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## **Information Acquisition in Promotion Decisions**

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When organizations publicly post notices of promotional opportunities, they often must justify the rejection of unsuccessful applicants, and may therefore decide to rate all applicants. When the process is less public, however, selectors are not required to assign ratings to inferior candidates. We hypothesized that selectors would gather less information on inferior candidates when they were not required to rate them than when they were so required. Results of a study of 157 managers using an information display board methodology confirmed our hypothesis. Contrary to previous research in consumer behavior, individual proxies for "product familiarity," such as number of years of previous work experience, were not related to information-gathering behavior.

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**KEY WORDS:** personnel selection; promotion; information acquisition; information display board.

### **INTRODUCTION**

Promotion decisions are very important to organizations and their members. The two most common methods of identifying candidates for promotion are "job posting," in which current employees are invited to apply for promotional opportunities, and "informal identification," in which the person who will supervise the vacant position decides who to consider for the job. Advantages of job posting include increased employee motivation and less favoritism by supervisors, while disadvantages of job posting include increased paperwork and longer delays in filling job vacancies (Markham, Harlan, & Hackett, 1987).

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Another important difference between job posting and informal identification, which we explore in this study, is the cognitive task facing selectors. Job posting requires justification of the decision to reject unsuccessful applicants, either to the rejected applicants themselves (in order to enhance the perceived fairness of promotion policies), to labor unions (in order to win grievances over promotion decisions), or to lawyers (in order to defend against charges of employment discrimination). To prepare adequate explanations, the selector may be required to rate and/or rank all applicants. More informal selection requires only identifying the best candidate or candidates. The selector does not need to know how the unselected candidates compare to each other. There is no need for further evaluation of a particular candidate once it becomes clear that he or she will not be among the best. Therefore, we would expect the information acquisition behavior of selectors to differ when rating all candidates (for a posted job) vs. choosing the best candidate (for an informally selected job). While this study is the first, to our knowledge, to examine information acquisition in promotion decisions, there is research in the field of consumer behavior which may generalize to this context.

Psychologists have examined prepurchase information acquisition of consumers, using an "information display board" (Jacoby, Chestnut, Weigl, & Fisher, 1975). A limited amount of information for each purchase alternative is displayed, while additional information is concealed. Subjects are instructed to uncover as much of the concealed information as they need to make their purchase decisions. The amount and type of information uncovered by subjects represents their information seeking behavior, which can then be analyzed as a function of task, previous experience purchasing similar products, and other independent variables of interest to researchers. Consumer behavior research has addressed two issues which are the focus of our study: (1) When subjects choose their preferred alternatives, instead of rating all alternatives, how does this affect the amount of information they acquire on inferior alternatives? (2) Can the total amount of predecisional information acquired by subjects be predicted?

### **BETWEEN-TASK DIFFERENCES IN INFORMATION ACQUISITION**

A consistent result of consumer behavior research is that "the consumers who made choices used phased rules which eliminate alternatives, while consumers making judgments [of the attractiveness of each alternative] did not" (Johnson & Russo, 1981, p. 154). In other words, subjects asked to choose the best alternative paid less attention to inferior alternatives than did subjects asked to rate each alternative. If this generalizes to personnel selection, we expect to find an interaction between task and candidate qual-

ity, such that less information is acquired on inferior candidates when selectors choose the best candidate than when they rate each candidate.

### PREDICTORS OF TOTAL AMOUNT OF INFORMATION ACQUIRED

Before we discuss potential predictors of predecisional information acquisition, we must address the following question: Do people generally acquire enough information prior to making a decision? There are two schools of thought on this issue. Payne, Bettman, and Johnson (1988) note that information is costly, and that there comes a time when it is no longer worthwhile to acquire additional information prior to making a decision. They argue that people are good at recognizing the effort-accuracy tradeoff and selecting appropriate decision making strategies. This optimistic view of humans as decision makers also implies that job posting may cause selectors to acquire too much information by forcing them to assign ratings to inferior candidates, and that informal identification is therefore a rational alternative to job posting. On the other hand, Connolly and Thorn (1987) argue that people acquire less information than they should before they make decisions. If this pessimistic view of humans as decision makers is accurate, then job posting is preferable to informal identification because it requires selectors to acquire more information prior to making decisions. We wish to identify predictors of overall information acquisition levels, recognizing that acquisition of more information may be a sign of either rational or irrational behavior, depending on one's opinion of humans as decision makers.

Two studies (Bettman & Park, 1980; Johnson & Russo, 1981) examined the relationship between information acquisition, "product familiarity" (previous experience purchasing similar products), and task (choosing vs. rating). Both studies found similar results, which may generalize to promotion decisions. For rating tasks, the most experienced subjects acquired the most prepurchase information, while for choice tasks, moderately experienced subjects acquired more prepurchase information than either more experienced or more inexperienced subjects.

Johnson and Russo (1984) explain these results as follows: for the rating task, inexperienced consumers are unable to effectively process information about a product, so they acquire less of it. Thus, a monotonic relationship ensues between experience and information acquisition for this task. For choice tasks, highly experienced consumers take advantage of their product familiarity to refrain from acquiring information that they already know about a product. Moderately experienced consumers acquire more information than less experienced consumers, because they are more capable of processing it, and they also acquire more information than more experienced consumers, because they possess less pre-search information

about each product. Thus, an inverted-u relationship ensues between experience and information acquisition for the choice task.

Another potential predictor of interpersonal differences in information acquisition rates for promotion decisions is the extent of formal education in Personnel/Human Resource Management. Textbooks in this field tend to stress the value of obtaining as much information about candidates as possible prior to making selection decisions (e.g., Gatewood & Feild, 1990), so people with more formal education in this area may acquire more predecisional information.

Thus, it is hypothesized that:

*Hypothesis 1.* Subjects will acquire less information on inferior candidates when they choose the best candidate for a promotion than when they assign promotability ratings to all candidates.

*Hypothesis 2.* Moderately experienced subjects will acquire the most information when choosing the best candidate, while the most experienced subjects will acquire the most information when assigning ratings to each candidate.

*Hypothesis 3.* Subjects with more formal education in the field of Personnel/Human Resource Management will acquire more predecisional information.

## METHOD

### Respondents

A four-page booklet containing a promotion simulation exercise was mailed to managers of three large firms and a large university. Booklets were accompanied by a cover letter, signed by an executive associated with the subjects' employers. It was important to use managers as subjects, rather than college students, because Barr & Hitt (1986) concluded that managers use less information than students when they make selection decisions, and because we wanted to test the effect of previous experience on information acquisition amounts.

### Procedure and Pretest

We use the "information display board" format to analyze information acquisition behavior. Modern research typically uses computer-based information display boards, rather than more "low-tech" alternatives, because computers can record information such as the temporal sequence of information acquisition and the length of time in between acquisitions of additional pieces of information (Carroll & Johnson, 1990). However, the

variety of computers, disk operating systems, and diskette sizes used by businesses makes it virtually impossible to create a computer-based exercise that can be mailed to subjects. Since we could not expect large numbers of managers to visit us and use our computer facilities to participate in our experiment, we had to use a more old-fashioned information display board, which appeared as the inner two pages of the four-page booklet.

A simulated promotion task was devised, in which subjects evaluated eight candidates for promotion to the position of Accounting Supervisor. Instructions were printed on the first page of the four-page booklet. Half of the subjects were told to assign promotability scores to each candidate on a scale of 1 to 100 (rating task) while the other half were told to choose which candidate to promote (choice task).

The second and third pages contained information about the eight candidates. The candidates were represented by written descriptions of interpersonal skills and computer competence. (The complete set of written descriptions is listed in the Appendix.) Four brief descriptors were used to describe each candidate on each dimension, but only one descriptor was initially visible to subjects, while the other three were covered by removable labels. The number of labels peeled by subjects measured the extent of information acquired about each candidate on each dimension. Research shows that interviewers tend to ask questions that elicit information which confirms their initial and pre-interview impressions (Dipboye, 1992). To make the simulation as realistic as possible, we constructed all four descriptors of each candidate on each dimension to provide consistent information about the candidate's favorability. The set of eight candidates contained all possible combinations of high, moderate, and low favorability on the two dimensions, except high computer competence and high interpersonal skills. The exclusion of such a candidate created a set of two superior candidates (the candidates with positive descriptors on one dimension and moderate descriptors on the other dimension), as well as a set of six inferior candidates.

Interpersonal-skill descriptors were adapted from the Akron Leadership Questionnaire (Lord, Foti, & de Vader, 1984), which is a set of traits that are perceived as highly typical, moderately typical, or highly atypical of leaders. For example, a highly typical trait is "emphasizes goals," a moderately typical trait is "makes jokes," and a highly atypical trait is "criticizes harshly." We reasoned that leadership skills would be desirable for any supervisory position, so that candidates with descriptors which were more typical of leaders would be more attractive to subjects. We labeled these descriptors as "interpersonal skills" rather than "leadership ability," because nonmanagerial employees may not have an opportunity to

demonstrate their leadership ability, while they may have the chance to display personality traits which typify leaders.

The pretest group consisted of six experienced managers who each participated in the experiment under our observation, and who were encouraged to tell us what they were thinking as they worked through the experiment. In every case, pretest subjects indicated that they knew who the two superior candidates were, that they recognized the trade-off between interpersonal skills and computer competence that was required to choose or to assign the highest rating to one of these two candidates, and that they had sufficient information to make their decisions.

### Measures

In addition to observing differences in information acquisition between choosers and raters based on candidate quality, we also wished to determine whether between-subject differences affected the number of labels that subjects decided to peel, and we used the fourth page of the booklet to ask questions about subjects' previous experience and education.

We measured previous experience making selection decisions by asking subjects to answer two questions. One question asked "Approximately how many times in your life have you played a part in deciding which one of a group of people should be hired or promoted to fill a vacancy?" The other question asked subjects how many years of full-time work experience they had. We asked subjects to indicate their formal education in Personnel/Human Resource Management, and provided them with four choices: no formal education, employer-sponsored courses, college-level courses, and graduate school courses.

### RESULTS

Of the 230 exercises that were distributed, 157 were returned, a response rate of 68%. Mean number of years of full-time work experience was 19.03 (standard deviation 7.36).

Table I shows the amount of information acquired about each candidate, and the average scores assigned by raters to each candidate. The data is broken down by task (rating vs. choice) and candidate quality (superior vs. inferior). The average scores assigned to inferior candidates were less than half of the average scores assigned to superior candidates, which provides additional confirmation that the intended quality differences between candidates were perceived by subjects. Consistent with Hypothesis 1, much less information was acquired on inferior candidates in the choice task than in the rating task, while approximately equal amounts of information were

**Table I.** Number of Labels Peeled by Candidate and Task, and Average Promotability Score by Candidate<sup>a</sup>

Candidate quality	Number of labels peeled		Promotability score
	Choice ( <i>N</i> = 80)	Rating ( <i>N</i> = 77)	
Superior	4.42 <sup>b</sup>	4.77 <sup>b</sup>	79.3
Inferior	2.12	3.47	30.5

<sup>a</sup>Total number of labels available to peel per candidate was 6.

<sup>b</sup>Differences between all numbers but these are significant,  $p < .05$ .

acquired on superior candidates by subjects in each task. An unexpected result was that, in the rating task, significantly less information was acquired on inferior candidates than on superior candidates.

To identify determinants of overall information acquisition levels by subjects, we conducted linear regressions in which the dependent variable was total amount of information acquired for each task (rating vs. choice), while the independent variables were subjects' previous experience and HR education. As shown in Table II, neither of the two models were statistically significant, and only one of 14 coefficients was statistically significant. Hypotheses 2 and 3 were not confirmed, as information acquisition was unrelated to subjects' previous experience and education.

**Table II.** Between-Subject Differences in Information Acquisition<sup>a</sup>

	Choice ( <i>N</i> = 71)	Rating ( <i>N</i> = 75)
<i>F</i>	0.38	2.07
Adjusted <i>R</i> <sup>2</sup>	-.06	.09
Selection experience (selection experience) <sup>2</sup>	-5.2 (0.70)	6.0 (-1.40)
F/T work experience (F/T work experience) <sup>2</sup>	-.40 (.01)	-2.06 (.06*)
No HR education <sup>b</sup>	.95	-8.68
College HR education <sup>b</sup>	-2.62	3.45
Graduate HR education <sup>b</sup>	-0.08	1.06

<sup>a</sup>Dependent variable = total number of labels peeled. Eleven subjects who did not indicate their selection experience, their full-time work experience, and/or their HR education were deleted from this analysis.

<sup>b</sup>Dummy variable. Base level of HR education = employer-sponsored courses.

\*Statistically significant,  $p < .05$ .

## DISCUSSION

Some organizations post notices of promotional opportunities, while others don't. The present results suggest that the decision whether to publicize such opportunities may significantly affect the behavior of selectors. When selectors aim to choose the single best candidate, they seem to avoid acquiring information about inferior candidates. In this study, choosers acquired approximately half as much information about inferior candidates as did raters. These results might be interpreted to mean that promotional opportunities should always be posted, to encourage more complete evaluation of all candidates. Yet, decisionmakers who quickly screen out inferior candidates substantially reduce their information acquisition requirements. The loss of complete evaluation, in the interest of decreased information requirements, is a tradeoff that organizations who do not post promotion opportunities may be knowingly or unknowingly accepting.

The present results have implications for how we estimate the utility of predictors used for internal staffing, such as assessment centers. A more valid predictor will always outperform a less valid one, but the incremental value of higher validity will be greater when all candidates must be rank-ordered than when merely screening out inferior candidates. If greater validity must be obtained at greater cost, organizations that do not post promotion opportunities (and thus encourage screening, rather than rating) may find that the actual utility of more valid promotion predictors may be less than utility estimated assuming that all candidates would be rated.

Labor laws in the U.S. and some other countries often require employers to justify their promotion decisions to demonstrate fairness or the absence of discrimination against protected groups (e.g., race, gender, or religion). Our findings suggest that when selectors screen candidates, rather than rating all candidates, it may be more difficult to justify rejections because less information will be gathered on inferior candidates. Thus, employers wishing to maximize the documentation of promotion decisions may want to consider job posting as a way to induce more careful candidate consideration.

Our study revealed differences in information acquisition patterns across tasks, but not between subjects. The amount of information gathered was not explained by the independent variables we measured. Experience did not associate with information acquisition, which may suggest that the construct of "product familiarity" was not captured in our experiment. This construct has been studied in relation to tangible products, where familiarity may be more apparent. For example, consumers with extensive experience choosing cars may make pre-search assumptions about products based on brand name, and thus reduce information-acquisition efforts. Employees



may be far more difficult to categorize, even for managers with extensive experience choosing employees. This may also be affected by the nature of candidate information available. We provided brief individual trait descriptions. However, had our candidate descriptors indicated group membership, such as "graduate of Oxford" or "Asian woman," rather than "treats computer hardware properly" or "would rather give in than argue," we might have replicated the earlier findings from consumer behavior studies.

Subjects' previous HR education was unrelated to their information acquisition. Thus, if subjects with more HR education were taught to gather all available information about candidates, these instructions did not influence their search behavior in this study. Indeed, some have suggested that HR managers pay little attention to what they were taught by professors of industrial/organizational psychology (Johns, 1993). Still, in some situations, this may be a rational response to the decision task.

Our study asked subjects to determine the most promising candidates from a list of alternatives. This may limit generalizability because it assumes that selectors are interested in hiring the most qualified available candidate, and that selectors consider more than one candidate for promotions. In some situations, there may be only one candidate, or selectors may be strongly encouraged to promote a particular candidate due to factors other than individual qualifications (e.g., the political power of a mentor). Moreover, promotion decisions are driven by complex concerns that are not limited to candidate qualifications. Promotions may be made to enable certain individuals to receive greater pay increases, to develop particular skills/abilities, or to satisfy the demands of legal authorities or trade unions. Future research might profitably include these factors in replications of the present study.

Promotion decision processes are often subjective, and frequently not as visible as external staffing. Thus, future research is needed to continue to identify the effects of promotion policies such as job posting on the cognitive processes involved. It is hoped that the present article will serve as a starting point for such research.

## APPENDIX. CANDIDATE DESCRIPTORS<sup>4</sup>

### Candidate 1<sup>5</sup>

Interpersonal skills (high)

1. Good at co-ordinating the efforts of a work group
2. Often comes up with good problem-solving ideas
3. Doesn't lose sight of important goals

<sup>4</sup>All but the first piece of information for each dimension were obscured by removable labels.

<sup>5</sup>Superior candidate.

4. Willing to accept suggestions from others

Computer competence (medium)

1. Has some experience with accounting software
2. Pretty familiar with the way computers work
3. Knows how to use simpler programs
4. Knows some basic computer terminology

### Candidate 2<sup>5</sup>

Interpersonal skills (medium)

1. Completes projects on time
2. Good at explaining and clarifying things
3. Likes to talk
4. Not too serious

Computer competence (high)

1. The resident computer expert
2. Has used this particular program before
3. Knows a lot about hardware and software
4. Computes at home as a hobby

### Candidate 3<sup>6</sup>

Interpersonal skills (medium)

1. Able to act as a referee in interpersonal conflicts
2. Emotional
3. Willing to admit being wrong
4. Wins most arguments

Computer competence (medium)

1. Able to fix minor, routine computer problems
2. No stranger to computer-based accounting systems
3. Has used other, unrelated programs in the past
4. Solid yet unspectacular knowledge of computers

### Candidate 4<sup>6</sup>

Interpersonal skills (low)

1. Has difficulty accepting responsibility for decisions
2. Very harsh critic of other people's work
3. Very unpopular with co-workers

<sup>6</sup>Inferior candidate.

4. Not a "people person"

Computer competence (high)

1. Superior knowledge of computer-based accounting systems
2. Able to correctly diagnose and repair software problems
3. Extensive previous experience with similar software
4. Subscribes to computer-related magazines

**Candidate 5<sup>6</sup>**

Interpersonal skills (high)

1. Very good at ordering tasks in terms of importance
2. An excellent source of information
3. Good at organizing work teams
4. Often comes up with good solutions to problems

Computer competence (low)

1. Has never touched a computer
2. Knows nothing about accounting software
3. Basically ignorant when it comes to computers
4. Not even familiar with simple programs

**Candidate 6<sup>6</sup>**

Interpersonal skills (low)

1. Not very independent
2. Would rather give in than argue
3. Has difficulty giving praise when warranted
4. Very indecisive

Computer competence (medium)

1. Somewhat familiar with the way computers work
2. Knows the basic features of popular programs
3. Not afraid to use computers
4. Treats computer hardware properly

**Candidate 7<sup>6</sup>**

Interpersonal skills (medium)

1. Has a very good sense of humor
2. Stops conflicts from becoming serious
3. Willing to express feelings
4. Able to allocate decisions

Computer competence (low)

1. Terrified of computers

2. Couldn't even find the on/off switch
3. No experience with any software
4. Not to be trusted near fragile machinery

### Candidate 8<sup>6</sup>

#### Interpersonal skills (low)

1. Poor eye for detail
2. Acts like a clown at inappropriate times
3. Tries to take credit for others' work
4. Generally careless

#### Computer competence (low)

1. Has a very difficult time using computers
2. Has never used accounting software before
3. Doesn't know how to insert disks into the disk drive
4. Knows little if any computer terminology

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### BIOGRAPHICAL NOTES

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