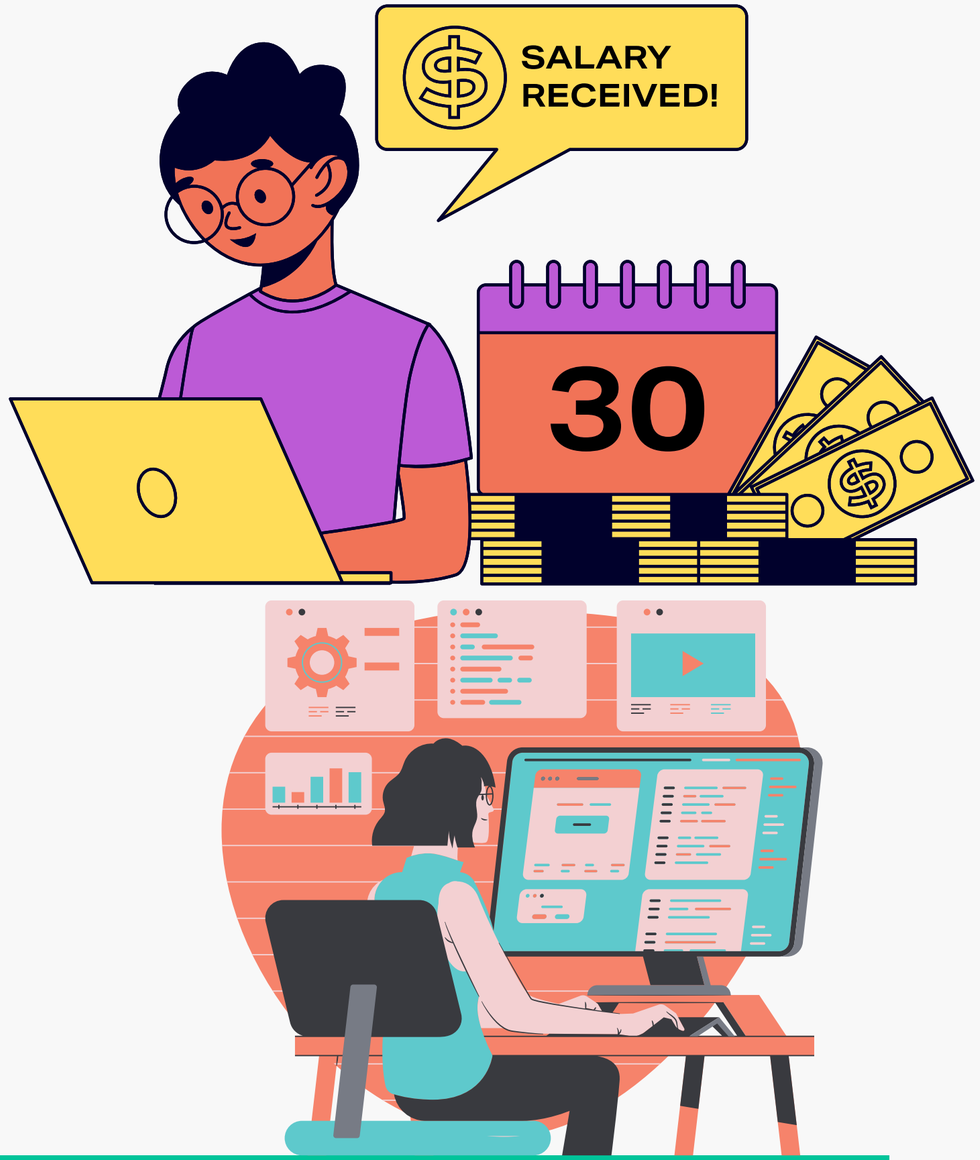
March 16, 2023

Business Experimentation & Causal Methods

Does Salary Disclosure on Job Postings Affect Overall Application Rates?



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I Research Question & Hypothesis

Past Research Emphasis:

- Information on other people's actions increases the likelihood of job application rate (*Gee, 2017*).
- How employee salary history disclosures affect employer demand (*Agan, Cowgill, Gee, 2021*).

Our Research Question:

Does salary range disclosure on job postings increase candidates' overall application rate?

Hypothesis:

Salary range disclosure on job postings increases candidates' overall application rate.

Research Inspiration

The More You Know:
Information Effects on Job Application Rates in a Large Field Experiment*

Laura K. Gee[1]

LinkedIn(to) Job Opportunities: Experimental Evidence from Job Readiness Training*

Laurel Wheeler[†], Robert Garlick[‡], Eric Johnson[§], Patrick Shaw[¶], Marissa Gargano[‖]

SALARY HISTORY AND EMPLOYER DEMAND:
EVIDENCE FROM A TWO-SIDED AUDIT

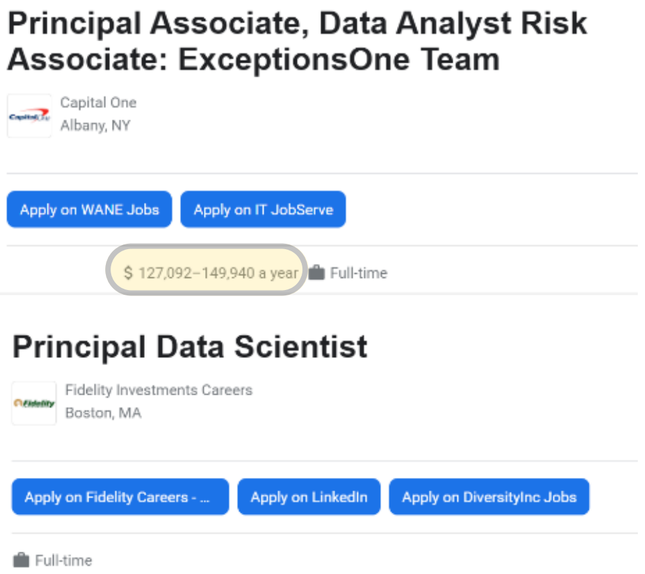
Amanda Y. Agan
Bo Cowgill
Laura K. Gee

II Outcome & Survey Design

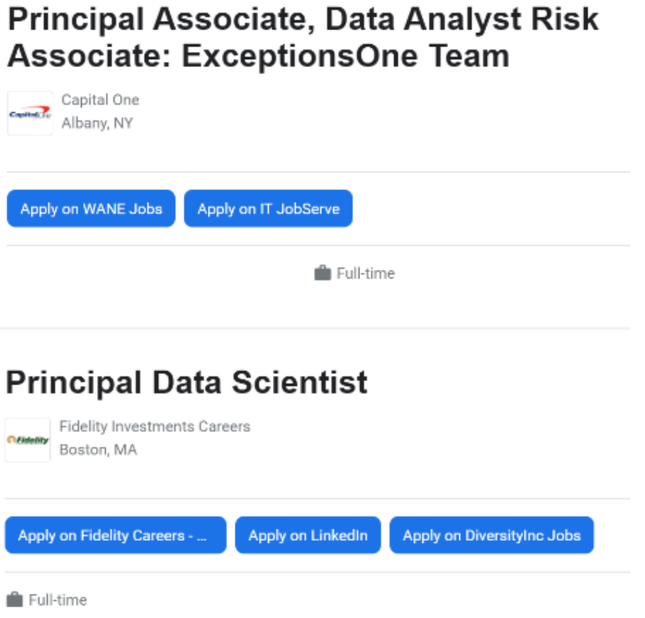
- **Treatment --- Disclosing Salary range**
- **Control --- Not disclosing Salary range**
- Our survey design included 10 sets of T&C questions
- Participants answered 10 questions in total
- Qualtrics evenly drew 1 question from a set of questions (It will be either Treatment Q1 or Control Q1)
- Outcome variable
  - **Treatment group:**
  - 1 -- choose the job with a salary range(top)
  - 0 -- choose the job without a salary range(bottom)
  - **Control group:**
  - 1 -- choose the job with a salary range in T version(top)
  - 0 -- choose the job without a salary range in both T&C versions(bottom)
- Demographics info(age, gender, education level, full-time working experience)

Survey Design

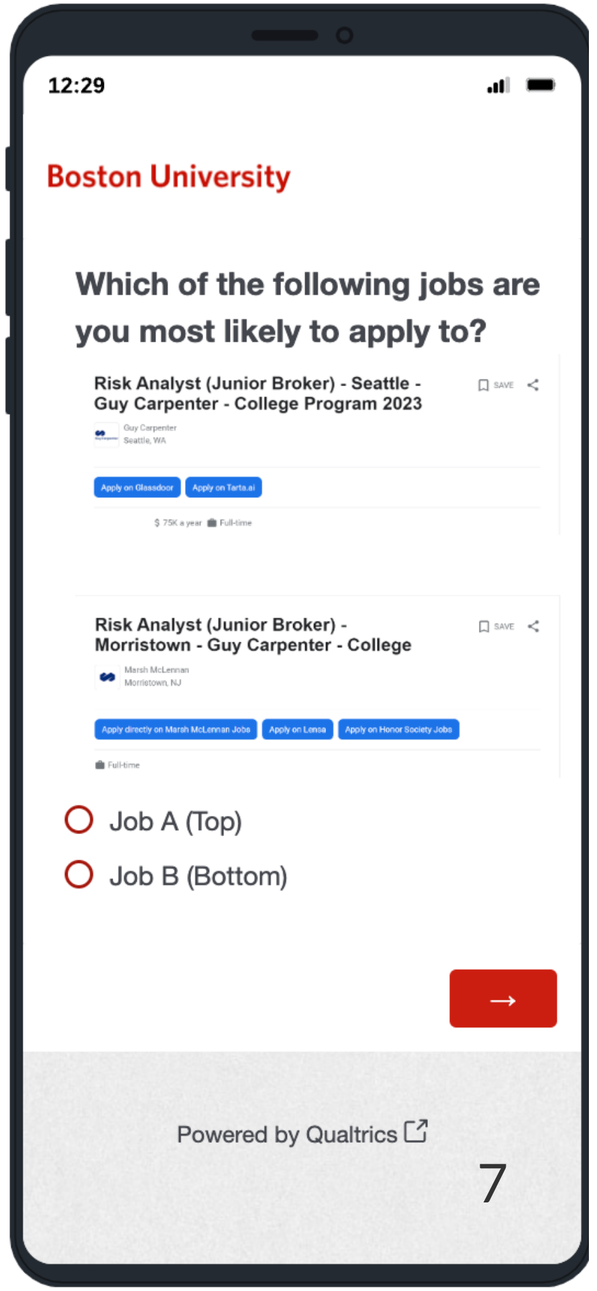
Treatment Q1:



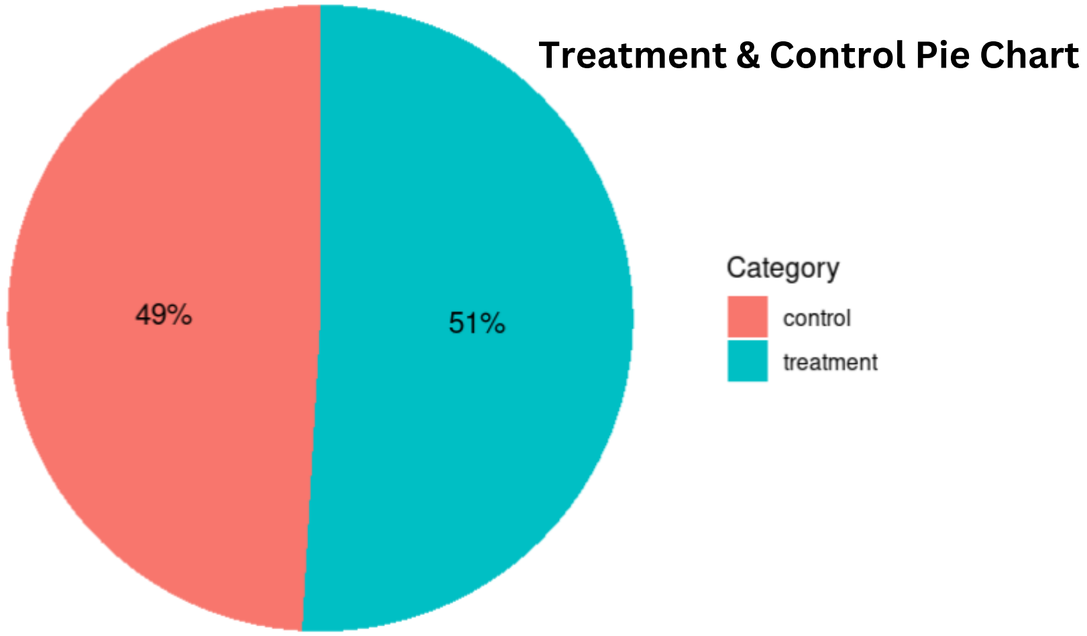
Control Q1:

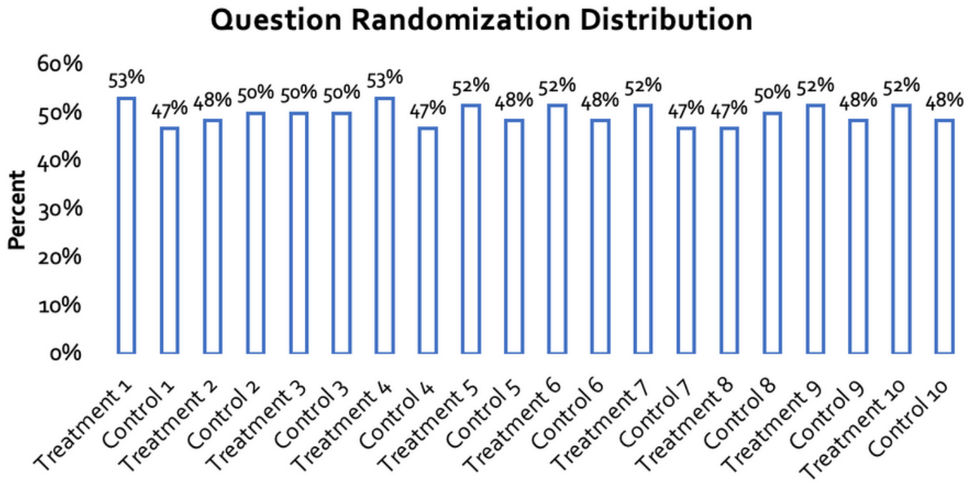


Interface



III Treatment & Randomization





Method	Treatment & Control
Qualtrics Survey	Evenly Split on Question Level

Randomization

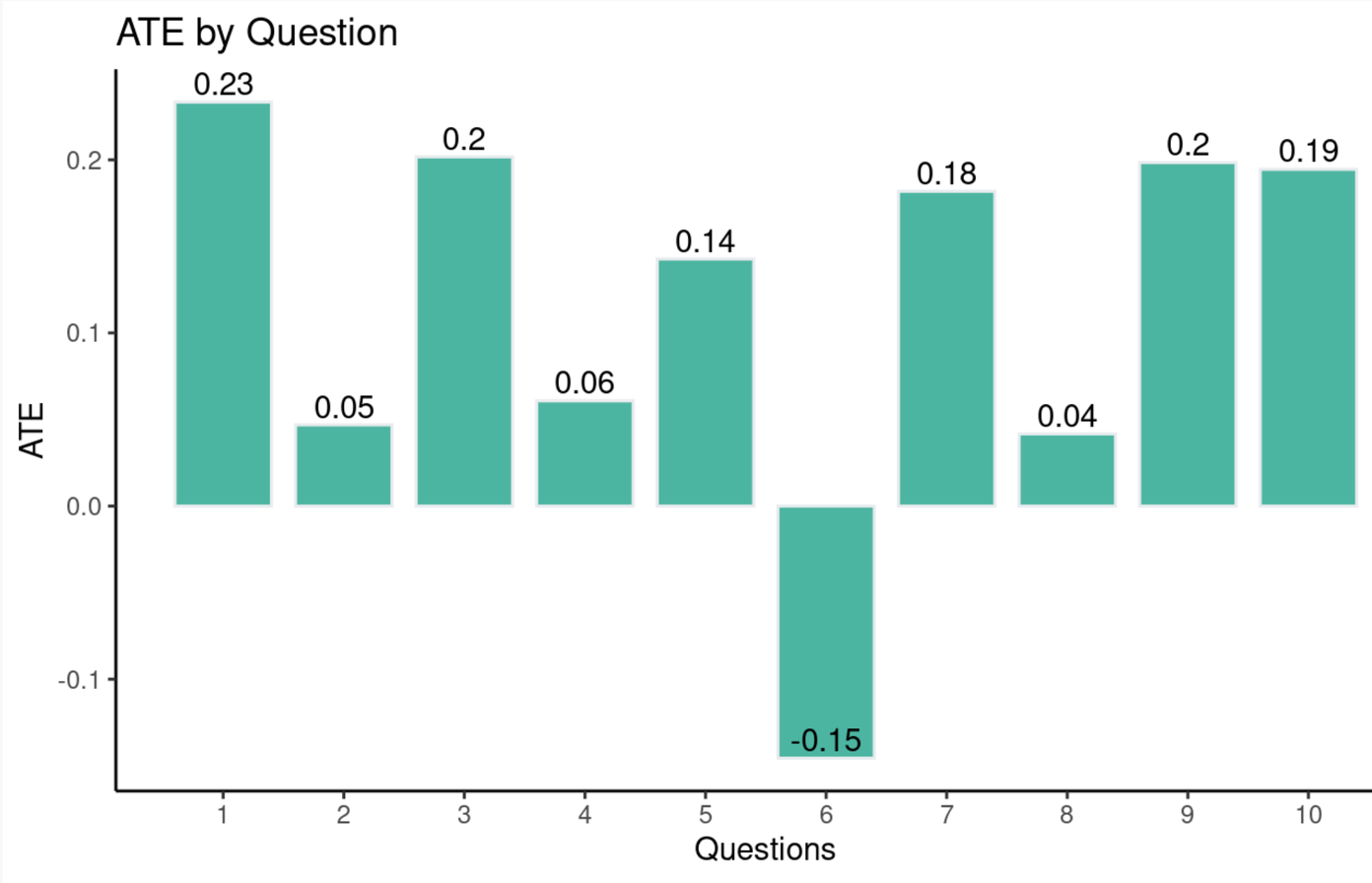
Question-level randomization where treatment and control are equally split (excluding null responses)

We conducted **Question-level A/B testing** to randomly assign job postings to participants:

1. **Treatment** - job postings with a disclosed salary range
2. **Control** - job postings without a disclosed salary range

Estimated Average Treatment Effect (ATE)

- **Overall ATE is 0.1156**
- 6 out of 10 questions show above-average ATE
  - Participants are more likely to choose jobs with salary information
- 3 out of 10 questions show slight differences in ATE
- Question 6 generated a *-0.15* ATE, meaning the control group is more likely to choose jobs with salary range
  - Salary range doesn't match expectation
  - Bias due to sample size



V Research Limitations

Limitation 1: Sample Size

The survey was answered by 64 individuals, consisting of MSBA students and others that are easily reachable (640 observations).

Limitation 2: Opinion Placement

Respondents may have been influenced to choose the top answer option due to its placement and convenience.

Limitation 3: Self-selection bias

Participants who choose to participate in the study may be different from those who do not participate in ways that could impact the study results.

Bibliography

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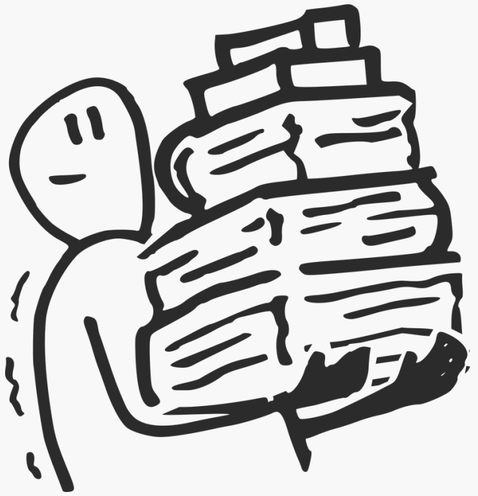

thank you so much!