development, and role

modeling for the applicant. A strong relationship with a superior who exemplifies the organization promotes organizational identification by increasing the firm's attractiveness and the recruit's perceived level of inclusion into the firm (Ashforth & Mael, 1989; Iyer et al., 1997). Therefore, the current study expects the existence of a close mentor relationship with a superior is positively related to the applicant's organizational identification with the firm.

Sentimentality. The final individual antecedent to be studied in this research is the recruit's sentimentality. One's sentimentality is known as the tendency for a person to retain emotional and/or tangible ties to one's past (Mael, 1988). A sentimental person also enjoys discussing or reliving one's past. This attribute assesses the individual's propensity to perceive groups as extensions of one's self (Ashforth & Mael, 1992). Iyer et al. (1997) extend this to say sentimentality impacts one's openness to organizational identification, such as the ease with which a perception can be made. In the current study, it is proposed a recruit's sentimentality is positively related to his or her organizational identification.

Hypothesis 1B: Increases in (a) tenure with the firm, (b) the existence of a mentor relationship, and (c) sentimentality lead to higher levels of organizational identification in public accounting job applicants.

Consequences of organizational identification. Individuals have a tendency to choose activities that agree with their identities and support the organizations that foster said identities (Ashforth & Mael, 1989). As such, identification with a specific organization increases support and commitment to it. This propensity to choose activities in congruence with identity is a consequence of organizational identification.

Ashforth and Mael (1992) research how organizational identification affects the inclination of college alumni to benefit their alma mater. The consequences identified in this study include financial donations, willingness to advise one's offspring and others to attend the

school, and participation in various organizational functions. Similarly, Iyer et al. (1997) study how organizational identification provides an explanation for firm alumni's favorable behaviors toward their former company. Behaviors researched to benefit the former firm include financial contributions to the firm, loyalty toward the organization, and attendance at its alumni events. They additionally find strength of identification with a firm depends on a person's perception of attractiveness towards being a member of the organization. Such attractiveness is based in terms of individuals' own self-concept. For example, when organizational identification develops organizational membership becomes an important basis for the ex-employee's self-definition.

Dutton et al. (1994) propose that organizational identification leads to two types of behavior. The first suggests an individual's self-definition as a group member helps to form the distinction between in-group and out-group dynamics with the shared identity creating favoritism with the in-group. This is demonstrated through greater cooperation with members of one's own group and presenting a positive image of the organization to others. The second behavior suggests members carry out organizational citizen behaviors. These actions are positive behaviors on behalf of the organization that are not solely in the individual's self-interest and are not required by the person's role. To the extent that public accounting firm applicants identify with their potential employer, both theory and empirical evidence suggest that applicants' organizational identification is likely to affect their inclination to accept an employment offer from the specified firm.

One goal of accounting firms' recruiting efforts should be to increase the number of qualified applicants who accept an employment offer. Such an outcome depends on recruits' propensity to accept job offers from the firm. Organizational identity theory thus suggests

applicants' identification with particular organizations is likely to positively relate to their inclination to accept an employment offer if one is extended.

Hypothesis 2: Applicants' organizational identification with a firm has a positive impact on their propensity to accept an employment offer from a public accounting firm.

Another unique aspect of the current study is the testing of how the particular organizational and individual antecedents of organizational identification proposed in this study have a direct impact on a recruit's propensity to accept an offer with a public accounting firm. If certain organizational and individual antecedents are proposed to predict organizational identification and organizational identification is suggested to predict propensity to accept an offer, then these antecedents are likely to have a direct relationship with propensity. Research regarding college students' perceptions of employment options involves rating of potential job attributes. Carpenter and Strawser (1970) find that students rank (1) nature of the work, (2) opportunities for advancement, (3) starting salary, (4) working conditions, and (5) job security as the top five attributes of an employment position. In addition, Bundy and Norris (1992) identify thirty-five characteristics used by students in selecting a job. Top ranked attributes were job security, challenging and interesting work, the potential for advancement, and personalities of supervisors and co-workers. Schmutte (2001) evaluated thirty-six employer parameters of employment that characterize eight factors, including personal issues, compensation, technical development, time commitment, professional development, workplace atmosphere, pressures arising from a stressful environment, and miscellaneous characteristics. He finds that individual attributes, (e.g., support for entry level staff, flexible time scheduling, future earnings potential, salary offered, promotion and advancement opportunity, opportunity to use skills and abilities, and independence in completing work) were among the top important attributes of employment.

It has been suggested that certain organizational and individual antecedents are positively related to an applicant's organizational identification. Furthermore, organizational identification has been hypothesized to have a positive effect on a recruit's propensity to accept an employment offer from a firm. Therefore, the current study extends these ideas to suggest that organizational factors and individual factors of organizational identification have a direct relationship to an applicant's inclination to accept an offer.

Hypothesis 3A: Increases in (a) organizational distinctiveness, (b) organizational prestige, (c) socialization processes, (d) personnel policies, (e) recruitment relations, and (f) inter-organizational competition directly predict an applicant's propensity to accept an employment offer from a public accounting firm.

Hypothesis 3B: Increases in (a) tenure with the firm, (b) the existence of a mentor relationship, and (c) sentimentality directly predict an applicant's propensity to accept an employment offer from a public accounting firm.

[Insert Figure 1 about here]

Methodology

Study Participants

The sample for this study included third, fourth, and fifth year students working towards a Bachelor's degree in accounting or recently completing such degree. There were one hundred fifty-three subjects in all representing students from a medium-sized university in the Midwest. Participants were enrolled in upper-level accounting courses at the institution and participated in this study voluntarily without compensation.

Instrument for the Study

The survey. A survey was used to collect input from participants. The survey instrument (see Appendix I) included measures that were adapted from previous research studies and other measures that were developed specifically for this study (Pascale, 1985; Mael, 1988; Ashforth & Mael, 1989; Ashforth, 1990; Chatman, 1991; Ashforth and Mael, 1992; Iyer et al., 1997). Subjects were asked to identify and record the name of one particular public accounting firm with which they had had a meaningful experience. If a participant had experienced contact with more than one firm, he or she was instructed to select the experience most salient in his or her memory. Then, they were instructed to answer all of the subsequent questions and respond to all statements in relation to their experience with the recruiting process of that specific public accounting firm.

Antecedents of organizational identification are measured in the instrument and are separated into two categories: organizational factors and individual factors. As noted previously, organizational factors of a firm's characteristics included organizational distinctiveness, organizational prestige, socialization processes, personnel policies, recruitment relations, and inter-organizational competition. Individual factors of the study participant included tenure, the existence of a mentor relationship, and sentimentality. A series of statements and questions were posed to subjects to measure their perception of their selected firm's organizational factors, perception of their personal individual factors, and their perceptions of their organizational identification and propensity to accept an employment offer from their selected firm. Additional questions gathered information regarding the participant's involvement in the recruiting process and his or her current age.

Variables and measures. For hypotheses 1A and 1B, individual and organizational characteristics of a recalled public accounting firm represent independent variables of this study. The dependent measure of the first hypotheses is the combined perceptions of organizational identification. In hypothesis 2, organizational identification was the independent variable and propensity to accept an employment offer the dependent variable. In hypotheses 3A and 3B, the organizational and individual factors again represent independent variables with propensity to accept an offer being the dependent variable. Five-point Likert-type scales were used to measure the organizational factors of organizational distinctiveness, prestige, socialization processes, personnel policies, and inter-organizational competition. They were also used to measure the individual factor of sentimentality. In all statements, subjects were asked to indicate the extent of their agreement to a particular position. Other constructs were measured by asking the participants to respond to a question or complete a statement regarding their experience with their selected firm. Table 1 summarizes the statements applied to measure these respective independent variables as well as the specific range on the five-point-Likert-type scale.

[Insert Table 1 about here]

Lastly, a five-point-Likert-type scale was used to measure the variables of organizational identification and propensity to accept an offer. Subjects were asked to respond to the extent of their agreement to a particular statement. Table 2 summarizes the questions and statements applied to measure these two variables as well as the specific scaling on the five-point-Likert-type scales.

[Insert Table 2 about here]

Cronbach's alpha tests were run to measure the overall reliability of each construct represented by the five-point-Likert-type scales. These variables were tested to ensure each construct represents variables measuring the same issue. Constructs with unreliable Cronbach's alphas were removed from the model in the current study. Figure 2 displays the model including the organizational and individual antecedents that continued to be tested with organizational identification and propensity to accept an offer in this study.

[Insert Figure 2 about here]

Cronbach's alphas for organizational factors of organizational identification were determined; organizational distinctiveness ($\alpha = 0.65$), organizational prestige ($\alpha = 0.70$), socialization processes ($\alpha = 0.61$), inter-organizational competition ($\alpha = 0.73$), and personnel policies ($\alpha = 0.84$). According to Nunnally (1978), Cronbach's alpha of 0.6 is sufficient to be an acceptable value for research purpose. Since organizational distinctiveness, prestige, socialization processes, and inter-organizational competition resulted in a Cronbach's alpha over 0.60, these four organizational antecedents of organizational identification were thus included in the model. However, recruitment relations was not able to be tested using the Cronbach's alpha for the reason that the constructs were not scaled in a similar way. Thus, recruitment relations and personnel policies were excluded from the remainder of this study because of scaling inconsistencies.

An individual antecedent of organizational identification was also tested for reliability; sentimentality ($\alpha = 0.70$). Tenure was not able to be tested using the Cronbach's alpha because it was measured with open-ended constructs rather than scales. Mentor relationship was also not

able to be tested with this reliability test for the reason that the constructs were not scaled in a similar way. Therefore, these two antecedents were removed as variables of interest in the model because of scaling discrepancies. Thus, sentimentality will be the individual antecedent included in the model.

The organizational identification subscale included five items ($\alpha = 0.81$). The propensity to accept an employment offer only consisted of one item so this variable was not able to be tested using the Cronbach's alpha. Both of these variables will be analyzed throughout the remainder of this study.

The Procedures of the Study

Institutional Review Board approval was obtained for this study since it involved human participants. A paper survey was administered during upper-level accounting courses in the Spring 2014 semester. Informed consent was obtained from each participant (see Appendix I). Students were assured all results would remain confidential to attenuate social desirability response bias.

Informed consents were completed and surveys were collected separately in order to detach a person's identity from his or her survey responses. The survey took approximately ten minutes to complete.

Results and Discussion

Tests of Hypotheses 1A and 1B: The Impact of Organizational Factors and Individual Factors on Organizational Identification

Hypothesis 1A proposes the organizational antecedents of organizational identification predict the organizational identification of potential applicants of a public accounting firm.

Hypothesis 1B suggests the individual antecedents of organizational identification of recruits

also predict the organizational identification of an applicant. To test these hypotheses the sum of organizational antecedents were combined to form a new construct (i.e., organizational distinctiveness + prestige + socialization processes + inter-organizational competition = SUMORGFATOR). Since individual antecedents were measured by sentimentality it was included as a separate independent variable in the model as SUMSENT. These hypotheses were tested with multiple regressions. The model tested is:

$$\text{SUMOID} = -0.37 + 0.16(\text{SUMORGFATOR}) - 0.05(\text{SUMSENT}) + e$$

Regression results determined that one predictor explained 12.7% of the variance in organizational identification (Adjusted $R^2 = 0.13$, $F = 12.01$, $p < 0.00$). Specifically, the sum of all of the organizational antecedents significantly predicted organizational identification ($\beta = 0.16$, $t = 4.86$, $p < 0.00$). It appears that as accounting firms increase recruiting elements within their control, a candidate's identification with a firm also increases. These antecedents include organizational distinctiveness, prestige, socialization processes, and inter-organizational competition. The variable of sentimentality was not found to significantly predict an applicant's organizational identification. Table 3 presents descriptive statistics for this model.

[Insert Table 3 about here]

As a further investigation into hypotheses 1A and 1B, each of the organizational antecedents were regressed against organizational identification to determine which of the organizational factors most strongly predict this dependent variable. The resulting model is:

$$\text{SUMOID} = -0.06 - 0.01(\text{SUMOP}) + 0.45(\text{SUMOD}) + 0.06(\text{SUMIOC}) + 0.27(\text{SUMSOCIAL}) + e$$

This regression found that two antecedents explained 16.1% of the variation in organizational identification (Adjusted $R^2 = 0.16$, $F = 8.25$, $p < 0.00$). Specifically a firm's organizational distinctiveness predicted organizational identification ($\beta = 0.45$, $t = 2.20$, $p < 0.03$) in addition to the firm's socialization processes ($\beta = 0.27$, $t = 3.00$, $p < 0.00$). When perception of a firm's distinctiveness increases, a recruit's organizational identification is likely to increase. In addition, as a firm's socialization processes improve, applicants are more likely to identify more strongly with the organization. The variables of organizational prestige and inter-organizational competition were not found to significantly predict organizational identification. In summary, public accounting firms perceived as being more distinct with heightened opportunities for socialization will have job candidates with stronger organizational identification. Table 4 displays descriptive statistics for this analysis.

[Insert Table 4 about here]

To further investigate the impact of organizational distinctiveness and social processes on organizational identification, an ANOVA was run using size as a proxy for distinctiveness. Level of involvement with the firm was also used as a proxy for socialization processes. Size of the firm was based on total revenue (Hood, 2014). The four largest CPA firms were grouped in the "Big Four" category. The rest of the top twenty biggest firms were classified as "Next sixteen". Thirdly, firms that were smaller than the top twenty CPA firms were grouped into the "Twenty-one and above". These breakdowns resulted in three levels of size (i.e., Large, Medium and Small).

Socialization process was operationalized as three levels of involvement (i.e., Low, Medium and High). Low involvement participants indicated they had only spoken with firm representatives in the recruiting process. Subjects with medium involvement had attended a leadership program at their identified CPA firm. The third group of subjects was categorized as highly involved because individuals had completed an internship with their chosen firm.

A two-way ANOVA was run to further analyze hypotheses 1A and 1B. The model tested is:

$$\text{SUMOID} = b_0 + b_1 (\text{FIRMSIZE}) + b_2 (\text{INVOLVEMENT}) + e$$

Holding firm size constant, involvement was shown to be very significant ($F = 11.75$, $p < 0.00$). There is a significant difference in how recruits identify with a CPA firm among low, medium, and highly involved job candidates.

Specifically, the difference between measures of organizational identification for high involvement (15.28) and medium involvement (13.14) was significant ($p < 0.01$). Recruits who completed an internship had a higher level of organizational identification with their firm compared to recruits who had only attended a leadership program with that firm. Not surprisingly, the comparison between subjects with high involvement (15.28) and subjects with low involvement (11.69) was also significant ($p < 0.00$). However, there was not a significant difference in organizational identification between recruits who attended a leadership program (13.14) and those who had merely talked with recruiters (11.69). This suggests an internship experience is the most effective method to increase a recruit's likelihood of identifying him or herself as a member of a given public accounting firm.

Conversely, the variable FIRMSIZE was not found to be significant in this model when involvement was held constant ($F = 0.03$, $p < 0.97$). There does not seem to be a difference in

how strongly an applicant identifies with a certain firm with respect to whether a firm is Big Four (12.61), midsized (12.38) or smaller (12.73). Job candidates are equally loyal to their chosen firms regardless of size. Table 5 presents the descriptive statistics for this model.

[Insert Table 5 about here]

Tests of Hypothesis 2: The Impact of Organizational Identification on Propensity to Accept an Offer

Hypothesis 2 predicts a recruit's organizational identification determines his or her propensity to accept an offer from a public accounting firm. It was first tested using multiple regressions. The sum of the organizational identification parameters was regressed on propensity to accept an offer. The resulting model is:

$$\text{PROP} = 0.89 + 0.22(\text{SUMOID}) + e$$

Results of the regression found that organizational identification explained 32.2% of the variation in propensity to accept an offer (Adjusted $R^2 = 0.32$, $F = 72.37$, $p < 0.00$). Here the sum of the organizational identification parameters significantly predicted a subject's inclination to accept an employment offer ($\beta = 0.22$, $t = 8.51$, $p < 0.00$). Thus, as a recruit's organizational identification increases, his or her propensity to accept an offer will also increase. Table 6 summarizes the statistics for this multiple regression.

[Insert Table 6 about here]

Organizational identification was next broken down into the five survey constructs that make up the variable (see Table 2). This analysis is modeled as:

$$\text{PROP} = 0.88 - 0.02(\text{OID1}) + 0.20(\text{OID2}) + 0.19(\text{OID3}) + 0.24(\text{OID4}) + 0.27(\text{OID5}) + e$$

Statistical results determine that three predictors explained 30.6% of the variance in propensity to accept an offer (Adjusted $R^2 = 0.31$, $F = 14.22$, $p < 0.00$). Significant variables include OID2 ($\beta = 0.20$, $t = 2.11$, $p < 0.04$), OID4 ($\beta = 0.24$, $t = 2.04$, $p < 0.04$) and OID5 ($\beta = 0.27$, $t = 2.13$, $p < 0.04$). OID2 stated, “When I talk about this firm, I usually say ‘we’ rather than ‘they’.” When a subject begins to think of him/herself as a member of the team, his/her likelihood of job acceptance increases. OID4 read, “I am very interested in what other people think about this firm.” Consequently, the more someone cares about others’ opinions of a chosen firm, the more likely they are to accept employment with that firm. Lastly, OID5 read, “This firm’s successes are my successes.” Again, when recruits take ownership of a company they will more likely be interested in joining the firm. Table 7 presents descriptive statistics resulting from this model.

[Insert Table 7 about here]

Overall, these multiple regressions support hypothesis 2. Organizational identification as a whole is found to significantly predict a recruit’s inclination to accept an offer. When broken down to its components it appears that three of organizational identification’s parameters drive this variable’s ability to predict the applicant’s propensity to accept an offer. Caring about the firm and taking ownership of it are key determinants of job candidates willingness and interest in accepting employment.

Tests of Hypotheses 3A and 3B: The Impact of Organizational Factors and Individual Factors on Propensity to Accept an Offer

Hypothesis 3A proposes that each of the organizational antecedents of firms’ characteristics directly predict the propensity of a recruit to accept an employment offer from a

particular public accounting firm. Hypothesis 3B predicts that each of the individual antecedents of a certain recruit predict the inclination of a recruit to accept an offer. These hypotheses were also tested with multiple regressions. The sum of all organizational factors and the individual factor of sentimentality were regressed against propensity to accept an offer. The resulting model is:

$$\text{PROP} = -0.38 + 0.06(\text{SUMORGFAC}) - 0.08(\text{SUMSENT}) + e$$

The results of the regression showed that one predictor explained 13.1% of the variance in propensity to accept an offer (Adjusted $R^2 = 0.13$, $F = 12.20$, $p < 0.00$). This model found that the sum of all organizational factors significantly predicted the propensity to accept an offer ($\beta = 0.06$, $t = 4.86$, $p < 0.00$). However, an individual's sentimentality was not shown to be a significant variable in this model. When the combination of all of the organizational factors increases, a recruit's inclination to accept an employment offer also increases demonstrating a positive relationship between these variables. Table 8 presents the statistics of this analysis.

[Insert Table 8 about here]

Since the sum of all organizational antecedents was found to be a predictor of an applicant's propensity, this variable was divided into its components and regressed against the dependent variable. The model tested is:

$$\text{PROP} = -1.42 + 0.09(\text{SUMOP}) + 0.31(\text{SUMOD}) - 0.02(\text{SUMIOC}) + 0.05(\text{SUMSOCIAL}) + e$$

This model found that two predictors explained 21.5% of the variation in propensity to accept an offer (Adjusted $R^2 = 0.22$, $F = 11.20$, $p < 0.00$). The results indicate that organizational prestige significantly predicts propensity to accept an offer ($\beta = 0.09$, $t = 2.35$, $p < 0.02$) as well as organizational distinctiveness ($\beta = 0.31$, $t = 4.04$, $p < 0.00$). When a recruit's perception of a

firm's organizational prestige increases, his or her propensity to accept an employment offer from that firm increases. A subject's inclination to accept an offer also increases when his or her perception of the firm's organizational distinctiveness increases. Table 9 summarizes the descriptive statistics of this multiple regression.

[Insert Table 9 about here]

Continuing with the analysis of hypotheses 3A and 3B, the individual factor of sentimentality was regressed against propensity to accept an offer. The resulting model is:

$$\text{PROP} = 4.15 + 0.03(\text{SUMSENT}) + e$$

Statistical results determine that this model was not found to be significant (Adjusted $R^2 = 0.00$, $F = 0.65$, $p < 0.42$). The individual antecedent of sentimentality was the only independent variable tested in this model; therefore, it does not seem to affect a recruit's propensity to accept an offer. Table 10 provides the statistics for this analysis.

[Insert Table 10 about here]

Since certain organizational factors were found to be direct predictors of a recruit's propensity to accept an offer, a two-way ANOVA was run to determine how each of these factors lead to differences in the dependent variable. The same groupings were utilized regarding involvement including high, medium, and low involved subjects. The firms selected by the participants were also divided into "big four," "next sixteen," and "twenty-one and above" firms based on their sizes. The model tested is:

$$\text{PROP} = b_0 + b_1 (\text{FIRMSIZE}) + b_2 (\text{INVOLVEMENT})$$

This analysis of variance in relation to hypotheses 3A and 3B first seeks to determine if there is a difference in propensity to accept an offer among the three groups of recruits based on involvement and secondly if there is a difference among the recruits that networked with the three varying sizes of firms. First, holding firm size constant, involvement was shown to be very significant ($F= 7.34, p < 0.00$). There is a difference in how inclined recruits are to accept a job offer from a particular CPA firm dependent upon whether the recruit had high, medium or low involvement with the firm.

Specifically, the distinction between high involvement (4.56) and medium involvement (3.67) was significant ($p < 0.01$). Subjects who completed an internship are more inclined to accept an offer with their firm compared to recruits who only attended a leadership program with that firm. Again, not surprisingly, the difference between a subject with high involvement (4.56) and a subject with low involvement (3.47) was found to be significant ($p < 0.00$). Recruits who complete an internship show a higher propensity to accept as compared to recruits who only network with firm recruiters. However, there was not a significant difference in propensity to accept an offer between recruits who attended a leadership program (3.67) and those who had solely talked with recruiters (3.47). This shows that in general an internship experience is the most effective way to increase recruits' likelihood of accepting employment with a CPA firm.

In contrast, the variable firm size was not found to be significant in this model ($F= 1.05, p < 0.35$). There does not seem to be a difference in a recruit's propensity to accept a job offer with a certain firm whether it be "Big Four" (3.57), midsized (3.69) or a smaller public accounting firm (4.08). In fact, job candidates for the smallest firms measured most likely to accept job offers.

Table 11 summarizes the descriptive statistics for this model.

[Insert Table 11 about here]

Conclusion and Implication for Human Resource Professionals

Public accounting firms' recruiting efforts are directed at attracting a constant flow of new graduates into their ranks. Given the high demand for experienced associates, public accounting maintains one of the highest turnover rates for new hires in the industry. This honors thesis finds the most influential antecedents of organizational loyalty to be how distinct a public accounting firm is perceived to be and how much socialization the firm provides its employees. Knowing this, firms may increase the efficiency of their recruiting. Such an efficient process is likely to be aimed at increasing potential applicants' identification with the firm.

Two such factors to which recruits respond favorably are organizational distinctiveness and the firm's socialization processes. Such distinctiveness results when a firm is perceived to be unique relative to other CPA firms in their practices and values. If a recruit perceives a firm as differentiated from similar firms based on a firm's beliefs and ways of carrying out its business, he or she is more likely to identify strongly with that firm. In addition, a firm's socialization processes are found to be important to job applicants. As concluded from survey constructs relating to this antecedent, the perception of socialization processes can be improved by promoting commitment to shared values, favoring long-term over short-term results, and building cohesiveness within employee starting classes. Throughout the recruiting process, it is essential that a company offer networking opportunities which allow recruits to become acquainted with the firm and one another. Enhancement of both of these practices is likely to increase a recruit's inclination to identify specifically with a firm. This study also finds that proper management of organizational identification leads to an increase in the propensity of an applicant to accept a job offer.

As mentioned above, a recruit's organizational identification was found to have a positive effect on his or her propensity to accept an offer. Specific indicators of this identification were shown to have the most significant impact. When a recruit talks about a firm using the term "we" instead of "they," he or she is more likely to accept an extended offer from that firm. Furthermore, if he or she is interested in what other people think about a firm and consider that firm's successes his or her successes, that firm has a greater chance of gaining that applicant as an employee.

Organization identity antecedents were also found to directly increase recruits' inclination to accept an offer from a firm. These factors included organizational prestige and organizational distinctiveness. Fortunately, a CPA firm has the ability to control these facets heightening applicants' inclination to accept an employment offer. This can be achieved by maintaining a highly reputable status in the business. Also, similar to how an organization's distinctiveness increases organizational identification, how a firm differentiates its practices and values from other firms improves its position of uniqueness and also has the ability to directly impact an applicant's propensity to accept an offer. These two practices within the control of management are aimed at increasing acceptance rates and keeping a public accounting firm supplied with new hires.

Additionally, certain levels of job candidate involvement are found in this research to impact applicants' organizational identification and ultimately their inclination to accept an offer from a firm. Specifically, candidates participating in internship experiences have significantly greater organizational identification than those completing less involving leadership programs. Leadership programs, however, do not result in greater organizational identification than

networking with firm recruiters. The importance of offering internship experiences thus is crucial.

All of these actions will allow public accounting firms to design their recruiting events to be as effective as possible. By implementing processes that will increase recruits' organizational identifications, their propensity to accept an offer from a certain firm will also grow. This will allow the human resource function to achieve the goals of firms' recruitment in order to continue to grow an industry where rapid turnover is the norm.

Limitations

This study is limited by its population sample which used students from only one U.S. university. It may have been more representative if a sample had been drawn from a more widespread population. Also, better measures of some variables of the antecedents of organizational identity may have led to more rich and useable variables in this study.

Future Research

It would be interesting to conduct an additional study dividing public accounting into its unique functions (i.e., assurance, tax, and consulting and advisory services). Then within each division, the antecedents of organizational identification and propensity to accept an offer could be studied to determine if there is variation in their impact on applicants interested in a particular function. Different measures of the various antecedents of organizational identification could also be tested in future studies along with an investigation into the impact of gender or culture on propensity to accept offers (e.g., measure the parameters uncovered in this study on international job hires). Overall, given public accounting's high turnover rate and the college recruiting process being essential to this industry, the ability to attract new applicants, and understand how to effectively promote a firm is not only interesting, but crucial to growth and success.

Figure 1: Proposed Model

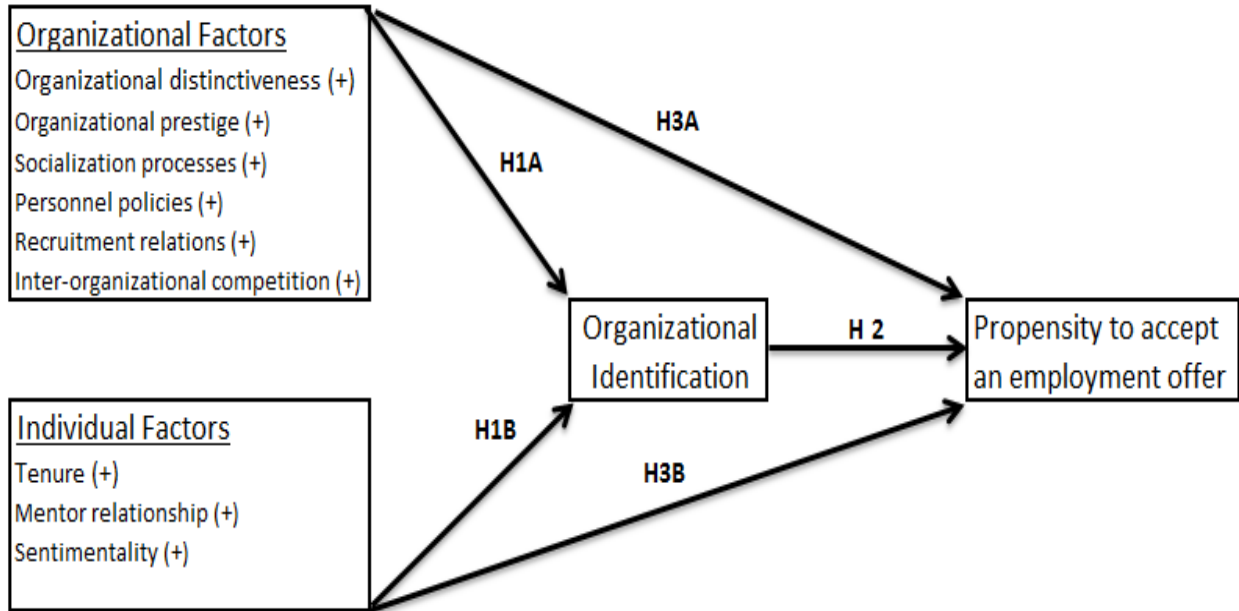


Figure 2: Reduced Measures

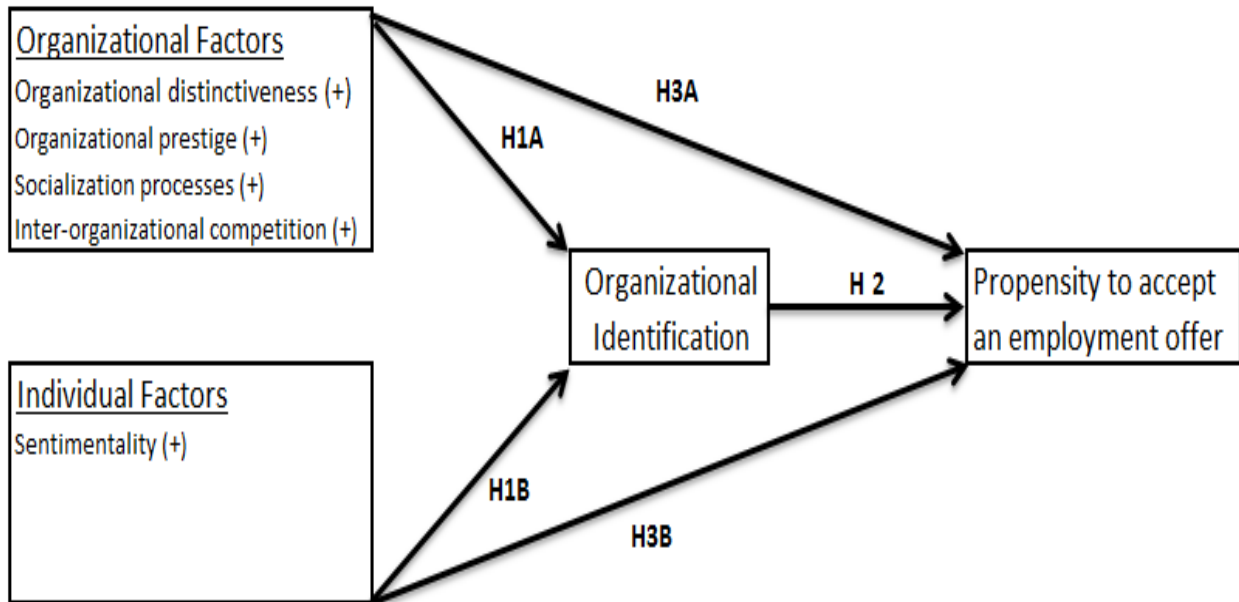


Table 1: Operationalizations of Antecedents of Organizational and Individual Factors of Organizational Identification

Independent Variable	H	Question or statement in the survey	Scale	Source(s)
<u>Organizational Factors</u>				
Organizational Distinctiveness	1A, 3A	"This firm is unique relative to other CPA firms."	(1) Strongly Disagree (5) Strongly Agree	Developed for this study
		"This firm's practices and values help differentiate it from other CPA firms."	(1) Strongly Disagree (5) Strongly Agree	
		"All public accounting firms seem to have the same practices and values."	(1) Strongly Disagree (5) Strongly Agree	
Organizational Prestige	1A, 3A	"People in my profession think highly of this firm."	(1) Strongly Disagree (5) Strongly Agree	Mael (1988), Iyer et al. (1997), Ashforth and Mael (1992)
		"When business organizations are recruiting new employees, they would not want people from this firm." (reversely scored)	(1) Strongly Agree (5) Strongly Disagree	
		"Individuals looking to advance their careers should downplay their association with this firm." (reversely scored)	(1) Strongly Agree (5) Strongly Disagree	
		"This firm is considered one of the best CPA firms."	(1) Strongly Disagree (5) Strongly Agree	
		"This firm does not have a good reputation in the business community." (reversely scored)	(1) Strongly Agree (5) Strongly Disagree	

Independent Variable	H	Question or statement in the survey	Scale	Source(s)
Socialization Processes	1A, 3A	"The intensity of the recruiting experience built cohesiveness among peers in my entering class."	(1) Strongly Disagree (5) Strongly Agree	Pascale (1985), Chatman (1991), Iyer et al. (1997)
		"The future career path was well-defined over the first one to three years with this firm."	(1) Strongly Disagree (5) Strongly Agree	
		"Virtually all of the recruits could identify and articulate this firm's shared values (i.e. the purpose or mission that ties the firm to society, the client, or its employees)."	(1) Strongly Disagree (5) Strongly Agree	
		"There were very few occurrences when actions of this firm's recruiters appeared to violate the firm's shared values."	(1) Strongly Disagree (5) Strongly Agree	
		"Receiving an invitation to the leadership program or an employment offer required meeting certain criteria and mastery of a core set of skills."	(1) Strongly Disagree (5) Strongly Agree	
		"Recruits frequently made personal sacrifices for the firm out of commitment to this firm's shared values."	(1) Strongly Disagree (5) Strongly Agree	
		"When confused with trade-offs between systems measuring short-term results and doing what's best for the firm in the long term, this firm usually decided in favor of the long term."	(1) Strongly Disagree (5) Strongly Agree	

Independent Variable	H	Question or statement in the survey	Scale	Source(s)
Socialization Processes	1A, 3A	"All recruits from this firm had the same opportunities to network with this firm regardless of prior experience or advanced degrees."	(1) Strongly Disagree (5) Strongly Agree	Pascale (1985), Chatman (1991), Iyer et al. (1997)
Personnel Policies	1A, 3A	Rate this firm's recruitment events	(1) Poor (5) Excellent	Iyer et al. (1997)
		Rate this firm's interview process	(1) Poor (5) Excellent	
		Rate this firm's personnel evaluation	(1) Poor (5) Excellent	
		Rate this firm's orientation into the firm	(1) Poor (5) Excellent	
Recruitment Relations	1A, 3A	"How did this firm contact you? Please check all that apply."	(1) Not a telephone call (2) Telephone call	Iyer et al. (1997)
			(1) Not an office newsletter (2) Office newsletter	
			(1) Not a personal letter (2) Personal letter	
			(1) Not lunch with firm personnel (2) Lunch with firm personnel	
			(1) Not email (2) Email	
			(1) Not a career fair (2) Career fair	
			(1) Not an on-campus recruiting event (2) On-campus recruiting event	
			(1) Not an off-campus recruiting event (2) Off-campus recruiting event	

Independent Variable	H	Question or statement in the survey	Scale	Source(s)
Recruitment Relations	1A, 3A	"Approximately how many times did this firm contact you last year through all of the above mentioned means?"	Open-ended response	Iyer et al. (1997)
		"What level of professional made these contacts with you? Please check all that apply."	(1) Associates	
			(2) Senior Associates	
			(3) Managers	
			(4) Senior Managers	
			(5) Partners	
			(6) Cannot recall	
Inter-Organizational Competition	1A, 3A	"There is a rivalry between public accounting firms."	(1) Strongly Disagree (5) Strongly Agree	Ashforth and Mael (1992)
		"Each CPA firm tries to stress its superiority over the other CPA firms."	(1) Strongly Disagree (5) Strongly Agree	
		"Students constantly compare and rate the CPA firms."	(1) Strongly Disagree (5) Strongly Agree	
		"Students employed at a CPA firm often measure that firm against another CPA firm."	(1) Strongly Disagree (5) Strongly Agree	
		"CPA firms do not see themselves as competitors." (reversely scored)	(1) Strongly Agree (5) Strongly Disagree	
		"Each CPA firm points to reasons why it is the best CPA firm."	(1) Strongly Disagree (5) Strongly Agree	
		"Each CPA firm tries to demonstrate that is has the most well-known alumni."	(1) Strongly Disagree (5) Strongly Agree	

Independent Variable	H	Question or statement in the survey	Scale	Source(s)
<u>Individual Factors</u>				
Tenure	1B, 3B	"If you have attended a leadership program with this firm, how long was the experience? (weeks and days)"	Open-ended response	Iyer et al. (1997)
		"If you have completed an internship with this firm, how long was this experience? (months and weeks)"	Open-ended response	
Mentor Relationship	1B, 3B	"Please check one of the following: When I was involved with this firm through a leadership program and/or an internship,"	(1) Yes I was close to at least one partner or manager.	Mael (1988), Iyer et al. (1997)
			(2) No I was not especially close to any one partner or manager.	
		"If answered 'yes' for the previous statement please circle one of the following: That partner or manager is,"	(1) Still employed at my firm.	
			(2) Employed at a different firm.	
			(3) In a different occupation.	
			(4) Retired.	
		"If answered 'yes' for statement #42: Currently, I speak to that partner or manager about _____ times a month."	Open-ended response	
Sentimentality	1B, 3B	"I like to reminisce about my youth."	(1) Strongly Disagree (5) Strongly Agree	Mael (1988), Iyer et al. (1997), Ashforth and Mael (1992)

Independent Variable	H	Question or statement in the questionnaire	Scale	Source(s)
Sentimentality	1B, 3B	"I consider myself a sentimental person."	(1) Strongly Disagree (5) Strongly Agree	Mael (1988), Iyer et al. (1997), Ashforth and Mael (1992)
		"I enjoy saving souvenirs or other reminders of interesting places or events."	(1) Strongly Disagree (5) Strongly Agree	
		"I am moved emotionally when recalling scenes from my youth."	(1) Strongly Disagree (5) Strongly Agree	
		"Anniversaries or other special events are not important to me." (reversely scored)	(1) Strongly Agree (5) Strongly Disagree	

Table 2: Operationalizations of Organizational Identification and Propensity to Accept an Offer

Independent/ Dependent Variable	H	Question or statement in the questionnaire	Scale	Source(s)
Organizational Identification	Dependent: 1A, 1B Independent: 2	"When someone criticizes this firm, it feels like a personal insult."	(1) Strongly Disagree (5) Strongly Agree	Mael (1988), Ashforth and Mael (1989), Ashforth (1990), Ashforth and Mael (1992), Iyer et al. (1997)
		"I am very interested in what other people think about this firm."	(1) Strongly Disagree (5) Strongly Agree	
		"When I talk about this firm, I usually say "we" rather than "they."	(1) Strongly Disagree (5) Strongly Agree	
		"This firm's successes are my successes."	(1) Strongly Disagree (5) Strongly Agree	
		"When someone praises this firm, it feels like a personal compliment."	(1) Strongly Disagree (5) Strongly Agree	
Propensity to accept an offer	Dependent: 2, 3A, 3B	"How likely are you to accept an offer from this firm?"	(1) 0% Likely (5) 100% Likely	Developed for this study

Table 3: Descriptive Statistics for the Multiple Regression Modeled as

$$\text{SUMOID} = -0.37 + 0.16(\text{SUMORGFACOR}) - 0.05(\text{SUMSENT}) + e$$

<u>Variable</u>	<u>β</u>	<u>t</u>	<u>p-value</u>
Constant	-0.37	-0.13	
SUMORGFACOR	0.16	4.86	0.00*
SUMSENT	-0.05	-0.44	0.66
Adjusted R ² = 0.13			
F= 12.01			
p < 0.00*			
*p < 0.05			

Table 4: Descriptive Statistics for the Multiple Regression Modeled as

$$\text{SUMOID} = -0.06 - 0.01(\text{SUMOP}) + 0.45(\text{SUMOD}) + 0.06(\text{SUMIOC}) + 0.279(\text{SUMSOCIAL}) + e$$

<u>Variable</u>	<u>β</u>	<u>t</u>	<u>p-value</u>
Constant	-0.06	-0.02	
SUMOP	-0.01	-0.08	0.94
SUMOD	0.45	2.20	0.03*
SUMIOC	0.06	0.86	0.39
SUMSOCIAL	0.27	3.00	0.00*
Adjusted R ² = 0.16			
F = 8.25			
p < 0.00*			
*p < 0.05			

Table 5: Two-Way ANOVA Statistics Testing Hypotheses 1A-1B

<u>Hypothesis</u>	<u>FIRMSIZE</u>		<u>INVOLVEMENT</u>		<u>FIRMSIZE x INVOLVEMENT</u>	
	<u>F</u>	<u>Prob.</u>	<u>F</u>	<u>Prob.</u>	<u>F</u>	<u>Prob.</u>
1A-1B Organizational Identification	0.03	0.97	11.75	0.00*	0.73	0.53

*p < 0.05

Table 6: Descriptive Statistics for the Multiple Regression Modeled as

PROP= 0.89 + 0.22(SUMOID) + e

<u>Variable</u>	<u>β</u>	<u>t</u>	<u>p-value</u>
Constant	0.89	2.68	
SUMOID	0.22	8.51	0.00*
Adjusted R ² = 0.32			
F= 72.37			
p < 0.00*			
*p < 0.05			

Table 7: Descriptive Statistics for the Multiple Regression Modeled as

$$\text{PROP} = 0.88 - 0.02(\text{OID1}) + 0.20(\text{OID2}) + 0.19(\text{OID3}) + 0.24(\text{OID4}) + 0.27(\text{OID5}) + e$$

<u>Variable</u>	<u>β</u>	<u>t</u>	<u>p-value</u>
Constant	0.88	2.34	
OID1	-0.02	-0.24	0.82
OID2	0.2	2.11	0.04*
OID3	0.19	1.61	0.11
OID4	0.24	2.04	0.04*
OID5	0.27	2.13	0.04*
Adjusted R ² = 0.31			
F= 14.22			
p < 0.00*			
*p < 0.05			

Table 8: Descriptive Statistics for the Multiple Regression Modeled as

$$\text{PROP} = -0.38 + 0.06(\text{SUMORGFACOR}) - 0.08(\text{SUMSENT}) + e$$

<u>Variable</u>	<u>β</u>	<u>t</u>	<u>p-value</u>
Constant	-0.38	-0.34	
SUMORGFACOR	0.06	4.86	0.00*
SUMSENT	-0.08	-1.93	0.06
Adjusted R ² = 0.13			
F= 12.20			
p < 0.00*			
*p < 0.05			

Table 9: Descriptive Statistics for the Multiple Regression Modeled as

$$\text{PROP} = -1.42 + 0.09(\text{SUMOP}) + 0.31(\text{SUMOD}) - 0.02(\text{SUMIOC}) + 0.05(\text{SUMSOCIAL}) + e$$

<u>Variable</u>	<u>β</u>	<u>t</u>	<u>p-value</u>
Constant	-1.42	-1.40	
SUMOP	0.09	2.35	0.02*
SUMOD	0.31	4.04	0.00*
SUMIOC	-0.02	-0.82	0.41
SUMSOCIAL	0.05	1.35	0.18
Adjusted R ² = 0.22			
F = 11.20			
p < 0.00*			
*p < 0.05			

Table 10: Descriptive Statistics for the Multiple Regression Modeled as

PROP= 4.15 + 0.03(SUMSENT) + e

<u>Variable</u>	<u>β</u>	<u>t</u>	<u>p-value</u>
Constant	4.15	6.45	
SUMSENT	-0.03	-0.81	0.42
Adjusted R ² = -0.00			
F= 0.65			
p < 0.42			
*p < 0.05			

Table 11: Two-Way ANOVA Statistics Testing Hypotheses 3A-3B

<u>Hypothesis</u>	<u>FIRMSIZE</u>		<u>INVOLVEMENT</u>		<u>FIRMSIZE x INVOLVEMENT</u>	
	F	Prob.	F	Prob.	F	Prob.
3A-3B Propensity to accept an offer	1.05	0.35	7.34	0.00*	0.08	0.97

*p < 0.05

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Appendix: I**UNIVERSITY OF NORTHERN IOWA
HUMAN PARTICIPANTS REVIEW
INFORMED CONSENT**

Project Title: Initial Selection of a Position in Public Accounting: Antecedents and Consequences of Organizational Identity

Name of Investigator(s): Ariana Aquilani (student principal investigator) and Dr. Tim M. Lindquist (faculty advisor)

Dear Student,

My name is Ariana Aquilani and I am a Junior at the University of Northern Iowa working on a research project for my Honors Thesis. This project is conducted through the University of Northern Iowa. The University requires that you give your signed agreement to participate in this project. The following information is provided in order to help you make an informed decision about whether or not to participate.

This research will determine influential factors impacting accounting students' choice to accept a job offer from a public accounting firm. The results from this project will help CPA firms develop an effective recruitment process to attract applicants. I am inviting you to participate in this survey which will ask you to respond to the given statements and answer questions about your recruitment process with a CPA firm of your choice.

You were selected as a participant in this study because you are a current undergraduate or graduate student working toward or having recently completed an Accounting degree. You will be asked about your recruitment process with a specific public accounting firm. Your responses will demonstrate what factors were most influential in your decision to accept or decline a job offer with your chosen firm.

This survey is completely anonymous and your responses will only be accessed by the principal investigator and the advisor. The summarized findings will be presented at the Thesis Presentation Day scheduled for December 2014 and may be published in an academic journal or presented at a scholarly conference.

This one-time survey will take approximately ten minutes to complete. No direct benefit or compensation will be received for participating in this survey. There will be minimal risks in taking this survey. Any discomfort or inconvenience to you derives from the amount of time taken to complete the survey. However, your participation is completely voluntary. You are free to withdraw from participation at any time or to choose not to participate at all. Neither your responses nor your decision whether or not to participate will influence your relationships with the University of Northern Iowa nor with your chosen CPA firm. Please respond to each statement and answer each question of the survey honestly to the best of your ability.

If you have questions about the study you may contact the principal investigator Ariana Aquilani at 563-321-1351 or aquilana@uni.edu, or the principal investigator's faculty advisor Dr. Timothy Lindquist at the Department of Accounting, University of Northern Iowa, at 319-273-2975 or timothy.lindquist@uni.edu. The final results of this research project will be reviewed by the College Review Board and Dr. Jessica Moon, UNI Honors Program Director, 319-273-3175, jessica.moon@uni.edu. You may also contact Anita Gordon, UNI IRB Administrator, University of Northern Iowa, at 319-273-6148 or anita.gordon@uni.edu, for answers to questions about rights of research participants and the participant review process.

I am fully aware of the nature and extent of my participation in this project as stated above and the possible risks arising from it. I hereby agree to participate in this project. I acknowledge that I have received a copy of this consent statement. I am 18 years of age or older.

(Signature of participant)

(Date)

Please respond to the following statements honestly regarding your past experience with this specific public accounting firm. If you have participated in more than one leadership program, internship program, and/or talked with recruiters from more than one firm, please select the experience that is most salient in your memory and answer ALL questions in relation to this specific public accounting firm.

1. Have you attended a leadership program for this firm? Yes No

2. Have you completed an internship with this firm? Yes No

3. Have you had any experience in talking with recruiters Yes No
from a public accounting firm?

4. The firm I am thinking of is named _____

5. What is your age? _____

The following questions relate to your experience with the recruiting process of this one public accounting firm. Please answer the questions as they relate to your personal experience.

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1. People in my profession think highly of this firm.	1	2	3	4	5
2. This firm is unique relative to other CPA firms.	1	2	3	4	5
3. I enjoy saving souvenirs or other reminders of interesting places or events.	1	2	3	4	5
4. There is a rivalry between public accounting firms.	1	2	3	4	5

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
5. Recruits frequently made personal sacrifices for this firm out of commitment to the firm's shared values.	1	2	3	4	5
6. I like to reminisce about my youth.	1	2	3	4	5
7. All public accounting firms seem to have the same practices and values.	1	2	3	4	5
8. Receiving an invitation to the leadership program or an employment offer required meeting certain criteria and mastery of a core set of skills.	1	2	3	4	5
9. The future career path was well-defined over the first one to three years with this firm.	1	2	3	4	5
10. This firm is considered one of the best CPA firms.	1	2	3	4	5
11. When business organizations are recruiting new employees, they would <u>not</u> want people from this firm.	1	2	3	4	5
12. The intensity of the recruiting experience built cohesiveness among peers in my entering class.	1	2	3	4	5
13. This firm's practices and values help differentiate it from other CPA firms.	1	2	3	4	5
14. I consider myself a sentimental person.	1	2	3	4	5
15. All recruits of this firm had the same opportunities to network with this firm regardless of prior experience or advanced degrees.	1	2	3	4	5
16. Each CPA firm tries to stress its superiority over the other CPA firms.	1	2	3	4	5

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
17. When someone criticizes this firm, it feels like a personal insult.	1	2	3	4	5
18. Students employed at a CPA firm often measure that firm against another CPA firm.	1	2	3	4	5
19. When confronted with trade-offs between systems measuring short-term results and doing what's best for the firm in the long term, this firm usually decided in favor of the long term.	1	2	3	4	5
20. When I talk about this firm, I usually say "we" rather than "they."	1	2	3	4	5
21. Anniversaries or other special events are <u>not</u> important to me.	1	2	3	4	5
22. Virtually all of the recruits could identify and articulate this firm's shared values (i.e. the purpose or mission that ties the firm to society, the client, or its employees).	1	2	3	4	5
23. Individuals looking to advance their careers should downplay their association with this firm.	1	2	3	4	5
24. There were very few occurrences when actions of this firm's recruiters appeared to violate the firm's shared values.	1	2	3	4	5
25. CPA firms do <u>not</u> see themselves as competitors.	1	2	3	4	5
26. When someone praises this firm, it feels like a personal compliment.	1	2	3	4	5
27. I am moved emotionally when recalling scenes from my youth.	1	2	3	4	5

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
28. Each CPA firm tries to demonstrate that it has the most well-known alumni.	1	2	3	4	5
29. This firm does <u>not</u> have a good reputation in the business community.	1	2	3	4	5
30. Students constantly compare and rate the CPA firms.	1	2	3	4	5
31. I am very interested in what other people think about this firm.	1	2	3	4	5
32. This firm's successes are my successes.	1	2	3	4	5
33. Each CPA firm points to reasons why it is the best CPA firm.	1	2	3	4	5

34. Please circle the most appropriate choice: How likely are you to accept an offer from this firm? If you already accepted an offer from this firm, circle 100% likely. If you have already rejected an offer from this firm, circle 0% likely.

0% likely Not very likely Moderately likely Very likely 100% likely

35. Please rate each of the following programs of this firm:

	<u>Excellent</u>	<u>Above Average</u>	<u>Average</u>	<u>Below Average</u>	<u>Poor</u>
a. Recruitment events	1	2	3	4	5
b. Interview process	1	2	3	4	5
c. Personnel evaluation	1	2	3	4	5
d. Orientation into the firm	1	2	3	4	5

36. How did this firm contact you? Please check all that apply.

- a. Telephone call _____
- b. Office newsletter _____
- c. Personal letter _____
- d. Lunch with firm personnel _____
- e. Email _____
- f. Career fair _____
- g. On-campus recruiting event _____
- h. Off-campus recruiting event _____

37. Approximately how many times did this firm contact you last year through all of the above mentioned means? _____

38. What level of professional made these contacts with you? Please check all that apply.

- a. Associates _____
- b. Senior Associates _____
- c. Managers _____
- d. Senior Managers _____
- e. Partners _____
- f. Cannot recall _____

39. If you have attended a leadership program with this firm, how long was the experience? (weeks and days)

40. If you have completed an internship with this firm, how long was this experience? (months and weeks)

41. Please check one of the following: "When I was involved with this firm through a leadership program and/or an internship,

- a. yes I was close to at least one partner or manager." _____
- b. no I was not especially close to any one partner or manager." _____

42. If answered "Yes" for the previous statement please circle one of the following: "That partner or manager is:
- a. Still employed at my firm.
 - b. Employed at a different firm.
 - c. In a different occupation.
 - d. Retired.
43. If answered "Yes" for statement #42: "Currently, I speak to that partner or manager about _____ times a month.

This Study by: Ariana Aquilani

Entitled: Public Accounting Recruiting: Implications of the Antecedents and Consequences of Organizational Identity on Hiring

has been approved as meeting the thesis or project requirement for the Designation

University Honors with Distinction

Tim Lindquist

12/15/14
Date

(type name), Honors Thesis Advisor

12/15/14
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Dr. Jessica Moon, Director, University Honors Program