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Effects of Employment-at-Will Policies on Corporate Image, Job Pursuit Intentions, & Union Membership Intentions

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Susan A.

1990

EFFECTS OF EMPLOYMENT-AT-WILL POLICIES ON CORPORATE IMAGE,
JOB PURSUIT INTENTIONS, AND UNION MEMBERSHIP INTENTIONS

A Thesis Presented to
the Faculty of the Department of Psychology
Western Kentucky University
Bowling Green, Kentucky

In Partial Fulfillment
of the Requirements for the Degree
Master of Arts

by
Susan A. Walker
December 1990

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EFFECTS OF EMPLOYMENT-AT-WILL POLICIES ON CORPORATE IMAGE,
JOB PURSUIT INTENTIONS, AND UNION MEMBERSHIP INTENTIONS

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EFFECTS OF EMPLOYMENT-AT-WILL POLICIES ON CORPORATE IMAGE,
JOB PURSUIT INTENTIONS, AND UNION MEMBERSHIP INTENTIONS

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Since 1884, the courts have embraced and applied the doctrine of employment-at-will which states that employers may terminate their employees, with or without cause or notice, at any time. Recently, the courts have recognized exceptions to this doctrine. In order to avoid these exceptions, lawyers and human resource specialists have suggested that employment materials should explicitly state that all employment is at-will. However, while stating an employment-at-will policy may protect employers' rights to terminate at-will, little is known about the consequences of adopting these measures with respect to applicant and employee attitudes.

The concept of employment-at-will is explored and research that investigates the effects of explicitly stating these policies in corporate recruiting brochures is presented. First, the employment-at-will literature is reviewed. Second, variables are discussed that address the possible effects of stating an employment-at-will policy in corporate recruiting materials. Third, variables are presented that may interact with termination policy with regard to potential applicant attitudes. Fourth, a

2 X 2 X 2 factorial design was used to assess the influence of self-efficacy (high versus low), termination policy (terminate for "just cause" versus employment-at-will), and compensation policy (leading versus average) on future applicants' 1) favorableness of impression of the organization, 2) interest in pursuing employment opportunities, and 3) intention to join a union. Results indicated a significant termination policy by self-efficacy interaction for intent to pursue employment. Specifically, it was found that individuals with high self-efficacy were more favorable toward pursuing employment with an organization with a due process termination policy than an organization with an employment-at-will termination policy. Results also indicated that whether an individual has a union member in his family was associated with the potential applicant's ratings of corporate image ($r = -.15, p < .05$) and intent to pursue union membership ($r = .23, p < .01$). Finally, possible reasons for the current findings and avenues for future research are addressed.

Introduction

The current personnel and applied psychology literature is saturated with articles concerning employee attitudes towards the issues of work place equity, justice, and fairness. One important issue involves the legality and fairness of employment termination policies. Ewing (1982) recommends that in order for organizations to recruit and retain the most qualified employees, they should develop personnel policies that acknowledge and protect employee rights. However, at the same time, human resource planners face pressures of changes in the economy, increasing market competition, and efforts by many organizations to streamline and downsize. To maintain corporate efficiency and profitability in this environment, organizations maintain that they need the freedom to terminate employees at will (Schwoerer & Rosen, 1989).

This paper explores the concept of employment-at-will and presents research investigating the effects of these policies. First, the legal and personnel literature concerning the employment-at-will doctrine is reviewed. Second, three variables are discussed that address the possible effects of stating an employment-at-will policy in corporate recruiting materials. Third, two variables that may interact with termination policy with regard to potential applicant attitudes are presented. Fourth, a

2 X 2 X 2 factorial design is used to assess the influence of self-efficacy (high versus low), termination policy (terminate for "just cause" versus employment-at-will), and compensation policy (leading versus average) on future applicants' 1) favorableness of impression of the organization, 2) interest in pursuing employment opportunities, and 3) intention to join a union. Finally, results and implications of this research are presented.

Employment-at-will

The doctrine of employment-at-will was defined in 1884 by a Tennessee court which ruled that employers "may dismiss their employees at will, be they many or few, for good cause, for no cause, or even for cause morally wrong without being thereby guilty of legal wrong" (Payne v. Western A.R.R. Co.). Under this doctrine, employment is viewed as a mutual agreement between employer and employee that can be terminated by either party, at any time, for any reason (Koys, Briggs, & Grenig, 1987). After the Payne v. Western A.R.R. Co. ruling, the law became well established that, in the absence of a statute or a written contract to limit terminations, every employment is at-will (Abbasi, Hollman, & Murrey, 1987).

Because both parties initially enter into the relationship with equal bargaining power, employment-at-will has been called fair and mutual by its proponents. Advocates argue that it promotes freedom of contract and overall

productivity since both parties can sever the employment relationship for any reason and enter into a more suitable and rewarding relationship (Koys, Briggs, & Grenig, 1987). However, others have pointed out that the employee has more to lose than the employer. An employee's freedom to resign is restricted by many factors such as their job specialization, issues of relocation and references, their vested rights in the pension plan, and the economic, psychological and social consequences of leaving (Leonard, 1983; Abbasi et al., 1987). On the other hand, though there are exceptions, the effect of an individual's resignation on an organization is usually minimal (Abbasi et al., 1987).

Groups that are exempt from employment-at-will

Employment-at-will policies apply to approximately 70% of the nation's work force. Employees who are exempt from employment-at-will policies include those who are covered by 1) union contracts, 2) civil service regulations, or 3) federal legislation (Abbasi et al., 1987; Buckley & Weitzel, 1988).

Employees who are union members or who are involved with union activities have been partially protected from employment-at-will since the Wagner Act of 1935. This act prohibits employers from terminating employees due to their union activities or affiliation. Under this act, employees who have been wrongfully discharged due to union affiliation are entitled to reinstatement with backpay. In addition,

collective bargaining agreements usually provide comprehensive protection against arbitrary discipline, including termination. Most union contracts specifically stipulate that discharge is prohibited except for "cause" or "just cause" (Abbasi et al., 1987; Buckley & Weitzel, 1988). In addition, grievance and arbitration procedures typically moderate against arbitrary termination of unionized employees (Gullett & Greenwade, 1988).

Individuals who are employed by the federal, state, or local governments are usually exempt from employment-at-will policies. These employees are often guaranteed due process before they can be terminated.

Federal legislation protects some individuals against termination-at-will policies. Title VII of the Civil Rights Act of 1964 makes it illegal to terminate employees solely based on their sex, race, color, national origin, or religion. The Age Discrimination Act of 1967 makes it illegal to terminate employees based solely on the fact that they are within the ages of 40 and 70. Likewise, the Rehabilitation Act of 1973 protects the handicapped from being unjustly terminated due to their disability. This means that employers' termination decisions must be "blind" with respect to employees of these protected groups. Finally, the Occupational Safety and Health Act of 1970 further protects employees who report safety violations to OSHA from being terminated for so doing (Leonard, 1983;

Buckley & Weitzel, 1988; Schwoerer & Rosen, 1989).

Exceptions to the employment-at-will doctrine

Because there are no federal laws that protect all employees from termination-at-will, employment-at-will tends to be a question of state law (Koys et al., 1987). However, if the company is engaged in interstate commerce or the issue in dispute involves a federal law, then a case will be heard in federal court. In these cases, federal courts usually rule towards the employee's rights, unless the termination is aimed at ensuring the financial stability of the company (Buckley & Weitzel, 1988).

The courts embraced and applied the employment-at-will doctrine until the late 1970s, when the number of cases concerning employment terminations increased substantially. State appellate court rulings then began increasingly prohibiting the termination of employees under employment-at-will (Abbasi et al., 1987; Koys et al., 1987). Three exceptions to the employment-at-will doctrine became recognized by the courts: 1) when the termination is inconsistent with public policy, 2) when the employer violated a tort, and 3) when the employer and employee had an implied contract which prohibited the termination (Buckley & Weitzel, 1988; Koys et al., 1987).

The first exception to employment-at-will is that an employer cannot terminate an employee for performing an act that was encouraged by public policy. Acts that are

encouraged by public policy include filing a workman's compensation claim, reporting for jury duty, refusing to violate the law for an employer, or reporting illegal employer activities (Buckley & Weitzel, 1988; Koys et al., 1987).

The second exception to the employment-at-will doctrine involves torts. A tort is a wrongful act or injury that is done willfully or negligently, but not involving breach of a contract, for which a civil suit may be brought. Some state courts have ruled that when an employer violates a tort (e.g. by causing the employee to have severe emotional distress or by defaming an employee before or after their termination), then the employee can recover damages and/or backpay.

The final exception to the employment-at-will doctrine is implied employer-employee contracts. In Toussant v. Blue Cross and Blue Shield of Michigan (1980), the Michigan State Supreme Court ruled that an organization's written personnel policies and procedures represent an implied contract with employees. State courts have ruled that implied employer-employee contracts may include employee handbooks, personnel manuals, employment brochures, application forms, stock option plans, or even oral promises (Abbasi et al., 1988). If the organization's written policies or oral promises state that an employee may only be discharged after due process or for "just cause," then an organization must

follow those procedures when terminating any employee (Koys et al., 1987). It is this third exception to employment-at-will doctrine, the implied contract, upon which human resources specialists have focused their efforts.

Protecting an organization's rights

While promises in employee handbooks of retirement, sick-leave, and fringe-benefits have been enforced by the courts since the 1920s, promises of continued employment were not enforced until the 1980s, twenty years after they first began to appear in employee handbooks (McWhirter, 1989). Now that these continued employment policies are enforceable, organizations must act to protect their termination-at-will rights. Leonard (1983) suggests that personnel policies and materials should be reviewed and that all statements regarding job security, tenure, continued employment, and termination policies should be removed. Koys et al. (1987) further suggests that employee handbooks should state that all employment is at-will and that all applicants should be required to sign a formal statement acknowledging that their employment is at-will. These procedures may greatly help assure protection from legal challenges of implied contract. However, the consequences of adopting these protective measures, in terms of applicant and employee attitudes or corporate image, is relatively unknown (Schwoerer & Rosen, 1989).

Recruiting Future Employees

A possible consequence of explicitly stating employment-at-will policies may be negative employee and/or applicant reactions. These negative reactions may be seen in less favorable attitudes towards the organization as a potential employer (sometimes referred to as corporate image), lessened job pursuit intentions, and increased intentions to pursue union membership. The possible effects of employment-at-will statements on each of these variables is explored in the following sections.

Corporate Image

The importance attached to employee and applicant attitudes has increased with the changing demographics of the labor force (Schwoerer & Rosen, 1989). The decline in the number of births since the baby-boom has led to more than a 50% drop in the growth rate in the labor force (Norwood, 1987). During the late 1950s there were approximately three million people entering the work force each year. By 1990, that figure is expected to drop to less than 1.3 million per year. By the year 2000, it is expected that there will be 8.4 million fewer workers in the 18-24 age group than there are now (Kaminski, 1983). The lower birth rate suggests that competition for entry-level jobs should lessen and employers may face increasing difficulty in finding workers to fill jobs traditionally held by younger workers (Norwood, 1987). As competition for

employees becomes stiffer, organizations will become more dependent upon their corporate image. Organizations wanting to attract the best employees will increasingly rely on their reputations as "good companies to work for" and become more vulnerable to negative images (Ewing, 1982). Organizations with good corporate images have a large advantage in not only hiring the most qualified employees, but in selling their product, maintaining their credibility, and attracting investors (Marketing News, 1988).

Job Pursuit Intentions

In addition to corporate image, another variable that may be affected by an explicit employment-at-will policy is potential applicants' job pursuit intentions. A number of recent studies have examined factors that may influence job applicants' attitudes towards an organization and their interest in pursuing employment opportunities (Schwoerer & Rosen, 1989; Jurgensen, 1978; Krausz, 1978). Schwoerer and Rosen (1989) argue that prospective applicants assess corporate attractiveness based partially on the degree to which the company's offer matches desired attributes such as salary, opportunities for development, and prospects for advancement. Studies have found that current employees value security and compensation very highly (Jurgensen, 1978; Krausz, 1978). Male employees have consistently ranked security as the number one factor that makes a job "good" or "bad." Female employees have ranked security

third, after type of work and company. Because security is highly valued, Schwoerer and Rosen propose that explicitly stating that employment is at-will will reduce potential applicants's interest in pursuing employment opportunities with that organization.

While many personnel, legal, and management journals have asserted that stating employment-at-will policies may have negative effects on potential employee attitudes in terms of corporate image and job pursuit intentions, little research is available to confirm these hypotheses (Schwoerer & Rosen, 1989; Horton, 1984; Leonard, 1983). Research such as this could assist human resource specialists in weighing the advantages and disadvantages of utilizing employment-at-will statements (Schwoerer & Rosen, 1989).

Schwoerer and Rosen (1989) took a first step in investigating the effects of corporate policies on potential applicant attitudes. They examined the effects of termination policies and compensation strategies in employment recruiting materials on college juniors' and seniors' corporate impressions and job pursuit intentions. Experimenters had 101 business students read simulated employment brochures and express: 1) the perceived desirability of the company as a future employer and, 2) their intentions to request additional information from the organization, sign-up for an interview, and accept an employment offer.

In terms of corporate impression, the results showed a significant main effect of termination policy and a main effect of compensation strategy. Organizations with due process termination policies were rated significantly more attractive than those with employment-at-will policies. Organizations with above average compensation strategies were rated significantly more attractive than those with average compensation strategies. In terms of job pursuit intentions, a main effect of compensation and an interaction effect between termination policy and compensation strategy was found. A high compensation policy was found to offset the negative effects of an employment-at-will policy.

Schwoerer and Rosen concluded that further studies are needed to investigate the effect of corporate policies on applicants and employees. Specifically, they suggest that future studies should: 1) investigate the characteristics of job seekers who express negative reactions to employment-at-will policies, and 2) use subjects who have more job experience (only 50% of their subjects had ever been employed).

Another consequence of employment-at-will

While Schworer and Rosen (1989) found that termination policy can affect potential applicants' corporate images and job pursuit intentions, this policy may have other ramifications for employers. Leonard (1983) suggests that by explicitly stating an employment-at-will policy, the

employer is "inviting" employees who are eligible for union participation to join the union. Employment-at-will policies may be acceptable to management, executive, or supervisory employees who are not technically "employees" under the National Labor Relations Act (NLRA). These employees do not have the legal right to organize or join a labor union and traditionally the higher wages associated with these jobs has not been associated with a guarantee of job security. However, employees who are eligible for union participation may be motivated by an employment-at-will policy to pursue membership in order to gain job security.

Few studies have investigated whether employee attitudes are related to employee union participation. Both Hamner and Smith (1987) and Getman, Goldberg, and Herman (1976) investigated the relationship between attitudes and support for unionization attempts. Hamner and Smith (1978) found that employee attitudes are useful predictors of the degree of success a union will have in gaining the support of a majority of potential bargaining unit. Not surprisingly, individuals with negative attitudes towards their work environment were more likely to engage in union support activities. Getman et al. (1976) found that employees who are dissatisfied with their working conditions are more likely to vote for a union. Employees that were satisfied with their working conditions supported the company in the union election. The results of these studies

indicate that employee attitudes towards their work conditions do have an effect on whether employees vote for company unionization. A logical extension of these studies is to investigate if employment-at-will statements in recruiting materials heighten individuals' interest in union membership. After all, unions can afford workers some protection against arbitrary or unjust terminations. The termination rate for nonunion employees is approximately twice the termination rate for unionized workers (Hames, 1988).

Self-efficacy and its relationship to employment-at-will

Schworer and Rosen (1989) also suggest that future employment-at-will studies should investigate individual difference variables that may be associated with negative reactions to employment policies. One such variable that may be related to attitudes towards employment-at-will is expectancy. Expectancy is the magnitude of an individual's belief about whether one's effort will result in effective performance. According to Valence-Instrumentality-Expectancy (VIE) theory, expectancy beliefs are a key determinant of employee motivation (Vroom, 1964). Given the declining labor force, employers should avoid taking any actions that may discourage motivated potential employees.

While expectancy appears to be a variable that may be influenced by termination policies, expectancy is influenced by a variety of factors. These factors include the

individual's level of confidence in his skills for that specific task, the amount of assistance that he expects from his co-workers, the amount and quality of resources and information available to him, and his degree of control over those resources (Pinder, 1984). While expectancy is influenced by many factors, it is at the same time very narrow in scope. Typical expectancy measures assess the effort-performance expectancy for a situation specific task (Gist, 1987). A more practical construct for measuring reactions to employment-at-will in the pre-employment context would be self-efficacy.

Bandura (1984) stated that efficacy expectations are obviously related to the effort-performance expectancies in expectancy theory in that efficacy expectations refer to the exercise of control over one's behaviors and actions. If one perceives that he can control his behaviors and actions, then it follows that he has the perception that he can control his performance as well (Gist, 1987).

Self-efficacy, a key element in Bandura's (1977) social learning theory, refers to an individual's belief in their capability to perform in a specific domain. It is believed that self-efficacy arises from the gradual acquisition of skills (cognitive, social, physical, etc.) through experience. When individuals have a history of positive mastery experiences in some area of their lives, they subsequently develop high self-efficacy. Similarly, failure

in a particular domain leads to decreased self-efficacy in that domain. In other words, self-efficacy is domain specific. For example, an individual may have high self-efficacy concerning their technical job abilities, yet have low self-efficacy concerning his interpersonal abilities (Gist, 1987).

According to Bandura (1982), self-efficacy affects an individual's choice of settings and activities, expenditures of effort, and the initiation and persistence of coping efforts in the face of obstacles. Efficacy expectations are formed as individuals weigh, integrate, and evaluate information about their capabilities. These efficacy expectations influence the individual's actions and decisions. These decisions may include the individual's choice of work, social, or physical environment. For example, Gist (1987) states that an employee with high self-efficacy is likely to apply for an advertised job that is more challenging and higher paying than is his current job. However, a person with low self-efficacy may choose to remain in his current dead-end position. Therefore, those with high self-efficacy concerning their job skills and abilities tend to seek more challenging employment opportunities. These individuals also view challenge as an opportunity to further build their self-efficacy. Conversely, individuals with low self-efficacy concerning their job skills and abilities may seek a more secure

environment which can protect their self-efficacy from being further decreased.

The question then becomes "How will an individual's self-efficacy affect their attitudes towards employment-at-will policies?" It is proposed that individuals with low self-efficacy will have different attitudes towards employment-at-will policies than those with high self-efficacy. Those with low self-efficacy concerning their work-related skills and abilities will view employment-at-will policies more negatively than their high self-efficacy counterparts. This is because these low self-efficacy individuals will view the increased possibility of termination as a substantial threat.

Individuals with low self-efficacy may see joining a union as a coping strategy to help protect their self-efficacy. Those with low self-efficacy may see union membership as a source of security. Therefore, these individuals should be more likely to pursue union membership than will individuals with high self-efficacy. Conversely, individuals with high self-efficacy concerning their work-related skills and abilities will not be negatively affected by the presence of an employment-at-will statement.

Hypotheses

Hypothesis I: "Just cause" termination policies that include a company grievance process will engender more favorable corporate impressions, more interest in seeking

employment, and lower interest in joining a union than employment-at-will policies.

Hypothesis II: High compensation policies will lead to more favorable corporate impressions, more interest in seeking employment, and lower interest in joining a union than average compensation policies.

Hypothesis III: Termination policy and compensation policy will interactively affect intent to pursue employment and intent to join a union. It is hypothesized that high compensation will offset the negative effects of an employment-at-will policy.

Hypothesis IV: An interaction of termination policy and self-efficacy is predicted for intent to pursue employment and intent to join a union. Individuals who have low self-efficacy are expected to be negatively affected by an employment-at-will policy, unlike individuals with high self-efficacy.

In addition, individuals who are low in self-efficacy will be more likely to have intentions of joining a union at an employment-at-will company than individuals who are high in self-efficacy. Those who are low in self-efficacy will pursue union membership as an attempt to protect themselves from being terminated and protect their feelings of self-efficacy.

Method

Overview

A 2 X 2 X 2 factorial design was used to assess the influence of termination policy (terminate for "just cause" versus employment-at-will), self-efficacy (high versus low), and compensation policy (leading versus average) on potential applicants' 1) favorableness of impression of the organization, 2) interest in pursuing employment opportunities, and 3) intention to join a union.

Subjects

Participants were 161 advanced students from 1) a vocational-technical school (n = 96), 2) a junior college (n = 34), and 3) a community college (n = 31). These three institutions were located in south-central Kentucky. All students were enrolled in a two-year vocational or technical training program in one of the following areas: 1) technical/craft (n = 82), 2) business-related (n = 58), and 3) health-related (n = 21).

All students were seeking information about potential employers and were preparing for job interviews within the next 12 months. The students were training in trades that are moderately unionized in Kentucky (e.g. industrial technology, industrial electricity, electronics, computer servicing applications). Of the 161 participants, 84 (52.2%) were males and 77 (47.8%) were females. The median

age of the participants was 22 years and the median amount of prior work experience was three years and two months. Sixty-two (38.5%) of the participants had at least one family member who has been or currently was a union member.

Procedure

The procedure used was similar to that used by Schwoerer and Rosen (1989). The researcher visited the various educational facilities during regularly scheduled classes and indicated to the participants that a company was interested in learning about how recruiting materials affect prospective employees' perceptions about the organization (see Appendix A for actual instructions). Subjects completed a self-efficacy measure concerning their job-related skills and abilities (Appendix B). Subsequently, subjects were asked to carefully review one of the four corporate brochures and to record 1) their attitudes towards the company as a future employer (Appendix C, items 1-6), 2) their intentions to pursue employment with the company (Appendix C, items 7-9), and 3) their intentions to join the union (Appendix D). Finally, subjects completed a postexperimental questionnaire which contained demographic questions (Appendix E, the first seven items) and items concerning the employment brochure contents (Appendix D, the last four items). As a manipulation check, questions that asked specifically about their understanding of the organization's termination and compensation policies were

imbedded in this postexperimental questionnaire.

Experimental materials. A company brochure was created based on excerpts from a sample of brochures obtained from area employers and the brochure used in Schwoerer and Rosen (1989). The brochure described a fictitious company including its size, location, career opportunities, and employment policies. In terms of career opportunities, the brochure was tailored to the trades in which the subjects were trained. The brochure described the company as an open shop where union membership is optional, that is moderately unionized (see Appendix F).

A company brochure was chosen as the experimental medium because brochures 1) are regularly used as a recruiting medium, and 2) provide an effective medium for manipulating the independent variables and controlling other variables. Rynes and Boudreau (1986) found that most Fortune 1000 corporate recruiters reported that they rely heavily upon corporate brochures for promoting interest in their company and conveying information about the company to applicants.

Manipulation of the Independent Variables

Terminate for "just cause" versus employment-at-will. The brochure described the organization's employment policies. Under a paragraph titled "Employee Rights," the company's termination policy was described (see Appendix F). In the "just cause" condition, the brochure explained that the

company is committed to fair treatment for all employees and that the company grievance and appeals process is utilized in all discipline situations. In the employment-at-will condition, the brochure also explained that the company is committed to fair treatment for all employees. However, this condition also stated that "companies operate in competitive environments. Therefore, employment can be terminated, with or without cause, and with or without notice at any time, at either the employee's option or the company's option".

High versus low self-efficacy. Based on Bandura's conceptualization of self-efficacy and his suggestions concerning the appropriate methodology for measuring self-efficacy, eight experimental items were developed to measure this construct (Bandura, 1982; 1984). The self-efficacy instrument was designed to assess how capable the individual feels about his work-related skills and abilities. On 5-point Likert scales ranging from 1, "20% certain," to 5, "100% certain," subjects recorded how certain they are that they can "successfully" perform each of eight tasks (see Appendix B).

Through the use of principle components factor analysis, examination of the item intercorrelations, and consideration of the coefficient alpha, four items were retained as the final self-efficacy measure. These items most clearly assessed how capable an individual feels about

their job-related skills and abilities as they relate to obtaining a job and performing that job. Table 1 presents the items that composed the self-efficacy scale.

Principal components factor analysis revealed that these four self-efficacy items loaded on a single factor. This component explained 63 percent of the variance in the four items. The internal consistency reliability for this four item scale was .80.

Because the four items loaded on a single component, the items were summed to create a self-efficacy score for each subject. Table 1 presents the descriptive statistics for the self-efficacy scale.

Table 1

Items and Descriptive Statistics for the Self-Efficacy Scale

<u>Item</u>	<u>Item Content</u>	<u>Mean</u>	<u>Median</u>	<u>SD</u>
3	Based on my job-related skills and abilities, obtain a job interview for a good job in my chosen field.	4.11	4.00	.96
4	Successfully demonstrate my job skills and abilities to a potential employer during an employment test.	4.11	4.00	.81
5	Based on my job-related skills and abilities, be offered a good job in my field.	4.04	4.00	.94
7	Perform well enough in a job in my field to get an outstanding performance appraisal.	4.12	4.00	.79
Total Scale		16.39	17.00	2.77

Individuals were assigned to either a high or low self-efficacy condition based on their score on the self-efficacy scale. The split was based on the median. Individuals who scored above the median were assigned to the high self-efficacy condition; those who scored below the median were assigned to the low self-efficacy condition.

Leading versus average compensation policy. Another section of the company brochure described the organization's compensation policy. In the leading condition, the compensation was described as "highly competitive and well above industry averages" and the benefits package was described as "a generous and balanced benefit package." In the average compensation condition, the brochure described the compensation policy as "comparable to the average compensation in the industry" and the benefits package was described as "balanced" (Schwoerer & Rosen, 1989, p. 656).

Dependent Variables

Subjects completed a questionnaire that assessed attitudes towards 1) the organization's image, 2) the likelihood that they would pursue employment with the organization, and 3) the subject's intent to join the union. Both the corporate image items and the job pursuit intentions items were adapted from Schwoerer and Rosen (1989).

Corporate image as a potential employer. The subjects' attitudes towards the organization as a potential employer

were assessed based on the responses to six items. Five of the items were adapted from the Corporate Image Scale developed by Schwoerer and Rosen (1989). Item six was added because it was believed that this item would increase the psychometric qualities of this scale. Subjects recorded their answers on 5-point Likert scales ranging from 1, "strongly disagree," to 5, "strongly agree," (see Appendix C). Corporate image scores were formed by summing the responses on each of the six items. The addition of the sixth item to the Corporate Image Scale increased the internal consistency reliability of the scale from .75 to .78. The scale mean was 23.17 (median = 3, SD = 3.27).

Job pursuit intentions. The likelihood that the individual would pursue employment with the organization was assessed by three items focusing on intent to 1) request additional information from the organization, 2) sign-up for an interview, and 3) accept employment with the organization. Responses were recorded on 5-point Likert scales ranging from 1, "extremely unlikely," to 5, "extremely likely," (see Appendix C). Job pursuit intention scores were calculated by summing the scores on the three items. The internal consistency reliability for this three item scale was .73. The job pursuit intentions scale mean was 12.09 (median = 4, SD = 2.09).

Intent to join union. An experimental instrument was designed to assess subjects' intent to join a union. The 12

items were based on the Commitment to the Union Scale developed by Gordon, Philpot, Burt, Thompson, and Spiller (1980) and the Work Attitude Measure Scale developed by Hamner and Smith (1978). Responses were recorded on a 5-point Likert scale ranging from 1, "strongly disagree," to 5, "strongly agree," (see Appendix D).

Through the use of principle components factor analysis, examination of the item intercorrelations, and consideration of the coefficient alpha, three items were retained in the final intent to pursue union membership scale. Table 2 presents the items that composed this intent to pursue union membership scale and the descriptive statistics for the union items and scale. Intent to pursue union membership scores on this scale were formed by summing the responses on the three items. The internal consistency reliability was .75.

Table 2

Items and Descriptive Statistics for the Intent to Pursue Union Membership Scale

<u>Item</u>	<u>Item Content</u>	<u>Mean</u>	<u>Median</u>	<u>SD</u>
2	I definitely plan to join the union at Technicon.	2.89	3.00	.89
4	I plan to meet with the union representative at Technicon.	3.23	3.00	.91
8	The fact that Technicon is unionized makes it a more desirable employer.	3.04	3.00	.87
	Total Scale	9.16	9.00	2.18

Results

Manipulation Check

A postexperimental questionnaire was administered to 167 subjects after they completed the evaluations of the company. Three items assessed whether the subjects understood the company policies about which they read (Appendix E, the last three items). Item 1, assessing whether subjects recalled the compensation policy stated in the company brochure, was correctly answered by 89.4% of the subjects. Item 2, dealing with whether subjects recalled the company termination policy, was correctly answered by 85.7% of the subjects. Item 3, dealing with whether subjects understood that the company is unionized, was correctly answered by 92.5% of the subjects. The high percentage of correct answers to the manipulation check items indicates that the manipulations were successful.

Six subjects who incorrectly answered two of the three manipulation check items were removed from the sample. This reduced the sample to 161 subjects. All subsequent analyses were performed on the data from the 161 subjects.

Tests of the Hypotheses

The intercorrelations between the three dependent measures were computed. Table 3 provides these intercorrelations and their significance levels.

Table 3

Intercorrelations Between the Corporate Image, Job Pursuit Intentions, and Intent to Pursue Union Membership Scales

<u>Scale</u>	<u>1</u>	<u>2</u>	<u>3</u>
1. Corporate Image	--		
2. Job Pursuit Intentions	.54 **	--	
3. Intent to Pursue Union Membership	.04	.09	--

** p < .001

Because of the substantial intercorrelation between two of the three dependent measures, multivariate analysis of variance (MANOVA) was employed to examine the design effects on the three dependent measures. Table 4 presents the summary table for the results of this analysis. Tables 5 through 7 show the influence of termination policy, compensation policy, and subject self-efficacy on the mean scores and standard deviations of the dependent measures.

Table 4

Multivariate Analysis of Variance Summary Table

<u>Effect</u>	<u>DF</u>	<u>DF_e</u>	<u>F</u>	<u>Signif of F</u>
Termination Policy (A)	3	151	.93	.43
Compensation Policy (B)	3	151	.71	.55
Self- Efficacy (C)	3	151	1.29	.28
A X B	3	151	.39	.76
A X C	3	151	2.72	.05
B X C	3	151	.59	.63
A X B X C	3	151	.14	.90

Table 5

Means and Standard Deviations for Corporate Image

<u>Compensation</u>	<u>Employment-at-will</u>		<u>Due Process</u>	
	<u>Average</u>	<u>High</u>	<u>Average</u>	<u>High</u>
High Self-Efficacy				
M	22.43	24.00	23.73	24.10
SD	4.52	3.22	2.98	2.73
n	(21)	(22)	(22)	(20)
Low Self-Efficacy				
M	22.06	22.68	23.14	22.90
SD	3.26	3.06	2.95	3.02
n	(16)	(19)	(21)	(20)

Table 6

Means and Standard Deviations for Job Pursuit Intentions

Compensation	<u>Employment-at-will</u>		<u>Due Process</u>	
	Average	High	Average	High
High Self-Efficacy				
M	11.38	11.77	12.64	12.85
SD	2.52	2.14	1.50	1.42
n	(21)	(22)	(22)	(20)
Low Self-Efficacy				
M	12.13	12.05	12.29	11.65
SD	2.13	2.92	1.45	2.23
n	(16)	(19)	(21)	(20)

Table 7

Means and Standard Deviations for Intent to Pursue Union Membership

Compensation	<u>Employment-at-will</u>		<u>Due Process</u>	
	Average	High	Average	High
High Self-Efficacy				
M	9.33	8.55	9.73	9.65
SD	2.90	1.95	2.75	1.31
n	(21)	(22)	(22)	(20)
Low Self-Efficacy				
M	9.19	9.39	8.71	8.75
SD	2.04	1.98	2.33	1.65
n	(16)	(19)	(21)	(20)

Hypothesis I predicted a main effect for termination policy with respect to corporate image, job pursuit intentions, and intent to pursue union membership. Results of the MANOVA did not indicate a significant effect for termination policy, $F(3,151) = .93, p > .05$. Therefore, this hypothesis was not supported.

Hypothesis II predicted a main effect for compensation policy on corporate image, job pursuit intentions, and intent to pursue union membership. Results of the MANOVA, however, did not indicate a significant main effect of compensation policy, $F(3,151) = .71, p > .05$. Therefore, Hypothesis II was not supported.

Hypothesis III predicted an interaction of termination policy and compensation policy on intent to pursue employment and intent to join a union. Results of the MANOVA did not indicate a significant interaction effect for termination policy and compensation policy, $F(3,151) = .39, p > .05$. Therefore, Hypothesis III was not supported.

Hypothesis IV predicted an interaction of termination policy and self-efficacy for intent to pursue employment and intent to join a union, but not for corporate image. Specifically, it was predicted that individuals who have high self-efficacy would have a more positive attitude towards pursuing employment with an employment-at-will company than individuals with low self-efficacy. It was also predicted that individuals who are low in self-efficacy would be more likely to have intentions of joining a union in an employment-at-will company than individuals who are high in self-efficacy. Results of the MANOVA did indicate a significant interaction effect between termination policy and subject self-efficacy, $F(3,151) = 2.72, p < .05$. Since the multivariate test demonstrated significance, follow-up

univariate analyses of variance (ANOVAs) were conducted for each of the three dependent variables. Tables 8 through 10 present the results of these analyses.

With respect to corporate image, the interaction between termination policy and subject self-efficacy was not significant, $F(1,153) = 1.02, p > .05$. With respect to job pursuit intentions, the predicted termination policy by self-efficacy interaction was significant, $F(1,153) = 3.81, p < .05$. Finally, differences in intent to pursue union membership were in the predicted direction but fell just short of statistical significance, $F(1,153) = 3.53, p = .06$.

Table 8

Analysis of Variance Summary Table of Corporate Image

<u>Effect</u>	<u>DF</u>	<u>Mean Squares</u>	<u>F</u>	<u>Signif of F</u>
Termination Policy (A)	1	18.31	1.72	.19
Compensation Policy (B)	1	14.00	1.31	.25
Self-Efficacy (C)	1	30.28	2.84	.09
A X B	1	10.86	1.02	.31
A X C	1	.02	.00	.96
B X C	1	6.02	.56	.45
A X B X C	1	.28	.03	.87
Residual	153	10.66		

Table 9

Analysis of Variance Summary Table of Job Pursuit Intentions

<u>Effect</u>	<u>DF</u>	<u>Mean Squares</u>	<u>F</u>	<u>Signif of F</u>
Termination Policy (A)	1	12.57	2.89	.09
Compensation Policy (B)	1	.01	.00	.97
Self-Efficacy (C)	1	.92	.21	.65
A X B	1	1.29	.30	.58
A X C	1	16.58	3.81	.05 *
B X C	1	4.40	1.01	.32
A X B X C	1	.37	.09	.77
<u>Residual</u>	<u>153</u>	<u>4.35</u>		

* p < .05

Table 10

Analysis of Variance Summary Table of Intent to Pursue Union Membership

<u>Effect</u>	<u>DF</u>	<u>Mean Squares</u>	<u>F</u>	<u>Signif of F</u>
Termination Policy (A)	1	.72	.15	.70
Compensation Policy (B)	1	1.25	.26	.61
Self-Efficacy (C)	1	4.14	.87	.35
A X B	1	.95	.19	.66
A X C	1	16.86	3.53	.06
B X C	1	2.75	.58	.45
A X B X C	1	1.83	.38	.54
<u>Residual</u>	<u>153</u>	<u>4.78</u>		

Table 11 presents the cell means and standard deviations for the termination policy by self-efficacy interaction for job pursuit intentions. A Fisher's Protected Least Significant Difference (LSD) Test indicated that the only significant difference between cell means was between 11.58 and 12.74 ($d = .91$). For individuals with low self-efficacy concerning their job-related skills and abilities, termination policy did not effect their job pursuit intentions. However, potential applicants with high self-efficacy were more favorable towards pursuing employment in an organization with a grievance procedure ($M = 12.74$) than in an organization with an employment-at-will policy ($M = 11.58$). While the predicted termination policy by self-efficacy interaction was significant, the differences between means was the converse of what was hypothesized.

Table 11

Cell Means for the Termination Policy by Self-Efficacy Interaction for Job Pursuit Intentions

<u>Termination Policy</u>	<u>Self-Efficacy</u>	
	<u>Low</u>	<u>High</u>
Employment-at-will		
M	12.09	11.58
SD	2.16	2.15
n	(35)	(43)
Grievance Process		
M	11.98	12.74
SD	1.84	1.46
n	(41)	(42)

Table 12 presents the cell means and standard deviations for the termination policy by subject self-efficacy interaction for intent to pursue union membership. As stated earlier, this interaction approached statistical significance ($p = .06$). A Fisher's LSD Test indicated that the difference between 8.73 and 9.69 was significant ($d = .96$).

Table 12

Cell Means for the Termination Policy by Self-Efficacy Interaction for Intent to Pursue Union Membership

<u>Termination Policy</u>	<u>Self-Efficacy</u>	
	<u>Low</u>	<u>High</u>
Employment-at-will		
M	9.29	8.93
SD	2.01	2.42
n	(35)	(43)
Grievance Process		
M	8.73	9.69
SD	1.99	2.03
n	(41)	(42)

Supplementary Analysis

In order to determine the relationship between the demographic variables (ie., sex, age, amount of work experience, and whether the subject had or has a family member who belongs to a labor union) and the dependent measures, Pearson product-moment correlations were calculated. Table 13 presents the correlations between the demographic variables and corporate image, job pursuit intentions, and intent to pursue union membership. There was not a significant relationship between sex, age, or

amount of work experience and any of the three dependent measures. However, there was a significant negative correlation between family member union membership and corporate image scores ($r = -.15, p < .05$). Individuals who have union members in their family tended to have a less favorable image of the company. In addition, there was a significant correlation between union membership in one's family and intent to pursue union membership ($r = .23, p < .01$). Individuals who have union membership in their family were more positive about pursuing union membership.

Table 13

Correlations Between Subject Sex, Age, and Work Experience, and Union Membership in Family and Corporate Image (CI), Job Pursuit Intentions (JPI), and Intent to Pursue Union Membership (IPUM)

<u>Variable</u>	<u>CI</u>	<u>JPI</u>	<u>IPUM</u>
Sex	.14	.08	-.06
Age	-.05	.00	-.13
Work Experience	.01	.03	-.02
Union Membership in Family	-.15*	-.04	.23**

* $p < .05$ ** $p < .01$

Discussion

Currently a conflict exists between employees' rights of due process and employers' rights to manage their work force without undue restrictions. The present study sought to clarify some of the ramifications of this conflict. Specifically, this study examined the effect of organizational efforts to protect employment-at-will rights on potential applicants' 1) favorableness of impression of the organization, 2) interest in pursuing employment opportunities, and 3) intentions to pursue union membership.

Potential applicants who were exposed to an employment-at-will termination policy and an average compensation policy did not have less favorable corporate images, less interest in seeking employment, or higher intentions of pursuing union membership than those who were exposed to a "just cause"/grievance process termination policy and an above average compensation policy. Neither termination policy nor compensation policy affected potential applicant reactions. These findings are unexpected given the results of the Schwoerer and Rosen (1989) study, upon which this study was based. This section reviews the results of this study, presents some possible reasons why the results differed from the Schwoerer and Rosen results, and offers some suggestions for future research.

Often psychometrically poor measures and weak

manipulations are to blame for unexpected results. While these factors have an effect in most types of research, it is not believed that they explain the conflicting results of the present study. The present study was a modified replication of the Schwoerer and Rosen (1989) study which closely followed their methodology. Comments made by subjects in the present study lead us to believe that the subjects believed that the study was being conducted by a "real" corporation, and they appeared flattered that the company was interested in their opinions. After the experimental session, many students requested information concerning employment with the company in the brochure. Thus, it is believed that the subjects "bought" the manipulation.

Another factor that may affect the results of a study concerns subjects not attending to the experimental manipulations. In other words, subjects may not have noticed what the compensation or termination policy was. However, based on the large percentage of subjects who answered the manipulation check items correctly, it is clear that the subjects understood the policies to which they were exposed.

With respect to the measures used, the job pursuit intentions and the corporate image scales used in this study were adapted from Schwoerer and Rosen' measures. Because a standardized self-efficacy measure is not available, the

self-efficacy concerning job-related skills and abilities scale was developed based on Bandura's suggestions concerning the appropriate methodology for measuring self-efficacy. The responses on the resulting scale were positively skewed having a mean scale score of 16.39 out of a possible 20 points and a median score of 17. Because the responses were highly skewed in the positive direction, ceiling effects could have taken place. Therefore, the scale may not have differentiated very well between individuals who have low self-efficacy and those who have high self-efficacy. Another possible explanation for the positively skewed self-efficacy scores may be that the present sample was very homogeneous with respect to its self-efficacy concerning job-related skills and abilities.

Our predictions that termination policies which include a company grievance process would lead to more favorable corporate impressions, more interest in seeking employment, and lower favorability towards joining a union than employment-at-will policies were not confirmed. Subjects did not evaluate the organization with the employment-at-will termination policy any differently than the organization with the due process/grievance procedure termination policy in terms of corporate image, job pursuit intentions, and intent to pursue union membership. Thus, potential applicants were not negatively affected by the presence of an employment-at-will policy.

Perhaps, the best explanation for the difference in the present results and the Schwoerer and Rosen (1989) results lies in differences between the educational background of the samples. The Schwoerer and Rosen (1989) sample consisted of junior and senior business majors at a large state university who were seeking entry-level professional business careers. The present sample consisted of students from small vocational and technical training programs. These subjects were in the process of seeking predominantly blue-collar or clerical employment in one of the local manufacturing plants.

Studies have shown that educational background can affect employees attitudes about their jobs (Jurgensen, 1978; Krausz, 1978). Jurgensen (1978) found that as educational level increases, the importance of security increases significantly. For example, individuals with an advanced degree ranked security 5.7 on a ten-point scale. Conversely, individuals with a high school education plus technical school ranked security 2.4 on a ten-point scale. Individuals with lower levels of formal education also evaluated compensation and benefits as less important than individuals with higher levels of education.

It is believed that a corporation's termination policy communicates a degree of security, or lack of security, to applicants and employees (Leonard, 1983; Abbasi et al., 1987; Schwoerer and Rosen, 1989). One of the premises for

believing that employment-at-will policies would lead to negative potential employee reactions is that, in general, job security is valued highly by employees (Jurgensen, 1978; Krausz, 1978). Therefore, the lower level of importance placed on security by individuals with lower levels of formal education is important in the context of understanding the lack of negative effects of employment-at-will policies in the present study.

Schwoerer and Rosen (1989) cautioned against generalizing their results beyond future job seekers in search of entry-level professional management positions. Perhaps, we should have acknowledged these warnings more seriously in the formation of our hypotheses.

Schwoerer and Rosen (1989) also cautioned that samples with different backgrounds than their sample of college students may have more appreciation for issues concerning employee rights. In this case however, their sample may have valued the issue of employee rights more than the present sample. Educational background influences the number and type of employment opportunities that individuals have, which in turn, affects individuals' job expectations (Occupational Outlook Quarterly, 1987). Individuals who are preparing to graduate from a well-respected university are likely to believe that they will have relatively good employment opportunities and many options within the labor market. Their advanced education affords them the

opportunity to make choices between employers based on what the organizations have to offer. Conversely, individuals in the present study may have felt that they have limited employment opportunities and choices available to them. Only one-third of the present sample felt confident that they would "be offered a good job in their field." Statements made by the vocational-technical school director also provide support for this hypothesis. The director indicated that many students were very worried about gaining employment because many large companies in the area were laying-off employees or not hiring. He further stated that some employees were willing to work for \$4.00 per hour just so they could "get their foot in the door at a company."

Another factor that may contribute to individuals' perceptions of limited employment options is the individuals' employment seeking plans. As stated earlier, subjects in the present sample were seeking predominantly blue-collar or clerical employment in manufacturing plants in the immediate area. On the contrary, it would be highly unlikely that the Schwoerer and Rosen subjects would pursue employment in the immediate area where they were being educated. It is likely that they would pursue employment opportunities either nationally or at least regionally. In other words, new college graduates tend to seek employment wherever it exists. Conversely, the subjects in the present study planned to pursue employment locally. These subjects

were in effect "place bound" in their employment opportunities and therefore, limited to the employment opportunities in the area.

Individuals who plan to seek employment nationally or regionally would have more employment opportunities than those who either limit themselves or are limited to a small geographic area. Individuals with "limited options" have to "make the most" of the opportunities available to them and therefore, cannot afford to be choosy with respect to their employment opportunities. Examination of the mean scores on the job pursuit intentions scale of the two samples appears to support this notion. While the present sample had a mean score of 12.09 out of a possible 15 points ($SD = 2.09$), the Schwoerer and Rosen sample had a mean of 10.01 ($SD = 2.99$). The present sample had much higher job pursuit intentions and less variability concerning their job pursuit intentions than the Schwoerer and Rosen sample. In fact, no matter which termination or compensation policy these subjects were exposed to their job pursuit intentions were uniformly high (11.38 to 12.85).

In summary, it is believed that subjects in the present sample were limited in their employment options because of their educational background and this led to a lower level of interest in factors such as job security compared to the Schwoerer and Rosen (1989) sample. This perception of limited employment opportunities may well have diluted the

impact of the employment-at-will issue in this study.

Also unsupported were our predictions that there would be a main effect of compensation for all three dependent variables and an interaction of termination policy and compensation policy for intent to pursue employment and intent to join a union. Ratings of corporate image, job pursuit intentions, and intent to pursue union membership did not differ based on the compensation policy (average versus leading) to which the potential applicant was exposed. Nor did ratings differ based on the particular combination of compensation policy and termination policy to which subjects were exposed. These findings are also unexpected based on the results of other studies that have shown that employees value compensation highly (Jurgensen, 1978; Krausz, 1978; Schwoerer and Rosen, 1989). However, because of the differences between the educational backgrounds of the two samples as discussed above, it is believed that the present sample had fewer employment options than individuals with higher levels of formal education, and thus were more concerned with the broader issue of gaining employment. Therefore, they appeared to be indifferent towards the supplementary issue of high versus average compensation which ruled out any interactions between compensation policy and termination policy.

Our hypothesis of an interaction of termination policy and self-efficacy for intent to pursue employment and intent

to join a union was partially supported. Although the predicted termination policy by self-efficacy interaction was significant with respect to job pursuit intentions, the effect was not in the direction expected. It was predicted that high self-efficacy individuals would have more positive attitudes towards pursuing employment with an employment-at-will company than individuals with low self-efficacy. Results of the follow-up test indicated that individuals with high self-efficacy concerning their job-related skills and abilities were more favorable towards pursuing employment opportunities with an organization with a grievance procedures than with an organization with an employment-at-will policy. Conversely, low self-efficacy individuals were not affected by type of termination policy when it came to their job pursuit intentions.

A possible explanation for our findings lies in an alternative interpretation of the self-efficacy theory. Bandura's theory of self-efficacy has been closely related to Rotter's (1977) internal versus external locus of control distinction. Individuals with an internal locus of control tend to believe that they are responsible for what happens to them in life and that they can control their fate to a certain degree. Conversely, individuals with an external locus of control tend to believe that what happens to them is largely out of their control and primarily due to fate. Studies have shown that high self-efficacy individuals tend

to have an internal locus of control, whereas, those with low self-efficacy tend to have an external locus of control.

The relationship between self-efficacy and locus of control provides an explanation for the findings of the present study. Perhaps, individuals with low self-efficacy were not affected by termination policy because they feel that whether or not they are terminated is out of their control. However, those with high self-efficacy may have preferred a due process termination policy because they feel that if their job was endangered, their abilities would be evident and allow them to clear themselves (i.e. internal locus of control) of any charges of wrongdoing. However, a high self-efficacy individual working for an employment-at-will organization would have less control over the possibility of their termination.

This explanation for the finding that high self-efficacy individuals had more favorable job pursuit intentions with an organization with a grievance process than an employment-at-will organization is also consistent with the "limited options" theory presented earlier. It appears reasonable that individuals with high self-efficacy concerning their job related skills and abilities, who also tend to have an internal locus of control, would perceive that they have relatively good employment opportunities and options. This perception of favorable opportunities and options is due to their belief in their abilities. Further,

high self-efficacy, internal locus of control individuals should believe that they have some control over their employment opportunities. Conversely, low self-efficacy individuals, who tend to have an external locus of control, may feel that they have no control over their employment options and that they can do little to increase these opportunities. Therefore, they may be willing to accept the employment opportunities that they are presented with, regardless of the termination policy.

Our prediction that low self-efficacy individuals would be more likely to have intentions of joining a union with an employment-at-will company than high self-efficacy individuals approached statistical significance, but again, these results were not in the predicted direction. Follow-up analysis revealed that in an organization with a grievance process, high self-efficacy individuals were more favorable towards pursuing union membership than low self-efficacy individuals. Perhaps these individuals viewed union membership as an additional employment option which would allow them to exert control over their work environment.

Future Research

Given the differences between these findings and the Schwoerer and Rosen (1989) findings, it is clear that more research is needed in the area of employee reactions to termination policies. To date, there have only been two

studies investigating the effects of employment-at-will policies on applicant attitudes and they have yielded conflicting results. Therefore, it may be too early to recommend that employers either use, or refrain from using employment-at-will policies in their organizational recruiting brochures based on concern for applicant/employee reactions. However, as Schwoerer and Rosen stated, an employment-at-will policy may provide an organization with two benefits. First, it is providing a realistic job preview and promoting realistic job expectations with regard to the organization's termination policy. Second, a clear statement of the employer's position with respect to employment-at-will could protect the employer against possible implied contract charges by those employees who are terminated.

Future research is needed to test the "limited options" theory. If research confirms that the range of options individuals perceive themselves as having affects individuals' reactions to employment-at-will policies, then follow up studies should examine which factors lead to applicants perceiving that their employment opportunities are limited. For example, it seems reasonable that unemployment level, socioeconomic status, education level, or type of career sought could all reasonably be expected to affect individuals' perceived range of employment options.

Future research is also needed to investigate other

variables which affect whether applicants respond negatively, favorably, or indifferently to employment-at-will policies. Studies utilizing a more educationally diverse group may confirm whether amount of education moderates the relationship between applicant reactions and employment-at-will policies. These studies should investigate the relationship between range of education and individuals' perceptions concerning the amount of choices they have available. These studies may confirm whether or not a lack of formal, higher education is related to less optimistic employment expectations and diminished concern with factors such as employee rights and compensation.

Research is also needed to further determine how self-efficacy and locus of control may be used to determine which job applicants will have negative reactions to employment-at-will policies. In terms of self-efficacy, this type of research would need to center on validating a job-related skills and abilities self-efficacy measure. Research should also investigate the relationship between potential applicants' locus of control and their reactions to employment-at-will policies. Perhaps this line of research would reveal that this variable is more closely related to reactions to employment-at-will policies than self-efficacy.

Finally, it may also prove useful to investigate the relationship between negative reactions to employment-at-will policies and actual job performance. Future studies

might reveal that good performers, who tend to see themselves as having many employment options, will demand protection from employment-at-will policies.

The data from the present study suggests that employment-at-will policies can be utilized without eliciting negative reactions in situations where potential applicants have limited employment opportunities or limited options. For example, organizations that are located in areas where the work force tends to be stationary and where there is a fairly large potential applicant pool from which applicants can be recruited should be able to assert their employment-at-will rights without any ill effects. Conversely, in situations when potential applicants perceive that they have many employment options (e.g., if the growth rate for labor force continues to shrink, in areas where applicants are highly mobile or transient, or when recruiting professional employees) it may well prove wise to avoid employment-at-will policies.

APPENDIX A

Instructions

Companies are interested in how applicants view their employment brochures. The purpose of this study is to investigate how recruiting materials affect prospective employees' perceptions about the organization. Specifically, **Technicon**, a leader in computerized medical equipment manufacturing, is interested in how employment policies in recruiting brochures affect potential applicants' 1) attitudes towards the organization, 2) the likelihood that an individual will pursue employment with that company, and 3) attitudes towards unions.

Attached to this instruction sheet is an employment brochure for Technicon, Inc. and a questionnaire. Read the brochure carefully and pay close attention to Technicon's company policies and procedures. Based on what you read in the brochure, complete the questionnaire. When you have completed the questionnaire, raise your hand. The researcher will collect the completed questionnaire and give you a second questionnaire.

The second questionnaire contains 1) questions about you (age, sex, major, etc.) and 2) questions about policies and procedures contained in the Technicon brochure. Please read the Technicon brochure carefully so that you will be able to complete the second questionnaire. Complete this questionnaire and return it to the researcher.

Your participation in this research is voluntary. Your responses will be kept in strict confidence and that there is no way for anyone to identify you. Please be sure to answer all the questions. If you have any questions please raise your hand. Your participation is greatly appreciated.

APPENDIX B

Job-Related Skills and Abilities

Shown below are a number of tasks that a person might be asked to perform. Read each statement carefully. Based on how you currently feel about your job-related skills and abilities, please indicate the degree to which you are certain you can successfully perform each task. Use one of the following response possibilities and mark your response (1, 2, 3, 4, or 5) next to each statement.

(1)	(2)	(3)	(4)	(5)
20%	40%	60%	80%	100%
certain	certain	certain	certain	certain

- ___ 1. Successfully perform any task or assignment that my vo-tech instructor assigns.
- ___ 2. Successfully learn a new task or technique in one of my vo-tech classes.
- ___ 3. Based on my job-related skills and abilities, obtain a job interview for a good job in my chosen field.
- ___ 4. Successfully demonstrate my job skills and abilities to a potential employer during an employment test.
- ___ 5. Based on my job-related skills and abilities, be offered a good job in my field.
- ___ 6. Successfully perform any task required for a job in my field.
- ___ 7. Perform well enough in a job in my field to get an outstanding performance appraisal.
- ___ 8. After one year on the job, perform my job better than most other people who hold that job.

APPENDIX C

Corporate Image and Job Pursuit Intentions

Technicon is interested in learning how you view their company as a potential employer. Read each statement and based on policies & procedures provided in the employment brochure you just read, please determine the extent to which you agree or disagree with each statement. Use the response possibilities below and mark your response next to each statement:

1	2	3	4	5
strongly disagree	disagree	neither disagree nor agree	agree	strongly agree

- ___ 1. Technicon is a company that offers good career opportunities for trained individuals.
- ___ 2. Technicon is a company which is not concerned about its employees.
- ___ 3. Technicon is a good choice for a long-term career.
- ___ 4. Technicon is not likely to treat its employees in a fair way.
- ___ 5. I would consider Technicon a desirable employer when I begin my career.
- ___ 6. Compared to most other companies, Technicon would be a better place to work.
- ___ 7. I would request additional information about employment with Technicon.
- ___ 8. I would not sign-up for an interview with Technicon.
- ___ 9. I would accept an employment offer with Technicon.

APPENDIX D

Intent to Join Union

Below are a number of statements that concern how a person might feel about union membership. Based on what you know about unions and the employment conditions at Technicon, please indicate the extent to which you agree or disagree with each statement.

1	2	3	4	5
strongly disagree	disagree	neither disagree nor agree	agree	strongly agree

- _____ 1. As long as I enjoy the kind of work I do, it does not matter if I belong to the union at Technicon.
- _____ 2. I definitely plan to join the union at Technicon.
- _____ 3. If I take a job at Technicon, I do not plan to ask for information about the union.
- _____ 4. I plan to meet with the union representative at Technicon.
- _____ 5. The presence of a union at Technicon will positively effect my decision whether to accept employment at that company.
- _____ 6. The union member at Technicon does not get enough benefits for the money taken by the union for initiation fees and dues.
- _____ 7. The union at Technicon can provide me with higher pay.
- _____ 8. The fact that Technicon is unionized makes it a more desirable employer.
- _____ 9. The union at Technicon cannot provide me with better working conditions.
- _____ 10. The union at Technicon can protect me by providing formal rules and procedures for discipline.
- _____ 11. Unionized companies (such as Technicon) are not more fair to their employees.
- _____ 12. Unionized companies (such as Technicon) provide their workers more job security.

Appendix E

Please check or fill-in the following information about yourself.

Age _____

Sex : Male _____ Female _____

Amount of prior work experience (number of months) _____

Vocational/Technical Training Major _____

When you have completed your vocational/technical training, what will your future job title be? _____

Is any member of your family in a union? yes _____ no _____

Who in your immediate family belongs (or belonged) to a union? Please put a check by the relatives that are (or were) union members and specify the name of the union by their name.

<u>Relative</u>	<u>Name of the Union</u>
<input type="checkbox"/> father	_____
<input type="checkbox"/> mother	_____
<input type="checkbox"/> brother/sister	_____
<input type="checkbox"/> grandfather(s)	_____
<input type="checkbox"/> grandmother(s)	_____
<input type="checkbox"/> uncle(s)	_____
<input type="checkbox"/> aunt(s)	_____
<input type="checkbox"/> other (please specify relationship & union affiliation)	_____

Please answer the following questions about the Technicon employment brochure.

- 1) Technicon is primarily located in _____
 - the Southeast only
 - the Midwest only
 - the Northwest only
 - the Northeast only
 - the Southeast and the Midwest

- 2) Starting wages at Technicon are
 - highly competitive and well above industry averages
 - comparable to the average pay in the industry
 - lower than the average pay in the industry

- 3) At Technicon, employees can
 - be terminated at any time for any reason
 - are protected from arbitrary termination because a company grievance & appeals procedure is used.

- 4) Are any of Technicon's employees unionized?
 - yes
 - no

APPENDIX F

Front and Back Cover of Employment Brochure
(for all conditions)**AN INVITATION TO FIND OUT MORE**

There are many reasons to consider Technicon for a career. This is a special place to work, at the forefront of one of the world's most dynamic industries. The work is demanding and the pace is exciting. There is opportunity for you to advance as far and as fast as your talents can take you. Contact your school placement office for more information.

**CAREER OPPORTUNITIES AT
TECHNICON****WHAT IS TECHNICON?**

Technicon, Inc. is a recognized leader in the manufacturing of computerized medical equipment. We are committed to research and development, as well as responsive service for our customers.

We at Technicon take pride in our growth over the past fifteen years. We recognize the debt we owe to our employees for our performance in the past and our competitiveness now and in the future.

WHERE ARE WE

Technicon, Inc. has major offices throughout the Southeast and the Midwest. Growth has also brought several business locations to the West Coast. As a new employee at Technicon, you may find yourself in a variety of locations. Our plants have been located with an eye on the quality of life available to our employees as well as on business opportunities.

APPENDIX F (con't)

Employment-at-will Termination Policy and
Average Compensation PolicyWHAT WE CAN OFFER YOU

Technicon offers interesting work and the opportunity for personal and career growth. We offer a wide variety of opportunities for individuals in many areas (including technical, clerical, and health-related fields, to mention a few).

Technicon is a large and diverse corporation, but we treat our employees well. Employee development is a key part of our overall business strategy. We know that maximizing our corporate potential depends on the skill, creativity, and motivation of our employees. Therefore, we recruit and hire the best people and we support and encourage them. Because we try to be as flexible in promoting your job opportunities, we expect you to be flexible in contributing to the company's progress.

To give you a realistic view of how you will be contributing, here are some of the major challenges that our new employees encounter:

- 1) Advancement may require relocation to a plant in another city. If relocation is required for an employee to advance, the company reimburses the employee for the moving expenses.
- 2) We value flexibility. Therefore, new employees are placed in a job rotation program. Through this program you will have the opportunity to use your skills in many different jobs throughout the plant. This allows you the opportunity to learn skills in new areas and it gives Technicon the opportunity to place employees where they will ultimately be most effective.
- 3) All new employees are given an orientation to Technicon's company policies. After this orientation, most employees are assigned an on-the-job instructor (a senior employee) who will orientate you to the job rotation program and your job responsibilities.

EMPLOYMENT POLICIES AT TECHNICON**Career Paths**

At Technicon, people are not assigned to specific areas or narrow specialties. Employees are encouraged to excel in different areas through the job rotation program. Identifying and developing those employees who will become Technicon managers in the future is a constant priority.

Salary and Compensation

Starting wages at Technicon are comparable to the average compensation in the industry. Our merit-based compensation system means that your skills, abilities, and performance play a major role in determining your salary increases and progress.

Benefits

Our employees enjoy a balanced benefit package. Among the benefits offered are life and health insurance, retirement plans, and substantial support for continued training and education.

Employee Rights

Technicon wants to encourage open communication with its employees. Technicon is committed to fair treatment for all employees. However, potential employees must realize that companies have to operate within competitive environments. Therefore, employment can be terminated, with or without cause, and with or without notice at any time, at either the employee's option or the company's option.

Union Membership

Technicon is an open shop. Therefore, union membership is optional and neither encouraged nor discouraged. At this time, the company's work force is moderately unionized.

APPENDIX F (con't)

**"Just Cause" Termination Policy and
Leading Compensation Policy****WHAT WE CAN OFFER YOU**

Technicon offers interesting work and the opportunity for personal and career growth. We offer a wide variety of opportunities for individuals in many areas (including technical, clerical, and health-related fields, to mention a few).

Technicon is a large and diverse corporation, but we treat our employees well. Employee development is a key part of our overall business strategy. We know that maximizing our corporate potential depends on the skill, creativity, and motivation of our employees. Therefore, we recruit and hire the best people and we support and encourage them. Because we try to be as flexible in promoting your job opportunities, we expect you to be flexible in contributing to the company's progress.

To give you a realistic view of how you will be contributing, here are some of the major challenges that our new employees encounter:

- 1) Advancement may require relocation to a plant in another city. If relocation is required for an employee to advance, the company reimburses the employee for the moving expenses.
- 2) We value flexibility. Therefore, new employees are placed in a job rotation program. Through this program you will have the opportunity to use your skills in many different jobs throughout the plant. This allows you the opportunity to learn skills in new areas and it gives Technicon the opportunity to place employees where they will ultimately be most effective.
- 3) All new employees are given an orientation to Technicon's company policies. After this orientation, most employees are assigned an on-the-job instructor (a senior employee) who will orientate you to the job rotation program and your job responsibilities.

EMPLOYMENT POLICIES AT TECHNICON**Career Paths**

At Technicon, people are not assigned to specific areas or narrow specialties. Employees are encouraged to excel in different areas through the job rotation program. Identifying and developing those employees who will become Technicon managers in the future is a constant priority.

Salary and Compensation

Starting wages at Technicon are highly competitive and well above industry averages. Our merit-based compensation system means that your skills, abilities, and performance play a major role in determining your salary increases and progress.

Benefits

Our employees enjoy a generous, balanced benefit package. Among the benefits offered are life and health insurance, retirement plans, and substantial support for continued training and education.

Employee Rights

Technicon wants to encourage open communication with its employees. Technicon is committed to fair treatment for all employees. Therefore, the company has a formal grievance and appeals process that is utilized in all discipline situations.

Union Membership

Technicon is an open shop. Therefore, union membership is optional and neither encouraged nor discouraged. At this time, the company's work force is moderately unionized.

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