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Press Release

Human Resources Management **Digital Tools for Applications – A Blessing or a Curse for Companies?**

Automatic analysis of social media profiles, video interviews, and even chatbots instead of face-to-face job interviews – the use of digital technologies in the application process continues to grow. But how do these technologies affect companies' appeal as potential employers? A new study conducted with Kühne Logistics University (KLU) shows: companies that pursue this approach tend to be seen as innovative, but run into the risk of their methods being considered unfair.

This was the key finding of a research team consisting of Dr. Nicholas Folger (TU Munich), Prof. Prisca Brosi, Professor of Human Resource Management at Kühne Logistics University, Prof. Jutta Stumpf-Wollersheim (TU Freiberg) and Prof. Isabell M. Welpé (TU Munich). "Previous investigations had already indicated that digital methods can spark both positive and negative responses," Prof. Brosi explains. "Accordingly, it was important to understand the mechanisms that determine why digital methods are viewed both positively and negatively."

More innovative, but less fair?

The team conducted an experimental study with 475 potential applicants and a field study with 342 participants. "Our results show that, by using digital methods, employers truly do create a more positive image, because applicants consider them to be more innovative," Dr. Folger says. "At the same time, they confirm that, when digital methods are used, the application process can be seen as less fair, especially by potential applicants, because they fear they could be disadvantaged and won't be able to present themselves as well. This can negatively influence the image of the employer."

Transparent communication is the key

How should Human Resources departments and managers best approach these ambivalent effects? "In our view, the communication with applicants throughout the process is the key," says Prof. Brosi. "The best way for employers to assuage any concerns about fairness when using digital tools for analysis is to clearly address those concerns and make the process transparent." This includes e.g. clearly stating what types of information are needed and what criteria will be used to ultimately select applicants. According to Brosi, it's also important to make it clear that all information gathered will remain absolutely confidential and only be used for the application process.

As Nicholas Folger concludes, "By following these guidelines, digital tools can facilitate the application process for both sides, while also enhancing the employer's image."

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Study: Folger, N., Brosi, P., Stumpf-Wollersheim, J., & Welp, I. M. (2021). Applicant reactions to digital selection methods: A signaling perspective on innovativeness and procedural justice. *Journal of Business and Psychology*, advance online publication. DOI: 10.1007/s10869-021-09770-3

Download Photo Material:

- Dr. Prisca Brosi, Associate Professor of Human Resource Management (KLU)
- Dr. Nicholas Folger (TU Munich)
- KLU Building

About KLU

Kühne Logistics University – Wissenschaftliche Hochschule für Logistik und Unternehmensführung (KLU) – is a private university located in Hamburg’s HafenCity. The independent, state-certified university’s major research areas are Sustainability, Digital Transformation and Value Creation in the fields of Transport, Global Logistics, and Supply Chain Management.

KLU is one of very few private universities in Germany entitled to confer their own PhDs. The 2021 ranking of the Wirtschaftswoche identifies KLU as one of the strongest research universities in the field of Business Administration in Germany, Austria and Switzerland. Comparing the research output per professor among all participating universities, KLU ranked 4th in Germany and 8th in the DACH region. In the latest CHE university ranking, KLU obtained the highest marks for all major criteria.

With one BSc and three MSc degree programs, a structured doctoral program, and a part-time Executive MBA, KLU offers its 400 full-time students a high level of specialization and excellent learning conditions. KLU has an international team of 27 professors who teach in English. In open, tailor-made management seminar series, industry specialists and managers alike benefit from the application of academic findings to practical issues.

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