Too Good to Hire?
Capability and Commitment Inference in Labor Markets

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Too Good to Hire?

Abstract

A key assumption in labor markets research is that, absent discrimination, employers seek to hire the most capable candidate at a given wage. In this paper, we theorize an aspect of selection that leads more capable job candidates to experience lower chances of being hired. We argue managers perceive high-ability candidates to have lower commitment to the organization relative to less capable candidates and, as a result, penalize high-ability candidates during selection. We test our arguments in three experimental studies that use hiring managers as subjects. Studies 1 and 2 show that managers have concerns about a high-ability candidate’s commitment to an employer, and that these concerns explain such candidates’ lower likelihood of being selected in the hiring process relative to lower, but sufficiently capable candidates. Study 3 tests two mechanisms we propose underlie hiring managers’ concerns: (i) highly-capable candidates are more likely to be seen as individuals who place self-interest ahead of organizational interest and (ii) highly-capable candidates are assumed to have more outside job options. Our findings highlight that capability signals do not necessarily afford candidates an advantage in selection, owing to their negative effect on the perception of a candidate’s commitment to the job and organization.
Too Good to Hire?

The selection of job applicants by employers is an important labor market process, because access to jobs in specific organizations influences career trajectories, and because access to the best workers is believed to provide a competitive advantage to employing organizations (Baron, 2004; Stainback, Tomaskovic-Devey, and Skaggs, 2010; Bidwell et al., 2013; Cobb and Lin, 2017). Systematic aspects of selection, therefore, matter for understanding labor markets beyond the considerations of occupational dynamics (Bechky, 2011; Howard-Greenville et al., 2017), job design (Cohen and Broschak, 2013; Koppman, 2016), or allocation of capital across industries competing for labor (Agarwal and Ohyama, 2012). Hiring managers face a difficult selection task, as they almost always have to make decisions to pursue or reject a candidate while uncertain about the candidate’s quality. Thus, a fundamental aspect of selection is relying on signals that convey such information (Spence, 1974). For instance, research on the generalist-specialist trade-off suggests that employers make inferences about candidates based on their employment histories, and that specializing in a career may yield a quality signal that improves employment outcomes (Zuckerman et al., 2003; Ferguson and Hasan, 2013; but also see Merluzzi and Phillips, 2016). Similarly, researchers contend employment results from, in part, the use of a candidate’s social group as a signal of a candidate’s quality (Altonji and Pierret, 2001; Correll and Benard, 2006).

The research on hiring therefore aims to establish how signals of various types resulting from candidates’ work history, experience, group membership, or social category affect employers’ inferences about that candidate’s quality and, therefore, her likelihood of receiving job offers. Consistent with early theories of human capital in labor markets (Mincer, 1958; Becker, 1962), the baseline assumption undergirding much of this prior work and organizational employment research generally is that, in the absence of discrimination (Becker 2010),
employers tend to select the most capable candidate at any given wage. In this paper, we suggest conditions under which a candidate that signals higher capability will be rejected based on such a signal.

The idea that employers forgo the most capable candidates in favor of less-capable ones for reasons other than discrimination appears to contradict some established arguments on the role of signals in labor markets and organizational hiring. For example, scholars have contended that employment at the most prestigious and competitive organizations leads to a positive signal of an employee’s own ability that, once obtained, allows the employee to move more freely across employers and thus to have better opportunities within the labor market, compared to equivalent workers who have not secured such a signal (Bidwell et al., 2015). Highly-respected employers may even compensate their employees less, since candidates are willing to take lower pay in exchange for the valuable capability signals that (they assume) should increase their career opportunities and hiring prospects in the future (Phillips, 2001; Hamori, 2006; Rider and Tan, 2014; Campero, 2016).

Yet, research on organizational dynamics of hiring suggests that it is not far-fetched that candidates with the highest ability are not always selected and may even be deliberately excluded from consideration. There is some evidence that screeners in organizations place an upper cap on the qualifications of job applicants based on the applicants’ educational credentials (Fernandez and Weinberg, 1997: 887; Fernandez, Castilla, and Moore, 2000: 1303; Di Stasio, 2017; see also Bills, 1992 for a discussion; and Kuhn and Shen, 2013 for documentation of this phenomenon in China) and due to the perceived quality of past educational affiliations (Coles et al., 2010). If signals intended to convey the highest ability instead reduce employment opportunities, this could imply some systematic penalties in job search and lower labor market mobility for those
candidates at the high end of the capability distribution. If true, it would be important to uncover the selection mechanisms that would lead to such penalties, because signals of high ability are costly to those who obtain them. Whether getting elite degrees or taking less pay from résumé-boosting employers, workers assume that the benefits of 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; Campero, 2016). Therefore, understanding why and when signaling high ability 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 employee careers.

In this paper, we propose a theory linking signals of high ability to penalties in the selection process, by explicating how employers assess candidate quality along two distinct (but often conflated) dimensions: capability and commitment. Because commitment is hidden in the candidate’s “backstage,” behind unobservable mental states, it may be inferred based on other characteristics of the candidate (Goffman, 1959; Correll, Benard, and Paik, 2007; Hahl, 2016; Kim and Zuckerman, 2017b). While high qualifications are most often discussed as conveying information about the ability to perform the job, we suggest that these same signals can negatively affect the perceptions of a candidate’s commitment to perform the job for the benefit of the organization.

We explicate two mechanisms that may lead those with higher-capability signals to be penalized. First, we build on research that shows that audiences generally suspect high-achieving candidates of being strategic and motivated by self-serving goals, especially in the presence of extrinsic rewards (Lamont, 2000; Hahl and Zuckerman, 2014; Hahl, Zuckerman, and Kim, 2017). A key implication of this work is that a high-ability worker may be perceived to be less
Too Good to Hire?

motivated by the objectives of an employer and more by her own self-interest than a worker of lower ability. For this reason, above some sufficient level of capability, we posit that suspicion of low or misplaced effort triggers employers to hire relatively less-capable candidates that are expected to have higher commitment to a job at the organization than higher-capability candidates. Second, previous work suggests that higher-ability candidates may be rejected because they are assumed to have more alternatives—what we term outside options (Coles et al., 2010). These alternatives make it difficult for employers to ensure that the candidate would remain at a job at a given employer long enough to provide sufficient value that would justify the hire (Johnson and Johnson, 1996, 2000). In sum, our theoretical argument is that signals that increase perceptions of capability above a basic threshold also reduce perceptions of commitment, because they raise concerns about (a) potential performance on the job and (b) the future desire of an applicant to stay with the job and employer.

Empirical investigations of mechanisms underlying candidate selection by employers are challenging. Even detailed archival data on the success rates of job applicants most often cannot illuminate, at the required level of detail, the decision-making process of screeners (Fernandez and Galperin, 2014: 449–50). 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 (cf., Pager, 2007) and generate high levels of measurement error when testing nuanced aspects of candidates (Heckman, 1998). Consequently, as Strang and Patterson (2014: 179) note, although consideration 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 (Study 1) and online panels (Studies 2 and 3). In Studies 1 and 2, we test whether signals of high ability (relative to lower but sufficient ability) reduce the likelihood of selection due to their impact on perceptions of commitment, while controlling for important concomitant factors like cultural fit (cf., Rivera, 2012; Rivera and Tilcsik, 2016). Finding evidence of such, in Study 3 we 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 reduce concerns about commitment and improve the chances of highly capable job candidates receiving job offers, relative to lower, but sufficiently capable candidates. To boost the external validity of our findings, we also report data from interviews we conducted with hiring managers working in organizations whose profiles are consistent with the fictitious organization we used in the experimental vignettes. 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 by affecting perceptions of candidate’s commitment.

**SIGNALS OF QUALITY AND SELECTION IN HIRING**

In labor markets, the information problems faced by screeners 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 an applicant’s 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,
Too Good to Hire?

2005; Bidwell et al., 2015), and social network relations (Fernandez and Weinberg, 1997; Yakubovich and Lup, 2006).

Generally, the labor markets and human capital literatures assume that, absent discrimination, organizations seek the highest quality worker who would be willing to work for the organization at a given wage (Altonji and Pierret, 2001). There are at least two arguments for why managers would do so. Workers’ quality signals are relevant for the employing organization as it attempts to maximize expected worker productivity and quality of output, and to increase profitability (i.e., get 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—serve as a proxy for the quality of the firm’s output (Benjamin and Podolny, 1999; Sauder, 2008; Rider and Tan, 2014).

But while quality is generally discussed as the ability of individuals to perform in valuable ways (Lynn et al, 2009:759; Ollivier, 2004; Gould, 2002), managers in hiring organizations face a selection task that is different from simply predicting a candidate’s ability in a subtle but important way: managers need to predict a candidate’s future cumulative contribution to the organization over the course of her employment, which depends on the worker’s actual performance in a job and the employment duration. Assessing quality, therefore, requires minimizing uncertainty not only about a worker’s potential for performing the job well—i.e., that she has the skills and knowledge required—but also about the likelihood that she will productively apply these skills and knowledge over some sufficient period of time. The former is about ability, while the latter is about commitment to use that ability for the benefit of the organization (Correll, Benard, and Paik, 2007; cf., Ridgeway, 1982).
Too Good to Hire?

Prior studies suggest that capability and commitment are, indeed, distinct dimensions. In studies of product and service quality in markets, a lack of perceived commitment comes at a cost. For instance, Phillips and colleagues (2013) provide an example in the setting of elite corporate law firms, where otherwise highly-capable firms suffer penalties if they are perceived to lack commitment to their clients. Corporate clients penalize corporate law firms that engage in personal injury law because clients in the personal injury line of practice are adversarial to the corporate clients these firms claim to support; diversifying into such a practice thus constitutes a betrayal of the firms’ core audience. While the diversification does not create concerns about the capability with these law firms, clients reject such firms because of the apparent lack of commitment to serve them.

More pointedly in the labor markets literature, there is evidence that capability and commitment also represent distinct dimensions of quality. Studies of gender effects in hiring—e.g., the motherhood penalty—suggest that perceived commitment is a distinct dimension on which job candidates and employees are assessed (Correll et al. 2007; Rivera and Tilcsik 2016). 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. Rivera and Tilcsik (2016) find that, despite inferring high ability of female job candidates from 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. In that vein, Leung (2014) shows 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 (cf., Zuckerman et al., 2003).
Assessments of commitment are therefore critical determinants of a candidate’s acceptance by the audience. Yet, while prior studies identify capability and commitment as distinct dimensions, here we importantly develop theory about the relationship between the two. Assessing a candidate’s commitment *a priori* for an employer can be quite difficult because it requires knowing the candidate’s true intentions. While a candidate’s capability can be demonstrated with past experience (a résumé), formal training credentials (education), or certifications (professional training), and can be tested with performance during a trial job (Sterling and Fernandez, 2018), the candidate’s commitment to use her capability cannot be easily tested or signaled in these ways. Commitment cannot be reliably inferred from candidate’s statements of intent either, as it is rarely costly to declare future commitment and all candidates are motivated to do so—i.e., engage in “cheap talk.”

How do then employers infer commitment? 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. However, because true intentions are hidden in the “backstage” of the presented identity (Goffman, 1959; Correll, Benard, and Paik, 2007; Hahl, 2016; Kim and Zuckerman, 2017a), audiences tend to rely on contextual cues to infer a candidate’s true intent (Hahl, 2016). Recent research examines such processes of commitment inference and suggests that audiences distrust more capable actors in favor of less capable ones, as signaled by their status. Hahl and Zuckerman (2014) for example, find that because displays of higher capability often provide extrinsic rewards, audiences question whether an actor who outperforms another was motivated by these rewards, rather than by her commitment, stated or implied, to the serve the audience. Relatedly, Bothner, Kim, and Smith (2012) suggest that
audiences suspect that erstwhile high-performing actors grow complacent after periods of high achievement.

Building on these findings, we contend that, in the labor market context, capability itself serves as a signal of (lack of) commitment to an organization or a particular job, and that the perceptions of capability and commitment move in opposite directions, meaning higher levels of capability lead to lower perceptions of an actor’s commitment. Arguably, someone who is highly capable likely has been committed to developing such a capability at some point in the past, especially because capability refers to skills and knowledge and not just raw talent. But notice the type of commitment that typically precedes high capability. 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 or job per se. This argument is well-trodden terrain. Scholars have acknowledged 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, a specific job, or wage (e.g., Becker and Carper, 1956; Kanter, 1968; Sheldon, 1971; Abbott, 1981; 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, since personal career considerations and professional objectives are at least sometimes (and in some contexts, often) 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; Capelli, 2018). Highly capable candidates may be viewed as less willing to “put aside”
what serves their personal career advancement or their professional interests and work instead in the interests of firms. Based on this argument, we suggest that *the higher the capability signals, the lower will be the perceived commitment to the organization*. In turn, this means *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 the following.

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

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

**MECHANISMS FOR THE CAPABILITY PENALTY**

Beyond proposing that the commitment of candidates who have high levels of capability may be viewed with suspicion, we posit two theoretical mechanisms that shape this perception and may lead to a capability penalty in selection. First, the level of perceived capability can signal expected organizational behavior while performing a job. As intimated above, signals of capability render suspicion that highly capable candidates act in their own self-interest. There are times when the interests of the employer align with the interests of the candidate, but this is not always the case. A core tenant of employment relationships is that managers have the authority to stipulate the behaviors of employees when such interests diverge (Simon, 1951). Employees operate under a doctrine of “duty of care” to work in the best interests of employers and avoid conflicts of interest (Cappelli 2018; Cappelli and Keller 2013), but in practice, managers’ ability for enforcement is rather weak (Gibbons and Henderson, 2012; Williamson, 1975).
Managers may be more apt to view highly capable candidates as likely to exert low effort, or to misplace their effort if hired. Strong capability signals, such as a history of investing in one’s own skills and abilities, creates the perception that candidates’ career-related self-interest comes first. Consider the capability signals that arise from prior employment affiliations with high-quality employers. Undoubtedly, previous employment at a prestigious employer signals a high level of capability (Bidwell et al., 2015). But it also signals that the candidate possesses an undesired set of motives, like strong interest in extrinsic rewards associated with esteem from prestigious employment (Rider and Tan, 2014), rather than in the goals, mission, and values of the employer (Chatman, 1991; Srivastava et al., 2017).

To give a concrete example, we expect an employer to be concerned that a highly capable software programmer would want to work on projects she deems worthy of attention because they enhance her skills, rather than those that would be most valuable to the organization’s mission, goals, and current market needs. That is, even if the candidate has demonstrated evidence of hard work in the past, she may be less willing to work on the tasks assigned to her and in the way that the manager directs her, than a programmer with lower (but sufficient) level of ability, when those tasks diverge from her own career interests.

Research on high-status professionals, who are typically highly-capable workers with strong extra-organizational career goals, suggests support for this contention. Kellogg (2011), for example, 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 Sorensen and Sorensen, 1974 for a similar example about accountants). More broadly, history of commitment to extra-organizational objectives like professional goals or career
development, signified by high capability, may suggest lower commitment to a given organizations’ 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 is 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 the future efforts of highly capable candidates 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-ability signals than a candidate that signals lower but sufficient ability because of the increased likelihood that such candidates are seen as motivated by self-interest as opposed to the mission and objectives of the firm.

Second, building on prior work, we suggest that concerns about commitment stem from a lack of belief that a highly capable candidate will remain with the organization long enough to warrant selection. We refer to this as the “outside options” mechanism. To the extent that a worker’s contribution to an organization depends on her effort applied over the term of her employment, it would seem that 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 or not an individual would be committed to stay is often hard to ascertain, and in these contexts high capability can serve as a negative signal. Employees with high ability signals are likely to have both higher quantity and quality 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. Indeed, 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
Too Good to Hire?

particular strategy by reducing her options to deviate from it (e.g., Becker, 1960; Ghemawat, 1991; Exley and Naecker, 2016).

The concerns that a high-capability candidate has more outside options therefore reduces employer’s willingness to spend resources on hiring and training an employee who is at risk of leaving too soon. Hiring and replacement of employees is usually costly due to the search, screening, and training steps involved. 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 seek to reduce turnover and increase employee tenure. That is, employers will 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 can be worried that she will turn to these options, sooner or later. We predict the following.

Hypothesis 3: All else equal, 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 high-ability signaling candidate’s potential options to work outside of the firm.

Scope Conditions

Our theoretical argument relies on important assumptions, which suggests a number of scope conditions. Perhaps most important is the assumption that the employment in question is continuous and is expected to be—by the candidate and the hiring manager—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 even continuous employment based on a long string of similar-task gigs (Fernandez-Mateo, 2009; Yakubovich, Galperin, and El Mansouri, 2018). Whether such less-traditional work is within the scope of our
theory depends in large part on our second assumption: that search, hiring, firing, and on-the-job training of new hires (or some combination of theses) are costly to the employer. These costs make salient the concern that a candidate whose qualifications are too high is a flight risk. Note, however, that even if all of these costs are externalized, and so being a flight risk becomes costless to the employer, concerns about low motivation of such candidate to exert effort beyond perfunctory performance may remain (Williamson, 1983; Freeland and Zuckerman Sivan, 2018).

Another important assumption in our theorizing is the absence of internal labor market considerations on the part of the candidate. That is, a candidate whose ability is significantly higher than what is required for a job may accept the job as a means to enter the internal labor market of an organization, with the hopes of quick advancement in that market through promotions. In that scenario, the suspicion-of-low-effort and outside-options concerns could still apply to the job, perhaps to a lesser extent (since the candidate may be sensitive to reputational consequences of poor performance), but may not apply to the organization at all, if the candidate’s goal is upward mobility within the organization. Yet assuming away such internal labor market considerations may be justified to uncover the basic mechanisms theorized here, for at least two reasons. First, internal labor markets have been in decline for the last several decades (Bidwell et al., 2013; Capelli, 2018). Second, hiring managers may be concerned more with the performance of the candidate in the specific job, rather than in the organization overall. The managers’ incentives are usually tied to specific positions they oversee, so to the extent 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.

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1 We thank the editors and one of the reviewers for suggesting this point.
Finally, our theory may depend on a firm’s ability to control and monitor employees. The idea that employees that carry high-ability signals might be distracted by self-interest, including searching for other jobs that would benefit them, assumes that an employee has freedom to act. As such, in markets where skills are more easily measured and behavior 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 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 in which we study, we follow the online field experiment design described by Parigi, Santana, and Cook (2017). Further, 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 both 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.

[ Table 1 about here ]
Study 1: Inferring Commitment from Capability

In Study 1, we test Hypotheses 1a and 1b. In this study, participants were hiring managers who were asked to make a hiring decision. Hiring managers reviewed two fictional candidates’ applications in a within-subjects design. We describe these candidates throughout this section as the “Extremely-High Capability” and “Moderately-High Capability” candidates, respectively. In the 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 difference in achievements at these firms (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. However, 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 based on 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.” Of the 80 students, 69 elected to fill out the survey. These subjects all had backgrounds in health care
Procedure. We instructed participants to evaluate two different profiles of job applicants applying to a “corporate finance position in a medium-size health care company.” This design resulted in within-subject comparisons, where each participant evaluated both potential job candidates. This is realistic for most screening scenarios, where managers evaluate multiple candidate profiles at the same time.

Each participant was presented with the social media profile of the two candidates (we label them “Extremely High-Capability” and “Moderately High-Capability” candidates) who were identical in terms of education and their former place of employment—the 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 (cf., Rivera, 2012), could be ruled out as a driver of our results.

We manipulated profiles so that the job function of both candidates at their previous firm was 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 hiring professionals increasingly use in evaluating candidates for a job (see appendix). 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 financing models to support closed deals worth $1.5 billion.” By comparison, the Moderately
Too Good to Hire?

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.” We counterbalanced the two candidate profiles (along with the specific educational and firm names used in the profiles). 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, i.e., a participant would evaluate the first candidate prior to seeing the profile of the second. Following the profile, participants were asked to rate the candidate on their 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=0.91). Finally, 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<0.001), such that participants perceived the Extremely High-Capability candidate as having higher capability than the Moderately High-Capability candidate.

[Figure 1 about here]

**Results of Main Effect Analysis.** To test Hypothesis 1a, we first conducted a Wilcoxon signed-rank test comparing participant ratings of 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). Results of this test are represented in Figure 1. The null 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 commitment than the Moderately High-Capability candidate. This provides support for the main effect predicted in Hypothesis 1a.

[Table 2 about here]

[Figure 2 about here]

**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 and Figure 2. Model 1 of Table 2 is a test of whether or not 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 ($\beta_c=-0.502$, $p=0.003$) 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 ($\beta_a = -1.427$, $p<0.001$). Finally, we regressed the likelihood of an offer on both the capability manipulation ($\beta_c' = 0.277$, $p=0.124$) and perceptions of commitment ($\beta_b=0.546$, $p<0.001$). 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 to test 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 ($\beta=-0.779$, $p<.001$).\footnote{Using the MEMORE macro for SPSS (Montoya and Hayes, 2017), which analyzes mediation with within-subjects designs, we find a significant indirect effect of the capability manipulation, going through perceptions of commitment ($\beta=-0.37$, 95% CI: -0.72, -0.13).}

In a subsequent analysis, 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 ($\beta=-0.3737$, \ldots).
Too Good to Hire?

95% CI: -0.7033, -0.1231). This shows strong support for the full mediated model predicted in Hypothesis 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 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 demonstrated the relationship between commitment and high-capability rejection in a within-subjects design. The study is externally valid to most screening scenarios, where evaluators screen multiple candidates at the same time. However, within-subjects designs stand 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 mitigates against such demand effects, we designed Study 2 to address this concern by introducing a between-subjects design to limit this possibility. Because subjects see only one candidate description, they have less chance of predicting what the experimenter’s goals are for the study.

Study 2 was also designed to more directly test the relationship between commitment and high-capability rejection. Recall in Study 1, while we measured commitment, 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 manipulate both capability and commitment in Study 2 to permit causal inference about the effects of capability and commitment on hiring outcomes. This process is known as mediation by manipulation and 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—i.e., a type of pre-hire commitment—instead of post-hire behavior.

**Recruitment.** Participants were recruited to fill out a “survey for hiring managers” through a Qualtrics panel in December of 2016. They were paid $6 for completion of the study. The authors did not have direct contact with the participants, but instead relied on the Qualtrics firm to recruit participants under two criteria: (1) that the participants were US based and (2) that they could provide (to Qualtrics) 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 candidate profiles in Study 2 as Study 1. Instead of evaluating both candidates, participants only viewed one profile and were asked to only evaluate that one candidate. Participants entered the study and were told that they would evaluate one candidate applying to a “corporate finance position in a medium-size health care company.” To verify that participants understood the directions, we asked the participants 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 once again before the participant was asked about
Too Good to Hire?

his/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.

Participants were then randomly assigned to view either the Extremely High-Capability candidate or the Moderately High-Capability candidate. These candidates were presented in the same way as they were in Study 1, but participants only saw one of the candidates in this study. Next, participants were randomly assigned to two different commitment information conditions: Neutral and High. In each condition, participants were told, “As part of the application process, the candidate completed an assessment delivered by your firm’s HR department.” All participants were told 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.” By 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.
After participants were given this information, they were asked about their likelihood of giving the candidate a job offer based on the same scale used in Study 1. This variable, once again, served as the dependent variable.

**Manipulation Checks.** As a manipulation check after rating their likelihood to give an offer to the candidate, participants were then asked to evaluate the candidate’s capability by rating them on a 7-point scale (1=low and 7=high) on 4 different 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.” These four measures were combined 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, M=5.86, SD=0.82) rated the candidate higher in perceived capability (t=-6.60, df=210, p<.001, two-tailed test) than those assigned to the Moderately High-Capability condition (N=106, M=4.99, SD=1.08).

Candidates were also asked about perceived commitment after these ratings. Participants 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 to 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, M=5.44, SD=1.16)

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3 While the outcome measure in the analysis is the receipt of offer, consistent with our theorizing above, in Appendix B we show the same set of analyses using receipt of an interview as an outcome.
rated the candidate higher in commitment ($t=-5.94$, $df=210$, $p<.001$, two-tailed test) than those assigned to the Neutral Commitment conditions ($N=107$, $M=4.51$, $SD=1.57$).\(^4\)

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 over the Moderately High-Capability candidate, because concerns about commitment have been mitigated. Figure 3 presents the likelihood of giving an offer across all four conditions. First, in the Neutral Commitment conditions, the Moderately High-Capability candidate ($N=54$, $M=5.07$, $SD=1.59$) was more likely to receive an offer ($t=3.66$, $df=105$, $p<.001$, two-tailed test) than the Extremely High-Capability candidate ($N=53$, $M=3.83$, $SD=1.92$). 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 ($N=53$, $M=6.04$, $SD=1.18$) were more likely to give the candidate an offer ($t=-3.34$, $df=105$, $p=.001$, two-tailed test) than those in the Moderately High-Capability condition ($N=52$, $M=5.17$, $SD=1.46$).

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 support for the main effect predicted in Hypothesis 1a. Second, when candidates are told that the assessment is indicative of organizational commitment, the

\(^4\) We performed $t$-tests in this study because of the higher number of participants, but results are robust to non-parametric tests as well.
Too Good to Hire?

Extremely High-Capability candidate is more likely to be hired. Taken together, 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=0.33, df=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, df=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 elevated capability, as determined by hiring managers, are less likely to receive an offer because of concerns that such candidates will not sufficiently commit to the organization.

**Study 3 Overview: Testing 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. To test these mechanisms, we manipulated them directly across the two parts of the study: 3a and 3b. We report the results for each part of the study separately.

In Study 3a, we focus on Hypothesis 2 that perceptions of self-oriented motives generated by high-capability signals will raise more commitment concerns than those seen as motivated by the organization’s mission or objectives. In Study 3b, we focus on Hypothesis 3, the “outside options” mechanism, 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 it is the case that these mechanisms underlie the constraint imposed
Too Good to Hire?

on the Extremely High-Capability candidate, then when these issues are resolved (i.e., organizationally-oriented motives or rejected alternatives), we should see that the Extremely High-Capability candidate is *more* likely to be selected than the Moderately High-Capability candidate. To further explicate this effect, we would also expect that the change in selection likelihood for the Extremely High-Capability candidate should be mediated by perceptions of commitment. 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.

**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 that took Study 2 or Study 3b was not included in the sample for Study 3a). For Study 3a, we recruited 227 participants using the Qualtrics panel discussed above in 2018. Participants were paid $6.50 to complete the entire survey. All participants had experience as hiring managers. This sample was collected separately from the sample for Study 3b and there was no overlap between them, as participants who completed one study could not participate in the other.

**Procedure.** The procedure was very similar to that used in Studies 1 and 2. Participants entered the study and 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, participants were asked 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 once again before the participant was asked his/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. Furthermore, 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 then viewed additional information about the candidate. Participants were randomly assigned to one of two conditions: Self-Oriented Motives or Organizationally-Oriented Motives. This yielded a 2x2 factorial design where Extremely/Moderately High-Capability and Self-Oriented/Organizationally-Oriented Motives were manipulated as between-subject factors. In the Self-Oriented Motives condition, participants were told that “this candidate is excited about the firm’s pay package.” This information was designed to indicate that the candidate was motivated to work for the firm due to compensation. 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 intrinsically motivated to work for the participant’s firm. Participants were asked to rate the candidate on perceived capability using the same 4-item scale used in Study 2, and
Too Good to Hire?

once again results indicate that the capability manipulation is the only factor driving the perceptions of capability.⁵

After viewing this information, participants were asked to rate the level of commitment using the same 4-item scale used in Studies 1 and 2. In order to test whether this manipulation affected perceptions of commitment, we conducted a Wilcoxon signed-rank test on differences among participant perceived commitment ratings of the Self-Oriented Motives candidate versus the Organizationally-Oriented Motives candidate. Results were robust to between-subjects specified t-tests. The null hypothesis that the perceived commitment rating between the conditions was equal was rejected ($U/mn=.61, z=-2.82, p=0.005$), such that participants perceived the Self-Oriented Motives candidate as having lower commitment than the Organizationally-Oriented Motives candidate. Participants were then asked to rate their likelihood of giving an offer to the candidate. The final step included demographic information, which did not differ in any significant way by condition.

**Results.** Hypothesis 2 predicts that hiring managers will be less likely to select a candidate with high-ability signals than a candidate that signals lower but sufficient ability because of the increased likelihood that such candidates are seen as likely to put self-interest ahead of the mission and objectives of the firm. Our design allows us to test whether the Extremely High-Capability candidate is less likely to be selected than the Moderately High-Capability candidate when they are perceived as oriented by self-interest, and whether this likelihood is reversed when the candidate is perceived as having organizational interests in mind.

[ Figure 4 about here ]

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⁵ As a manipulation check, when performing a regression on perceptions of capability with the two manipulations and interaction, only the capability manipulation had a significant effect on capability ratings.
Figure 4 shows the likelihood of an offer across each of the four conditions. To identify whether the manipulations had significant effects on likelihood of offer, we performed a two-way ANOVA on the likelihood to select 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, $F(1, 224)=0.04, p=.84$ 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 offer. In the two-way ANOVA, the effect for high capability was significant, $F(1, 223)=5.04, p=.026$, the effect for motives is not significant, $F(1, 223)=1.56, p=.21$, and the interaction term was significant, $F(1, 223)=11.28, p<.001$. To test the direction of this interaction, we performed planned contrasts to test for the direction of the interaction effect. In the Self-Oriented Motives conditions, the effect of higher capability signals was negative and significant on likelihood of offer (contrast=$-0.71, t=2.98, p=.003$, two-tailed test). In the Organizationally-Oriented Motives conditions, the effect of higher capability signals was positive and significant on likelihood of offer (contrast=$0.65, t=2.76, p=.006$, two-tailed test).6 This shows 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 extrinsically motivated to perform on the job (i.e., as motivated by self-interest). 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.

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6 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 find that the interaction effect is robust to including perceived capability as a control.
Additionally, we tested whether the change in likelihood of selection for the Extremely High-Capability candidate is explained by a change in perceptions of commitment. We test the significance of the indirect effect of Organizationally-Oriented Motives on likelihood of offer through perceptions of commitment within the Extremely High-Capability candidate conditions and controlling for perceptions of capability. Using 10,000 bias-correct bootstrap confidence intervals, we find a significant indirect effect of the Organizationally-Oriented Motives manipulation on likelihood of job offer through perceptions of commitment when participants consider the Extremely High-Capability candidate ($\beta=1.19$, bias-adjusted $z=4.03$, $p<.001$, 95% CI: 0.611, 1.768). The indirect effect partially mediates the initial positive main effect ($\beta=1.94$, $p<.001$) of Organizationally-Oriented Motives, which remains significant in the final model ($\beta=0.75$, $p<.001$) while controlling for perceived capability in each case. The significant indirect effect provides support for Hypothesis 2. Because we found a partial mediation, we cannot rule out the possibility that the manipulation of Organizationally-Oriented Motives may have affected an unmeasured variable that also had a mediating effect on offer. For instance, hiring managers may anticipate experiencing positive emotions from working with a subordinate who values the mission of the firm or negative emotions from working with someone who values money above all, which may affect the perceived value of the candidate over and above productivity considerations. Regardless of the potential unobserved measure, these results serve as support for our proposed mechanism and for Hypothesis 2.

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7 Using the 10,000 percentile confidence intervals with the PROCESS macro, we find 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 do not find a significant indirect effect when the participants view the Moderately High-Capability candidate (95% CI: -0.31, 0.81). The index of moderated mediation indicates that these effects are significantly different from one another (95% CI: 0.14, 1.74), suggesting that the effect of Organizationally-Oriented Motives only improves the likelihood of offer for Extremely High-Capability candidates.
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 is in the information provided when participants are 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 2x2 factorial design where Extremely High-Capability/Moderately High-Capability and Open Outside Options/Rejected Outside Options were manipulated as between-subject factors.

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
Too Good to Hire?

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 4-item scale used in Study 2. As a manipulation check, when performing a regression on perceptions of capability with the two manipulations and interaction, only the capability manipulation had a significant effect on capability ratings ($\beta=1.32$, $p<.001$).

After this information, participants were asked to rate the level of commitment using the same 4-item scale used in Studies 1 and 2. In order to test whether this manipulation affects perceptions of commitment, we conducted a Wilcoxon signed-rank test on differences among participant perceived commitment ratings of 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 ($U/mn=.74$, $z=-6.44$, $p<0.001$), such that participants perceived the Open Outside Options candidate as having lower commitment than the Rejected Outside Options candidate. 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 demographic information, which did not differ in any significant way by condition.

**Results.** Hypothesis 3 predicts that hiring managers will be less likely to select a candidate with high-ability signals than a candidate that signals lower but sufficient ability because of the high-ability-signaling candidate’s potential alternative options to work outside of the firm. Our design allows 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), but that this likelihood is reversed when the candidate is not interested in these outside options (Rejected Outside Options).

Figure 5 shows the likelihood of an offer across each of the four conditions. To identify whether the manipulations had significant effects on likelihood of offer, we performed a two-way ANOVA on the likelihood to select the candidate presented to them. We first ran the analysis without the interaction term and found that the effect of the high capability manipulation was not significant, $F(1, 230)=0.26, p=.61$ 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 offer. In the two-way ANOVA, the effect for high capability was significant, $F(1, 229)=8.97, p=.003$, the effect for outside options was not significant, $F(1, 226)=0.92, p=.34$, 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 likelihood of offer (contrast $=-0.88$, $t=3.00, p=.003$, two-tailed test). In the Rejected Outside Options conditions, the effect of higher-capability signals was positive and significant on likelihood of offer (contrast $=0.94$, $t=3.48$, $p<.001$, two-tailed test).\(^8\) This shows support for Hypothesis 3, as 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

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\(^8\) 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 find that the interaction effect is robust to including perceived capability as a control.
outside offers, such that the Extremely High-Capability candidate is more likely to be selected than the Moderately High-Capability candidate in this context.

Additionally, we tested whether the change in likelihood of selection for the Extremely High-Capability candidate from the Open Outside Options condition to the Rejected Outside Options condition is explained by a change in perceptions of commitment. We perform a mediation analysis testing whether there is a significant indirect effect of Rejecting Outside Options on the likelihood of offer through perceptions of commitment within the Extremely High-Capability candidate conditions and controlling for perceptions of capability. We use a similar bootstrapping-type model discussed above in Study 1 (Preacher and Hayes, 2004; Hayes, 2013),\(^9\) performing the same analyses as in Study 3a. Using 10,000 bias-correct bootstrap confidence intervals, we find a significant indirect effect of the Rejected Outside Options manipulation on likelihood of job offer through perceptions of commitment when participants consider the Extremely High-Capability candidate (\(\beta=2.38\), bias-adjusted \(z=9.10\), \(p<.001\), 95% CI: 1.81, 2.80). Furthermore, this effect fully mediates the initial positive main effect (\(\beta=2.13\), \(p<.001\)) of Rejecting Outside Options, which is insignificant in the final model (\(\beta=-0.17\), \(p=.391\)), controlling for perceived capability in each case. This provides further support for Hypothesis 3 by validating the idea that the change in perceived commitment underlies this increase in likelihood of offer for the Extremely High-Capability candidate.

\(^9\) Using the 10,000 bias adjusted confidence intervals with the PROCESS macro, we find a significant indirect effect of the Rejected Outside Offers manipulation on offer, through perceptions of commitment, when the participants view the Extremely High-Capability candidate (95% CI: 1.74, 2.68). We do not find a significant indirect effect when the participants view the Moderately High-Capability candidate (95% CI: -0.21, 0.60). 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 Rejected Outside Offers only improves the likelihood of offer for Extremely High-Capability candidates.
QUALITATIVE EVIDENCE

Method

To assess the plausibility of our theorized mechanisms and to boost external validity of our findings, we conducted telephone interviews with hiring managers in 2018. To develop the interviews, we designed a semi-structured protocol and conducted an initial set of interviews with three hiring managers in mid-size health care firms to test and refine the protocol. We then recruited 14 additional hiring managers into the study. The hiring managers were senior executives in organizations that match closely the profile of the fictitious employer used in our experimental studies. To get access to these executives, we searched a comprehensive commercial database (Corporate Affiliations) for mid-size health care firms located in the Midwestern and Western regions of the continental U.S. (excluding California) that employed no fewer than 50 and no more than 1,000 workers. The firms in our sampling frame listed at least one of the 13 NAICS codes in the health care industry and listed at least one senior executive’s name and contact information. The search produced 391 potential respondents, however only 282 email addresses were valid (emails sent to the rest were undeliverable). Of those emailed, 22 responded with interest and 14 ultimately agreed to be interviewed.

Our goal for the interviews was to elicit managers’ thoughts—and to understand if indeed there were concerns—about job candidates with high capability. We approached that goal with a four-part interview protocol. First, after introducing the general topic of our research as an “interest in how people look for jobs and how organizations look for workers,” we asked a respondent to briefly summarize key characteristics he or she looks for in a job candidate and the

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10 We used NAICS codes 334510, 423450, 524114, 541219, 621111, 621491, 621511, 621512, 621610, 621999, 811219, 813212, and 923120.
most common concerns the respondent has when considering someone for a job. In the next step of the interview, we emailed to the respondent one of the two resumé excerpts that were developed for the purposes of the experiments. These resumés summarized qualifications for either an Extremely High-Capability candidate or a Moderately High-Capability candidate, like the ones used in the experiments (see Appendix A for example).

We asked the respondent to take a few minutes to look at the qualifications summarized in the resumé and to imagine that the respondent’s organization has an opening for a Division Controller and that a candidate with the qualification listed in the resumé is applying to fill that open position. Once the respondent had a chance to study the resumé, we asked for her or his thoughts about the candidate. In the third step of the interview, we sent the second resumé of the two (we randomized the order across our respondents) and asked the respondent to now imagine that there is not one, but two candidates applying to the same position and to share the respondent’s thoughts about the second candidate in comparison to the first one. We then asked which of the two candidates would be preferred and why. In the last step of the interview, we asked those respondents who expressed any concern about the Extremely High-Capability candidate to share with us whether any information about the candidate’s motives would alleviate their concern, and what kind of information it would have to be. We thus prompted the respondents to list and explicate their concerns related to high ability job applicants without directly mentioning the topic or priming the respondents with any of our hypothesized mechanisms.

When asked the question “If choosing between these two candidates, which would you be more likely to consider for interviewing and hiring and why?” all seventeen respondents expressed concern about the Extremely High-Capability candidate, stating that they would, at the
Too Good to Hire?

very least, require additional information about the candidate, before further considering him for the job. Many linked the capability of the candidate to the reason they were concerned. Examples of the ways executives discussed these concerns are below.

Well, that it's a step backwards for them. So, are they really… You know what? You'd have to dig into what their true goals are for their career progression and why they're willing to take a step backwards, to accept that role. (R4, ME)

Yeah, that does seem like a step back and why they would be applying for the position would be of concern. So yeah, given the experience and the level they've reached, I'd still wanna talk to them and understand why. (R10, EM)

So that would be my concern as to what is prompting him, he's been in this job for seven years as senior VP, what's prompting them to take a jump of a level down? I would say by looking at he's got good tenure and he's climbed the ladder pretty quickly. But that would be my first question as to why he's looking for a lower level position. (R11, EM)

Senior Vice President of Finance. I don't know. In our structure, that would be a higher kind of a job than controller. And, why are they looking for a job that is under what they're currently doing, is a question I would have. Are they overqualified? We get a fair number of that. … And I think if someone were making that kind of a job change from a much higher compensated level and responsibility to something lower, they'd have to convince me that there's a real reason why they're doing that. (R12, EM)

Yeah. Well, I guess I would wonder why is he going from the senior VP back to controller? I think I would need more information, more context about why the particular move. (R13, ME)

I mean, wow. We've had this, I've had people that have like a master's and an accounting degree and they've looked at, not quite a billion, but hundreds of millions, and I haven't even actually called them in. It's just, I didn't want to pursue that. (R2, ME)

For ease of reference, we abbreviate interview responder’s identity with an “R” followed by a number. We then show whether a respondent saw Moderately High-Capability Candidate’s resume followed by the Extremely High-Capability Candidate’s resume (ME) or the Extremely High-Capability Candidate’s resume followed by the Moderately High-Capability Candidate’s resume (EM).
Too Good to Hire?

If a respondent expressed concerns about the candidate, they were asked why they were concerned. Respondents stated that a highly-capable candidate would not be motivated to perform well on the job.

I just don't think there would be a fit, that this person would be looking at more global things than we are, but we'd need somebody that's in the nitty-gritty and actually doing a lot of the work. … I don't want to have to worry about them coming down to this spot and being motivated to do all this. (R2, ME)

[When a similar candidate applied to our firm,] our concerns was, is this work gonna be too boring for him or too basic because he is used to doing all this high-level stuff and we really need him to be down in the weeds for a while with some low-level stuff? Is it gonna hold his interest? (R3, EM)

When they talk about that they worked at an organization that has one billion in annual revenue, I think they would get bored with us really quick. (R6, EM)

[Will the candidate be] able to step down from where that person currently is to a different type of structure, a corporate structure, and possibly even reporting to someone just as skilled as they are? And how they would handle that, more on an emotional side. I would also be a little bit concerned just with their team dynamic, and could they humble themselves enough to take a step back? Not everyone can do that. (R7, EM)

If you're overqualified, you could get bored, or you may not see any upside. (R8, ME)

Another, closely related justification for the concern about capability expressed by the respondents had to do with flight risk—i.e., the candidate pursuing options outside of the given employer in the near future.

[Will they] stay before they're going back to a billion-dollar company? (R1, EM)

I don't want it to be a temporary spot until they can find the same level or better than they had before. (R2, ME)

I would wonder why they're moving … I'd wanna explore their reasons for moving, so I would understand whether they're gonna be stable with us or whether they just are looking for a … bridge employment until they get the job that they really want… If you're gonna be here for one year, or two years and
Too Good to Hire?

leave, you don't really care about us. So, why should I work with you? (R6, EM)

And, of course, the fear is, and the common knowledge in our organization, is if you hire someone who is overqualified, they won't stay, because they're not making what they need to, the pay is inadequate, and they're really just kind of doing that as a place marker until they find something somewhere else that's better. (R12, EM)

Overall, the interviews with executives indicated that the concerns about high-capability job candidates we have outlined here are realistic. The mechanisms through which we theorize that these concerns operate are plausible and consistent with our experimental results.

DISCUSSION

In this paper, we suggest that capability signals 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. Specifically, we articulate and test the argument that perceptions of post-hire commitment are key for explaining rejection of high-ability job candidates by employers, especially when a candidate’s capability exceeds the required level for the job. When managers are faced with a decision of choosing the best candidate to whom to offer a job, they consider not just the ability of the candidate to perform the job, but also the likelihood that the candidate, indeed, will be a productive contributor to the organization for a sufficient period of time. That is, they consider both the capability and the commitment to use that capability for the benefit of the employer. Since the 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-ability 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
Too Good to Hire?

commitment inferences. For instance, the very fact that an applicant with high capability signals applies for an ostensibly lower level job, in a way that indicates a step down in the applicant’s 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, 2017). Our theory does not rule out this possibility. Instead it suggests that even in cases where 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 over-qualification and over-education literature. While one of our proposed mechanism 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 over-qualification and over-education literature (e.g., Feldman and Turnley, 1995; W. R. Johnson, Morrow, and Johnson, 2002). In its strictest sense, skills mismatch means a candidate lacks some of the required skills, even if he 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 a case of a “lemon,” the capability that is inferred from his 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 or not 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, were candidates 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 (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 or not, and the basic assumption is still that the employer will hire the most capable applicant that will accept the job.¹²

We argue that while accepting or rejecting a job may indeed 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

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¹² 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).”
Too Good to Hire?

would accept the job. Our argument thus suggests that “unraveling” markets may remain inefficient even with matching algorithms in place, to the extent organizations will forgo the most capable workers even after the risk of offer rejection is abated.

In sum, our argument is not incompatible with these established labor market arguments, nor is our intent here to invalidate these possible explanations for penalties in the hiring process. Instead, we explicate the mechanisms related to perceptions of candidate quality and link them to likelihood of selection. We theorize why capability signals and selection may have a systematically negative relationship even when concerns about the ability of the candidate and her likelihood to accept a job are absent that are rooted in perceptions of a candidate’s commitment to the organization.

Our study informs a number of literatures, but most pointedly, research on labor markets and inter-organizational mobility. Scholars have long posited that individuals with employment history that signals 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 signals of quality are used by firms to select the most productive workers conditional on this sorting. Sociological and organizational theories similarly emphasize quality signals, including the relationships of actors that 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) 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 of individuals,
such as their gender or motherhood status, may inhibit labor market mobility of workers despite signals of high ability (Correll, Benard, and Paik, 2007; Rivera and Tílsik, 2016), our theory explicates why capability itself, under the conditions we specify, is a liability. Furthermore, 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 or not 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. To the degree that this signaling value is not universal, it is important to understand when such investments are justified. In the U.S. college market alone, such capability-signaling rationale is one basis for investments in undergraduate education that totals hundreds of billions of dollars a year and has contributed to unprecedented levels of student debt. Yet to the extent that capability signaling might reduce perceived commitment, as we have shown, such investments might backfire.

A promising avenue for further research is related to the relationship between capability and commitment. For instance, what does this relationship imply for situations directly opposite to those faced by high ability candidates—i.e., when candidates cannot signal sufficient

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13 https://nces.ed.gov/fastfacts/display.asp?id=75
Too Good to Hire?

capability but may be able to signal commitment? On the one hand, 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, the very instance of 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 faculty member exerts low effort on the job and leaves soon after joining the faculty.14

Our empirical setup effectively supports the key components of our argument, but some of the choices made in the experimental setup have led to limitations in what we can claim with respect to how broadly our argument applies. For instance, in order to ensure that the job candidates were clearly seen as more than capable to fulfill 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 mitigates concerns about skill mismatch as we discuss above. However, this study design choice opens a set of questions related to applicability of our theory across the firm and job spectra. On one hand, 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. However, a move to a job below one’s capability level but at a higher-status firm could be seen as consistent with developing one’s career (Borkenhagen and Martin, 2018). To

14 We thank one of the reviewers for suggesting this point.
Too Good to Hire?

what extent such justifications mitigate managers’ suspicion of low commitment—and thus result in boundary condition to the effect we observe—is an empirical question for future work. Our theory implies that the more a candidate signals capability beyond that which is needed for the job, the more a hiring manager is going to be concerned about the candidate’s level of commitment to that job, likely reducing the chances that such a candidate is selected.

CONCLUSIONS

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 over the threshold demanded by the manager, the manager makes negative inferences about the actor’s commitment and that the manager rejects such candidates on this basis. In doing so, we highlight the previously overlooked mechanism of concern about post-hire commitment that operates at the point of employee selection. Our design thus builds on studies about the role of commitment in hiring (Correll, Benard, and Paik, 2007; Leung, 2014; Merluzzi and Phillips, 2016; Rivera and Tileck, 2016). But an important distinction of our argument is that rather than focusing on why managers exclude candidates despite their ability, we argue that screening penalties may ensue because of the high-ability signals alone. Our results validate the idea that a candidate who has experience and affiliations that signal high capability can be rejected solely for having too much perceived capability, as managers infer lower commitment. That inference rests on managers’ assumptions about such candidates’ propensity to pursue individual career interests, rather than work toward the mission and objectives of the employer. Managers thus expect the candidates to show low effort on the job and to leave the employer too soon after being hired. Finally, beyond its theoretical importance, our findings suggest that practitioners should exercise care in an
unabashed investment in signals of ability, as such signals may incur penalties in the labor market.
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Too Good to Hire?


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Sheldon, M. E.

Simon, H. A.

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Too Good to Hire?

TABLES

Table 1: Empirical Overview

<table>
<thead>
<tr>
<th>Design</th>
<th>Study 1</th>
<th>Study 2</th>
<th>Study 3</th>
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<tbody>
<tr>
<td>Within-subject</td>
<td>Between-subjects</td>
<td>Between-subjects</td>
<td></td>
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<tr>
<td>Manipulation</td>
<td>Capability</td>
<td>Capability and Commitment</td>
<td>3a Organization/</td>
</tr>
<tr>
<td>Subjects</td>
<td>Hiring managers enrolled in strategic HR course</td>
<td>Panel of hiring managers from Qualtrics</td>
<td>Panel of hiring managers from Qualtrics</td>
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<tr>
<td>N</td>
<td>69</td>
<td>212</td>
<td>227</td>
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<tr>
<td>233</td>
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</tbody>
</table>

Table 2: Study 1 Mediation Analysis for Hypothesis 1, showing how perceived commitment mediates the negative effect of capability signals on the likelihood of an offer.

<table>
<thead>
<tr>
<th></th>
<th>(1) DV: Likelihood of Job Offer</th>
<th>(2) DV: Perceived Commitment</th>
<th>(3) DV: Likelihood of Job Offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capability</td>
<td>-0.502*** (0.165)</td>
<td>-1.262*** (0.190)</td>
<td>0.272 (0.166)</td>
</tr>
<tr>
<td>Perceived Commitment</td>
<td>0.613*** (0.109)</td>
<td>2.338*** (0.476)</td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>4.89*** (0.142)</td>
<td>4.15 *** (0.123)</td>
<td>141</td>
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<tr>
<td>N</td>
<td>141</td>
<td>141</td>
<td>141</td>
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<tr>
<td>R-squared</td>
<td>0.03</td>
<td>0.27</td>
<td>0.28</td>
</tr>
</tbody>
</table>

*p<.10; **p<.05; ***p<.01, standard errors clustered within individual
FIGURES

**Figure 1** - Study 1: Likelihood of Offer by Capability Manipulation. Figure 1 shows that the Extremely High-Capability candidate is less likely to receive an offer than the Moderately High-Capability candidate ($p<.05$).

**Figure 2** - Mediation Analysis from Study 1 showing that perceived commitment mediates the negative relationship between capability signals and likelihood of an offer when the capability is on the extreme end of the distribution.
Figure 3 - Study 2: Likelihood of receiving an offer across all four conditions. Bar represents mean value. The figure shows that when information about high levels of commitment are present, the high-capability constraint found in the Neutral Commitment condition is reversed.

Figure 4 – Study 3a: Likelihood of receiving an offer across all four conditions. Bar represents mean value. This figure shows that when a higher-capability candidate is seen as having self-oriented motives that they are less likely to be selected, but when they are seen to have organizationally-oriented motives, they are more likely to be selected.
Figure 5 - Study 3b: Likelihood of receiving an offer across all four conditions. Bar represents mean value. This figure shows that when a higher-capability candidate is seen as having outside options for the future, they are less likely to be selected, but when they have rejected these outside options they are more likely to be selected.
APPENDIX A: Experiment Manipulation Tool – Job Candidate Profile Example

Please review the following profile taken from a social media site. It might take a moment for the profile to load. You will be asked to answer some questions below the profile and on the next page.

**Analyst - Investment Banking Division at Merrill Lynch**

New York, New York | Financial Services

**Previous**

UBS

**Education**

Cornell University

**Summary**

- Created LBO financing model to support $1.5 billion M&A transaction
- Led team of 10 direct reports to assess investment opportunities and build pitch-books supporting North American deals
- Participated in all stages of capital raising process for $1 billion in common stock, preferred stock, and bond offerings

**Experience**

**Analyst - Investment Banking Division**

Merrill Lynch

August 2011 – Present (4 years 2 months) | New York, NY

- Created LBO financing model to support $1.5 billion M&A transaction
- Developed financial valuation models and analyzed investment opportunities in the healthcare sector
- Led team of 10 direct reports to assess investment opportunities and build pitch-books supporting North American deals

**Summer Intern**

UBS

June 2010 – August 2010 (3 months) | New York, NY

- Performed financial analysis via pro forma cash flow models
- Participated in all stages of capital raising process for $1 billion in common stock, preferred stock, and bond offerings

**Education**

**Cornell University**

Bachelor of Science (B.S.), Applied Economics and Management, Concentration: Finance

2007 – 2011

Study 1
APPENDIX B: Decision to Interview Candidate as an Outcome

While the DV in the primary analysis is the likelihood to offer a job, we also assessed the likelihood to extend an interview, and provide the results here. For Study 1, we find that Extremely High-Capability candidates were less likely to receive interviews using a Wilcoxon sign-rank test ($z=-2.404, p<.01$) and a t-test ($t=1.91, p=.058$, two-tailed test). With clustered standard errors on participants to account for within-participant variance, we found a significant, negative relationship between the capability manipulation ($\beta_c=-0.393, p=0.006$) and likelihood of an interview. We then regressed perceptions of commitment on the capability manipulation, also clustering on participants, and found a significant negative effect ($\beta_a=-1.262, p<0.001$). Finally, we regressed the likelihood of an offer on both the capability manipulation ($\beta_c'=0.253, p=0.242$) and perceptions of commitment ($\beta_b=0.463, p<0.001$). The Sobel test is significant ($\beta=-.646, p<.001$). Our results hold for Study 1 with the interview variable.

For Study 2, in the Neutral Commitment conditions, the Moderately High-Capability candidate ($N=54, M=5.5, SD=1.67$) was more likely to receive an interview offer ($t=2.53, p=.013$) than the Extremely High-Capability candidate ($N=53, M=4.6, SD=2.12$). In the High Commitment Conditions, the Extremely High-Capability candidate ($N=53, M=6.28, SD=1.29$) was more likely to receive an interview offer ($t=-3.11, p=.002$) than the Moderately High-Capability candidate ($N=54, M=5.5, SD=1.29$). Our results hold for Study 2 with the interview variable.

Finally, we ran analyses for studies 3a and 3b similar to what is in the paper, but substituted offer with interview as the DV. For Study 3a, the two-way ANOVA on interview shows that the Organizationally-Oriented Motives manipulation had a significant effect ($F(1,224)=12.51, p=.05$) on interview. The contrast shows that for the Extremely High-Capability condition, the Organizationally-Oriented Motives manipulation had a positive effect
Too Good to Hire?

(contrast=0.77, t=2.3, p<.05) on likelihood of interview. Mediation analysis shows there is a significant indirect effect (B=1.05, p<.001, 95% CI: 0.487, 1.622) for the Extremely High-Capability candidates, going through perceptions of commitment, on likelihood of interview.

For Study 3b, we performed a two-way ANOVA, on interview finding that neither manipulation nor the interaction was significant. The contrasts performed in the study were also insignificant. However, when controlling for perceived capability and in the Extremely High-Capability condition, the indirect effect of the Rejected Outside Offers manipulation on interview, going through commitment, is significant (B=1.01, p<.001, 95% CI: 0.479, 1.588).

Our results thus generally hold for Study 3.

Taken as a whole, using the likelihood of receiving an interview as the dependent variable, we confirm Hypotheses 1a, 1b; for H2 and H3 we find only marginal support—in the right direction, but insignificant. While we think this is interesting, our theorizing is primarily on the selection stage of the analysis, albeit interview selection is also consistent empirically with our argument.