The Trust of the Information from Employer Rating Platforms

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ABSTRACT

Employer rating platforms are an important source of information for potential candidates to collect and provide information about the employer. The information is beneficial and different to official company information. The research investigates the reasons to use employer rating platforms by individuals. Trust is important for the exchange of information and use of employer rating platforms. The analysis of empirical data obtained in survey has been done with indicators of central tendency or location. For empirical data analysis it used ANOVA, t-test and Spearman correlation coefficient to investigate the significance of differences in evaluations between demographic groups. The research has been done by a survey of 514 participants who are living in Germany. The research provides the result that the use of employer rating platforms depends on demographic factors. The main result is that people trust employer rating platforms. They are aware that they can be manipulated with the information at employer rating platforms.

KEYWORDS

Employer Rating Platforms, Human Resources Management, Social Capital, Social Networks

INTRODUCTION

Employer rating platforms provide information about the employer: company culture, benefits or leadership style. Rating platforms for products or hotels for example are very popular and useful for individuals. These platforms provide additional information from the perspective of employees, customers and guests. They present their positive or negative experiences or share ideas about products or services, on gained experience. The value of the information at rating platforms is that many people evaluate a service or product (Li & Bernoff, 2011; Miguéns, Baggio, & Costa, 2008). The power of rating platforms is the recommendation, of products, companies or services and the influence of other people. The person who shares or provides the information on those pages is independent from the company and has a personal perspective. This person can create an opinion leadership in the community and be a motivator to use employer rating platforms (Chen, Fay, & Wang, 2011). Employer rating platforms provide additional insights into companies which are interesting for potential candidates. Individuals believe and trust in rating platforms more than in other information channels (Shu & Chuang, 2011; Bernoff & Schadler, 2010). The research investigates the trust of individuals in employer rating platforms because the current research concentrates on other rating platforms. The knowledge about companies supports the decision to apply or not to apply. The employer rating platform is a software based tool in the internet. The new technological opportunities provide the

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opportunity to distribute information to many individuals quickly and easily world-wide. Employer rating platforms are a kind of social media and a very useful tool for the human resources management (Kluemper, Mitra, & Wang, 2016; Carr & Hayes, 2015). That makes employer rating platforms an interesting tool for employment seeking individuals to collect information about the employer. The power of the employment rating platform is the effective and efficient exchange of information without any control. The product marketing departments know the power of rating platforms and that a negative evaluation could create fundamental damages for the company. Employer rating platforms are a beneficial channel to exchange information quickly and easily (Nikitkov & Sainty, 2014). Rating platforms have the potential to create communities who discuss via rating platforms the advantages and disadvantages of employer for example.

Social media changes the employment seeking process. The internet creates new opportunities and places to find an employer (Sander, 2013). The labour market in Germany is changing. The demand for employees is increasing and the number of skilled employees is decreasing. The demographic changes lead to a gap between employees and open positions on the job market. Individuals have the opportunity to choose their employer. The companies have to motivate individuals to apply. They need a good employer branding that people take under consideration to apply (Sivertzen et al., 2013). Companies need skilled employees to be successful.

There are different reasons to use employer rating platforms. One reason to use those platforms is trust. Individuals need trust to use employer rating platforms. Untrusted information is not valuable and usable for decision-making. If people do not trust employer rating platforms, then the platform would not be used. People have to believe the information on rating platforms or they would not use the information to make a decision (Carpiano & Fitterer, 2014). Individuals provide their confidential information. The provided information can be dangerous for the whistle-blower. The individuals who present their information need to trust the employer rating platform. The company cannot investigate contributor who provides the information and that is important for the current employee and possible future employee. The data protection guarantee is important for individuals who provide the information (Burt, 2001; Lee, Park, & Lee, 2015). Another reason can be that people expect benefits for their provided information. Some rating platforms provide vouchers, gifts or points to motivate individuals to provide or evaluate information. Individuals who provide information expect obligations e.g. that other people provide useful information in the future too. Some people have the desire to help or to warn other people. They share their knowledge to provide an advantage to the community, to support their friends with beneficial information. The reason to share information can be the sympathy and friendliness to other people (Bohn et al., 2014; Lin, 2001). That research topic is cultural influenced and has to be under consideration for the analysis of the results. The research is concentrating on Germany.

EMPLOYER RATING PLATFORMS AS TOOL FOR THE EMPLOYMENT SEEKING PROCESS

Trust is the prediction of situations in the future based on statements from individuals. The reliability of promised statements is important to create trust. Trust is developed on the experience with other individuals and the history of the relationship influence the trust. Trust is an important part of social capital theory and a reason to use employer rating platforms (Bakker et al., 2006). Individuals would not use employer rating platforms if they would not trust the content of those pages.

The social capital theory explains the exchange of information within communities. People who are living in a community have often the same cultural background. Companies have a culture and the company could be like a community. The similar norms and ethical standards make the exchange of information more effective and efficient (Williams & Durrance, 2013). That reduces the information transaction cost and makes the membership within communities more valuable. The user of the employer rating platforms are a kind of community. They exchange information via the employer rating

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