

# Job ads with wide pay ranges can deter applicants

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As more states require employers to list compensation on job ads, a trending strategy to use very wide pay ranges could potentially harm recruitment, according to a Washington State University study.

The study, published in the [\*Journal of Applied Psychology\*](#), found that participants in three different experiments were more likely to respond negatively to job ads with very wide pay ranges, viewing those employers as less trustworthy.

Prior surveys have found that most people report they would trust organizations that include pay ranges in their postings more than those that do not, but as this study indicates, the way potential pay is presented also matters.

"It's not just a choice between including a pay range or not—how compensation information is communicated matters, and at least in this study, having a very wide range might send a negative signal to potential applicants," said study author Kristine Kuhn, a WSU Carson College of Business researcher.

How the ad explained the wide pay range also had an effect. In one of the experiments, participants were even less attracted to the organization if a very wide pay range included a statement that the offer amount would depend on the candidate's qualifications. On the other hand, a more seemingly objective explanation that the offer would depend on the candidate's geographic location tended to improve impressions of the employer.

Historically, most job postings in the U.S. did not include numerical pay

information, but in recent years, several states, including Washington, California, Colorado, and New York, have enacted transparency legislation requiring many recruiters to list pay ranges—partly because there is evidence it increases equity.

Seeing an emerging trend in job postings with large pay ranges, Kuhn set up three experiments with different groups of participants to test the effect of this practice. In each experiment, some participants saw ads with wide salary ranges, such as a gap of \$50,000 or more between the low and high points, while others saw ads with a narrower gap of around \$10,000. The candidates then responded to questions about their perceptions of the organization posting the ad.

Participants in the initial experiment were [college students](#); the second experiment surveyed 350 [college graduates](#) using an online panel, and the third experiment involved 245 participants with recent job search experience. Across all three experiments, on average ads with larger pay ranges evoked less favorable impressions of the employers than the narrower ranges.

In the last experiment which had an ad with a very large pay range of \$58,100-\$152,500, the participants provided written answers about how they viewed the employer. This revealed a high level of cynicism among some who called the wide pay range "dishonest," "disingenuous," and "ludicrous."

As one participant put it, "The large range implies that they tend to devalue their employees. I doubt they would actually offer anyone applying for this position a salary at the top range, regardless of credentials."

There were some outliers, however, who viewed the large range as a positive, seeing the high top number as showing possible "room for

growth without needing a promotion to another job."

Ideally, advertising a pay range should streamline the recruiting process, Kuhn said, so the recruiter and applicant are on the same page.

However, some organizations, especially smaller ones, may not have well-defined job structures, so the large pay ranges in job ads may indicate they want to tailor the position to the candidates who respond.

"There probably is a goldilocks area of a just right pay range where it gives the [employer](#) some flexibility without sending negative signals to prospective applicants," said Kuhn. "Also, while from a legal standpoint, they may be required to advertise an expected pay range, employers and job candidates can still negotiate."

**More information:** Kristine M. Kuhn, Ambiguity in advertised compensation: Recruiting implications of nominal compliance with pay transparency legislation., *Journal of Applied Psychology* (2023). [DOI: 10.1037/apl0001165](#)

Provided by Washington State University

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