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Abstract

The popularity and value of social media sites has stretched beyond its initial social connection purposes; today, they represent critical tools for individual and firm visibility. This paper compares and contrasts institutional theory and signaling theory to investigate (1) whether having a job-dedicated page on social media sites (i.e. Facebook, LinkedIn, and Twitter) is related to an organization's employer reputation, and (2) whether it is merely the fact of having a job-dedicated social media page, or actually communicating (i.e. posting, tweeting, etc.) on that page that is related to an organization's employer reputation. We used data collected from three major social media sites and found that having a job-dedicated LinkedIn page was positively related to employer reputation, whereas having a job-dedicated Facebook or Twitter page was not related to employer reputation. Furthermore, we did not find social media activity to be related to employer reputation.

Introduction

Organizations are using websites to recruit potential employees (e.g. Allen *et al*, 2007; Braddy, Meade and Kroustalis, 2008; Ehrhart *et al*, 2012). Indeed, paper applications have long been replaced by web-based applications, and job seekers now direct their attention to an organization's online presence as they search for job openings. Interestingly, nowadays, more and more organizations are creating job- or career-dedicated pages on social media sites (i.e. Facebook, LinkedIn, and Twitter) to post job opportunities. Currently, research on social media has started to explore the role that social media sites have on attracting employees (e.g. Nikolaou, 2014) and organizations' selection decisions (e.g. Brown and Vaughn, 2011; Roulin, 2014; Roulin and Bangerter, 2013). Furthermore, it is also important to understand whether and to what extent organizations benefit, in terms of employer reputation, from having and using social media pages specifically dedicated to jobs and careers.

Reputation is an important outcome for organizations, especially since it is related to higher performance (Fulmer *et al*, 2003), and since organizations with a good reputation are better able to sustain superior profit outcomes over time (Roberts and Dowling, 2002). Furthermore, in the context of recruitment, and employer branding more broadly, an organization's website is related to organizational reputation, with most of this research following a signaling theory approach (e.g. Allen *et al*, 2007; Williamson *et al*, 2010). Importantly, however, little is known about the relationship between social media sites and an organization's overall reputation as one of the best companies to work for. More specifically, it is important to understand whether and how a job-dedicated presence on these social media sites is related to an organization's employer reputation, as evaluated by employees (e.g. ratings of two-way communication, management competence, etc.), which in turn is likely to influence recruitment outcomes (Turban *et al*, 1998).

There is no doubt that the popularity and value of social media sites has stretched beyond its initial social connection purposes; today, they represent critical tools for individual and firm visibility. Social media sites focus not only on building online communities of people who share interests and activities (Boyd and Ellison, 2007; Ellison *et al*, 2008), but more and more, they are also a tool for firms to disseminate and collect information through activities such as brand management and customer service management (Maleshefski, 2011).

Over the last few years, social media sites have also begun to influence an organization's human resource activities (e.g. Carpentier *et al., in* press; McFarland and Ployhart, 2015; Roth *et al*, 2016). Recent surveys have found that 70 percent of employers use social media to research job seekers, with 57 percent less likely to interview a job seeker without an online profile, and 54 percent not hiring a candidate because of their social media profiles (CareerBuilder.com, 2017). Not only do companies review candidates this way, but they also are increasingly becoming social networkers. For example, Kolesnicov (2014) documented that 23% of firms in Denmark utilized LinkedIn as a company recruitment tool. Social media has become a central aspect of modern organizations, which create and manage their own pages on these online social networks. Interestingly, though, the limited prior research has almost exclusively taken a signaling theory perspective, focusing on applicant perception of these social media sites and its influence on recruiters and interviewers (e.g. Brown and Vaughn, 2011; Roulin, 2014; Roulin and Bangerter, 2013). Despite this increasing attention to social media sites in the recruitment and employer branding literatures, little is known about whether and how these social media sites are related to employer reputation, an important outcome for organizations trying to attract and retain top employees (Turban and Cable, 2003; Williamson *et al*, 2010).

We propose that in today's labor market it is important to understand whether it is worth an organization's time and resources not only to create a job- or career-dedicated page on their social media sites, but also to actively post job-related information such as job openings, benefits, and other job-related information on their pages. This is consistent with the employer branding literature (e.g., Lievens and Slaughter, 2016), in that the organizational information conveyed on these social media sites is likely to influence an organization's employer brand equity, including its image and reputation. We first conducted a pilot study using survey data to explore job seekers' perceptions of the importance of job-dedicated social media. We then collected archival data from three major social media sites (Facebook, LinkedIn, and Twitter) and Fortune's list of best companies to work for to investigate the relationship between job-dedicated social media pages and employer reputation.

Our paper makes the following contributions. We compare and contrast one of the dominant frameworks used in the recruitment literature, signaling theory, with institutional theory to investigate (1) whether communicating (i.e. posting, tweeting, etc.) on these job-dedicated social media pages is related to an organization's employer reputation, (2) whether merely having a job-dedicated page on these social media sites is sufficient to relate to an organization's employer reputation. As such, we integrate institutional theory and signaling theory in the recruitment literature, while addressing calls for social media research to take a theory-based approach (McFarland and Ployhart, 2015). We further contribute to the employer branding literature (e.g., Lievens and Slaughter, 2016) by investigating whether and how social media presence and activity (i.e., organizational information) can influence an organization's reputation as an employer, one of the dimensions of employer brand equity.

Employer Reputation and Social Media Sites

Organizational reputation is a valuable intangible asset (Barney, 1991; Lange *et al*, 2011), which is defined as "stakeholders' perceptions about an organization's ability to create value relative to competitors" (Rindova *et al*, 2005: p. 1033). Organizational reputation also captures an organization's legitimacy in the views of their consumers, executives, current and prospective employees, and other stakeholders (Deephouse and Suchman, 2008; Fombrun, 1996). The media, and more particularly the business press (e.g. Fortune's best companies to work for; Dineen and Allen, 2016), plays an important role in providing cognitive shortcuts about an organization's reputation, as it can influence public opinion about an organization and particular issues (e.g. negative employment practices, financial difficulties, etc.) surrounding that organization (Deephouse, 2000). For organizations, reputation building and management has become an important part of their strategy process (e.g. Deephouse, 2002), with organizational reputation influencing the quality of the applicant pool, and recruitment more broadly (e.g. Turban, 2001; Turban and Cable, 2003; Turban *et al*, 1998).

Organizational reputation, and more specifically employer reputation, consists of developing and managing the confidence levels current and potential employees have in the future reliability and favorability of an organization (Lange *et al*, 2011). Having a good reputation not only benefits organizations through the attraction of customers, investors, and potential employees (Fombrun and Shanley, 1990; Turban, 2001), but it also benefits employees of those organizations, through salary increases and employment opportunities (Turban *et al*, 1998; Wade *et al*, 2006). Finally, an organization's reputation influences its performance (Bromley, 1993; Fulmer *et al*, 2003), such that organizations with relatively good reputations are better able to sustain superior profit outcomes over time (Roberts and Dowling, 2002).

Prior research on organizational reputation is consistent with the employer branding literature that has shown that employer branding influences both employees and job seekers, by sending signals about the organization and its practices (Backhaus and Tikoo, 2004; Lievens, 2007; Lievens and Slaughter, 2016). As such, organizational reputation, and employer reputation more specifically, is an important component of being a successful organization, and it is important to understand whether and how an organization's presence on and use of social media is related to its reputation as a top employer.

Employer reputation acts as a proxy for a firm being a great employer and has mostly been assessed using Fortune's annual ranking of '100 best companies to work for.' This ranking is based on annual employee surveys regarding various aspects of their organization's human resource practices, such as pay, benefit programs, training, hiring practices, management's credibility, methods of internal communication, and diversity efforts. Furthermore, since employer reputation is difficult to assess, both current and prospective employees tend to rely on their perceptions about a specific organization as a great employer. Although employer reputation is an important outcome that influences an organization's ability to attract and retain top employees, as well as firm performance (Fulmer *et al*, 2003; Turban and Cable, 2003; Williamson *et al*, 2010), little research has examined factors that influence perceptions of an organization's employer reputation (for an exception see Cable and Graham, 2000). Interestingly, a recent review of the antecedents of employer brand equity (i.e., employer image and reputation) include both organizational information (e.g., websites, ads) and third-party media and word-of-mouth (Lievens and Slaughter, 2016). Although the authors did not include social media per se, we note that organizational and third-party information are increasingly present on social media sites. In another recent

study, Carpentier *et al.* (*in press*) found that job seekers' exposure to an organization's social media page is related to organizational attraction, although the authors did not look into the organization's reputation.

In this paper, we first explore whether job seekers perceive that it is important for organizations to have and use both general social media sites and more specific pages dedicated to jobs and careers. We then examine the relationship of job-dedicated social media presence and activity with employer reputation by drawing on two theoretical frameworks. We compare and contrast institutional theory (DiMaggio and Powell, 1983; Meyer and Rowan, 1977) and signaling theory (Spence, 1973, 1976) to examine: (1) whether merely having a job-dedicated social media page acts as a legitimating tactic, such that organizations who have such job-dedicated social media pages will be seen by their employees in a more positive light and have a higher employer reputation; and (2) whether the extent to which companies actually use these job-dedicated social media pages to communicate (e.g. posts, tweets, etc.) with current and prospective employees influences the organization's employer reputation. Since signaling theory has received a lot of attention in the recruitment and employer branding literatures (e.g. Allen *et al*, 2007; Carpentier *et al., in press*; Connelly *et al*, 2011; Ehrhart and Ziegert, 2005; Lievens and Slaughter, 2016; Turban and Cable, 2003), we believe it is important to further examine whether signaling theory or institutional theory, or the combination of both, is prevalent in better understanding the influence of social media on employer reputation.

Theoretical Background and Hypotheses

Institutional Theory vs. Signaling Theory

Institutional theory suggests that organizations often adopt established practices out of a desire to be perceived as legitimate (DiMaggio and Powell, 1983). Accordingly, when organizations experience institutional pressures from their environment, they will often react by adopting new practices or making the necessary adjustments to existing practices in order to obtain or maintain legitimacy (Aharonson and Bort, 2015; DiMaggio and Powell, 1983). Organizations that conform to institutional rules are typically rewarded with positive social evaluations (Deephouse and Suchman, 2008; Meyer and Rowan, 1977) and are more likely to be perceived by external constituents as reliable and accountable. Research has even suggested that the more favorable those evaluations are or the more visibility an organization experiences, the more they will conform (Chiu and Sharfman, 2011). Interestingly, following institutional theory, Donaldson and Preston (1995) argued that managers are often more concerned with outside approval than with internal effectiveness of their organization. Because of this, isomorphic adoption may lead to a reduction in overall firm performance when the practice is at odds with efficiency criteria (e.g. Barreto and Baden-Fuller, 2006). On the other hand, meta-analytic results indicate that improvement in social performance due to the adoption of institutions is typically also accompanied by substantive performance gains that impact a firm's bottom line (Heugens and Lander, 2009). In either scenario, the social evaluation from adoption is positive.

In the context of social media pages dedicated to careers and jobs, organizations can perceive these job-dedicated pages as a norm among peer institutions, such that not having a job-dedicated page on one or more social media sites would send the "wrong message" to both internal (e.g. employees) and external constituents (e.g. potential employees, business press). Thus, the isomorphic adoption of this practice should enhance legitimacy whether or not the firm implements the practice thoroughly (Westphal and Zajac,

1994), as "symbolic" adoption may be enough to gain at least the legitimacy benefits, if not any substantive technical benefits (Westphal *et al*, 1997) that might be possible. Furthermore, this enhanced legitimacy is relevant for various stakeholders, including a company's employees (Deephouse and Suchman, 2008; Frombrun, 1996). We expect that current and prospective employees are likely to equate an organization having a job-dedicated social media page to a legitimate tactic to remain competitive, and not be left behind (Kotter, 2012). This is consistent with prior research on Corporate Social Responsibility (CSR), which suggests that many companies adopt CSR for legitimacy purposes (Matten and Moon, 2008). Since evidence from prior research indicates that firm reputation is positively influenced by the legitimacy that flows from adhering to institutions (Fombrun and Shanley, 1990; Rindova *et al*, 2006). Furthermore, institutional theory suggests that symbolic adoption is enough to contribute to legitimacy gains. As such, we expect that, beyond having job-dedicated social media page, using these social media sites will not be related to employer reputation. Thus, we expect that:

> *Hypothesis 1: Having a job-dedicated social media page will be positively related to employer reputation.*
>
> *Hypothesis 2: The extent to which organizations communicate through their job dedicated social media pages will not be related to employer reputation.*

In contrast, signaling theory (Spence, 1973, 1976) suggests that organizations proactively send signals directly to stakeholders such as customers (Boulding and Kirmani, 1993), job seekers (Turban and Cable, 2003), as well as employees (Casper and Harris, 2008). The value of a signal, from the perspective of the principal (or receiver of the signal), is in the reliability or credibility of the assumption that a particular signal indeed conveys new and desired information beyond the substance of the signal itself. Importantly,

the principal is able to interpret signals as credible when agents (senders of signals) have a realistic differential in incentive to send the signal. In the context of social media and employer reputation, firms that have superior HR practices should have a greater incentive to publicize their top-notch practices through social media than firms with poor or mediocre HR practices. Both job seekers and employees, for example, might consider high pay or excellent communication as credible evidence that a company highly values its employees and treats them well in a number of ways. The value of a signal from the perspective of the agent is in the ability to influence desired reactions, such as acquiring more job applications in response to a job posting that touts excellent benefits. From prior research, we see evidence indicating that signals such as communication, compensation, benefits, and the work environment are related to organizational reputation and attractiveness (Turban and Cable, 2003; Uggerslev *et al*, 2012). This view is also consistent with research on employer branding that has found that organizational attributes (i.e. signals) influence both current and potential employees (Lievens, 2007). Furthermore, in a recent review, Lievens and Slaughter (2016) showed that antecedents of employer brand equity include organizational information, such as websites, ads, and other such signals. In sum, signals can indicate a number of things to observers, such as that a company is worth investing in, or that an organization is a good employer (see for a review Connelly *et al*, 2011).

In the context of social media pages dedicated to careers and jobs, signaling theory (Connelly *et al*, 2011; Spence, 1973) suggests that organizations can use these pages as a way to signal to both current and potential employees that they are a top company to work for. Indeed, social media pages dedicated to jobs and careers are well suited to producing signals about the value they put on current and potential employees. For example, they can use these social media pages to communicate certain information about their

two-way communication, management competence, or even recruitment and HR practices in general, such as employee benefits. Furthermore, employees, who are the ones rating organizations' employer reputation, might see added value in their own organization's active communication on social media. Consistent with the employer branding literature (Backhaus and Tikoo, 2004; Lievens, 2007; Lievens and Slaughter, 2016), this type of job-related social media activity is likely to provide an interactive platform for additional attributes or signals for employees to share their experiences.

An important feature of signaling theory is that signals are valid to the degree that they are costly to send. If a particular signal is easy or inexpensive to send, most, or even all agents will send the signal, making it useless to the principals, as it is not capable of providing real information about the unique features of the agent (Connelly *et al*, 2011). In this regard, adopting social media is not a costly signal and is an ineffective signal of reputation. However, extensive use of the adopted social media platforms requires a higher investment of resources and becomes a costly, and thus, useful signal of firm reputation. Thus, we expect that simply having such a job-dedicated social media page is not a strong enough signal to influence employer reputation, but the extent of social media implementation would be. Thus, we expect that:

Hypothesis 3: Having a job-dedicated social media page will not be related to employer reputation.

Hypothesis 4: The extent to which organizations communicate through their job-dedicated social media pages will be positively related to employer reputation.

Pilot Study

To explore the importance of social media sites for employer reputation, we conducted a pilot study to investigate whether job seekers perceive that it is important, in terms of employer reputation, for organizations to have and use both general social media sites and more specific pages dedicated to jobs and careers. We recruited survey participants using Qualtrics, and received responses from 160 job seekers from seven states across the U.S. They were asked to indicate in terms of employer reputation (1) the importance they place on prospective employers having and using generic social media and job-dedicated social media pages, and (2) the importance they place on a number of standard human resource practices or characteristics of prospective employers – such as compensation, job security, and diversity.

As this study is exploratory in nature, we operationalized perceived importance of company social media in a number of different ways. *Job-dedicated social media* is the average of the importance ratings of companies having job-dedicated Twitter, Facebook, and LinkedIn pages. *Social media presence* is the average of ratings of the importance of companies having any type of Twitter, Facebook, and LinkedIn pages. *Social media popularity* is the average of ratings of the importance of companies having lots of likes and/or followers on their Twitter, Facebook, and LinkedIn pages. *Social media usage* is the average of ratings of the importance of companies tweeting and posting on their Twitter, Facebook, and LinkedIn pages. We further break usage into generic social media usage and job-dedicated social media usage. *Twitter composite, Facebook composite, and LinkedIn composite* are the averages of presence, usage, and popularity importance ratings specific to each of the three social media platforms. *Social media composite* is the average of all social media importance ratings. Finally, *standard HR* is the average of ratings of the importance of the various standard HR practices, such as compensation, retention, job security, and diversity.

We ran a number of t-tests to compare the perceived importance of survey categories. We found that respondents considered standard HR practices to be more important than social media practices for employer reputation (Standard HR: 4.40 versus Social media composite: 2.75, p = 0.000). Importantly, we found that job-dedicated social media usage (2.96) was considered more important for employer reputation than generic social media usage (2.58, p = 0.006), or social media popularity (2.69, p = 0.050), or merely having a social media presence (2.70, p = 0.065). While our pilot study results indicate that social media usage is moderately important to job seekers, we also find some preliminary support for the importance of using job-dedicated social media (hypothesis 2) over merely being present on job-dedicated social media (hypothesis 1). Furthermore, of the three social media platforms, LinkedIn (2.85) and Facebook (2.81) were equally important (p = 0.723), while LinkedIn was significantly more important than Twitter (p = 0.049). These results suggest that job-dedicated social media and presence is important for an organization's employer reputation. As such, we now turn to our main study to test our institutional theory and signaling theory hypotheses.

Main Study Method

Sample

We selected our sample as the companies from Fortunes' annual list of '100 best companies to work for' from 2008 to 2016. We collected multiple years of data to have a larger sample of organizations, and to be able to compare these rankings over time. A total of 187 firms appeared on the list during this timeframe. Two firms were acquired, and one ceased to exist due to bankruptcy during the study timeframe and are not included. Thus, we tested our hypotheses using 184 firms. All other variables were collected for the sample years as well as 2007 to allow for lags in our variables. Data, such as the number of U.S. employees, number of new

jobs added, percentage of women hires, and turnover percentage were acquired from the Fortune list when provided for a given firm. We then collected data about the social media sites by searching for a page dedicated to jobs and careers for each of the 184 organizations on Facebook, LinkedIn, and Twitter. Although we have activity data from both Facebook and Twitter, we could not get activity data from LinkedIn because this information is not publicly available.

Measures

Dependent variables

To assess employees' ratings of an organization's reputation as a great employer, we used Fortunes' annual list of '100 best companies to work for' from 2008 until 2016. Fortune's list ranks companies from 1st to 100th in terms of their reputation as top employers. Typically, over 250 companies, and over 250,000 employees, participate in a yearly survey to evaluate various aspects of their organization: management's credibility, job satisfaction, camaraderie, pay, benefit programs, hiring practices, methods of internal communication, training, recognition programs, and diversity efforts.

Despite the potential for range restriction in our dependent variable, similar measures of reputation (e.g. Fortune's most admired companies) have been extensively used as proxies for firm reputation and quality (e.g. Fulmer *et al*, 2003; Roberts and Dowling, 2002; Turban and Cable, 2003; Williamson *et al*, 2010) with studies consistently encountering sufficient variation in reputation even across this condensed list of top firms. We specifically chose Fortune's list since it captures ratings from employees, and because being placed on this list is believed to be helpful for recruiting prospective employees. We coded the companies

according to their ranking, with the first company on the list having a score of 10.0 and the 100th (and last) company on that list having a score of 0.1.

 Independent variables

We collected data about the social media sites by searching for a job-dedicated page for each of the 184 organizations on Facebook, LinkedIn, and Twitter. We coded this variable as (1) for those who have a job-dedicated social media page, and (0) for those did not have one for a given year. For Twitter and Facebook this was defined as a standalone account focused solely on careers and jobs. For LinkedIn, such pages are almost non-existent and instead are implemented as a unique careers and jobs tab available through the main company LinkedIn page. By querying the application programmer interfaces (APIs) built into these websites, we were able to access the start dates of each firm's page. In the case of LinkedIn, the API did not provide a start date. This data was gathered by searching for press releases, company blogs, and employee blogs that announced firm adoption events. With 35 such data points, in connection with certain numerical identifiers assigned to firm LinkedIn pages that happen to be assigned in time order and that are located within the webpage coding, we were able to closely deduce start dates to roughly the nearest month. We also collected specific data about firm usage of their social media websites. This was done through data requests to the websites' APIs and when necessary supplemented, with data scraping using custom software, when the API did not allow for the collection of all usage data. For Twitter, usage on the job-dedicated page was measured as the annual number of tweets. For Facebook, usage on the job-dedicated page was measured as the annual number of posts. Both measures are logged in our analysis. Usage measures were unavailable for LinkedIn pages as the API does not provide access to historical activity. Further, scraping was not a viable solution for this lack, as the

architecture of LinkedIn websites precludes effective scraping of past activity. In short, LinkedIn carefully prevents any visibility of how firms use their website.

Control variables

We also collected data on the number of U.S. employees, number of new jobs added, percentage of women hires, and employee turnover percentage. This data was primarily gathered from the Fortune list when provided for a given firm. A small portion of this data was also gathered from companies' websites and 10-K forms, when specifically reported. These are controlled for as they might influence a company's employer reputation.

Analyses

To test our hypotheses, we utilized the Arellano-Bond generalized method of moments estimation (Arellano and Bond, 1991). This method is designed to manage the natural tradeoff between controlling for endogeneity through the use of lagged regressors as instruments and retaining sample size. It is especially suitable to data sets such as ours with few time periods relative to the number of panels, a method increasingly employed for such samples (e.g. Alessandri and Seth, 2014; Krause *et al*, 2013). This method provides a number of benefits for our study. First, it accounts for the dynamic nature of the dependent variable and its possible dependence on its lagged values. Second, it accounts for unobserved firm-specific heterogeneity. Third, it accounts for potential endogeneity between employer reputation and social media adoption and usage. Finally, this method is robust to potential autocorrelation and heteroscedasticity. The Arellano-Bond method, unlike static panel data models, utilizes lagged values (t-1) of the dependent variable as a regressor. In addition, lagged values of endogenous regressors and further lags of the dependent variable (t-2) are utilized as

instruments which are orthogonal to the error term and therefore valid instruments, thus reducing the possibility of spurious effects. To test H1 and H3, we use a 5-year window – 2 years before, the year of, and 2 years after adoption – to more carefully isolate the impact of the adoption event itself. We also include our measures of social media activity as controls in order to isolate the relationship between the adoption event and reputation. To test the relationship between social media usage and employer reputation (H2 and H4) we use all available years and retain the adoption year as control variable.

Main Study Results

Means, standard deviations, and correlations are presented in Table 1. The typical firm would have one job-dedicated page on one of the three social media websites at a given point during our timeframe with a job-dedicated page on LinkedIn being the most likely (0.52), followed by a job-dedicated page on Twitter (0.33) and a job-dedicated page Facebook (0.18). By 2016, 127 sample firms had a job-dedicated LinkedIn page, 100 had a job-dedicated Twitter page, and 58 had a job-dedicated Facebook page. Firms with a job-dedicated Twitter account tweeted 689 times per year on average. Firms with a job-dedicated Facebook page posted 296 times per year on average. Tables 2 and 3 include the results for testing hypotheses 1, 3 and 2, 4 respectively. In most models, firm size (log of US employees) and the percentage of new hires that are women were found to be associated with higher employer reputation.

Insert Tables 1, 2, and 3 about here

Hypotheses 1 and 3 propose that having a job-dedicated social media page will be either positively related (H1) or not related (H3) to employer reputation. As shown in Model 1 of Table 2, social media adoption of a job-dedicated page was positively related to employer reputation (β = 1.32, p = 0.021), which supports hypothesis 1, and not hypothesis 3, and thud our institutional theory prediction. Furthermore, in Model 5, we found that the adoption of a job-dedicated page on LinkedIn was positively related to employer reputation (β = 1.30, p = 0.031), but that was not the case for Facebook (Model 4: β = -0.76, ns) or Twitter (Model 3: β = 0.99, ns). This suggests that a job-dedicated page on LinkedIn appears to be more beneficial, in terms of employer reputation, than on Facebook or Twitter.

Hypotheses 2 and 4 propose that the extent to which organizations communicate through their job-dedicated social media pages will be either not related (H2) or positively related (H4) to employer reputation. As previously mentioned, we could not access activity data for LinkedIn. As such, we only present results for Facebook and Twitter. As shown in Table 2, hypothesis 4, and not hypothesis 2, was supported, since neither the amount of tweets (Model 1: β = 0.02, ns) nor Facebook posts (Model 2: β = 0.16, ns) was related to employer reputation, thus providing further support to our institutional prediction. This is interesting, since it runs counter to research that has found support for the role of signaling theory in recruitment (e.g. Allen *et al*, 2007; Ehrhart and Ziegert, 2005; Turban and Cable, 2003).

Robustness Checks

Models testing hypotheses 1 and 3 used a 5-year window to isolate the impact of the adoption year. To test the sensitivity of our results to this technique, we reran all models with 3-year and 7-year windows and with all available years. Results were

unchanged, although the R-squares of the model with the 7-year window and the model including all years were sharply reduced. We

also tested our results for all hypotheses with additional measures of social media activity, including Twitter retweets and favorites,

and Facebook photos, shares, likes, and comments[1]. Further, we tested a supplementary measure of Facebook activity as the amount

of content submitted by specialized applications (as opposed to content typed by a human directly onto the Facebook page) as this is

an indication of a higher degree of sophistication in usage. Using these measures all led to similar findings and are not included in our

models as they are highly correlated with one another. On concerns of bias and sample restriction, we also ran all models without the

control variables. Because these variables are primarily provided by Fortune for firms for those years in which they applied for

inclusion in the list, including these as controls may artificially influence results. All models with the control variables removed

resulted in findings consistent with those we report. We also tested all models with firm assets as our measure of firm size in addition

to the log of U.S. employees. We did not use this measure in our reported models as it artificially restricts our sample to public firms

only – due to data availability – whereas the Fortune list is comprised of both public and private firms. Thus, to retain greater

generalizability, we report models that utilize the more widely available measure. However, we found that including assets in our

models materially changed some findings. Specifically, we found stronger support for hypothesis 1 amongst public firms as social

media in general ($\beta = 2.37$, $p = .001$), Twitter ($\beta = 1.41$, $p = .070$), and LinkedIn ($\beta = 2.40$, $p = .002$) all show stronger associations

with employer reputation in these models.

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[1] All usage measures include only activity of the focal accounts and not activity in response to the firm-originated activity. For example, we do not count another Facebook user commenting on or sharing a firm-originated post as firm activity.

Discussion

Given the increasingly important role of social media in both personal and professional life (e.g. Boyd and Ellison, 2007; Ellison *et al*, 2007), it is important to understand whether and how social media platforms can enhance an organization's reputation as a top employer. In this paper, we investigated the influence that job-dedicated Twitter, Facebook, and LinkedIn pages have on employer reputation. Our paper makes several contributions to the literature. From an employee standpoint, our findings indicate that in terms of employer reputation, it is more beneficial for organizations to have a job-dedicated LinkedIn page than it is to have one on Facebook or Twitter. Furthermore, although we did not have access to activity data from LinkedIn, our findings also suggest that, at least for current employees, activity is less important than the simple fact of having a job-dedicated social media page.

We also addressed a call to take a theory-based approach when studying the role of social media presence and activity (McFarland and Ployhart, 2015) by comparing and contrasting institutional and signaling theories, while also extending research on employer branding. Overall, we found support for institutional theory, in that simply adopting the practice of having a job-dedicated LinkedIn page was positively related to an organization's employer reputation, and that activity on these job-dedicated social media pages was not related to employer reputation. One potential reason for the lack of support for signaling theory over institutional theory could be due to our sample being current employees, who are primarily *not* active job seekers. From an institutional perspective, it stands to reason that having a career-related social media presence on LinkedIn would be sufficient for legitimizing an organization's employer reputation amongst its current employees. Indeed, social media attention and interaction are likely to be more prevalent among job seekers because they are more likely to be seeking new information about an organization. Furthermore, job seekers will

have a greater need for signals about an organization as a place to work compared to current employees, who already have access to inside information about the company. This is consistent with the theory of symbolic attribution (Highhouse *et al.*, 2007), which suggests that job seekers identify with specific symbolic attributes of an organization (e.g., innovative, ethical, etc.). Such symbolic attributes are likely to appear on social media pages, with postings signaling attributes such as the warmth and competence of an organization (Banks *et al.,* 2016; Carpentier *et al., in press*). In contrast, current employees can receive reputation-relevant signals via first-hand experience within the organization. Because of their ability to readily obtain information about their current organization from internal sources, signals directed to the broader public through social media pages are less likely to add new reputation-relevant information for current employees. This explanation is also consistent with word-of-mouth research, which suggests that once individuals have information readily available, new information is unlikely to challenge their existing assumptions (e.g., Van Hoye and Lievens, 2007, 2009).

Another contribution of our study is that even though organizations are increasingly utilizing their own website and turning to social media to attract prospective employees (e.g. Allen *et al*, 2007; Braddy *et al*, 2008; Ehrhart *et al*, 2012), we do not know whether and how these social media sites influence an organization's employer reputation, at least for its current employees. Interestingly, of the three social media platforms we investigated, only having a job-dedicated page on LinkedIn was consistently related to higher employer reputation. This is consistent with the idea that LinkedIn is a social media site designed for business professionals and organizations to network and share news and other career-related information (Zide *et al*, 2014). Due to its focus on careers/professionals, LinkedIn has become a natural source for job applicants to go to when seeking out reliable information about

organizations and potential job openings. Relatedly, we suspect that employees, who evaluate their employer's reputation, view this type of presence on social media positively because it indicates a commitment to establishing professional connections with both current and prospective employees, as well as a legitimate tactic to remain competitive (Kotter, 2012).

In contrast, Twitter and Facebook both have a broader focus. For example, Twitter allows everyone to share information and ideas about anything instantly. Similarly, Facebook was designed to connect the world and is used as a means whereby friends and acquaintances can connect with each other and share news and images. Perhaps, due to Twitter's and Facebook's broader scopes, employees may be less expectant that their company utilize these platforms to reach out or may not be even aware that their organization has job-dedicated pages on these sites. Thus, our results suggest that by having or even not having these job-dedicated pages on Twitter or Facebook, organizations are not gaining or losing any legitimacy amongst their employees. Although our findings indicate that only having a job-dedicated page on LinkedIn is beneficial for employer reputation, it is important to recognize that social media is constantly evolving. As social media sites continue to evolve, institutional pressures may also evolve, pushing organizations to utilize social media in new and different ways. Future research should continue investigating whether and how having job-dedicated pages on existing and future social media platforms may also contribute to an organization's reputation as a top employer.

Finally, many organizations have been hiring social media specialists to manage their social media accounts. Based on signaling theory, we proposed that increased activity on job-dedicated social media pages would positively influence employer reputation. However, our findings did not support signaling theory, which runs counter to prior research in the recruitment and

employer branding literatures (Allen *et al*, 2007; Connelly *et al*, 2011; Ehrhart and Ziegert, 2005; Turban and Cable, 2003). Indeed, while tweeting, posting, and otherwise networking is important from a marketing standpoint (e.g. Heinonen, 2011; Trusov *et al*, 2009), activity on a job-dedicated social media page did not appear to provide new and relevant signals important for enhancing employer reputation, at least not for employees. Interestingly, though, Dineen and Allen (2016) noted that signals can have different effects on employees than they do on job seekers. Although on an exploratory basis, results from our pilot study suggest that for job seekers it is more important for an organization to be active on job-dedicated social media sites rather than merely being present on those sites. This is consistent with the theory of symbolic attribution in that symbolic attributes of an organization as a top employer (e.g., posting information on social media about an organization's innovativeness) are likely to influence job seekers' attraction to an organization. Indeed, we found that simply having a career-related social media presence is insufficient by itself for enhancing an organization's reputation for job seekers. Unlike current employees, job seekers often do not have access to insider information and must turn to other available sources. One such source is online information, such as social media activity, which provides information on organizations that they can use to assess fit. When organizations proactively post information to job-dedicated social media pages, they have the opportunity to send signals to job seekers. This is consistent with word-of-mouth and employer branding research that propose that online information is related to one's perception of an organization's reputation (e.g., Lievens and Slaughter, 2016; Van Hoye and Lievens, 2007, 2009). Future research could thus examine whether differences exist between employees and job seekers regarding the importance of job-dedicated social media activity for reputation. For example, it could be interesting to examine whether

and how information posted on job-dedicated social media pages influence job seekers and employees differently. It could also be interesting to differentiate between employees who are searching for new jobs vs. those are not.

Limitations and Directions for Future Research

Although we were careful in designing our study, we acknowledge that this paper has several limitations that offer avenues for future research. First, Fortune's list of 'best companies to work for' includes several private firms, which only have limited data publicly available. For example, if a private firm participated in Fortune's annual survey and made the top 100 list they often disclosed information about the number of U.S. employees they have, the number of new jobs added, and percentage of women hires, but not about their financial performance. If they did not participate or make the top 100 list in subsequent years this information was not made publicly available. Furthermore, by using Fortune's list, our sample only includes organizations which have been tagged as top employers. A consequence of using a sample of firms with the range of employer reputation restricted to only higher levels might have resulted in our findings being understated. Nevertheless, using this metric has allowed us to provide an important first step in understanding the relationship between social media and employer reputation, and is consistent with prior research using Fortune's reputation lists (e.g. Fulmer *et al*, 2003; Turban and Cable, 2003; Williamson *et al*, 2010). Building upon our paper, we encourage future research to examine other reputation-related outcomes (e.g. financial performance, employee satisfaction) that will help uncover what effects these social media platforms have on reputation and other types of outcomes such as financial performance and employee satisfaction.

Although we carefully developed a theoretical rationale for the direction of our hypothesized relationships, we cannot completely rule out alternative causal models. Indeed, one could argue that high reputation organizations are generally larger and can thus 'afford' to invest more in social media activities, which would imply relationships in the opposite direction than the ones we hypothesized. However, we would like to highlight a couple of unique aspects of our study. First, we focused on job-dedicated rather than generic social media. As such, we do not expect that all large organizations will have and/or use job-dedicated social media to the same extent as generic social media. Second, in any given year, among the 100 best companies to work for, many firms were not the 'usual suspects' that are expected to have a social media presence (e.g. Wegmans, David Weekly Homes, Burns & McDonnell just to name a few). As such, future research could further examine whether differences exist between companies ranked vs. those not ranked in terms of the relationship between job-dedicated social media presence and activity and employer reputation. Furthermore, it could also be interesting for future research to expand this study to examine the influence of generic social media presence and activity on employer reputation and other types of organizational outcomes.

Finally, as alluded to earlier, the activity data for LinkedIn was not available due to the way the LinkedIn site is designed. Given our findings that having a job-related LinkedIn page was related to organizational reputation, it would have been noteworthy to find out whether activity also plays a role in influencing employer reputation. It is possible, for example, that activity matters, but only when the baseline of having the presence matters. Future research could collaborate with LinkedIn directly to collect such information, either through archival data or through a field study of organizations and job applicants. This would complement our current study and provide some support for a signaling theory explanation of these firm behaviors.

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Practical Implications

In today's digital age, it is not only necessary but also expected to have a digital footprint that includes social media. As organizations expand their use of social media and become social networkers, they must understand not only who is using these social media platforms, but also what they are using them for. To help enhance an organization's reputation as a top employer, our findings suggest that organizations should have and use a job-dedicated tab on their LinkedIn page, both for employees and job seekers.

Even though we did not find that having a job-dedicated page on Facebook or Twitter was relevant for employer reputation, it remains possible that utilizing these platforms, or others that will emerge in the future, might influence firm success in ways beyond employer reputation. Indeed, it is important to remember that each social media site allows organizations to connect with different users in different ways (Boyd and Ellison, 2007). This is consistent with the finding from our pilot study that job seekers put more value on social media activity on job-dedicated pages than generic social media sites. We would recommend that organizations use multiple job-dedicated social media platforms to provide them with a greater networking reach, greater versatility, and to reach a greater variety of audiences (e.g. employees and job seekers).

Conclusion

Our results suggest that having a job-dedicated social media page on LinkedIn, but not on Facebook or Twitter, is important for organizations in terms of employer reputation. Furthermore, our findings also suggest that employees do not put as much value on organizational activity on job-dedicated social media. Thus, social media can indeed be useful for organizations and their HR

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departments as a way to increase their visibility and branding in terms of job openings and career opportunities, but they need to be

mindful about the social media sites they have and the extent to which they use these sites.

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Table 1

Means, standard deviations, and pairwise correlations: Study 1

Variable	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(1) Employer reputation												
(2) Social media adoption	0.04											
(3) Social media count	0.01	0.81										
(4) Twitter adoption	-0.01	0.57	0.81									
(5) Facebook adoption	-0.02	0.39	0.75	0.50								
(6) LinkedIn adoption	0.03	0.86	0.77	0.40	0.34							
(7) Tweets (log)	0.03	0.51	0.76	0.88	0.51	0.38						
(8) Facebook posts (log)	-0.02	0.37	0.73	0.51	0.94	0.33	0.55					
(9) U.S. employees (log)	-0.05	0.23	0.33	0.20	0.34	0.24	0.25	0.35				
(10) New jobs added	0.01	0.02	0.09	0.08	0.11	0.03	0.09	0.11	0.21			
(11) Women hires (%)	-0.07	-0.06	-0.09	-0.08	-0.05	-0.08	-0.08	-0.05	0.09	-0.05		
(12) Turnover (%)	-0.07	-0.16	-0.12	-0.03	-0.06	-0.18	-0.02	-0.06	0.10	0.07	0.08	
Mean	2.72	0.60	1.03	0.33	0.18	0.52	1.70	0.86	8.70	443.42	48.15	8.92
SD	3.30	0.49	1.06	0.47	0.39	0.50	2.76	1.92	1.34	1346.91	31.97	5.52

Note. All correlations greater than 0.07 are significant at the $p < .05$ level

Table 2

Employer reputation and social media adoption

Variable	Social Media Model 1	SM Count Model 2	Twitter Model 3	Facebook Model 4	LinkedIn Model 5
Social media adoption	1.316*	-	-	-	-
	(0.569)	-	-	-	-
Social media count	-	0.635	-	-	-
	-	(0.485)	-	-	-
Twitter adoption	-	-	0.992	-	-
	-	-	(0.736)	-	-
Facebook adoption	-	-	-	-0.757	-
	-	-	-	(1.038)	-
LinkedIn adoption	-	-	-	-	1.302*
	-	-	-	-	(0.602)
Tweets (log)	0.161	0.037	0.001	-	-
	(0.109)	(0.122)	(0.136)	-	-
Facebook posts (log)	-0.017	-0.093	-	0.177	-
	(0.259)	(0.204)	-	(0.278)	-
U.S. employees (log)	3.907*	3.004**	5.466**	2.961	4.210**
	(1.702)	(1.166)	(1.789)	(3.287)	(1.511)
New jobs added	-0.000	-0.000	-0.000	-0.000	-0.000
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Women hires (%)	0.126	0.086**	0.342*	-0.167	0.190
	(0.121)	(0.033)	(0.161)	(0.299)	(0.119)
Turnover (%)	0.057	-0.010	-0.060	-0.322	0.031
	(0.080)	(0.053)	(0.079)	(0.166)	(0.069)
Constant	-38.705*	-28.887**	-6.728**	-15.940	-41.934*
	(18.839)	(1.588)	(22.798)	(34.935)	(16.931)
Observations	129	320	99	52	113
Firms	71	124	53	25	64
Wald χ^2	28.11***	25.71**	20.56**	8.79	13.16*

Note. Arellano-Bond estimation with robust standard errors in parentheses. Models 1, 3, 4, and 5 use 5 year windows, 2 years before, year of, and 2 years after initial adoption. Model 2 uses all available years.

*p < .05; **p < .01; ***p < .001.

Table 3

Employer reputation and social media usage

Variable	Twitter Model 1	Facebook Model 2
Tweets (log)	0.024	
	(0.152)	-
Facebook posts (log)	-	0.164
	-	(0.233)
Twitter adoption	0.858	-
	(0.861)	-
Facebook adoption	-	-0.944
	-	(0.884)
U.S. employees (log)	3.176**	3.361**
	(1.073)	(1.071)
New jobs added	-0.000	-0.000
	(0.000)	(0.000)
Women hires (%)	0.086**	0.0915**
	(0.032)	(0.033)
Turnover (%)	-0.009	-0.014
	(0.049)	(0.045)
Constant	-29.331**	-3.183**
	(9.825)	(9.764)
Observations	320	320
Firms	124	124
Wald χ^2	25.11***	20.80**

Note. Arellano-Bond estimation with robust standard errors in parentheses.

*p < .05; **p < .01; ***p < .001.