



# Too Good to Hire? Capability and Inferences about Commitment in Labor Markets\*

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## Abstract

We examine how signals of a candidate's capability affect perceptions of that person's commitment to an employer. In four experimental studies that use hiring managers as subjects, we test and show that managers perceive highly capable candidates to have lower commitment to the organization than less capable but adequate candidates and, as a result, penalize high-capability candidates in the hiring process. Our results show that managers have concerns about a high-capability candidate's future commitment to the organization because they view highly capable candidates as having lower levels of organizational interest—meaning they care less about the mission and values of the organization and exert a lower level of effort toward those ends—and because they assume highly capable candidates have more outside job options, increasing their flight risk. Our findings highlight that capability signals do not necessarily afford candidates an advantage in selection, suggesting an upper limit on credentials and other signals of capability in helping candidates get jobs. Our study contributes to research on labor markets, human capital, and credentialing by offering a theory for why and when capability signals can negatively influence job candidate selection decisions.

**Keywords:** hiring, signaling, organizational commitment, credentialing, labor markets

Employers' selection of job applicants is an important labor market process because access to jobs in certain organizations influences career trajectories, and access to the best workers is believed to provide a competitive advantage

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to organizations (Baron, 2004; Stainback, Tomaskovic-Devey, and Skaggs, 2010; Bidwell, 2011; Cobb and Lin, 2017). A fundamental aspect of selection is that employers often lack relevant information about applicants and infer such information from various signals (Spence, 1974). For instance, employers' inferences about applicants' capability are affected by aspects of their career history, such as gaps in employment (Eagly and Steffen, 1984; Gibbons and Katz, 1991; Pedulla, 2016; Weisshaar, 2018) and specialization in a field (Ferguson and Hasan, 2013; Leung, 2014; but see also Zuckerman et al., 2003; Merluzzi and Phillips, 2016). Similarly, employers may attempt to infer capability from a candidate's membership in a social category like race and gender (Altonji and Pierret, 2001; Correll and Benard, 2006; Fryer, Pager, and Spenkuch, 2013).

Increasingly, however, studies suggest that selection decisions are affected not only by perceptions of candidates' capability but also by perceptions of their commitment—the dedication and effort that can be expected from someone if hired (e.g., Correll, Benard, and Paik, 2007; Rivera and Tilcsik, 2016; Weisshaar, 2018). The perception that someone has a low level of commitment increases their deviation from the “ideal worker” standard (Acker, 1990; Dumas and Sanchez-Burks, 2015) even when candidates are sufficiently capable of doing the job. For instance, managers may interpret having work experience that is erratic or non-standard as a signal of lack of commitment and penalize such candidates in the selection process (Kalleberg, 1995, 2009; Leung, 2014). Similarly, studies show that socio-demographic category membership affects perceptions of commitment. Candidates who are women—and especially mothers—may be perceived to have a lower level of work commitment due to beliefs about their competing outside commitments (Correll, Benard, and Paik, 2007; Rivera and Tilcsik, 2016; Weisshaar, 2018), which lowers women's chances of advancing in the hiring process relative to men—and to women without children.

While extant research separately investigates the effect of perceptions of candidates' capability and perceptions of their commitment on the probability of a candidate's being selected for a job, the relationship between the two dimensions is not clear and warrants further examination. First, it is possible that signals of a candidate's capability, which tend to be more tangible (e.g., information on a résumé), influence perceptions of that person's commitment, which can be more elusive. Second, research has suggested that others generally view the commitment and trustworthiness of highly capable actors with suspicion, which suggests the two are related (Lamont, 2000; Hahl and Zuckerman, 2014). Third, while perceptions of commitment and capability in the extant research on hiring appear to move in the same direction—perceptions of both higher commitment and higher capability bring one closer to the ideal worker standard, and perceptions of both lower commitment and lower capability move one away from that ideal—research on actual post-hire commitment has shown that it may also be negatively related to capability (e.g., Sicherman, 1991; Fine and Nevo, 2008; Green and Zhu, 2010). The anticipation of this negative effect of signals of high capability on commitment post hire could ostensibly shape employers' selection decisions in hiring in ways that are not addressed by the extant literature and that can introduce bias into the hiring process.

In this paper, we develop a theory linking signals of high capability to penalties in the selection process that result from perceptions of commitment by

explicating how employers assess candidates along the two dimensions. While a job candidate's high qualifications are most often discussed as conveying information about the ability to perform the job, these same signals could negatively affect the perceptions of a candidate's commitment to perform the job for the benefit of the organization. This proposition is consistent with some empirical findings on education that suggest there is a negative relationship between years of education on a résumé and the selection of candidates for some jobs (Bills, 1992; Fernandez and Weinberg, 1997: 887; Fernandez, Castilla, and Moore, 2000: 1303; Kuhn and Shen, 2013; Di Stasio, 2017) and between the high quality of candidates' educational institutions and their chances in the job market (Coles et al., 2010).

If signals intended to convey the highest capability instead reduce employment opportunities, this could imply some systematic disadvantage in job search and lower labor market mobility for the most capable candidates. If true, it is important to uncover the selection mechanisms that lead to such disadvantage, because signals of high capability are costly to those who obtain them. Workers and researchers often assume that the benefits of getting elite degrees or taking less pay from résumé-boosting employers for increased mobility and employability outweigh the costs—the time and money spent and the opportunities forgone in pursuit of these signals (Phillips, 2001; Hamori, 2006; Rider and Tan, 2014; Bidwell et al., 2015; Campero, 2016). Therefore, understanding why and when signaling high capability is counterproductive is not only important for theories of organizational and labor market mobility, human capital, and credentialing but also has practical implications for hiring practices and employees' careers.

Two important mechanisms may lead those with higher capability signals to be seen as less committed and to be penalized as a result. First, research has shown that audiences generally suspect high-achieving candidates of being strategic and motivated by self-serving goals in lieu of organizational or pro-social goals (Lamont, 2000; Hahl and Zuckerman, 2014; Hahl, Zuckerman, and Kim, 2017). Accordingly, we posit that high-capability workers may be perceived to be less motivated by an employer's objectives. Second, previous work has suggested that candidates with higher-capability signals will be more mobile and thus have more alternative job opportunities (Coles et al., 2010; Bidwell et al., 2015; Tan and Rider, 2017), reducing the likelihood that such a high-capability candidate will stay with the firm (Johnson and Johnson, 1996, 2000). Thus, our theoretical argument is that signals that increase perceptions of capability above a threshold of sufficiency also decrease the level of perceived commitment, because they raise concerns about the potential for misalignment between organizational goals and a candidate's effort on the job and about the candidate's future desire to take advantage of outside employment opportunities associated with high-capability signals.

Empirical investigations of mechanisms underlying candidate selection by employers are challenging. Even detailed archival data on job applicants' success rates most often cannot illuminate, at the required level of detail, screeners' decision-making process (Fernandez and Galperin, 2014: 449–450). Field audit studies, while having some benefits, are primarily for testing the main effects of the treatment but tend to be limited in providing information about cognitive processes that underlie these main effects (Pager, 2007) and generate high levels of measurement error when testing nuanced aspects of

candidates (Heckman, 1998). Consequently, as Strang and Patterson (2014: 179) noted, although considerations of how organizations make inferences about the quality of workers and job candidates are important, “they pose substantial measurement challenges and, in many cases, are not readily theorized.”

To overcome these empirical challenges, we test our predictions through a series of online field experiments (Parigi, Santana, and Cook, 2017) by administering a manipulated survey tool to a sample of hiring managers recruited through the classroom and online panels. We first test our theorized link between employers’ perceptions of candidates’ capability and commitment. We test whether signals of high capability (relative to lower but sufficient capability) reduce the likelihood of selection due to their impact on perceptions of commitment, while controlling for important concomitant factors like cultural fit (Rivera, 2012; Rivera and Tilcsik, 2016). We then seek to validate our argument’s proposed mechanisms by testing whether providing information along dimensions of a candidate’s motive for applying and the alternatives available to the candidate reduces concerns about commitment and improves the chances of highly capable job candidates receiving job offers relative to less but sufficiently capable candidates.

## SIGNALS OF QUALITY AND SELECTION IN HIRING

In labor markets, the information problems that screeners face are well known (Stigler, 1961; Jovanovic, 1979). In the absence of full information about candidates, screeners rely on signals to assess quality (Spence, 1973) and thus to reduce uncertainty about applicants’ skills and abilities. Signals arrive in a variety of forms, including educational credentials (Collins, 1979), years of education or prior work experience (Becker, 1962), prior firm affiliations (Podolny, 2005; Bidwell et al., 2015), and social network relations (Fernandez and Weinberg, 1997; Yakubovich and Lup, 2006). Workers’ quality signals are relevant for the employing organization as it attempts to maximize workers’ expected productivity and quality of output and to increase profitability by getting the highest return on labor for a given wage. Additionally, in some markets, the quality of products and services is difficult to ascertain. The quality signaled by workers—their employment and education history, networks, and the status of prior affiliations—serves as a proxy for the quality of the firm’s output (Benjamin and Podolny, 1999; Sauder, 2008; Rider and Tan, 2014).

Quality is generally discussed as individuals’ ability to perform in valuable ways (Gould, 2002; Ollivier, 2004; Lynn, Podolny, and Tao, 2009: 759), but managers in hiring organizations face a selection task that is different from simply predicting candidates’ ability: managers need to predict candidates’ future cumulative contribution to the organization over the course of their employment. This depends on workers’ actual performance and employment duration. Assessing quality therefore requires minimizing uncertainty not only about workers’ potential for performing the job well—that they have the skills and knowledge required—but also about the likelihood they will productively apply these skills and knowledge over some sufficient period of time. Potential is about capability, while application is about commitment to use that capability for the benefit of the organization (Becker, 1960; Ridgeway, 1982; Correll, Benard, and Paik, 2007; Weisshaar, 2018). Commitment has been shown to

matter for numerous reasons, including turnover intentions and job satisfaction (Steers, 1977; Johnson and Johnson, 1996, 2000), psychological attachment (O'Reilly and Chatman, 1986), and prosocial behavior (Osterman, 1995). Commitment and capability are concomitantly linked to normative expectations on what is required to be an ideal worker (Cech and Blair-Loy, 2014; Reid, 2015; Wynn and Rao, 2019) who is fully committed to one's job and available to complete one's work whatever the personal cost.

In labor markets, selection decisions are based on who embodies this ideal. For example, studies of gender effects in hiring suggest that the motherhood penalty is enacted by employers based on the assumption that being an ideal mother requires commitment to children and on the expectation that such commitment will get in the way of the worker's effort at the firm (Correll, Benard, and Paik, 2007; Rivera and Tilcsik, 2016; Weisshaar, 2018). Rivera and Tilcsik (2016) found that, despite inferring female job candidates' high ability from their privileged social class background, managers in law firms penalize them in the hiring process with a lower probability of callback because of concerns about workers' future commitment to the employer and the labor force more generally. Similarly, Leung (2014) showed that candidates can be rejected for perceived lack of commitment to a job and industry, net of ability, because they have had a history of jobs that move in and out of the employer's industry (Zuckerman et al., 2003; Pedulla, 2016).

Ex ante assessments of commitment, and not just capability, therefore are critical determinants of a candidate's chances for advancement in the hiring process. **Yet assessing a candidate's future commitment can be quite difficult for an employer because it requires knowing the candidate's true intentions.** Commitment cannot be reliably inferred from candidates' statements of intent either, as it is rarely costly to declare future commitment to a potential employer, and all candidates are motivated to engage in such "cheap talk" (Spence, 1973, 1974; Battaglini, 2002). Moreover, in a competitive marketplace, any candidate applying to serve an audience (e.g., offering a product or a service) is implying that he or she is or intends to be committed to this audience. But because true intentions are hidden in the "backstage" of the presented identity (Goffman, 1959; MacCannell, 1973; Correll, Benard, and Paik, 2007; Hahl and Zuckerman, 2014; Hahl, Zuckerman, and Kim, 2017), audiences tend to rely on contextual cues to infer a candidate's true intent (Bird and Smith, 2005; Hahl, 2016).

**A candidate's capability may be used for such an inference, as it is more readily ascertained from past experience indicated on a résumé, formal educational credentials, and professional licenses and certifications** (Albert, Galperin, and Kacperczyk, 2018), or during a tryout period (Sterling and Fernandez, 2018). In the labor market context, capability may thus serve as a signal of commitment (or lack of it) to an employer, and the perceptions of capability and commitment move in opposite directions: above some necessary threshold, higher levels of capability lead to less favorable perceptions of a candidate's commitment. Thus, **while prior studies have identified capability and commitment as distinct dimensions, we develop theory about the relationship between the two.**

That an employer could view a candidate as both highly capable and less committed may seem somewhat paradoxical. After all, someone who is deemed highly capable likely has been committed to developing such a

capability—it would not have come about without an investment in skills, training, and knowledge (Becker, 1993). But the type of commitment that typically precedes high capability comes from developing one's own skills and abilities and thus is a byproduct of the investments made in individual-level human capital. This may indicate a high level of professional commitment—to a career or occupation—but not to any specific employer per se, which is an employer's locus of concern. It is well known that tension can exist between one's professional commitment and commitment to an employer. Scholars acknowledge that commitment tends to increase with work experience, which is concomitant with the development of a capability, but this commitment is to one's profession or occupation rather than to an organization or a specific job (e.g., Becker and Carper, 1956; Kanter, 1968; Sheldon, 1971; Turco, 2012; Galperin, 2017; Ranganathan, 2018).

High capability can therefore lead to the perception that an individual would be less committed to perform a job for the organization, because personal career considerations and professional objectives are sometimes at odds with an organization's objectives associated with the job. By virtue of the legal and normative definition of employment, organizations have discretion over the types of tasks workers perform (Simon, 1951; Cappelli, 2018). Highly capable candidates may be viewed as relatively less willing to put aside what serves their personal career advancement or their professional interests and work instead in a firm's interests. Furthermore, to the extent that higher capability leads to higher chances of mobility, such candidates would have the chance to entertain more options with other firms rather than to engage in activities in which they are less interested. Based on this argument, we suggest that above a basic threshold of capability necessary to perform the job, the higher the capability signals, the lower will be the perceived commitment to the organization. In turn, this means that when other candidates are available with sufficient capability, candidates with the highest capability signals will be rejected in favor of candidates with lower capability signals, even when they could be offered jobs at the same wage. More formally, we predict:

**Hypothesis 1a:** All else equal, hiring managers will be less likely to select a candidate with higher-capability signals than a candidate who signals lower but sufficient capability.

**Hypothesis 1b:** The negative relationship between capability and selection is mediated by perceptions that the candidate with higher-capability signals will have lower levels of commitment than the candidate with lower but sufficient capability.

### **Mechanisms Linking Signals of High Capability to Perceptions of Low Commitment**

To explain the link between signals of high capability and perceptions of lower commitment, we posit two theoretical mechanisms that concern employers' expectations about the alignment of a candidate's effort with organizational goals and the candidate's likelihood of staying with the employer for a sufficient amount of time. These theoretical mechanisms are informed both by prior literature and several exploratory interviews we conducted with hiring managers,

as shown in Online Appendix A (<http://journals.sagepub.com/doi/suppl/10.1177/0001839219840022>). We argue that the two mechanisms are sufficient but not necessary or exhaustive to generate the commitment concerns that link signals of high ability to penalties in the hiring process.

Strong capability signals, such as a history of investing in one's own skills and abilities, can indicate a strong work ethic, but such a signal also raises suspicion about the direction of the worker's effort—will it be employed toward the organization's goals or toward the candidate's career-related interest when the two are at odds? Recent research examines processes of commitment inference and suggests that audiences distrust more-capable actors, as signaled by their status, in favor of less-capable ones. Hahl and Zuckerman (2014) found that because displays of higher capability are often associated with extrinsic rewards, audiences question whether an actor who outperforms another was motivated by these rewards rather than by a commitment, stated or implied, to serve the audience. Thus there is reason to believe that hiring managers, who effectively serve as job candidates' audience, may perceive highly capable candidates as less likely to be motivated by organizationally centered interests and goals.

To be sure, at times the interests of the employer align with the interests of the candidate, but this is not always the case. A core tenet of employment relationships is that managers have the authority to stipulate employees' behaviors when such interests diverge (Simon, 1951). In practice, however, managers' ability to enforce alignment can be costly (Williamson, 1981; Gibbons and Henderson, 2011; Freeland and Zuckerman Sivan, 2018). Managers may be more apt to view highly capable candidates as likely to misplace their effort or to exert low effort if hired, requiring more managerial attention to align such candidates with organizational interests. As a result, managers may penalize such candidates in the selection process in favor of less, but sufficiently, capable ones.

To give a concrete example, we expect an employer to be concerned that a highly capable software programmer would want to work on projects he or she deems worthy of attention because they enhance the programmer's skills, rather than those that would be most valuable to the organization's mission, goals, and current market needs. Even if candidates have demonstrated evidence of high capability in the past, they may be less willing to exert effort on the tasks assigned to them and in the way that the manager directs them than programmers with a lower but sufficient level of ability when those tasks diverge from their own career interests of skill enhancement. Wynn and Correll (2017: 64) found in a study of tech employees that those who reported they were more skilled than the typical "successful tech employee" also reported being less likely to be rewarded with high visibility projects from their supervisors, perhaps because the supervisors believed they would be less likely to complete the work. This is consistent with research on actual organizational commitment: workers who are overqualified to do a particular task tend to feel dissatisfied with work and seek to do the types of tasks they think improve their employability in the job market (e.g., Johnson and Johnson, 2000; Fine and Nevo, 2008). Experience with such workers or knowledge about this phenomenon would ostensibly lead hiring managers to expect job candidates who signal higher capability to be less committed to organizational interests, if hired, than those without such signals.

Research on high-status professionals, who are typically highly capable workers with strong extra-organizational career goals, also suggests support for this contention. Kellogg (2009, 2011) found that physicians, as employees, resisted managerial control and were unwilling to perform some tasks when these tasks were not consistent with their professional interests (see also Sørensen and Sørensen, 1974, for a similar example about accountants). More pointedly, Turco (2012) showed that the misalignment between an employee's commitment to their professional group and their employer's market strategy was detrimental to the firm's economic performance not just *despite* but in part *because* of the worker's high level of occupational skill and knowledge. More broadly, a history of commitment to extra-organizational objectives like professional goals or career development, signified by high capability, may suggest a lower level of commitment to a given organization's objectives associated with a job.

Anticipating that the firm's and the individual's objectives are not always aligned—and that the direction and level of effort on the job are difficult to control even under strong incentives like pay-for-performance schemes (Rynes, Gerhart, and Parks, 2005; Nickerson and Zenger, 2008)—managers may be suspicious of highly capable candidates' future efforts and penalize them as a result. We predict the following:

**Hypothesis 2:** All else equal, hiring managers will be less likely to select a candidate with high-capability signals than a candidate who signals lower but sufficient capability because such candidates are seen as less likely to be motivated by organizational interest—the mission and objectives of the firm.

Building on prior work, we suggest that concerns about commitment also stem from a lack of belief that a highly capable candidate will remain with the organization long enough to warrant selection. To the extent that a worker's contribution to an organization depends on the effort applied over the term of his or her employment, a practical concern of any hiring manager is to ensure that a job candidate, once hired, remains with the organization for a sufficient period of time. Whether an individual would be committed to stay is often hard to ascertain, and high capability can serve as a negative signal. Employees with high-ability signals are likely to have both a higher quantity and quality of options to leave firms (Bloom and Michel, 2002; Blyler and Coff, 2003) and so may be viewed as unlikely to remain with the firm for an extended period. This negative association between available options and commitment is at the core of the literature on commitment-inducing devices, which commit an individual to a particular strategy by reducing his or her options to deviate from it (Becker, 1960; Ghemawat, 1991; Exley and Naecker, 2016).

This idea is also discussed widely in the literature on voluntary turnover (Price, 1977; Shaw et al., 1998; Dess and Shaw, 2001). Work in this area has pointed out that the more alternative job options are available to employees, the more likely they are to leave (Gerhart, 1989). To the extent that increased signals of capability allow for mobility in the labor market, employers will be wary of these signals because they will assume a candidate has more options and thus is more likely to leave than one who is less but sufficiently capable.

The concern that a high-capability candidate has more outside options therefore reduces employers' willingness to spend resources on hiring and training



an employee who is at risk of leaving too soon. Hiring and replacing employees is usually costly due to search, screening, and training. Unless there are mitigating circumstances, like a change in organizational routines that requires a rapid replacement of the current workforce with employees who bring new skills (Lazear and McCue, 2018), these cost considerations imply that employers will seek to reduce turnover and increase employee tenure. Employers will therefore look to hire workers they expect to work for the organization for an extended period of time owing to fewer available outside options. As long as the candidate has other options, the manager may worry that he or she will turn to these options sooner rather than later. We predict the following.

**Hypothesis 3:** All else equal, hiring managers will be less likely to select a candidate with high-capability signals than a candidate who signals lower but sufficient capability because of the higher-capability candidate's potential to leave the firm for other available job options.

### Scope Conditions

Our theoretical argument relies on important assumptions that suggest a number of scope conditions. Perhaps most important is the assumption that the employment in question is continuous and is expected—by the candidate and the hiring manager—to be long term or at least open-ended. This includes traditional models of employment but may also include some less-traditional work arrangements, such as recurring contract work and continuous employment based on a string of similar-task gigs (Fernandez-Mateo, 2007; Yakubovich, Galperin, and El Mansouri, 2018). Whether such less-traditional work is within the scope of our theory largely depends on our second assumption: that search, hiring, firing, and on-the-job training of new hires are costly to the employer. These costs make salient the concern that a candidate whose capabilities are too high is a flight risk. Even if all of these costs are externalized, and so being a flight risk becomes costless to the employer, concerns about misalignment with the organization's interests may remain. But certainly in cases in which turnover is costly to an employer, our argument should hold.

Another important assumption in our theorizing is that the hiring manager is not considering the organization's internal labor market when selecting the candidate. A candidate whose ability is significantly higher than what is required for a job may accept the job as a means to enter an organization's internal labor market with the hopes of quick advancement in that market through promotions.<sup>1</sup> In that scenario, the suspicion of a candidate's low interest in the organization's mission and values and concerns about outside options could still apply—though perhaps to a lesser extent because the candidate may be sensitive to reputational consequences of poor performance—but they may not apply at all if the candidate's goal is upward mobility within the organization. Yet assuming away such internal labor market considerations may be justified for at least two reasons. First, internal labor markets have been in decline for the last several decades (Bidwell et al., 2013; Cappelli, 2018). Second, hiring managers may be concerned more with the candidate's performance in the specific job rather than in the organization overall. Managers' incentives are

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<sup>1</sup> We thank the editor and one of the anonymous reviewers for suggesting this point.

usually tied to specific positions they oversee, so to the extent that finding and training a new worker to fill the job once the high-ability candidate gets promoted is still a concern for a hiring manager, the manager may still penalize the high-ability candidate.

Finally, our theory may depend on a firm’s ability to control and monitor employees. The idea that employees with high-ability signals might be distracted by developing their own careers, including searching for other jobs that would benefit them, assumes that employees have freedom to act. Thus in markets in which skills are more easily measured and behavior is more strictly monitored, firms should be willing to take on such candidates (Castellucci and Ertug, 2010). But because studies have shown that managers are rarely able to perfectly control employees’ efforts (Fine and Nevo, 2008; Erdogan and Bauer, 2009) or their willingness not to look for outside alternatives (Wald, 2005), in many settings this scope condition is expected to hold.

METHODS

Empirical Overview

To test our hypotheses, we recruited hiring managers to take part in a series of online experiments. By using the key practitioner audience in the context we study, we follow the online field experiment design described by Parigi, Santana, and Cook (2017). By using experiments, we directly measure the specific cognitive mechanisms at play in managers’ decision-making process while accounting for other complexities that arise in the hiring process (e.g., Strang and Patterson, 2014). Studies 1 and 2 were designed to test hypotheses 1a and 1b in different ways. Study 3 was designed to test hypotheses 2 and 3. We separately describe the recruitment, process, and results of each study and their implications for our predictions. Table 1 presents an overview of the studies, their design, manipulations, and samples.

Study 1: Inferring Commitment from Capability

Study 1 participants were hiring managers who were asked to make a hiring decision after reviewing two fictional male candidates’ applications in a within-subjects design. We describe these candidates throughout this section as the “extremely high-capability” and “moderately high-capability” candidates. In the

Table 1. Empirical Overview

	Study 1	Study 2	Study 3	
Design	Within-subject	Between-subjects	Between-subjects	
Manipulation	Capability	Capability and commitment	H3a Organization/ non-organization-oriented motive	H3b Rejected/not rejected outside options
Subjects	Hiring managers enrolled in strategic human resources (HR) course	Panel of hiring managers from Qualtrics	Panel of hiring managers from Qualtrics	
N	69	212	227	233

vignette scenario, both job candidates were moving from successful stints in elite investment banks (higher-prestige firm, job, and industry) into a mid-level finance role in a mid-tier health company (lower-prestige firm, job, and industry). The key capability signals manipulation across candidates was based on a difference in achievement at these firms (the number of people and size of deals managed), described in more detail below.

**Recruitment.** We recruited participants for this study in 2015. The sample was drawn from graduate students taking a course on human resource management in a part-time, evening business program that targeted students with extensive managerial experience in the health care industry. All participants reported having experience hiring candidates for their employer. In the context of this course, students discussed issues related to the labor market, such as the importance of screening and hiring the best candidate for increasing firm productivity. No issues of worker commitment were discussed prior to administering the study.

The students in the course are an appropriate sample for this research question. Based on their prior experience, they could evaluate potential candidates using various characteristics that tend to contribute to their success upon joining the organization. All of the students in the course were presented with an opportunity to “fill out a survey related to hiring practices” during the course. Of the 80 students, 69 elected to fill out the survey.

**Procedure.** We instructed participants to evaluate two different profiles of job applicants for a “corporate finance position in a medium-size health care company.” This design resulted in within-subject comparisons, in which each participant evaluated both candidates. This is realistic for most screening scenarios, in which managers evaluate multiple candidate profiles at the same time. This setting also matches the scope conditions discussed above by presenting a traditional employment job (financial professional) in which monitoring and control are relatively low and skills tend to be high, giving employees relatively higher discretion. These factors should make concerns for commitment and the relationship between capability and commitment relevant to the hiring manager.

Each participant was presented with the social media profiles of the two candidates, who were identical in terms of education and their former places of employment—their elite education and firm backgrounds were from the same tier of school and firm and were counterbalanced. This was done so that idiosyncratic aspects of candidates’ experiences and culture, owing to assessments of cultural fit that could vary with educational background and experience (Rivera, 2012), could be ruled out as a driver of our results.

We manipulated profiles so that the job functions of both candidates at their previous firms were the same, but their success or performance in those tasks differed to elicit capability differences. We presented participants with each candidate’s credentials through a mock-up of a LinkedIn profile page, a website that hiring professionals increasingly use in evaluating candidates for a job; Online Appendix B shows one of these profile pages. We told participants that the names were removed from the page to avoid any potential bias in evaluation. The profile page summarized the candidate’s work experience and

educational background. The extremely high-capability candidate managed “a team of 10 direct reports to assess and pitch investment opportunities” and “created LBO [leveraged buyout] financing models to support closed deals worth \$1.5 billion.” By comparison, the moderately high-capability candidate managed “a team of 2 direct reports to assess and pitch investment opportunities” and “created LBO financing models to support closed deals worth \$15 million.” Half of the participants first viewed the extremely high-capability candidate, followed by the moderately high-capability candidate, and half of the participants viewed the candidates in the reverse order. The order in which the profiles were presented had no effect on our results.

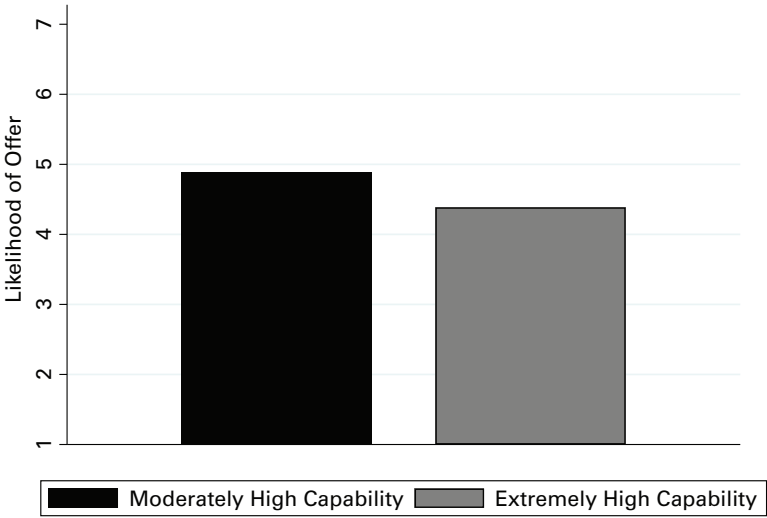
Participants were asked to evaluate each candidate separately, evaluating the first candidate prior to seeing the profile of the second. After reading the profile, participants were asked to rate the candidate on perceived capability by answering two questions (both on 7-point scales: 1 = low, 7 = high): (a) “how would you rate the capabilities of this job applicant?” and (b) “how would you rate the competence of this job candidate?” (Cronbach’s  $\alpha = .94$ ). After participants rated the first candidate on capability, they were asked to rate the same candidate on a series of questions designed to elicit participants’ inferences about the candidate’s post-hire commitment. These questions included assessing (a) how “committed the candidate would be to the organization,” (b) how motivated “the candidate would be while working at the organization,” and (c) “how likely the candidate would be to continue working at the organization for the long term.” Based on these questions, we generated a perceived commitment measure (Cronbach’s  $\alpha = .91$ ). Participants were then asked whether they would be likely to interview the candidate and their likelihood of giving the candidate an offer, both on 1 (low) to 7 (high) Likert-type scales. After participants evaluated the first candidate, they went through the same procedure for the second candidate. Finally, subjects were asked a series of demographic questions, including past hiring and interview experience, the size of their previous or current organization, their profession, and education.

**Manipulation check.** As a manipulation check, we conducted a Wilcoxon signed-rank test on differences among participants’ perceived capability ratings of the higher-capability versus lower-capability candidate. This is a non-parametric test that provides more efficient estimates than t-tests (Wilcoxon, 1945; Fay and Proschan, 2010). Results were robust to both within-subject and between-subject specified t-tests. The null hypothesis that the perceived capability rating between the conditions was equal was rejected ( $U/mn = .78$ ,  $z = 5.83$ ,  $p < .001$ ), such that participants perceived the extremely high-capability candidate as having higher capability than the moderately high-capability candidate.

**Results of main effect analysis.** To test hypothesis 1a, we first conducted a Wilcoxon signed-rank test comparing participants’ ratings of their likelihood to give an offer to the extremely high-capability candidate versus the moderately high-capability candidate (as in the manipulation check, results are robust to t-test specifications).<sup>2</sup> Results of this test are represented in figure 1. The null

<sup>2</sup> Online Appendix C shows that we find consistent results for all three studies using likelihood of interview instead of likelihood of offer as the dependent variable.

Figure 1. Study 1: Likelihood of offer by capability manipulation.



hypothesis that the likelihood of hire was no different between the conditions was rejected ( $U/mn = .39$ ,  $z = -2.377$ ,  $p < .05$ ), such that participants rated the extremely high-capability candidate as having lower likelihood of offer than the moderately high-capability candidate. This provides support for the main effect predicted in hypothesis 1a.

**Results of mediation analysis.** Our full hypothesis (1a and 1b) predicts a mediation model whereby the reduced likelihood of hiring the candidate with higher capability signals is explained by the negative perceptions of commitment created by the perception of high capability. We tested this through a mediation analysis in three steps, as shown in table 2. Model 1 of table 2 is a

Table 2. Study 1 Mediation Analysis for Hypothesis 1\*

	(1) DV: Likelihood of job offer	(2) DV: Perceived commitment	(3) DV: Likelihood of job offer
Capability	−0.502** (0.165)	−1.427** (0.210)	0.277 (0.178)
Perceived commitment			0.546** (0.096)
Constant	4.89** (0.142)	4.798** (0.145)	2.269** (0.488)
N	141	141	141
R-squared	0.03	0.25	0.31

\*\*  $p < .01$ .

\* Standard errors are clustered within individual.

test of whether higher-capability candidates would be less likely to receive an offer than less-capable candidates. With clustered standard errors on participants to account for within-participant variance, we found a significant, negative relationship between the capability manipulation ( $\beta_c = -.502$ ,  $p = .003$ ) and the likelihood of an offer. We then regressed perceptions of commitment on the capability manipulation, also clustering on participants, and found a significant negative effect ( $\beta_a = -1.427$ ,  $p < .001$ ). Finally, we regressed the likelihood of an offer on both the capability manipulation ( $\beta_{c'} = .277$ ,  $p = .124$ ) and perceptions of commitment ( $\beta_b = .546$ ,  $p < .001$ ). The coefficient on the capability manipulation flips from negative to positive and becomes insignificant, suggesting that the original negative effect from capability on the likelihood of an offer is fully mediated by perceptions of commitment.

We then conducted a Sobel test on the full model, which is that perceptions of commitment mediate the relationship between the capability manipulation and the likelihood of an offer. This test shows a significant indirect effect of the capability manipulation on the likelihood of an offer going through perceptions of post-hire commitment ( $\beta = -.779$ ,  $p < .001$ ). Finally, to correct for inherent bias in the Sobel test, using 10,000 bootstrap confidence intervals and controlling for within-participant variance (Montoya and Hayes, 2017), we find a significant, negative indirect effect of the capability manipulation on selection, going through perceptions of commitment ( $\beta = -.3737$ , 95% CI:  $-.7033, -.1231$ ). This shows strong support for the full mediated model predicted in hypotheses 1a and 1b.

**Discussion.** These results support the argument that evaluators infer lack of commitment from higher signals of capability and that higher-capability signals, above a minimum threshold of acceptable capability, can lead to the lower likelihood of selection, all else equal. The mediation analysis provides evidence that concern about commitment is one mechanism behind the rejection of high-capability candidates.

## Study 2: Direct Test of Commitment's Effect on the Likelihood of an Offer

Study 1 is externally valid to most screening scenarios, in which evaluators screen multiple candidates at the same time. But within-subjects designs run the risk of demand effects because participants would seek to behave consistent with what they expect the experimenter wants (Zizzo, 2010; Charness, Gneezy, and Kuhn, 2012). Although the design of Study 1 and the specific instructions used mitigate against such demand effects, we designed Study 2 to address this concern by introducing a between-subjects design. Subjects see only one candidate description in this study, so they have less chance of predicting the experimenter's goals.

Study 2 was also designed to more directly test the relationship between commitment and high-capability rejection. Although we measured commitment in Study 1, it was not manipulated exogenously. One concern about mediation analyses is that they may not permit causal inference regarding the mediator, because the mediator is not random with respect to the participants. Rather, the mediator is measured as an outcome of the primary manipulation. **We**

directly manipulated both capability and commitment in Study 2 to permit causal inference about the effects of capability and commitment on hiring outcomes. This process—mediation by manipulation—serves as a robustness check to the mediation through indirect paths found in Study 1 (Spencer, Zanna, and Fong, 2005). Finally, Study 2 addresses the possibility that perceptions of commitment in Study 1 are driven by concerns about the candidate accepting a job offer—a type of pre-hire commitment—instead of post-hire behavior (cf. Sterling, 2014).

**Recruitment.** Participants were recruited to fill out a “survey for hiring managers” through a Qualtrics panel in December 2016. They were paid \$6 for completing the study. We did not have direct contact with the participants but instead relied on the Qualtrics firm to recruit participants who were U.S. based and could provide evidence of having served as a hiring manager. In all, 212 hiring managers participated in Study 2.

**Procedure.** The procedure for Study 2 was very similar to that for Study 1. We used the same job candidate profiles as in Study 1, but instead of evaluating both candidates, participants viewed only one profile and were asked to evaluate only that candidate applying to a “corporate finance position in a medium-size health care company.” To verify that participants understood the directions, we asked them a series of attention-check questions. If they answered incorrectly, the context was repeated to them as a reinforcement.

One additional difference between Study 1 and Study 2 was that in this experiment, participants were told that their job as “line manager” meant they “should not concern themselves with negotiating the offer, but should only consider this candidate’s potential performance on the job.” This was repeated before the participant was asked about his or her likelihood of giving the candidate an offer. We also asked participants to rate from 1 (low) to 7 (high) how concerned they were about the candidate accepting the job. There was no difference across conditions in this measure, and results presented below are robust to controlling for this measure. This indicates that participants behaved as intended and focused on post-hire commitment rather than concerns about the candidate’s acceptance of a job offer.

Participants were randomly assigned to view either the extremely high-capability candidate or the moderately high-capability candidate, who were presented in the same way as they were in Study 1. Next, participants were randomly assigned to one of two commitment-information conditions: neutral or high. All participants were told, “As part of the application process, the candidate completed an assessment delivered by your firm’s HR department,” that the candidate scored a 75 on the assessment, and that “candidates that have scored at least 60 points have skills that match the requirements of the job.” In the neutral-commitment condition, nothing was mentioned about the assessment’s relationship with commitment. Participants were told that “this assessment was able to predict the candidate’s ability to do the job in your firm.” In contrast, participants randomly assigned to the high-commitment condition were told that “this assessment was able to predict the candidate’s likely commitment to your organization (e.g., likelihood to stay with your firm, be motivated and work well with others).” This procedure resulted in a 2 (extremely

high capability/moderately high capability) by 2 (high commitment/neutral commitment) between-subject design.

Participants were then asked about their likelihood of giving the candidate a job offer based on the same scale used in Study 1. This variable served as the dependent variable.

**Manipulation checks.** As a manipulation check after rating their likelihood to give the candidate an offer, participants were then asked to evaluate the candidate's capability by rating him on a 7-point scale (1 = low and 7 = high) on four criteria related to capability: "how competent the candidate would be in his job"; "how productive the candidate was in his previous job"; "how skilled the candidate is"; and "how much finance experience the candidate has." We combined these four measures to create a measure for the candidate's perceived capability (Cronbach's  $\alpha = .88$ ). Participants randomly assigned to the extremely high-capability conditions ( $N = 106$ , mean = 5.86, S.D. = .82) rated the candidate higher in perceived capability ( $t = -6.60$ , d.f. = 210,  $p < .001$ , two-tailed test) than those assigned to the moderately high-capability condition ( $N = 106$ , mean = 4.99, S.D. = 1.08).

Participants were also asked about perceived commitment after these ratings. They were asked to rate (1 = low, 7 = high) the candidate on the following four dimensions: "likely commitment to the organization," "commitment to the industry," "willingness to stay with the company," and "willingness to work extra hours." We added commitment to the industry to the measure (compared with the Study 1 scale) to address the change in industry. These ratings were averaged to create a perceived organizational commitment score (Cronbach's  $\alpha = .89$ ). Participants randomly assigned to the high-commitment conditions ( $N = 105$ , mean = 5.44, S.D. = 1.16) rated the candidate higher in commitment ( $t = -5.94$ , d.f. = 210,  $p < .001$ , two-tailed test) than those assigned to the neutral-commitment conditions ( $N = 107$ , mean = 4.51, S.D. = 1.57).<sup>3</sup>

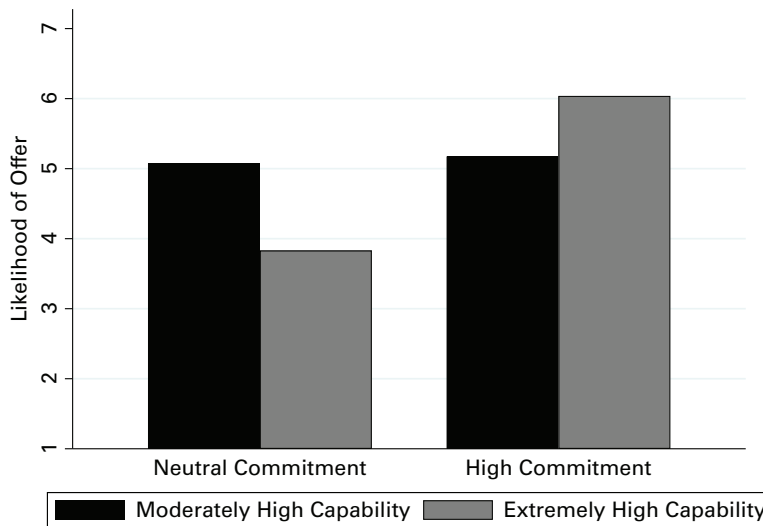
**Results.** To test hypothesis 1 in this study, the specific prediction would be that in the neutral-commitment conditions, the moderately high-capability candidate would be preferred above the extremely high-capability candidate, but in the high-commitment conditions, the extremely high-capability candidate would be preferred because concerns about commitment have been mitigated. Figure 2 presents the likelihood of giving an offer across all four conditions. First, in the neutral-commitment conditions, the moderately high-capability candidate ( $N = 54$ , mean = 5.07, S.D. = 1.59) was more likely to receive an offer ( $t = 3.66$ , d.f. = 105,  $p < .001$ , two-tailed test) than the extremely high-capability candidate ( $N = 53$ , mean = 3.83, S.D. = 1.92). This result replicates the capability penalty finding from Study 1. By contrast, in the high-commitment conditions, participants randomly assigned to the extremely high-capability condition ( $N = 53$ , mean = 6.04, S.D. = 1.18) were more likely to give the candidate an offer ( $t = -3.34$ , d.f. = 105,  $p = .001$ , two-tailed test)

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<sup>3</sup> We performed t-tests in this study because of the higher number of participants, but results are robust to non-parametric tests as well.



**Figure 2. Study 2: Capability  $\times$  Commitment: Likelihood of receiving an offer across all four conditions.**



than those in the moderately high-capability condition ( $N = 52$ , mean = 5.17, S.D. = 1.46).

**Discussion.** The results of Study 2 provide two key findings in support of hypotheses 1a and 1b. First, when no mention of commitment is made, the extremely high-capability candidate is less likely to be given an offer than the moderately high-capability candidate. This is a replication of the finding in Study 1 and supports the main effect predicted in hypothesis 1a. Second, when participants are told that the assessment is indicative of organizational commitment, the extremely high-capability candidate is more likely to be hired. These results indicate that concerns about commitment lower the likelihood of hire for the extremely high-capability candidate. Furthermore, there is no significant difference in the likelihood of an offer ( $t = .33$ , d.f. = 104,  $p = .74$ , two-tailed test) between the moderately high-capability candidates across the two commitment conditions. Conversely, the large and statistically significant difference in the likelihood of an offer across the neutral- and high-commitment conditions for the extremely high-capability candidate ( $t = -7.14$ , d.f. = 104,  $p < .001$ , two-tailed test) indicates that concerns about commitment affected the likelihood of an offer for this candidate. These results support the prediction that candidates of greater capability are less likely to receive offers because of concerns that they will not sufficiently commit to the organization.

### Study 3: Testing the Two Proposed Mechanisms Driving Commitment Concerns and Selection

Study 3 is designed to test hypotheses 2 and 3, which predict two potential mechanisms that drive perceptions of commitment. While Studies 1 and 2 showed that commitment concerns facilitate the negative relationship between high-capability signals and selection in the labor market, Study 3 tests the two

proposed mechanisms by which commitment concerns are triggered by high-capability signals. We manipulated these mechanisms directly across the two parts of the study: 3a and 3b. We report the results for each part of the study separately. The objective of these analyses is to test whether each mechanism is a sufficient, but perhaps not necessary, condition to create this high-capability penalty in labor markets.

In Study 3a, we focus on hypothesis 2, that high-capability signals will raise more commitment concerns that a candidate is not motivated by the organization's interests—its mission and objectives. In Study 3b, we focus on hypothesis 3, whereby those candidates with high-capability signals who have not rejected alternatives to work at other jobs should be seen as less committed than those who have rejected outside options. If these mechanisms underlie the constraint imposed on the extremely high-capability candidate, then when these issues are resolved (with organizationally oriented motives or rejected alternatives), we should see that the extremely high-capability candidate is more likely to be selected than the other candidate. We would also expect that the change in selection likelihood for the extremely high-capability candidate should be mediated by perceptions of commitment. The complete model then is a moderated mediation, as commitment should mediate the effect more for the extremely high-capability candidate than the moderately high-capability candidate.

In both of these studies we used a design that employs a manipulation from a low (3a: extra-organizational motives, 3b: outside options) to a high (3a: organizationally aligned motives, 3b: limited outside options) condition. An alternative and perhaps more conservative test would be to compare a neutral condition with a high condition, but our key test controls for the strength of the manipulation by comparing the difference in the differences seen within each candidate type through a moderated mediation test. In experiments like the ones used in this paper, the strength of manipulation can be a concern. By measuring the difference in the differences, we are less concerned with the comparison between the low and high conditions within any candidate and more concerned with the comparison between how the low vs. high condition differs across candidate types. In this way, we controlled for the strength of each of these mechanism manipulations.

### Study 3a

**Recruitment.** Although Study 3a was run separately from Study 3b, recruitment was done concurrently for these two studies using a distinct sample of hiring managers from the Qualtrics platform, just as in Study 2 (although anyone who participated in Study 2 or Study 3b was not included in the sample for Study 3a, and vice versa). For Study 3a, we recruited 227 participants in 2018 using the Qualtrics panel discussed above. Participants were paid \$6.50 to complete the entire survey. All participants had experience as hiring managers.

**Procedure.** The procedure was very similar to that used in Studies 1 and 2. Participants were told that they would evaluate one candidate applying to a "corporate finance position in a medium-sized health care company." To verify that this information was retained, we asked participants a series of attention-

check questions. If they answered incorrectly, the context was repeated to them as a reinforcement. No one was removed from the study for wrong answers. At this point, participants were told that their job as a “line manager” meant they “should not concern themselves with negotiating the offer, but should only consider this candidate’s performance on the job.” This was repeated before the participant was asked his or her likelihood of giving the candidate an offer. Participants were either shown the extremely high-capability or the moderately high-capability candidate profile used in Studies 1 and 2. This was manipulated as a between-subjects factor. As in Study 2, we also asked participants to rate from 1 (low) to 7 (high) how concerned they were about the candidate accepting the job. Once again, there was no difference in concern about likelihood to accept or reject the offer across any of the conditions, indicating differences in the study are based on post-hire concerns about the candidate. Results reported below are robust to including this variable in the analyses.

Each participant was told that “you have received an additional piece of information about the candidate from a trusted source.” Participants were randomly assigned to one of two conditions: organizationally oriented motives or non-organizationally oriented motives. This yielded a  $2 \times 2$  factorial design where extremely/moderately high-capability and organizationally oriented/non-organizationally oriented motives were manipulated as between-subject factors. In the organizationally oriented motives condition, participants were told that “this candidate is excited about the firm’s mission.” This was designed to indicate that the candidate was motivated to work for the participant’s firm. This type of information has been shown to create perceptions that individuals are pro-socially oriented and willing to put organizational or group interests above their own when necessary (e.g., Frey and Jegen, 2001; Grant, 2008; Simpson and Willer, 2008; Hahl and Zuckerman, 2014). In the non-organizationally oriented motives condition, participants were told that “this candidate is excited about the firm’s pay package.” This is not necessarily at odds with organizational orientation and alignment with organizational goals in and of itself. When compared with the organizationally oriented motives condition, however, we have created a manipulation based on research on perceived motives, which has shown that when participants are told that individuals are motivated by extrinsic rewards, it raises suspicions that they are not pro-socially oriented or are willing to put their own interests over those of the group or organization (Hahl and Zuckerman, 2014; Hahl, Zuckerman, and Kim, 2017).

Participants were asked to rate the candidate on perceived capability using the same four-item scale used in Study 2, and once again results indicate that the capability manipulation is the only factor driving perceptions of capability. After viewing this information, participants were asked to rate the level of commitment using the same four-item scale used in Study 2. Participants were then asked to rate their likelihood of giving the candidate an offer. The final step included gathering participants’ demographic information, which did not differ significantly by condition.

**Manipulation checks.** The organizationally oriented (or not) motives manipulation is designed to affect perceived effort through perceptions that the

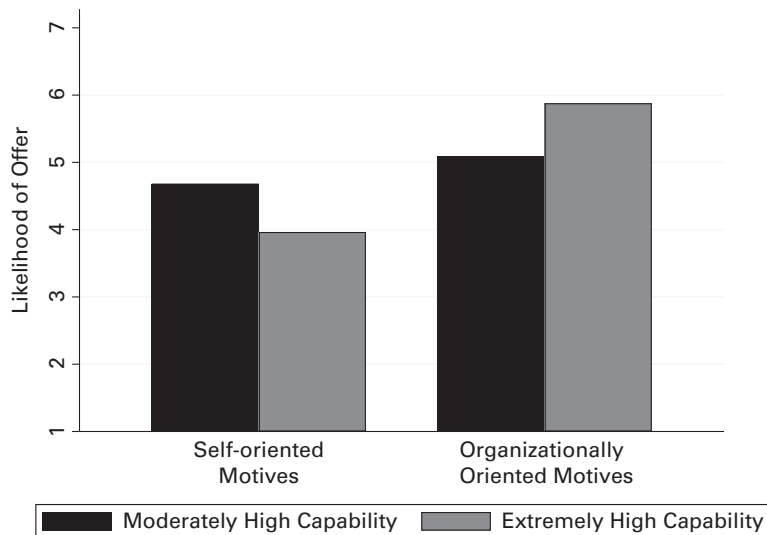
candidate is more or less motivated by organizational goals. We ran a test to validate this manipulation. We recruited 99 participants through Turk Prime on Amazon (Litman, Robinson, and Abberbock, 2017). All participants self-reported as managers and reported hiring experience similar to the Qualtrics panels used in the main studies. Participants were presented with the job to which the candidate was applying but did not see the candidate résumés so as not to create any potential confound, allowing us to directly test the manipulation alone. Participants were randomly assigned to see either the information about the non-organizationally oriented motives candidate or the organizationally oriented motives candidate as presented above. They were then asked to rate the candidate on a 1 (low) to 7 (high) scale on all measures described in the main study, including a measure for organizational alignment: "How likely is it that this candidate's goals will be aligned with the organization's goals?" Analysis on this variable shows that the null hypothesis that the organizational alignment rating between the conditions was equal was rejected ( $U/mn = .83$ ,  $z = -5.94$ ,  $p < .001$ ), and participants perceived the non-organizationally oriented motives candidate as being less aligned with organizational goals than the organizationally oriented motives candidate. This validates our manipulation in this study.

We also ran a second manipulation check within the study. One of the items used in the commitment scale for both Study 1 and Study 2 was a measure of effort based on organizational alignment. It asked participants "How likely is it that this applicant would be willing to work extra hours to meet company goals?" To test whether this manipulation affected participants' perceptions of effort as measured by this item, we conducted a Wilcoxon signed-rank test on differences among participants' perceived ratings of this effort item for the non-organizationally oriented motives candidate versus the organizationally oriented motives candidate. Results were robust to between-subjects specified t-tests. The null hypothesis that the perceived effort rating between the conditions was equal was rejected ( $U/mn = .61$ ,  $z = -2.97$ ,  $p = .003$ ), such that participants perceived the non-organizationally oriented motives candidate as being less motivated by organizational interest and less willing to exert effort on behalf of the organization than the organizationally oriented motives candidate.

As in previous studies, the manipulation on capability, the extremely high-capability candidate vs. the moderately high-capability candidate, once again showed a significant difference. The null hypothesis that the perceived capability rating between the conditions was equal was rejected ( $U/mn = .61$ ,  $z = -2.82$ ,  $p = .005$ ), such that participants perceived the moderately high-capability candidate as having lower capability than the extremely high-capability candidate.

**Results.** Hypothesis 2 predicts that hiring managers will be less likely to select a candidate with high-ability signals than a candidate who signals lower but sufficient ability because of the increased likelihood that such candidates are seen as less likely to put in as much effort and as not willing to put the organization's interests—its mission and objectives—ahead of other competing interests. To test this hypothesis, we used our manipulations to reveal whether the latent concerns about the extremely high-capability candidate's effort are

**Figure 3. Study 3a: Capability  $\times$  Motives: Likelihood of receiving an offer across all four conditions.**



higher than the latent concerns about effort for the moderately high-capability candidate. We did this through a moderated mediation test, which can show whether the manipulation induced a larger increase in perceived commitment and resulting likelihood of offer for the extremely high-capability candidate than the moderately high-capability candidate. Figure 3 shows the likelihood of an offer across each of the four conditions.

To identify whether the manipulations had significant effects on the likelihood of an offer, we performed a two-way ANOVA on the likelihood of selecting the candidate presented to them. We first performed the analysis without the interaction term and found that the effect of the capability manipulation was not significant,  $F(1, 224) = .04, p = .84$ , while the effect of the motives manipulation was significant,  $F(1, 224) = 26.09, p < .001$ . The two-way ANOVA analysis shows that the interaction term is key to understanding the likelihood of an offer, particularly with respect to the effect of motives manipulation. In the two-way ANOVA, the effect for high capability was significant,  $F(1, 223) = 5.04, p = .026$ , the effect for motives was no longer significant,  $F(1, 223) = 1.56, p = .21$ , and the interaction term was significant,  $F(1, 223) = 11.28, p < .001$ . We performed planned contrasts to test for the direction of the interaction effect. In the non-organizationally oriented motives conditions, the effect of higher-capability signals was negative and significant on the likelihood of an offer (contrast =  $-.71, t = 2.98, p = .003$ , two-tailed test). In the organizationally oriented motives conditions, the effect of higher-capability signals was positive and significant on the likelihood of an offer (contrast =  $.65, t = 2.76, p = .006$ , two-tailed test).<sup>4</sup> This shows preliminary support for hypothesis 2, as the moderately high-capability candidate is more likely to be selected than the extremely high-capability candidate when the candidates are seen as

<sup>4</sup> We also ran a robustness check by running an OLS regression predicting the likelihood of offer for the two manipulations and the interaction while controlling for perceptions of capability. We found that the interaction effect is robust to including perceived capability as a control.

less motivated by organizational goals to perform on the job. This relationship flips when the candidates are seen as motivated to perform on the job by the mission of the firm: the extremely high-capability candidate is more likely to be selected than the moderately high-capability candidate in this context.

Our  $2 \times 2$  design allowed us to test whether the organizationally oriented motives manipulation has a larger effect on the extremely high-capability candidate's perceived commitment and likelihood of offer than on the moderately high-capability candidate, even controlling for the strength of the manipulation. To do this, we compared the difference across the motivation manipulation conditions for the moderately high-capability candidate with the difference across the motivation manipulation conditions for the extremely high-capability candidate (Muller, Judd, and Yzerbyt, 2005; Preacher, Rucker, and Hayes, 2007).

We followed Hayes (2013; Preacher, Rucker, and Hayes, 2007) in testing a moderated mediation model. As shown above in the ANOVA tests, the key to the moderated mediation model is the effect on perceived commitment (the mediator) of the two manipulations' interaction term, which indicates that the organizationally oriented motives manipulation has a different (larger if positive) effect in one condition (extremely high-capability candidate) than another (moderately high-capability candidate). We found that this is the case as the interaction between extremely high-capability and effort/motives manipulations has a positive and significant effect on perceived commitment ( $\beta(\text{Capability} \times \text{Org. oriented motives}) = .99, z = 2.31, p = .017$ ). This positive coefficient contrasts with the main effect on perceived commitment by capability, which is negative and significant ( $\beta(\text{Capability}) = -.70, z = -2.37, p = .018$ ), and the main effect for organizationally oriented motives, which is not significant ( $\beta(\text{Org. oriented motives}) = .27, z = .90, p = .37$ ). Additionally, when we introduced the perceived commitment measure into a model predicting the likelihood of an offer, we found that perceived commitment has a positive and significant effect on likelihood of offer ( $\beta(\text{Commitment}) = .91, z = 23.87, p < .001$ ). With this term in the model, however, the effects of the capability manipulation ( $\beta(\text{Capability}) = -.08, z = -.48, p = .63$ ) and the organizationally oriented motives manipulation ( $\beta(\text{Org. oriented motives}) = .16, z = .93, p = .35$ ) are no longer significant, indicating a full mediation.

Using the 10,000 bias-correcting bootstrap confidence intervals with the PROCESS macro (Preacher and Hayes, 2004; Hayes, 2013), we found a significant indirect effect of the organizationally oriented motives manipulation on offer, through perceptions of commitment, when the participants view the extremely high-capability candidate (95% CI: 0.61, 1.73). We did not find a significant indirect effect when the participants view the moderately high-capability candidate (95% CI:  $-.31, .81$ ). The index of moderated mediation indicates that these effects are significantly different from one another (95% CI: .14, 1.74), suggesting that the effect of organizationally oriented motives improves the likelihood of offer through increased perceived commitment more for the extremely high-capability candidates than it does for the moderately high-capability candidates. These results support hypothesis 2 by indicating that the latent concern about effort and motivation is higher for the extremely high-capability candidate than it is for the moderately high-capability candidate.

### Study 3b

**Recruitment.** For Study 3b, we recruited 233 participants using Qualtrics in 2018. Participants were paid \$6.50 to complete the entire survey. As discussed above, Qualtrics had previously validated that all participants had experience as hiring managers.

**Procedure.** The procedure was very similar to that used in Study 3a. Participants in this study were either shown the extremely high-capability candidate or the moderately high-capability candidate profile used in Studies 1 and 2. This was manipulated as a between-subjects factor. The key difference between this study and Study 3a was in the information provided when participants were told that they “have received an additional piece of information about the candidate from a trusted source.” When participants viewed additional information about the candidate, they were randomly assigned to one of two conditions: open outside options and rejected outside options. This yielded a  $2 \times 2$  factorial design where extremely high-capability/moderately high-capability and open outside options/rejected outside options were manipulated as between-subject factors.<sup>5</sup>

In the open outside options condition, participants were told that “there has been an industry downturn and your firm is the only one hiring right now.” This information was designed to indicate that the candidate had no choice but to apply to the participant’s firm if he wanted a new job. Importantly, it leaves open the possibility that if the job market improves, the candidate could pursue other opportunities because he had not rejected the opportunity to work for other firms. That is, the manipulation intended to provide information about the candidate’s likely treatment of future, rather than current, outside options. Conversely, in the rejected outside options condition, participants were told that the candidate “has turned down other offers in investment banking and other health care companies.” This was designed to indicate that the candidate has no interest in current (and ostensibly future) outside options even though he has them. We chose this manipulation for open outside options as opposed to suggesting that there are concurrent outside offers for the candidate to choose from, because the latter option would prime concerns about accepting the offer, something we sought to reduce in this study. Participants were again asked to rate the candidate on perceived capability using the same four-item scale used in Studies 2 and 3a. After this information, participants were asked to rate the level of commitment using the same four-item scale used in Studies 2 and 3a. Participants were then asked to rate their likelihood of giving an offer to the candidate to whom they were randomly assigned. The final step included collecting demographic information on participants, which did not differ significantly by condition.

**Manipulation checks.** As in previous studies, the manipulation on capability, extremely high-capability candidate vs. moderately high-capability candidate, showed a significant difference on capability. The null hypothesis that the

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<sup>5</sup> As in Study 3a, there was no difference across conditions on the candidate’s likelihood of accepting the job—as designed in the study.

perceived capability rating between the conditions was equal was rejected ( $U/mn = .75$ ,  $z = -6.70$ ,  $p < .001$ ), such that participants perceived the moderately high-capability candidate as having lower capability than the extremely high-capability candidate.

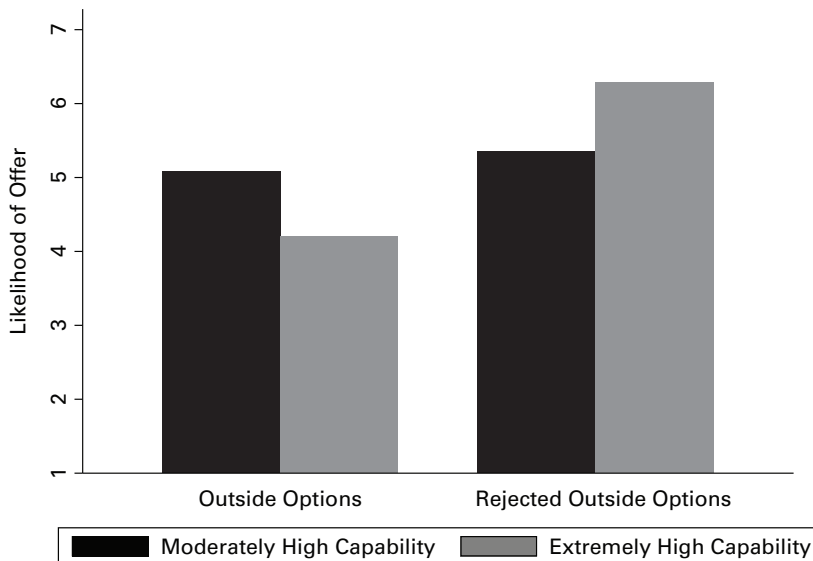
For the second manipulation in this study, instead of checking commitment generally, we tested whether this manipulation affects perceptions of the candidate as a flight risk. To measure this, we used one of the Study 2 and 3a commitment-scale items, which asked participants the candidate's "willingness to stay with the company if he were to receive another offer from a competitor." Using this item, we conducted a Wilcoxon signed-rank test on differences among participants' perceived ratings of this "flight risk" item for the open outside options candidate versus the rejected outside options candidate. Results were robust to between-subject specified t-tests. The null hypothesis that the perceived commitment rating between the conditions was equal was rejected ( $U/mn = .75$ ,  $z = -6.71$ ,  $p < .001$ ), such that participants perceived the open outside options candidate as having higher flight risk (lower willingness to stay with the firm) than the rejected outside options candidate.

**Results.** Hypothesis 3 predicts that hiring managers will be less likely to select a candidate with high-ability signals than a candidate who signals lower but sufficient ability because of the former candidate's potential alternative options to work outside of the firm. Our design allowed us to test whether the extremely high-capability candidate is less likely to be selected than the moderately high-capability candidate when there is potential for future outside options (open outside options) and whether this likelihood is reversed when the candidate is not interested in these outside options (rejected outside options). To test this hypothesis, we used our manipulations to reveal whether the latent concerns about the extremely high-capability candidate's flight risk are higher than the latent concerns about flight risk for the moderately high-capability candidate. We did this through a moderated mediation test, which can show whether the manipulated reduction in flight risk concerns induces a larger increase in perceived commitment and resulting likelihood of offer for the extremely high-capability candidate than the moderately high-capability candidate.

Figure 4 shows the likelihood of an offer across each of the four conditions. To identify whether the manipulations had significant effects on the likelihood of an offer, we performed a two-way ANOVA on the likelihood to select the candidate presented to participants. We first ran the analysis without the interaction term and found that the effect of the high-capability manipulation was not significant,  $F(1, 230) = .26$ ,  $p = .61$ , while the effect of the outside options manipulation was significant,  $F(1, 230) = 30.49$ ,  $p < .001$ . The two-way ANOVA analysis shows that the interaction term is key to understanding the likelihood of an offer: the effect for high capability was significant,  $F(1, 229) = 8.97$ ,  $p = .003$ , the effect for outside options was not significant,  $F(1, 226) = .92$ ,  $p = .34$ , and the interaction term was significant,  $F(1, 226) = 20.78$ ,  $p < .001$ . To test the direction of this interaction, we performed planned contrasts to test for the direction of the interaction effect. In the open outside options conditions, the effect of higher capability signals was negative and significant on the likelihood of an offer (contrast =  $-.88$ ,  $t = 3.00$ ,  $p = .003$ ,



**Figure 4. Study 3b: Capability  $\times$  Outside options: Likelihood of receiving an offer across all four conditions.**



two-tailed test). In the rejected outside options conditions, the effect of higher capability signals was positive and significant on the likelihood of an offer (contrast = .94,  $t = 3.48$ ,  $p < .001$ , two-tailed test).<sup>6</sup> This shows that the moderately high-capability candidate is more likely to be selected than the extremely high-capability candidate when the candidates have open outside options. This relationship flips when the candidates reject outside offers: the extremely high-capability candidate is more likely to be selected than the moderately high-capability candidate.

We once again used a bootstrapping-type model (Preacher and Hayes, 2004; Hayes, 2013), performing the same analyses as in Study 3a. Using the 10,000 bias-adjusted confidence intervals with the PROCESS macro, we found a significant indirect effect of the rejected outside offers manipulation on the likelihood of an offer, through perceptions of commitment, when the participants view the extremely high-capability candidate (95% CI: 1.74, 2.68). We did not find a significant indirect effect when the participants view the moderately high-capability candidate (95% CI: -.21, .60). The index of moderated mediation indicates that these effects are significantly different from one another (95% CI: 1.41, 2.62), suggesting that the effect of the rejected outside offers manipulation improves the likelihood of an offer through increased perceived commitment more for the extremely high-capability candidates than it does for the moderately high-capability candidates. This is full support for hypothesis 3 by indicating that the latent concern about flight risk is higher for the extremely high-capability candidate than it is for the moderately high-capability candidate.

<sup>6</sup> We also ran a robustness check by running an OLS regression predicting the likelihood of offer for the two manipulations and the interaction while controlling for perceptions of capability. We found that the interaction effect is robust to including perceived capability as a control.

## DISCUSSION

In this paper, we suggest that signals that influence perceptions of capability in labor markets may not just inform evaluators' perceptions of a candidate's capability but have discernable effects on the perceptions of a candidate's commitment. We test the argument that expectations about post-hire commitment are key for explaining employers' rejection of high-capability job candidates. When managers are faced with choosing the best candidate for a job, they consider not just the candidate's ability to perform the job but also the likelihood that the candidate will be a productive contributor to the organization for a sufficient period of time (Gorman, 2005; Correll, Benard, and Paik, 2007; Leung, 2014; Rivera and Tilcsik, 2016). They consider both the capability and the commitment to use that capability for the employer's benefit. Because information on candidates' commitment is difficult to obtain, managers infer it from the more readily available signals of capability, perceiving a negative relationship between the two dimensions of quality for highly capable candidates.

Our argument is distinct from alternatives that could lead to similar patterns of rejection of seemingly high-capability candidates. First, it is possible that some candidates are rejected because their high level of capability is viewed with suspicion in its own right, apart from inferences about commitment. For instance, an applicant with high-capability signals applying for an ostensibly lower-level job, indicating a step down in his or her career, may generate suspicion that the candidate is a "lemon" and lead a manager to dramatically discount signals of capability and, as a result, reject the candidate (Akerlof, 1970; Gibbons and Katz, 1991; Bond and Fernandez, 2018). Our theory does not rule out this possibility. Instead it suggests that even when a candidate's capability signals are perceived as legitimate and therefore properly inform the manager's inference about the candidate's ability to perform on the job, commitment concerns remain and make signaling higher capability counterproductive.

Second, while we build on existing literature, it is important to distinguish our argument about pre-hire rejection based on signals of quality from findings in the overqualification and overeducation literature. Our focus is on why candidates with high-capability signals might not get a job. By contrast, the extant overqualification and overeducation literature focuses on the attitudes and behavior of employees who feel overqualified for a job they are in (e.g., Sicherman, 1991; Johnson and Johnson, 1996, 2000; Erdogan and Bauer, 2009). In addition, while one of our proposed mechanisms is consistent with the notion that workers with excess qualifications have low motivation on the job, our core argument is different from the skills-mismatch argument that is central in the overqualification and overeducation literature (e.g., Feldman and Turnley, 1995; Johnson, Morrow, and Johnson, 2002). In its strictest sense, skills mismatch means a candidate lacks some of the required skills, even if he or she has an abundance of other skills and knowledge (that may be irrelevant for the job). That is, the candidate with mismatched skills lacks the ability to perform required tasks in the job, and therefore, just like in the case of a "lemon," the capability that is inferred from his or her capability signal is below the required level for the job. By contrast, we argue for a systematic relationship between capability signals and negative screening decisions that persists beyond satisfying the level of capability required for the job.

Finally, we distinguish our arguments from research on unraveling two-sided markets that focuses on whether candidates accept job offers rather than on their post-hire behavior (Roth and Xing, 1994; Sterling, 2014). In that line of research, evaluators are assumed to reject applicants with high capability signals, like degrees from elite schools, because of the search costs and even reputation costs if candidates were to reject job offers. Practices such as “exploding offers” that pressure candidates to accept offers attempt to deal with these costs. Researchers of such unraveling markets have focused on designing coordination and enforcement solutions for firms that limit a candidate’s ability to reject an offer (Roth and Peranson, 1999; Coles et al., 2010; Coles, Kushnir, and Niederle, 2013). The solutions require candidates to rank their job preferences, thereby providing commitment-to-accept information to the firms through market-matching algorithms. This work implies that the true issue at stake is whether the applicant will accept the job offer, and the basic assumption is still that the employer will hire the most capable applicant who will accept the job.<sup>7</sup>

We argue that while accepting or rejecting a job may be affected by perceptions about commitment, concerns about commitment do not stop there. Instead, a hiring manager also infers the level of commitment a potential employee is likely to have after accepting the job, attempting to predict behavior such as how much effort the candidate will put forth for the employer. If managers see a high-ability candidate as less committed than a candidate with lower ability, they may not extend the offer even when it is known that the high-ability candidate would accept the job. Our argument thus suggests that unraveling markets may remain inefficient even with matching algorithms in place, to the extent that organizations will forgo the most-capable workers even after the risk of offer rejection is abated.

Our argument is not incompatible with these established labor market arguments, nor is our intent to invalidate these possible explanations for penalties in the hiring process. Instead, we explicate the mechanisms linking perceptions of candidate quality along the dimensions of capability and commitment that affect the likelihood of selection. We thus theorize why capability signals and selection may have a systematically negative relationship even in the absence of concerns about the candidate’s ability and likelihood of accepting a job.

We have proposed two mechanisms that underlie this negative relationship between high capability signals and perceptions of commitment: perceived lower levels of organizational interest and perceptions of increased flight risk. Our analyses are designed to rule in these mechanisms, showing support that these are sufficient but perhaps not necessary conditions to explain the relationship between high capability signals and negative job selection outcomes (see Online Appendix A for additional qualitative evidence). Yet there might be others. For instance, a hiring manager might feel threatened by a candidate

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<sup>7</sup> For instance, in the market for new economists, Coles and colleagues (2010: 191) noted: “[Candidates] can ‘fall through the cracks’ because an employer that valued them highly guessed incorrectly that the candidate was ‘un-gettable.’ The employer, even though it ranks the candidate highly, perceives that the candidate is unlikely to accept a job offer, so the employer declines to spend an interview or fly-out slot on the candidate. This phenomenon may be widespread; in one survey conducted by our Committee, 83 percent of responding departments reported that their Ph.D. students were sometimes declined interviews because employers viewed them as excessive longshots (even though the department’s assessment suggested otherwise).”

who signals capability that surpasses the manager's own qualifications. Testing this and other potential explanations for the relationship between capability signals and negative job selection outcomes is an important task for future research.

Our study informs a number of literatures—most pointedly research on labor markets and interorganizational mobility. Scholars have long posited that individuals with employment histories that signal high ability may be able to move more freely across jobs. In the labor markets literature, workers are viewed as sorting into firms according to quality (Dahl and Klepper, 2015), and firms use signals of quality to select the most productive workers conditional on this sorting. Sociological and organizational theories similarly emphasize quality signals, including the relationships among actors who influence hiring decisions (Fernandez and Weinberg, 1997; Fernandez and Galperin, 2014). Similar assumptions undergird theories relating the status of educational institutions to mobility (Sauder, 2008; Rider, 2012; Askin and Bothner, 2016; Sterling, Rider, and Wang, 2019) and the characteristics of employment histories—which can be erratic, specialized, or broad (Leung, 2014). Our study indicates that the capability signals themselves may negatively influence employment opportunities to the extent organizations bypass candidates of the highest perceived ability because of commitment concerns. While other characteristics, such as gender or motherhood status, may inhibit workers' labor market mobility despite signals of high ability (Correll, Benard, and Paik, 2007; Rivera and Tilcsik, 2016; Quadlin, 2018; Weisshaar, 2018), our theory explicates why capability itself, under the conditions we specify, is a liability. And it is likely that this phenomenon is not limited to labor markets. We expect that in markets for credence and experience goods, where the actual quality of the offerings cannot be tested *a priori* and trust becomes a key factor (e.g., Dulleck and Kerschbamer, 2006), perceptions of commitment can play a large role in the likelihood of selection based on capability.

For research on credentialing and human capital, our theory suggests that managers concern themselves with selecting not just the highest ability candidate but the one who is both capable and committed, and such concerns remain even after resolving concerns about whether a candidate will accept a job offer. This has broad practical implications. From a policy standpoint, the assumed rationale for investments in credentials such as a college degree is that such signals of capability are valuable because they improve labor market outcomes. If this signaling value is not universal, it is important to understand when such investments are justified. In the U.S. college market alone, such a capability-signaling rationale is one basis for investments in undergraduate education that total hundreds of billions of dollars a year and have contributed to unprecedented levels of student debt.<sup>8</sup> Yet to the extent that capability signaling might reduce perceived commitment, such investments might backfire. The upper limit on the usefulness of ability-signaling credentials also suggests caution in interpreting studies that show such credentials reducing statistical discrimination in labor markets (Redbird, 2017).

A promising avenue for further research is related to further clarifying the relationship between commitment and capability. For instance, what does this relationship imply for situations directly opposite to those faced by high-ability

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<sup>8</sup> <https://nces.ed.gov/fastfacts/display.asp?id=75>.

candidates, when candidates cannot signal sufficient capability but may be able to signal commitment? Perceived (high) commitment may substitute for perceived (low) capability. Yet some evidence from online labor markets suggests that, at least in some contexts, for candidates who cannot signal high (or even sufficient) capability, signaling commitment may be counterproductive, as employers may see it as a sign confirming lack of capability (Ng and Leung, 2017). A related question is whether and in what contexts the excess in signaled capability may be so great that hiring a candidate is valuable despite the risks of low effort and outside options. For example, having had a Nobel Prize laureate or a former state dignitary as a faculty member may benefit the public image of a university enough to justify a hire, even if such a faculty member exerts low effort on the job and does not stay long.<sup>9</sup> Another potential scope condition may be the turnover of projects and clients in an organization. If projects turn over regularly, require heterogeneous sets of skills, and so impose a steep learning curve on workers, the costs of losing a highly qualified candidate due to his or her increased likelihood of being a flight risk may be offset by the benefits of having a shorter learning period for any given project.

Another direction for future refinement of our theory is clarifying some potential scope conditions for the proposed link between signals of capability and inferences of future commitment. Our empirical setup effectively supports the key components of our argument, but some of the choices we made led to limitations in what we can claim about how broadly our argument applies. For instance, to ensure that the job candidates are clearly seen as more than capable of doing the job to which they are applying, all candidates in our study make a move down the firm and job hierarchy from a prestigious investment bank to a mid-tier firm and from an investment banker VP to a corporate controller. Empirically, this choice mitigates concerns about skill mismatch, but it opens a set of questions related to our theory's applicability across the firm and job spectra. Our theory would suggest that as long as a candidate is signaling capability well over what is required for the job in question, we should see concerns about commitment. But a move to a job below one's capability level that is at a higher-status firm could be seen as consistent with developing one's career (Borkenhagen and Martin, 2018). To what extent such justifications mitigate managers' suspicion of low commitment—and thus result in boundary conditions to the effect we observe—is an empirical question for future work. Our theory implies that the more a candidate signals capability beyond that needed for the job, the more a hiring manager will be concerned about the candidate's level of commitment to that job, likely reducing the chances that such a candidate is selected. For job seekers, our findings suggest they should exercise care when investing in signals of ability and be aware that such signals may incur unexpected penalties in the labor market.

This paper explicates how labor market participants who signal high ability might be constrained in their job search as a result of that signal. We provide, to the best of our knowledge, the first evidence for the argument that when an actor signals a level of ability that is well over the threshold demanded by the manager, the manager makes negative inferences about the actor's commitment and may reject the candidate on this basis. Our theory builds on studies about the role of commitment in hiring. But an important distinction of our

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<sup>9</sup> We thank one of the anonymous reviewers for suggesting this point.


argument is that rather than focusing on why managers exclude candidates *despite* their capability, we argue that screening penalties may ensue *because* of the high-capability signals alone.


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## Supplemental Material

Supplemental material for this article can be found in the Online Appendix at <http://journals.sagepub.com/doi/suppl/10.1177/0001839219840022>.

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