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## SPECIAL ISSUE ARTICLE



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# Staffing effectiveness across countries: An institutional perspective

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#### **Abstract**

This study draws on institutional theory to investigate why and how staffing effectiveness varies across countries. Utilising data from multiple sources (Cranfield Network on Comparative Human Resource Management [CRANET], Global Leadership and Organisational Behaviour Effectiveness [GLOBE], World Economic Forum [WEF], Transparency International, Tightness-Looseness Index), it covers 2,918 organisations in 11 countries. Extending earlier research on comparative staffing that focuses on cultural or regulatory differences separately, our findings show that companies in different countries implement staffing practices in line with their normative (i.e., cultural), regulatory, and cognitive institutions. A second key finding shows that institutionally embedded staffing practices are associated with organisational turnover, thus challenging dominant universalist perspectives on staffing effectiveness. Finally, we shed light on a central yet understudied boundary condition of contextual perspectives on staffing by identifying the strength of institutional pressures (i.e., societal tightness-looseness) as a moderator of the relationships between national institutions, staffing, and turnover.

Abbreviations: CIP, Country Institutional Profile; CRANET, Cranfield Network on Comparative Human Resource Management; GLOBE, Global Leadership and Organisational Behaviour Effectiveness; HR, Human Resources; HRM, Human Resources Management; IMD, Institute for Management Development; KSAOs, Knowledge, skills, abilities and other characteristics; ML, Maximum likelihood; TL, tightness-looseness.

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#### KEYWORDS

institutional theory, multilevel analysis, organisational turnover, staffing, staffing effectiveness, tightness-looseness

#### **Practitioner Notes**

What is currently known about staffing effectiveness across countries

- Organisations compete by engaging in staffing activities that fit both global and local contexts.
- Studies that examine how national context shapes staffing tend to exclude organisational outcomes.
- Studies on staffing outcomes often neglect contextual factors.
- How staffing practices relate to organisational turnover across countries remains unknown.

What this study shows

- Companies implement different staffing practices in line with country-specific institutions.
- The use of institutionally embedded staffing practices is associated with organisational turnover.
- These relationships are strong especially in countries with tight societal norms.

Implications of the study findings for practitioners

- Managers should familiarise themselves with the staffing-specific country institutional profile.
- Local adaptation of staffing activities is of particular relevance in countries with tight societal norms.
- Organisations might invest in more comprehensive staffing to reduce turnover, especially in countries with tight societal norms.

#### 1 | INTRODUCTION

Understanding the determinants of variation in employee movement into and out of organisations is crucial given its extensive impact on organisations' talent pools (Al Ariss & Sidani, 2016; Call et al., 2015; Makarius & Stevens, 2019). To remain competitive, organisations must control the inflow and outflow of employee movement by attracting and retaining talent. Defined as 'the process of attracting, selecting, and retaining competent individuals to achieve organisational goals' (Ployhart, 2006, p. 868), staffing is concerned with the choice of practices such as external and internal recruitment, interviews, and tests, as well as their effects on organisational outcomes (e.g., performance; Kim & Ployhart, 2018). With organisational turnover being a critical intermediate outcome to staffing effectiveness (Huselid, 1995; Peretz et al., 2015), studying staffing and organisational turnover (i.e., voluntary and non-voluntary departure from the organisation) in tandem allows a better understanding of organisations' human capital and competitive advantage (Heavey et al., 2013; Makarius & Stevens, 2019; Nyberg & Ployhart, 2013).

Turnover as a measure for staffing effectiveness is typically studied from two distinct perspectives. First, a considerable body of work psychology research focuses on the fit between the individual and the organisation or the interpersonal context at the moment of hiring and its relation to turnover (De Cooman et al., 2009; Jackson et al., 1991; Kristof-Brown et al., 2005). Second, strategic Human Resources Management studies demonstrate how staffing practices (often among other Human Resources [HR] practices) shape organisational outcomes such as turnover and performance (e.g., Heavey et al., 2013; Jiang et al., 2012; Kim & Ployhart, 2018; Terpstra & Rozell, 1993). Yet, both research streams often remain on one level of analysis (individual or organisational) and tend to ignore country-level determinants of variation (for exceptions see, e.g., Gamage, 2014; Katou & Budhwar, 2006; Makarius & Stevens, 2019; Parkes et al., 2001). This is problematic in light of the more extensive debate on convergence and divergence of Human Resources Management (HRM) practices (Al Ariss & Sidani, 2016; Marler, 2012). Dominant perspectives in the literature seem to suggest one best way to manage human capital flow into and out of organisations worldwide by largely

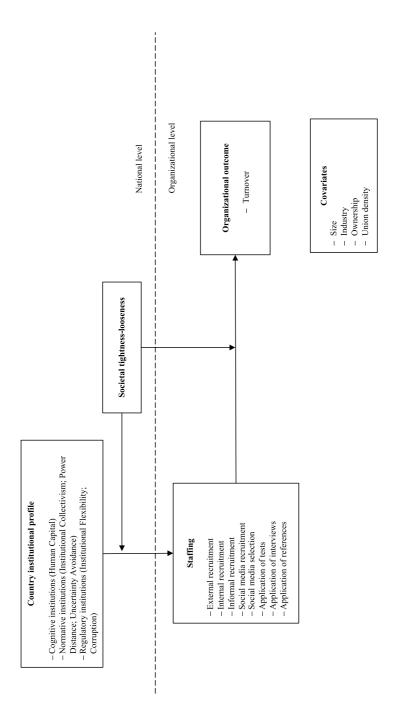
ignoring country-specific needs and influences in global talent management (e.g., Beamond et al., 2016; Tarique & Schuler, 2010). We know that the country context matters for both employee movement into (e.g., Ma & Allen, 2009; Myors et al., 2008; Ryan et al., 1999, 2017) and out of organisations (Ployhart & Kautz, 2017; Sturman et al., 2012; van Dierendonck et al., 2016). However, the existing literature does not address (1) how recruitment and selection practices vary and (2) how they relate to organisational turnover across countries.

To overcome these limitations and to reconcile these perspectives, we build on institutional theory (DiMaggio & Powell, 1991; Meyer & Rowan, 1977) to examine: (1) the relationship between national institutions and staffing practices, and (2) the moderating role of societal tightness-looseness in the staffing-turnover relationships. Drawing on the country institutional profile (CIP) approach (Kostova, 1999), we first examine how staffing-specific *cognitive* (i.e., a country's human capital), *normative* (i.e., institutional collectivism, power distance, and uncertainty avoidance), and *regulatory* (i.e., institutional flexibility and corruption) institutions relate to organisational staffing practices. We then build on the concept of legitimacy (Suchman, 1995; Suddaby et al., 2017) to investigate the role of the strength of institutional pressures (i.e., tightness-looseness; Gelfand et al., 2011) in the relationships between national institutions, staffing practices, and organisational turnover. As we will elaborate later, our main argument is that organisations operating in so-called talent-rich (high cognitive institutions), meritocratic (high normative institutions), and less regulated (low regulatory institutions) contexts administer more comprehensive staffing. In turn, we expect reduced turnover. We further argue that these links among the institutional context, staffing, and turnover are more pronounced in tight cultures, where institutional pressure is stronger than in loose cultures. Figure 1 presents our research model and the hypothesised relationships.

Our study aims to make several contributions. First, the scarce evidence on staffing across countries mainly relies on relatively small (up to three) country samples (e.g., Budhwar & Khatri, 2001; Iles et al., 2012; Spence & Petrick, 2000). The present study is one of the few large-scale investigations of staffing across a wide range of national contexts (Huo et al., 2002; Ryan et al., 1999, 2017; Stavrou et al., 2010). Second, our investigation of how staffing varies across countries is theory-driven. Utilising the CIP approach (Kostova, 1999), we integrated normative (i.e., cultural), cognitive, and regulatory aspects of the national context of staffing in a single theoretical framework. Thereby, we introduce cognitive institutions in the study of national variance in staffing, next to the more widely (yet separately) studied effects of normative and regulatory institutions. Third, four recruitment and four selection practices were included in our dataset (i.e., the Cranfield Network on Comparative Human Resource Management [CRANET]), allowing us to test the impact of national context on each of these practices (including the use of social media) to draw a fine-grained understanding.

Fourth, we contribute to the growing literature on the relationship between staffing and turnover by testing this association across country contexts. Following others (Kim & Ployhart, 2018; Villajos et al., 2019), we bundled the recruitment and selection practices to create an index representing staffing comprehensiveness. In our mediation model, using more recruitment and selection practices for all levels (e.g., operational, managerial and non-managerial) is expected to be particularly likely in competitive and less regulated contexts and, in turn, more likely to increase the likelihood of retention. This way, we were able to study the impact of CIP on staffing practice adoption and effectiveness simultaneously, which is reflective of their interrelatedness in practice.

Finally, we present tightness-looseness as a boundary condition in the interplay of national institutions, staffing practices, and organisational turnover (Busse et al., 2017; Farndale & Sanders, 2017). In doing so, we answer the repeated calls for more research on the relationship between HRM and organisational turnover in their institutional environment (Makarius & Stevens, 2019; Nyberg & Ployhart, 2013; van Dierendonck et al., 2016). Tightness-looseness is the degree to which existing cognitive, normative, and regulative institutions pressure organisations to conform (Gelfand et al., 2006). The tightness-looseness construct can provide a more refined picture of staffing across countries that might explain the partly paradoxical findings in earlier studies focussing on culture (e.g., Ryan et al., 1999, 2017). Therefore, this study is also relevant to practitioners, as it specifies the need for contextual adaptation of staffing to attract and keep talent globally.



The effects of national institutions on staffing and its relation to organisational turnover FIGURE 1

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## 2 | NATIONAL INSTITUTIONS AND STAFFING

A key idea of neo-institutional theory (DiMaggio & Powell, 1991; Meyer & Rowan, 1977) is that organisations adopt structures and practices that are not necessarily efficient but 'desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions' (Suchman, 1995, p. 574). In other words, organisations are under pressure to adapt their management practices to their institutional and organisational context to gain legitimacy, which helps them ensure resources and ultimately organisational survival. Accordingly, as they strive to legitimise their staffing practices, organisations within the same context tend to adopt similar practices, leading to isomorphism (i.e., homogeneous patterns of organisational practices). Each firm operates in a unique context composed of the larger national institutions (macro context) as well as organisational drivers (meso context), and management practices are more likely to be effective when they fit the conditions across these levels (Farndale & Paauwe, 2018). Notably, finding themselves in the same context, companies are also competing for the same talent pool, so that some variation within the same context can still be expected (Al Ariss & Sidani, 2016). We acknowledge possible variance in staffing practices due to meso level variables (e.g., industry or organisational size; Datta et al., 2005; Kim & Ployhart, 2018). However, the present study focuses on how its national institutional environment shapes variance in staffing and its relation to organisational turnover. As such, the present study echoes the earlier emphasis on local responsiveness in the divergence-convergence debate (Al Ariss & Sidani, 2016; Gooderham et al., 1999).

National institutions can be categorised as cognitive, normative, or regulatory (Kostova, 1999; Scott, 2001). Kostova (1999) conceptualised these three dimensions and their impact on organisations in the CIP approach, allowing the identification of country- and domain-specific antecedents of organisational activities. These institutions lose meaning if generalised across domains, and that is why 'the relevant institutional profile influencing practice adoption would be the country context that pertained specifically to that practice' (Kostova & Roth, 2002, p. 223). Hence, across the applications of CIP the specifications of cognitive, normative, or regulatory institutions vary according to the phenomenon under study (e.g., see Busenitz et al., 2000 on entrepreneurship; Nelson et al., 2017 on family friendly work perceptions; and Parboteeah et al., 2008 on gender roles). In the following section, we describe the CIP of staffing practices and introduce six domain-specific correlates: a country's human capital as *cognitive* institutions (i.e., available education, skills, and employment in a country); individualism-collectivism, power distance, and uncertainty avoidance as *normative* institutions; and institutional flexibility and corruption as *regulatory* institutions.

Concerning staffing, we selected the practices that earlier research has discussed to be influenced by national differences. More specifically, we included external, internal, and word-of-mouth recruitment (e.g., Aycan, 2005) and interviews, references, and tests as selection tools (e.g., Huo et al., 2002; Ryan et al., 1999). We also included the use of social media for recruitment and selection in our analysis because although these practices are widely applied, scholarly knowledge about them is still limited (Van Iddekinge et al., 2016).

# 2.1 | Cognitive institutions

The cognitive component of the CIP reflects the 'cognitive programs such as schemas, frames, inferential sets, and representations' (Kostova, 1999, p. 314) that the people of a society share. Cognitive institutions in the domain of staffing refer to those mental representations that are relevant for hiring and retaining talent in organisations, such as widely acknowledged staffing concepts, templates, or best practices around which firms in a specific country converge (Björkman et al., 2008). These staffing concepts originate from the 'competitive pressures that necessitate that organisations involve themselves more proactively in attracting the best talent available' (Sidani & Al Ariss, 2014, p. 217). Considering these competitive pressures (i.e., the local labour market representing the supply and demand of talent in a society) is a helpful lens to understand these staffing concepts in a given country. To illustrate, if a staffing manager

relocates in a new country, they would have to familiarise themselves with local knowledge on staffing templates and best practices. To fully understand these concepts, the manager first needs insights about the level and availability of skills and expertise—that is, the quality of the local labour market.

An encompassing quantification to operationalise the quality of the labour market in this study is the country's human capital, defined as 'the skills and capacities that reside in people and that are put to productive use' (World Economic Forum, 2015, p. 3). While local knowledge about staffing concepts has—to our best knowledge—not been measured on a broad comparative scale, the index for human capital bundles information on factors most of which are relevant to the level of quality of a country's labour market, such as the quality of a country's education system, workplace learning opportunities, equal access to the labour market, and unemployment rates (World Economic Forum, 2015). Thus, for the operationalisation of staffing-specific cognitive institutions, it is deemed an excellent proxy as it indicates the supply and demand of talent in a society through which local knowledge on staffing concepts becomes meaningful.

Specifically, we argue that, in countries with a high labour market quality, candidates and staffing managers have relatively better knowledge of staffing concepts and expect professionalism in the staffing process. Therefore, we propose that high human capital is associated with more, rather than less, professionalised staffing that involves standardised, formalised, and valid practices. This assertion may appear counterintuitive at the outset because selecting from a large talent pool should be done easily without an advanced system. However, from an institutional perspective, organisations gain legitimacy by converging to the standards and the level of professionalisation in a country (Björkman et al., 2007; Cooke, 2004). For instance, Björkman et al. (2008) show how historically improved education and employee training programs in China increased the quality of HRM, such as the use of formal procedures and validated employee selection tests. Hence, we maintain that staffing practices that tend to be standardised (e.g., tests and references; Brody, 2010; Robertson & Smith, 2001) are more likely in countries with high human capital, whereas those without formal guidelines and standards (e.g., social media use in recruitment and selection; Roth et al., 2016) are more likely in countries with low human capital.

To further explain, as organisations must attract the best talent to keep abreast of the competition, they look for the best staffing practices to implement (Sidani & Al Ariss, 2014). In a country with high human capital, organisations are likely to find qualified personnel without much cost and effort, but the competition will lure the best ones. Therefore, organisations are compelled to raise the bar and use staffing practices to attract and select the best talent. It can be argued that attracting the best is not a promising strategy for all organisations at all times due to the costs associated with this strategy. Even when an organisation does not strive to attract the best talent at a given time, it has the knowledge and the liability to implement professional staffing practices.

Contrarily, while in countries with low human capital, organisations are also competing to find, hire, and retain qualified personnel, the majority of candidates and staffing managers have comparably less knowledge of staffing concepts and validated methodologies. Converging to the relatively lower standards of professionalisation in their country (Björkman et al., 2007; Cooke, 2004), we expect organisations to adjust their staffing efforts to the country's comparatively reduced supply of talent, lower expectations for professionalised selection processes, and less available technical knowledge of staffing managers.

Therefore, to select from a pool that has limited availability of talent, organisations may resort to less professionalised, quick, and cost-effective staffing practices such as word-of-mouth and interviews that are often applied in informal and unstructured ways (Dipboye, 2017; Marsden & Gorman, 2001; Van der Zee et al., 2002). They are also more likely to use social media for staffing. Roth et al. (2016) recently argued that these practices are far from being professionalised and might be used in countries where low human capital hinders staffing professionalisation. Furthermore, in countries with low human capital, organisations may also be forced to rely on their own human resources and recruit internally (Aycan, 2005; Ready et al., 2008), whereas when talent is readily available (as in high human capital countries), organisations may want to make use of it by bringing in more or new talent via recruiting externally.

Hypothesis 1: Compared to organisations in countries with low human capital, organisations in countries with high human capital will be more likely to recruit (a) externally and apply (b) test and (c) references as selection methods, while they will be less likely to recruit (d) internally and (e) via word-of-mouth or (f) through social media and less likely to use (g) interviews and (h) social media as selection methods.

#### 2.2 Normative institutions

Normative institutions refer to 'values and norms held by the individuals in a given country' (Kostova, 1999, p. 314). Kostova borrows further explanations of this component from Hofstede's definition of culture (e.g., Hofstede, 1991). Based on this understanding and in line with others (e.g., Björkman et al., 2008; Busenitz et al., 2000; Nelson et al., 2017; Parboteeah et al., 2008), we further adopted the definition of the Global Leadership and Organisational Behaviour Effectiveness (GLOBE) project to describe the normative dimension of the CIP as 'shared motives, values, beliefs, identities, and interpretations or meanings of significant events that result from common experiences of members of collectives and are transmitted across age generations' (House & Javidan, 2004, p. 15). Following Kostova and Roth's (2002) recommendation, we selected the theoretically most relevant and staffing-specific cultural dimensions for our investigation. More specifically, we use collectivism, power distance, and uncertainty avoidance by GLOBE (House et al., 2004) to conceptualise the normative institutions. The normative (i.e., cultural) context of staffing has received considerable research attention, with the three selected dimensions being particularly prominent and relevant (cf., Rao, 2009; Ryan et al., 2017; Steiner, 2012). Although it has critics (e.g., Hofstede, 2006), the GLOBE study is considered the most advanced cultural framework and the use of its measures is widely accepted in cross-cultural research (see Peretz et al., 2015). Even its critics acknowledge that in particular collectivism, power distance, and uncertainty avoidance are important and distinct factors (Hofstede, 2006). This is important because we argue that, the three dimensions together indicate more versus less meritocratic institutional contexts. Countries that score comparably high for individualism, low for power distance, and high for uncertainty avoidance are more meritocratic in that their normative institutions facilitate a system of rules and measures designed to recruit and select individuals based on their performance and achievements. Conversely, in countries that score comparably low on individualism, high on power distance, and low on uncertainty avoidance, staffing might rely more on connections and networks, decisions by authorities, and overall fewer rules or measures.

#### 2.2.1 Institutional collectivism

Institutional collectivism describes the degree to which members of a society reward collective achievements and encourage collective distribution of resources (House et al., 2004). Given the high value of personal relationships and interdependence in collectivistic societies, candidates and organisations are expected to prefer personal, relationship-oriented staffing practices such as word-of-mouth recruitment, references, or selection interviews (Aycan, 2005). The marketing literature has shown that relationship-oriented collectivists rely on social media in purchase decisions (Goodrich & Mooij, 2014). We assume similar tendencies in jobseekers who have to decide where to apply and which offer to accept. Hence, as organisations try to accommodate these tendencies to attract large talent pools, we expect organisations in collectivist countries to emphasise staffing via social media. Further, when making staffing decisions, organisational representatives in collectivistic societies might prefer the network-based approach that social media provides (Goodrich & Mooij, 2014).

By contrast, in individualistic societies, individual accomplishments are more appreciated, and individuals are perceived as relatively independent and competitive. Job seekers and organisations may favour individual-based staffing practices that allow candidates to prove their skills. Therefore, staffing practices that differentiate candidates based

on their individual efforts (e.g., tests) are more likely to be applied (Ma & Allen, 2009). Further, internal recruitment may ensure loyalty to the firm, which seems more suitable in collectivistic contexts, while external recruitment increases competition, which may be more valued in individualistic contexts (Aycan, 2005).

Hypothesis 2: Compared to companies in individualistic societies, organisations in more collectivistic societies will be more likely to apply (a) internal and (b) word-of-mouth recruitment channels, (c) references, (d) recruitment through social media as well as (e) selection through social media and (f) interviews as selection methods, while they will be less likely to recruit (g) externally, and (h) use tests as selection methods.

#### 2.2.2 | Power distance

Societies with high power distance are characterised by their members' acceptance of authority, power differences, and privileges (House et al., 2004). For staffing, this means that organisations and their representatives (e.g., recruiters) enjoy great respect from jobseekers, expressed by practices that highlight the organisation's status and influence on the candidates (e.g., interviews or tests; Dipboye & Johnson, 2012). In their role of authorities and experts, recruiters are also expected to formally guide the staffing process (Ma & Allen, 2009) and rely on (other authorities') references. Additionally, as members of the organisations, employees (especially those with longer tenure) enjoy higher status and more privileges than outside candidates. Internal recruitment reflects this privilege and allows for advancement to higher levels of the organisational hierarchy based on seniority (Budhwar & Khatri, 2001).

Conversely, if power distance is low, people tend to question the privileges and power asymmetries in organisations and value egalitarian and merit-based practices. Organisations in these societies can be expected to pay less attention to ascribed criteria of status (Rabl et al., 2014). There may be more openness to external recruiting. Social media is characterised by an ideal of equal access and rights for all users (Miller et al., 2016) and may be seen as more appropriate in low-power-distance countries.

Hypothesis 3: Compared to organisations in low-power-distance societies, organisations in high-power-distance societies will be more likely to apply (a) internal recruitment, as well as (b) tests (c) interviews and (d) references as selection methods, but they will be less likely to recruit (e) externally, (f) via word-of-mouth, or (g) through social media and (h) select through social media.

# 2.2.3 | Uncertainty avoidance

Uncertainty avoidance denotes the degree to which a society refers to rules and formal procedures to reduce ambiguities (House et al., 2004). Thus, in high-uncertainty-avoidance countries, organisations tend to rely more on formally structured and standardised rules and procedures in HR practices (Peretz & Fried, 2012). Internal recruitment might help organisations in these societies avoid the uncertainty that comes with new hires and to maintain the status quo (Aycan, 2005). We expect organisations in high-uncertainty-avoidance societies to use a larger number of staffing practices and methodologies to reduce risks (e.g., Ryan et al., 1999). As Van Iddekinge et al. (2016) explain, many hiring officials believe that staffing through social media provides information that they find valuable in predicting a candidate's future performance—factors that might not show or be revealed otherwise. We assume that the use of social media for recruitment and selection will be more widespread in countries where uncertainty avoidance is high. When uncertainty avoidance is low, people feel more at ease with taking risks (House et al., 2004) and may design staffing practices without formal guidelines and rules. Instead, they might opt for word-of-mouth recruitment and appreciate the fresh perspectives provided by newcomers through external recruitment.

# 2.3 | Regulatory institutions

Regulatory institutions reflect 'existing laws and rules in a particular national environment that promote certain types of behaviours and restrict others' (Kostova, 1999, p. 314). As such, this component of CIP concerns the legislative restrictions around staffing, with specific practices being legally inadmissible in some countries but not in others. For instance, Myors et al. (2008) reported that organisations across 22 countries varied widely in their use of selection practices according to the national legal environment such that, the same selection practice was in frequent use in some countries while completely banned in others. However, although illegitimate, these practices might be applied nevertheless in countries where corruption is high, and hence, organisations achieve 'illegal legitimacy' through bribery (Cuervo-Cazurra, 2016). Although the study of corruption provides an essential extension of neo-institutional theory, its potential to explain variance in international business and staffing practices, in particular, is highly understudied. Hence, we use both institutional flexibility (vs. legislative restrictions) and high versus low corruption to consider the country-specific legal and illegal room for manoeuvre concerning staffing.

## 2.3.1 | Institutional flexibility

Institutional flexibility describes the level to which staffing is 'not impeded by laws or regulations' (Rabl et al., 2014, p. 1011). Thus, countries with high institutional flexibility have fewer legislative restrictions for employers and less powerful employee representations that regulate the choice of staffing practices (Ployhart & Schneider, 2012). Where institutional flexibility is high, and no or few formal rules apply to staffing, we expect organisations to tend to recruit via word-of-mouth and make more use of social media for their staffing activities (Jeske & Shultz, 2016; Schmidt & O'Connor, 2016).

Conversely, formal recruiting is more widespread in more regulated countries, where the legal context requires transparency and equality (Aycan, 2005), and standardised tests are more often applied (Myors et al., 2008). Despite the wide use of interviews, this selection tool is particularly prone to bias (e.g., Derous et al., 2016), which might reduce its popularity in countries with strong legal constraints. Related elements of institutional flexibility are the power positions and objectives of unions and work councils. They may be 'illegal in some countries, required in others and may be more or less supported in yet others' (Vaiman & Brewster, 2015, p. 159). The presence of unions has been assumed to reduce employers' room for manoeuvre by putting pressure on organisations to recruit internally (Aycan, 2005).

Hypothesis 5: Compared to organisations in countries with low institutional flexibility, organisations in countries with high institutional flexibility will be more likely to recruit (a) externally, (b) via word-of-mouth, and (c) through social media and use (d) interviews, (e) references and (f) social media for their selection, while they are less likely to (g) recruit internally and (h) use tests as a selection method.

#### 2.3.2 | Corruption

In addition to the flexibility that is determined by laws and industrial relations, countries also vary concerning the amount of unofficial room for manoeuvre, given different levels of corruption that allows firms to 'buy their way out

of costly requirements in stringent environments' (Rodriguez et al., 2005, p. 390). Several studies have pointed out the relevance of corruption for HRM (e.g., Al-Arkoubi & McCourt, 2004; Pio, 2007). Yet, only rarely has its relationship with recruitment and selection been studied, which is surprising given the detrimental effects of corruption on companies' human capital and eventually their competitive advantage (Parboteeah et al., 2014).

We expect organisations in low corruption countries to apply formal and clear standards for their staffing procedures that broadcast integrity and fairness to the companies' stakeholders and job candidates. Brewster and Bennett (2010) reported less corruption was associated with planned management practices in six Central and Eastern European states. Furthermore, opening positions to the external job market requires a certain level of trust and honesty in internal activities. Hence, we expect external recruitment to be more commonly applied by organisations operating in countries with low corruption. Conversely, staffing decisions might be subject to nepotism in countries with high corruption and are more likely to be made behind closed doors. Internal recruitment, references, and interviews might be more commonly applied practices. Further, because organisations operating in countries with high corruption have more leeway to circumvent official channels, we expect them to apply more word-of-mouth recruitment (Aycan, 2005). We expect that using social media for staffing is more prevalent in high corruption countries because social media provides information about non-work-related activities of candidates (e.g., their network and political connections; Van Iddekinge et al., 2016).

Hypothesis 6: Compared to organisations in countries with low corruption, organisations in countries with high corruption will be more likely to recruit (a) internally, (b) via word-of-mouth and (c) through social media, and apply (d) interviews, (e) references, and (f) social media as selection methods and less likely to recruit (g) externally and apply (h) tests as a selection method.

To recap, we have established that organisations fit their staffing practices to their country's cognitive, normative, and regulatory institutions. Next, we will argue that institutionally embedded staffing practices are more effective (i.e., may reduce organisational turnover) and hypothesise the role of tightness-looseness in the relationship between CIP, staffing, and turnover.

# 2.4 Staffing effectiveness across countries and the role of tightness-looseness

Staffing contributes to organisational performance (Kim & Ployhart, 2018), with organisational turnover being an important intermediate outcome (Huselid, 1995; Peretz et al., 2015). Neo-institutional theory (e.g., Kostova, 1999; Scott, 2001) suggests that, as organisations adapt their practices to acquire legitimacy, they ensure organisational resources (i.e., human capital) and gain competitive advantage (Nyberg & Ployhart, 2013). High levels of organisational-level turnover imply a competitive disadvantage as they are linked to a loss of human capital for the organisation and costs associated with finding, onboarding, and developing new employees. Hence, lower turnover rates are preferred over higher rates (unless high turnover serves the organisation for strategic purposes; Nyberg & Ployhart, 2013). The present study considers organisational turnover as a central measure of staffing effectiveness.

Most knowledge on the effectiveness of staffing practices (among other HR practices) with regards to turnover is rooted in the tradition of strategic HRM research (Guthrie, 2001; Heavey et al., 2013; Huselid, 1995; Jiang et al., 2012; Wright et al., 2005) that predominantly follows a universalist paradigm and has been attested 'disappointing progress in capturing contextual issues' (Farndale & Paauwe, 2018, p. 1), despite the broader ongoing debate about variability in HRM effectiveness and the potentially impactful role of institutions (e.g., Edwards et al., 2016; Farndale & Paauwe, 2018; Peretz et al., 2018). Evidence accumulates suggesting that organisational turnover differs across countries along with institutional differences and HR practices (e.g., Lel et al., 2019; Ployhart & Kautz, 2017; Sturman et al., 2012). For example, studying the relationship between organisational practices and turnover across

12 countries, van Dierendonck et al. (2016) found that 'collective turnover is related to both a country's institutional determinants and to company HR practices' (p. 1).

We argue that a country's institutions shape not only organisational staffing practices but also staffing effectiveness. According to neo-institutional theory, organisations can gain legitimacy and increase their competitive advantage by adjusting their practices to the CIP (Kostova, 1999). Conversely, if organisations apply practices that are not congruent with the institutional profile, this may lead to candidates' and employees' disapproval of the organisations' practices (Kostova & Roth, 2002; Tost, 2011), resulting in negative outcomes as higher turnover. Therefore, organisations play an essential role in translating the institutional environment into organisational practices that, in turn, shape organisational outcomes. Indeed, in their empirical analysis of the effects of HRM bundles on performance across three European country clusters, Stavrou et al. (2010) found variance in HRM effectiveness depending on institutional factors. In particular, they reported different effects of staffing bundles across the regions, supporting the assumption that the institutional environment matters for staffing effectiveness.

Specifically, we propose that organisations operating in so-called talent-rich, meritocratic, and less regulated institutional contexts would administer more comprehensive staffing than organisations in talent-poor, less meritocratic and more regulated countries, which, in turn, reduces turnover. Let us explain the key terms in this summary statement. We refer to (1) talent-rich institutional contexts as countries with comparably high human capital (as our measure for cognitive institutions), (2) meritocratic institutional contexts as countries comparably high in individualism, low in power distance, and high in uncertainty avoidance as this implies more reliance on rules (as our measures for normative institutions), and (3) less regulated institutional contexts as countries with comparably high flexibility and high corruption (as our measures for regulative institutions).

By comprehensive staffing, we mean that more (rather than few) recruitment and selection practices are administered at all levels in the organisation (not just at the managerial level). Villajos et al. (2019) validated a comprehensive assessment tool by bundling HR practices aligned with different organisational goals and strategies. Grounded in the open systems theory of Katz and Kahn (1978), two groups of comprehensive HR practices aim at improving production (increasing performance) and maintenance (keeping employees in organisations) subsystems in organisations. The comprehensive staffing practices we use in our research have the strategic goal of maintenance in Katz and Kahn's two-tier approach. In line with the recommendation of Villajos et al. (2019), we argue that relying on information from more, rather than less, staffing practices has higher utility for organisations because 'the criterion validity is stronger for the bundles than for the individual practices' (p. 395). Similarly, Kim and Ployhart (2018) point out that the use of more selection methods and approaches 'creates more filters that should enhance applicant fit and quality' and that 'more practices increase the coverage of job-related knowledge, skills, abilities and other characteristics (KSAOs), and hence are more strongly related to performance, retention, and fit' (pp. 50–51). The same logic can be applied to recruitment as more recruitment channels and methods widen the organisations' scope to search for best-fitting talent. Thus, we propose:

**Hypothesis 7:** The relationships between (a) cognitive, (b) normative, and (c) regulatory national institutions and turnover are mediated by staffing comprehensiveness such that organisations in talent-rich, meritocratic, and less regulated countries use more comprehensive staffing (as opposed to organisations in talent-poor, less meritocratic and more regulated countries) which in turn reduces organisational turnover.

Further, we assume the impact of the institutional environment on staffing and staffing effectiveness (i.e., organisational turnover) to be stronger in societies with higher pressure to conform. Therefore, in our study, tightness-looseness (TL) is introduced as a boundary condition and tested as a moderator between county institutions, staffing, and organisational turnover (Busse et al., 2017; Farndale & Sanders, 2017). TL is defined as 'the strength of social norms, or how clear and pervasive norms are within societies, and the strength of sanctioning, or how much tolerance there is for deviance from norms within societies' (Gelfand et al., 2006, p. 1226).

In tight societies, organisations are assumed to experience more substantial institutional pressures, as lacking congruence with local norms is associated with more negative consequences (such as higher turnover; Gelfand et al., 2006). In other words, the influence of national institutions on staffing practices is assumed to be stronger in tight societies where deviations from these institutional templates would be less tolerated. Indeed, country-level variation in TL has been shown to explain different strengths of institutional drivers and their effect on organisational practices (e.g., Rabl et al., 2014; Taras et al., 2010), because 'there is narrower socialisation and higher levels of sanctioning and constraint' (Kirkman et al., 2017, p. 16) in tight societies. Accordingly, in tight societies, organisations are more pressured to comply with the institutional profile, as candidates' and employees' disapproval of the organisations' practices (Kostova & Roth, 2002; Tost, 2011) may result in negative outcomes (such as increased turnover). However, in loose societies (i.e., countries with weak institutional pressures), implementing staffing practices with a poor fit to the local context can still be successful. As a case in point, in their meta-analysis, Rabl et al. (2014) found that in tight societies, congruence between HR practices and national culture led to better performance, while in loose societies, lacking congruence was associated with higher HRM effectiveness.

Hence, societal tightness levels are an important boundary condition as they shape the relationship between the local context and management practices and affect the relationship between these practices and organisational outcomes (Farndale & Sanders, 2017; Rabl et al., 2014). Therefore, we argue that more comprehensive staffing will be particularly effective (i.e., reduce organisational turnover) in tight societies where organisational control over the inflow and outflow of human capital is more important. Similarly, as people in tight contexts appreciate rules and sanction the violation of those, not meeting candidates' and employees' expectations regarding staffing comprehensiveness is more costly for organisations. Conversely, we expect organisations in loose societies to have more leeway concerning staffing and hence, a weaker effect of staffing comprehensiveness on organisational turnover in these contexts.

**Hypothesis 8:** Societal tightness-looseness moderates the relationships between (a) national institutions and staffing comprehensiveness and (b) staffing comprehensiveness and organisational turnover, such that the association between institutions and staffing comprehensiveness and the association between staffing comprehensiveness and turnover are strengthened in societies with tight (vs. loose) social norms.

#### 3 | METHODS

#### 3.1 | Sample

The analysis was conducted using a sample drawn from the 2014–15 CRANET project dataset (Parry et al., 2011). Our criterion for selecting countries for this study was data availability on all variables of our hypotheses. The final sample consisted of 2,918 organisations in 11 countries: Australia (395), Austria (240), Brazil (354), Germany (278), Greece (188), Hungary (273), Israel (119), Italy (168), Spain (98), the USA (509), and the UK (296).

## 3.2 | Measurement

# 3.2.1 | Organisational turnover

This variable was captured by a single item: average yearly turnover percentage in the organisation (M = 10.79; SD = 11.91). Due to the non-normal distribution of the turnover variable, we applied a square root transformation before performing the multivariate analyses.

#### 3.2.2 Staffing practices

We took 14 variables from the CRANET 2015/2016 database and grouped them into eight practices (four recruitment and four selection practices). Within some (not all) of the eight practice groups, there are sub-practices indicated in the parentheses below. For example, within the practice of 'administration of standardised tests', there are three sub-practices: usage of psychometric tests, ability tests, and technical tests. However, within the practice of 'usage of references', there are no sub-practices. We refer to such variables as practices.

For each practice and sub-practice (totalling 14), HR professionals were asked to indicate whether it is used in their organisation for three employee groups: managers (yes/no), professionals (yes/no), and clerical and manual staff (yes/no). We created an index based on summation, ranging from 0 (not used) to three (used for all employees' groups). For practices that have sub-practices, we used the average of these summated scores to represent these practices. For practices that did not have sub-practices, we directly used the summated score.

The four recruitment practices included (1) external recruitment (with sub-practices of advertisement, company websites, commercial websites, agencies, and direct from an educational institution), (2) internal recruitment, (3) word-of-mouth, and (4) social media recruitment methods (e.g., Facebook, LinkedIn). The four selection practices included (1) administration of standardised tests (with sub-practices of psychometric test, ability test, and technical test), (2) application of interviews (with sub-practices of a panel interview and one-on-one interview), (3) usage of references and (4) usage of social media profiles.

#### 3.2.3 Cognitive institutions

We used the World Economic Forum's (WEF, 2015) Human Capital Index covering 29 indicators of the talent market in each country, including information on the quality of a country's education, employee training, labour force participation, illiteracy rate, underemployment, and unemployment.

#### 3.2.4 Normative institutions

Three national cultural dimensions were obtained from the GLOBE database (House et al., 2004): institutional collectivism, power distance, and uncertainty avoidance. Items capturing 'practices' were measured on a scale of 1 (low) to 7 (high). We used the adjusted scores for the GLOBE measures to minimise culturally biased response patterns (House et al., 2004).

#### Regulatory institutions 3.2.5

We created an institutional flexibility index in line with Rabl et al. (2014) and measured three indicators from the Global Competitiveness Report 2014-2015 (World Economic Forum, 2015): (1) lack of burdensome government regulation for employers; (2) flexibility of wage determination; and (3) flexibility in hiring and firing practices in the respective country. Corruption was measured using the Corruption Perception Index (CPI) that aggregates perceptions of business people and country experts on the level of public sector corruption in various countries by combining the data from sources such as the World Bank and IMD (Transparency International, 2015).

## 3.2.6 | Institutional pressure

Tightness-looseness scores were obtained from Gelfand et al.'s (2011) tightness-looseness index. The index, comprised of six items on a scale of 1 to 6 (1 = strongly disagree; 6 = strongly agree), assesses the degree to which social norms are pervasive, clearly defined, and reliably imposed within nations. The index demonstrated good reliability at the national level ( $\alpha$  = 0.85; Gelfand et al., 2011).

## 3.2.7 | Organisational level control variables

We included four organisational control variables to rule out alternative explanations for our findings (size, industry, ownership, and union density), each of which has been suggested to affect staffing practices and organisational turnover by earlier empirical or theoretical research. For instance, Aycan (2005) proposes that large companies apply more formalised, structured, and widespread recruitment and selection practices, while small organisations may rely more on face-to-face interviews to establish if the candidates fit the organisational culture. Further, large organisations may be more likely to establish internal labour markets and may be characterised by comparably less inflow and outflow of human capital (Makarius & Stevens, 2019). Moreover, Aycan (2005) argues that in industries that rely on products, innovation and technological sophistication, organisations may emphasise hard criteria (e.g., technical competencies), while in organisations in the service sector soft criteria (e.g., social skills) might have more weight. The industry context is also likely to influence organisational turnover as industries vary, for example, their unemployment rates (Makarius & Stevens, 2019) or union coverage (Huselid, 1995). Moreover, we control for ownership (i.e., whether the organisation had international/global or local/national presence) because differences in ownership are related to variance in both staffing practices (e.g., Budhwar et al., 2016) as well as turnover rates (e.g., Zheng & Lamond, 2010). Finally, a high organisational union density is assumed to press for certain staffing practices (such as more formalised practices and internal recruitment) and was found to be one of the strongest predictors in the meta-analysis on causes and consequences of collective turnover by Heavey et al. (2013).

Specifically, we included: organisational size (number of employees in the organisation) – because of the non-normal distribution of this variable, we transformed it (size\_ln mean = 6.38; S = 1.72); industry — whether the organisation provided products (food, chemical products, textile, machinery, knowledge-based products, totalling 33.6%) or services (health, education, research, finance, transportation, political, entertainment and communication, totalling 66.4%); ownership — whether the organisation had international/global (42.5%) or local/national (57.5%) presence; and union density (the extent to which trade unions influence the organisation; M = 1.29; SD = 1.18). The control measures were taken from the CRANET dataset.

# 3.3 | Analytic strategy

The hypothesised model (see Figure 1) contained a hierarchical structure where each organisation was nested under a corresponding country. Therefore, multilevel modelling was used to estimate the hypothesised multilevel relationships. Multilevel models are regression models that incorporate group-specific effects. Traditionally, multilevel models have mainly been developed in a context where researchers have access to very generous sample sizes (Browne & Draper, 2006). In regular maximum likelihood (ML) multilevel analysis, group-specific effects are assumed to vary randomly across groups according to a priori distribution, commonly a normal distribution. Hence, these are suitable for studies with high numbers of clusters (level-2 sample of 20 and more; Cohen, 1998). Bayesian multilevel models additionally assume that other model parameters (regression coefficients and variances of group-specific effects) are also random. In other words, Bayesian method combines the information reflected by prior distributions with the information contained in the collected data. The prior multiplied with the data likelihood yields the full posterior dis-

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tribution. Thus, when working with large samples, priors have little impact. In contrast, model estimates are more sensitive to priors when small samples are analysed. Put differently, 'frequentists (e.g., ML) aim to answer this question: Given a set of parameter values, how likely is it to obtain the values seen in the data? On the other hand, Bayesians approach statistical modelling from the viewpoint that, given that the data are collected, and the experiment will not be repeated, what are the values for the parameters?' (McNeish, 2016, p.752). When using a small number of clusters, estimates obtained using a Bayesian approach show far better results than reduced small sample bias (e.g., Hox et al., 2012; Huang, 2018; Muth et al., 2016; Stegmueller, 2013). Hence, in this study, we followed McNeish's (2016) recommendation and applied the Bayesian estimator analysis command using Mplus 8.0 (Muthén & Muthén, 2007). Several recent methodological studies have indicated potential advantages of Bayesian methods over frequentist maximum likelihood (ML) methods when working with small samples (e.g., Baldwin & Fellingham, 2013; McNeish & Stapleton, 2016; Stegmueller, 2013).

#### **RESULTS**

Means, standard deviations, and correlations are among the variables presented in Table 1.

The results (see Table 2) indicate that human capital is positively associated with tests as a selection method and negatively associated with internal recruitment, word-of-mouth, interviews, and social media as selection methods, thus providing partial support to Hypothesis 1. Further, institutional collectivism is positively associated with internal recruitment and word-of-mouth, usage of references, and selection interviews. In contrast, it is negatively related to external recruitment, tests, social media recruitment, and social media selection. Hence, the results partly support Hypothesis 2. Power distance is positively associated with internal recruitment and with tests as a selection method and negatively associated with word-of-mouth and social media recruitment. Findings partly support Hypothesis 3. Uncertainty avoidance is positively related to internal recruitment, social media recruitment, references, and tests as selection methods and negatively associated with word-of-mouth and external recruitment, thus partly supporting Hypothesis 4.

Concerning the effect of regulatory institutions, the results (see Table 2) show that institutional flexibility is positively associated with word-of-mouth, external recruitment, social media recruitment, as well as with interviews and social media as a selection method, and negatively associated with internal recruitment. These findings largely support Hypothesis 5. Corruption is positively associated with internal recruitment, word-of-mouth, and interview as a selection method. This finding partly supports Hypothesis 6. Although it is difficult to estimate precise effect sizes in cross-level models, we report Snijders and Bosker's (2011) overall pseudo  $R^2$  ( $\sim R^2$ ) for each staffing practice. These estimates are based on proportional reduction of Level 1 and Level 2 errors, owing to predictors in the model (see Table 2). We found that, on average, 18% of the variance in staffing practices is due to national institutions and control variables. Table 3 provides an overview of Hypotheses 1 to 6 and their respective findings.

Hypothesis 7 proposed that the relationships between national institutions and turnover are mediated by staffing comprehensiveness. In addition, Hypothesis 8 suggested that the relationship between institutions and staffing comprehensiveness and that between staffing comprehensiveness and turnover would be moderated by institutional pressure. To account for a large number of variables in our study (20 in total, 56 interactions) and to simplify the complex model, we applied indices for each set of national-level measures. In particular, as we already used an index for cognitive institutions (i.e., Human Capital index), we created an index for normative institutions (composed of low collectivism, low power distance, and high uncertainty avoidance) using the average score after reverse-scoring collectivism and power distance for consistency (House et al., 2004) as well as an index for regulatory institutions (composed of high institutional flexibility and high corruption). The internal consistency of normative institutions was  $\alpha$  = 0.62, and for regulatory institutions, we found a consistency of  $\alpha$  = 0.58. While the internal consistency of two of the indices was 'medium' (due to a small number of items), the literature fully sup-

Descriptive statistics and correlations TABLE 1

	Variable	Mean	SD	1	7	က	4	2	9	7	8	9 1	10 1	11 1	12 1	13 1	14 1	15 1	16 17	18	19
<del>←</del> i	Internal recruitment	2.18	1.03																		
6	Word-of-mouth	1.73	1.21	0.43**																	
	Social media recruitment	0.91	1.22	0.24**	0.32**																
4.	External recruitment	1.65	1.24	0.11*	0.18**	0.20**															
7.	Reference selection	2.08	1.17	0.17**	0.19**	0.22**	0.33**														
9	Interview selection	2.47	0.92	0.42**	0.30**	0.17**	0.46**	0.43**													
7.	Test selection	1.30	118	0.21**	29**	0.19**	0.21**	0.17**	0.24**												
ω <b>΄</b>	Social media selection	0.52	1.02	0.12*	0.15**	0.36**	0.13*	0.19**	0.13*	0.14*											
6.	Uncertainty avoidance	4.09	0.84	0.24**	-0.29**	0.18**	-0.46**	0.40**	0.03	0.39**	0.04										
10.	Power distance	5.13	0.37	0.47**	0.47** -0.38**	-0.26**	0.07	90:0	0.05	0.38**	0.06	-0.29**									
11.	Institutional collectivism	4.27	0.47	0.41**	0.30**	-0.29**	-0.30**	0.36**	0.40**	-0.62** -	-0.30**	-0.10* -0	-0.56**								
12.	Corruption	67.86	19.34	0.32**	0.25**	-0.01	-0.01	0.01	0.34**	-0.17**	0.03	0.43** -(	-0.51** (	0.59**							
13.	Human capital	77.88	5.11	-0.29**	-0.14**	-0.02	-0.05	0.11*	-0.25**	0.14** -	-0.18**	0.28** -(	-0.36** (	0.58** (	0.66**						
14.	Institutional flexibility	11.45	2.23	-0.28**	0.27**	0.10*	0.32**	0.03	0.16**	-0.09*	0.17**	0.34** -(	-0.32**	0.19**	0.44**	0.49**					
15.	Tightness level	5.01	1.42	0.05	0.12**	0.21**	0.24**	-0.22**	-0.06	-0.27**	-0.07	0.56**	0.27** (	0.37**	0.56**	0.50**	0.15**				
16.	Turnover	10.79	11.91	0.05	0.15**	0.24**	0.23**	-0.26**	-0.06	-0.28**	-0.08	-0.21** -0	-0.06	-0.15** -(	-0.03	-0.14** -0	-0.19** -0	-0.27**			
17.	Size (In)	6.38	1.72	0.22**	*80.0	0.23**	-0.27*	0.10*	*60.0	0.37** -	-0.05	0.07*	-0.03	0.04	-0.03	-0.11** -0	-0.05 0	0.09*	0.16**		
18.	18. Industry <sup>a</sup>	99.0	0.40	-0.08*	0.05	0.25**	-0.48**	- 90:0	-0.22**	-0.05	0.06	-0.05	-0.07*	0.02	0.03	0.04 -C	0.06 0	0.03 -C	-0.02 0.01		
19.	Ownership <sup>b</sup>	0.43	0.39	0.13**	-0.12**	-0.16**	-0.43**	-0.03	-0.19**	0.20**	0.07*	0.03	0.06	0.02	0.01	-0.03 -0	-0.04 0	0.06*	-0.18** 0.15**	-0.21**	
20.	20. Union density	1.29	1.18	0.10**	-0.11**	0.05	-0.14**	*90:0	0.04	- 50.0	-0.07*	0.01	0.01 -0	-0.02 -0	-0.15** -(	-0.19* -C	-0.26** 0	0.06*	-0.12** 0.33**	-0.03	-0.01
Note	Note: N = 2,981. Country-level means assigned down to organisational level. * $p$ < 0.05 ** $p$ < 0.01. Two-tailed test.	ountry-le	vel mea	ıns assig	ned dow	/n to org	anisatio	nal level.	p < 0.0	$5*^*p < 0$ .	.01. Two	-tailed te	st.								

 $^{a}$ dummy variable. 0 = products (33.6%) and 1 = services (66.4%).

 $^{b}$ dummy variable. 0 = local/national (57.5%) and 1 = global (42.5%).

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TABLE 2 Institutions and staffing practices analysis

TABLE 2 Histitutions and starting practices analysis								
	Staffing pract	tices <sup>a</sup>						
Variables	Internal recruitment	Word- of- mouth	Social media recruitment	External recruitment	Reference selection	Interview selection	Test selection	Social media selection
Level 1 main effe	ects:							
Size	0.17** (0.05)	0.06 (0.03)	0.20** (0.06)	-0.25** (0.08)	-0.08* (0.03)	0.05 (0.03)	0.35** (0.10)	-0.04 (0.02)
Industry	-0.06 (0.03)	0.03 (0.02)	0.22** (0.07)	-0.45** (0.17)	0.05 (0.03)	-0.19** (0.08)	-0.05 (0.02)	0.04 (0.03)
Ownership	0.11** (0.03)	-0.19** (0.08)	-0.16** (0.07)	-0.40** (0.11)	-0.02 (0.01)	-0.18** (0.06)	0.19** (0.07)	0.07* (0.03)
Union density	0.12** (0.05)	-0.10 (0.04)	0.04 (02)	-0.10** (05)	0.04 (0.03)	0.03 (0.02)	0.05 (0.02)	-0.03 (0.02)
Level 2 main effe	ects:							
Human capital	-0.21** (0.08)	-0.10** (0.04)	-0.03 (0.01)	-0.03 (0.01)	0.05 (0.02)	-0.19** (0.08)	0.11** (0.04)	-0.16** (0.05)
Institutional collectivism	0.27** (0.10)	0.28** (0.09)	-0.25** (0.11)	-0.35** (0.12)	0.31** (0.09)	0.29** (0.10)	-0.49** (0.16)	-0.27** (0.08)
Power distance	0.29** (0.09)	-0.36** (0.12)	-0.23** (0.10)	0.06 (0.04)	0.05 (0.03)	0.03 (0.02)	0.19** (0.08)	0.05 (0.03)
Uncertainty avoidance	0.13** (0.05)	-0.17** (0.06)	0.35** (0.13)	-0.29** (0.05)	0.29** (0.08)	0.02 (0.01)	0.28** (0.09)	0.02 (0.02)
Institutional flexibility	-0.18** (0.10)	0.16** (0.07)	0.09* (0.04)	0.27** (0.12)	0.01 (0.01)	0.12** (0.04)	-0.05 (0.03)	0.17**
Corruption	0.29** (0.09)	0.19** (0.09)	-0.01 (0.01)	-0.01 (0.01)	0.04 (0.02)	0.30** (0.11)	-0.06 (0.02)	0.03 (0.02)
~R <sup>2</sup>	0.21	0.19	0.18	0.19	0.16	0.17	0.17	0.14

Note: N = 2,981 organisation (level 1) in 11 countries (level 2). \*<0.05, \*\*<0.01. Pseudo  $R^2$  ( $\sim R^2$ ) estimate the amount of total variance in the dependent variable captured by predictors.

ports the creation of those national-level indices driven from established data sets (e.g., Mickiewicz et al., 2019; Rabl et al., 2014). In addition, an organisational-level index for staffing comprehensiveness was created (Kim & Ployhart, 2018), using the mean score ( $\alpha = 0.73$ ).

To examine the mediation effect of staffing comprehensiveness on the relationship between national institutions and turnover, we analyse the indirect effect of cognitive, normative, and regulatory indices on turnover via staffing comprehensiveness (see Table 4, model 2). Level 1 variables (organisational level) were turnover, staffing index, and control variables. At the country level (i.e., Level-2), we specified all national-institution indices. The results indicate a significant indirect effect of all three institutions on turnover via the staffing comprehensiveness index, thus, supporting Hypothesis 7. Note that after adding the indirect effects, the coefficient of the direct effects (cognitive, normative, and regulatory institutions to turnover) was reduced, suggesting partial mediation. In addition, adding the indirect effects increased turnover variance by 13% to a total of 23% (see Table 4 model 1 and 2).

Next, a Bayesian multilevel analysis was conducted. Table 5 model 3 shows that institutional pressure (tightness level) moderates the relationships between institutions (normative, cognitive, and regulatory) and staffing comprehensiveness. In addition (see Table 4, model 3), the tightness level moderates the relationship between staffing com-

<sup>&</sup>lt;sup>a</sup>models include controls and main effects.

TABLE 3 Overview of Hypotheses 1 to 6 and respective Findings

				Staffing	g practices			
Hypothesis	Internal recruitment	Word-of- mouth	Social media recruitment	External recruitment	Reference selection	Interview selection	Test selection	Social media selection
H1 (Human capital)	_	_	_	+	+	_	+	_
H2 (Institutional collectivism)	+	+	+	-	+	+	-	+
H3 (Power distance)	+	_	_	_	+	+	+	_
H4 (Uncertainty avoidance)	+	-	+	-	+	+	+	+
H5 (Institutional flexibility)	-	+	+	+	+	+	-	+
H6 (Corruption)	+	+	+	-	+	+	_	+

Note: Hypothesised positive (negative) effects of institutional drivers on staffing practices are indicated with + (-). Grey shading indicates empirical support for hypotheses, no shading indicates no empirical support, and black shading indicates empirical support for the opposite direction of the hypothesised effect.

prehensiveness and turnover. This supports Hypothesis 8. Adding tightness-looseness explains 11% of the total 34% of the variance in turnover (see Table 4, model 3).

Following Cohen et al.'s (2013) recommendations, we plotted the interactions between institutions and staffing practices and between staffing practices and turnover at conditional values of the tightness level variables (1 SD above and below the means; see Figures 2 to 5).

As illustrated in the figures, the relationship between staffing comprehensiveness and institutions is stronger in tight societies. In addition, the relationship between staffing comprehensiveness and turnover is stronger in tight (vs. loose) societies.

# 4.1 | Integrative model

With regards to Hypothesis 7 and 8, we found that: (1) national institutions (cognitive, normative, and regulatory) were associated with staffing comprehensiveness; (2) the relationship between national institutions and staffing comprehensiveness was stronger in tight (vs. loose) societies; (3) staffing comprehensiveness was associated to turnover; (4) staffing comprehensiveness was more strongly related to turnover in tight (vs. loose) societies; and (5) national institutions were related to turnover via the indirect effect of staffing practices. Taken together, these findings suggest that the indirect (i.e., mediated) effect of the national institutions on turnover varies as a function of the moderator (e.g., tightness-looseness). Hence, we also examined a moderation-mediation model, an integrative approach in which mediated and moderated relationships are examined simultaneously (Bauer et al., 2006). This integrative approach allowed us to accurately estimate how the relative sizes of the indirect effect of the independent variables on the dependent variable via the mediators varied under differing moderator levels. The model fit indices showed a high fit (RMSEA = 0.04, NFI = 0.92) for the integrated model. In particular, adding the moderator (i.e., tightness level) showed that the indirect effect of the cognitive, normative, and regulatory institutions on turnover via staffing practices differed as a function of this moderator. That is, the indirect effect of normative institutions on turnover via staffing practices was stronger at high (+1 SD) tightness levels than at low (-1 SD) tightness levels (-0.25\*\* and -0.11\*\*, respectively).

Similarly, the indirect effect of cognitive institutions on turnover via staffing practices was stronger at high tightness levels than low ones ( $-0.17^{**}$  and  $-0.08^{*}$ , respectively). In addition, the indirect effect of the regulatory institutions on turnover via staffing practices was stronger at high tightness levels than low ones ( $-0.16^{**}$  and 0.05 n.s.). This integrative analysis provided additional support for our theoretical model (Figure 1), adding specific estimates of the indirect effects of institutions on turnover via staffing practices at different levels of the moderator variable.

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·	<b>T</b>					
	Turnover					
Variables	<sup>a</sup> Model 1	<sup>b</sup> Model 2	<sup>c</sup> Model 3			
Level 1 main effects:						
Size	0.12** (0.04)	0.12** (0.04)	0.11** (0.04)			
Industry	-0.02 (0.01)	-0.02 (0.01)	-0.02 (0.01)			
Ownership	-0.16** (0.05)	-0.16** (0.05)	-0.15** (0.05)			
Union density	-0.10** (0.04)	-0.10** (0.04)	-0.09** (0.03)			
Staffing	-0.19** (0.05)	-0.12* (0.05)	-0.09* (0.04)			
Level 2 main effect:						
Cognitive institutions	-0.14** (0.06)	-0.09* (0.04)	-0.08* (0.04)			
Normative institutions	-0.19** (0.07)	-0.11* (0.05)	-0.10* (0.05)			
Regulatory institutions	-0.11** (0.04)	-0.08* (0.03)	-0.08* (0.03)			
Tightness level			-19** (0.07)			
Level 2 Indirect effects:						
Cognitive institutions via staffing		-0.13** (0.06)	-0.13** (0.06)			
Normative institutions via staffing		-0.19** (0.07)	-0.19** (0.07)			
Regulatory institutions via staffing		-0.11** (0.04)	-0.11** (0.04)			
Cross-level interactions:						
Staffing × Tightness level			-0.27** (0.09)			
~R <sup>2</sup>	0.13	0.23	0.34			
$\Delta \sim R^2$		0.10	0.11			

Note: N = 2,981 organisation (level 1) in 11 countries (level 2). \*<0.05, \*\*<0.01. ~ $R^2$  estimate the amount of total variance in the dependent variable captured by predictors.  $\Delta \sim R^2$  estimate the increased amount of variance in the dependent variable captured by interactions.

## 5 | DISCUSSION

Using multi-level data from 2,918 organisations in 11 countries, we found that (1) companies in different countries implement different staffing practices in line with different national institutions, (2) the use of institutionally embedded staffing is related to organisational turnover, and (3) the relationships between national institutions, staffing and turnover are stronger in tight societies.

The first key finding extends the dominant cultural perspective on staffing across countries. By drawing on neo-in-stitutional theory and Kostova's (1999) CIP approach in particular, we demonstrate that normative (i.e., culture) and regulatory institutions and cognitive institutions may explain cross-national variance in staffing practices. Hence, the CIP approach proved to be a valuable and coherent starting point for our conceptual model. Building on this foundation, we developed and tested a staffing-specific CIP that consisted of human capital, collectivism, power distance, uncertainty avoidance, institutional flexibility, and corruption simultaneously.

We found that institutional collectivism (with significant relationships to all eight staffing practices) accounts for variance in staffing practices across countries. For instance, in more collectivistic societies, more emphasis is placed on internal recruitment, word-of-mouth, and personal interviews due to a relationship-oriented approach to staffing

<sup>&</sup>lt;sup>a</sup>Model includes controls and direct main effects.

<sup>&</sup>lt;sup>b</sup>Model includes controls, direct main effects, and indirect effects.

<sup>&</sup>lt;sup>c</sup>Model includes controls, direct effects, indirect effects, and cross-level interaction.

TABLE 5 Analysis of the moderator effect of tightness level on the relationship between institutions and staffing comprehensiveness

	Staffing Comprehe	nsiveness	
Variables	<sup>a</sup> Model 1	<sup>b</sup> Model 2	°Model 3
Level 1 main effects:			
Size	0.23** (0.09)	0.22** (0.08)	0.21** (0.07)
Industry	-0.23** (0.09)	-0.23** (0.08)	-0.22** (0.07)
Ownership	-0.25** (0.08)	-0.22** (0.08)	-0.19** (0.08)
Union density	-0.11* (0.04)	-0.10** (0.04)	-0.08* (0.04)
Level 2 main effect:			
Cognitive institutions		0.21** (0.09)	0.19** (0.06)
Normative institutions		0.17** (0.08)	0.18** (0.07)
Regulatory institutions		0.22** (0.10)	0.20** (0.08)
Tightness level		0.09* (0.04)	0.04 (0.03)
Interactions:			
Cognitive institutions × Tightness level			0.37** (0.14)
Normative institutions × Tightness level			0.39** (0.15)
$Regulatory\ institutions \times Tightness\ level$			0.15** (0.06)
~R <sup>2</sup>	0.07	0.17	0.25
$\Delta \sim R^2$		0.10	0.08

Note: N = 2,981 organisation (level 1) in 11 countries (level 2).\*<0.05, \*\*<0.01.  $\sim$ R<sup>2</sup> estimate the amount of total variance in the dependent variable captured by predictors.  $\Delta \sim$ R<sup>2</sup> estimate the increased amount of variance in the dependent variable captured by interactions.

(Aycan, 2005). By contrast, external recruitment and selection tests are more prevalent in organisations in more individualistic societies, as these practices may better differentiate between candidates (Ma & Allen, 2009). Contrary to our hypothesis, recruitment and selection via social media are more prevalent in individualistic societies. While our hypothesis was informed by findings from marketing research that showed how people in collectivistic societies make more use of social media (Goodrich & Mooij, 2014), the quality of this use (e.g., the motivation for use, or the size of network) might be more relevant to fully understand staffing via social media. For example, Kim et al. (2011) found that students in collectivistic societies place greater emphasis on support when using social media, while students in individualistic cultures put more weight on seeking information. Hence, in individualistic societies, recruitment and selection via social media might be more common because these channels help to get information about vacancies and candidates.

Our findings indicate that institutional flexibility for employers (with six out of eight significant relationships) gives organisations the leeway to use social media for recruitment and selection, providing rare evidence for the relevance of regulations in international staffing through social media (Jeske & Shultz, 2016; Schmidt & O'Connor, 2016). Conversely, organisations in more regulated countries are less likely to hire externally and via word-of-mouth and are more likely to recruit internally, which might be explained by the stronger power positions of unions and work councils in these countries (Aycan, 2005; Vaiman & Brewster, 2015). Further, where uncertainty avoidance (with six out of eight significant relationships) is high, organisations rely more on internal recruitment, references, and tests, possibly to minimise future insecurities regarding their new hires, while word-of-mouth and external recruitment are less popular, as they come with more uncertainties (Aycan, 2005; Dipboye & Johnson, 2012). In countries with higher human

<sup>&</sup>lt;sup>a</sup>Model includes controls.

<sup>&</sup>lt;sup>b</sup>Model includes controls and main effects.

<sup>&</sup>lt;sup>c</sup>Model includes controls, main effects, and interactions.

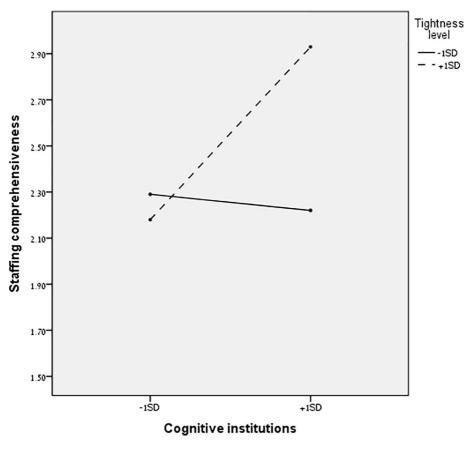


FIGURE 2 Moderating effect of tightness level on the relationship between cognitive institutions and staffing comprehensiveness

capital (with five out of eight significant relationships), organisations apply more tests. Still, internal recruiting and word-of-mouth are more popular in countries lower on human capital, as are interviews and social media selection. In addition to smaller talent pools in these countries, especially for high-rank positions (Ready et al., 2008), another possible explanation for this pattern is the lower degree of HR professionalism in countries with low human capital which may increase the likelihood to find less professionalised staffing practices in these countries (Björkman et al., 2008; Marsden & Gorman, 2001; Roth et al., 2016; Van der Zee et al., 2002).

Power distance (with four out of eight significant relationships) and corruption (with three out of eight significant relationships) seem relevant for at least some of the eight investigated staffing practices. More precisely, organisations are more likely to apply internal recruitment and selection tests in high power-distance societies. Although tests may convey authority and influence by the recruiters, internal recruitment also underlines the high status of organisational members by allowing for advancement within the organisational hierarchy (Budhwar & Khatri, 2001). Further, word-of-mouth recruitment and recruitment through social media are less popular in high power-distance countries, as these practices render any status differences between organisational members and candidates less visible. Finally, adding to the very limited knowledge on corruption and staffing, we found that in countries where corruption is more common, organisations tend to choose word-of-mouth and internal recruitment and selection interviews, which is understandable in the light of presumably greater nepotism and a tendency to 'make deals' that circumvent official rules and formalities. Generally, these findings speak to the quest for research on illegal legitimacy in international business (Cuervo-Cazurra, 2016). We also acknowledge that a more staffing-specific corruption measure could help

2.90

2.70

2.50

2.30

2.10

1.90

1.70

1.50

Staffing comprehensiveness

FIGURE 3 Moderating effect of tightness level on the relationship between normative institutions and staffing comprehensiveness

Normative institutions

+1SD

-1SD

future research further specifying the effect of corruption in staffing. The fact that we found a significant impact of corruption on only three out of eight staffing practices might be due to the rather broad nature of the here used Corruption Perception Index.

Next to introducing cognitive institutions in the study of staffing, these findings demonstrate the value of an integrated analysis of normative (i.e., cultural), cognitive, and regulatory aspects of the national context of staffing in a single theoretical framework and, more generally, support the usefulness of the CIP approach (Kostova, 1999) in comparative HRM. We believe that future research may benefit from applying this approach to other HRM practices. In addition, staffing research should use other institutional frameworks such as comparative capitalism (Hall & Soskice, 2001; Whitley, 2007) to allow for broader categories of institutional environments and hence, a possibly simpler comparison between countries.

Our second key finding contributes to the development of knowledge on staffing effectiveness across countries. In particular, we found that, in talent-rich, meritocratic, and less regulated institutional contexts, organisations tend to administer more comprehensive staffing, which, in turn, reduces organisational turnover (i.e., is more effective). Conversely, in less talent-rich, less meritocratic, and more regulated institutional contexts, organisations tend to administer less comprehensive staffing, which, in turn, increases organisational turnover (i.e., is less effective). In line with others (Kim & Ployhart, 2018; Villajos et al., 2019), this stresses that using more recruitment and selection practices increases the chances for better applicant fit and quality and hence, higher employee retention. Providing additional evidence that organisational turnover differs across countries along with institutional differences (e.g., Lel et al., 2019; Ployhart & Kautz, 2017; Sturman et al., 2012; van Dierendonck et al., 2016), we deliver one HRM-related explanation,

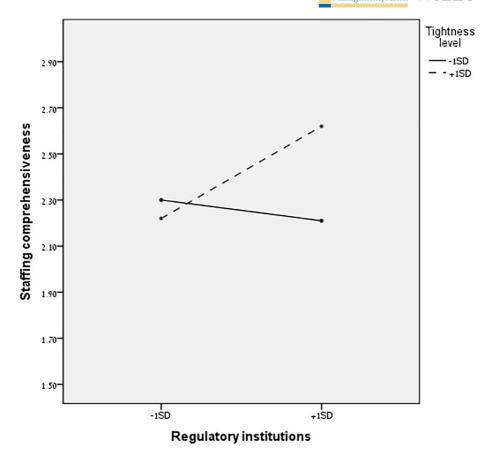


FIGURE 4 Moderating effect of tightness level on the relationship regulatory institutions and staffing comprehensiveness

namely variance in staffing comprehensiveness and related differences in staffing effectiveness. Further, in line with institutional theory (e.g., Kostova, 1999; Scott, 2001), we also show how staffing effectiveness is influenced by the CIP, extending earlier research on staffing outcomes dominated by a universalist paradigm. Thus, this finding provides a starting point to further integrate perspectives on organisational staffing outcomes (Makarius & Stevens, 2019; Terpstra & Rozell, 1993), and comparative perspectives on staffing (e.g., Myors et al., 2008; Ryan et al., 2017) and speaks to the growing body of knowledge on global talent management (e.g., Beamond et al., 2016; Tarique & Schuler, 2010). We see fruitful research avenues on this intersection between comparative and strategic HRM in further analysing the effectiveness of other HRM practices and their alignment across countries.

Our third key finding may clarify some of the confusion described by other large-scale investigations of staffing across countries (Huo et al., 2002; Ryan et al., 1999, 2017), as it sheds light on an important boundary condition (Busse et al., 2017) to the generalisability of the impact of national institutions on staffing and its organisational outcomes. We found that the relationship between the institutional context and turnover via staffing is stronger in tight (vs. loose) societies (Gelfand et al., 2006). Looking at this finding more closely and in line with our hypothesis, the relationships between the CIP and staffing effectiveness are found only in tight societies, where norms tend to be omnipresent and unambiguous and where deviations have more negative consequences. In loose societies, however, national institutions do not appear to affect staffing and turnover as its outcome as much. The interactions show slightly negative relationships between cognitive, normative, and regulatory institutions and staffing. In other words, if institutional pressure is low (i.e., in loose societies), organisations do not necessarily adjust their staffing to the CIP. Hence, less

FIGURE 5 Moderating effect of tightness level on the relationship between staffing comprehensiveness and turnover

comprehensive staffing is more likely to be found in a talent-rich, meritocratic, and less regulated institutional context if the pressure to conform to these institutions is weak.

Conversely, in tight societies with little tolerance for deviance from the CIP, organisations tend to comply as they would also be more likely to suffer from candidates' and employees' disapproval if the organisations' practices are ill-adjusted to the institutional context (Kostova & Roth, 2002; Tost, 2011). Indeed, as our findings further highlight, the relationship between staffing comprehensiveness and turnover gets strengthened by societal tightness. That is, organisations in countries with high institutional pressure (i.e., in tight societies) are not only more likely to adjust their staffing to the CIP, but more comprehensive staffing, in turn, is also more likely to reduce organisational turnover. As shown in Figure 5, if institutional pressure is low (i.e., in loose societies), more comprehensive staffing may still reduce organisational turnover, yet to a much lesser extent.

Our analyses also demonstrated the importance of organisational-level determinants such as industry, size, ownership, and union density (our control variables). For instance, our findings show how industry-level differences (i.e., differences between service vs. product-based industries) matter for staffing, irrespective of the influence of country-level institutions. This strengthens perspectives that include both organisational and country context variables for the study of HRM (Allen et al., 2017; Farndale & Paauwe, 2018; Holman, 2013; Jackson et al., 1989) and suggests that to fully understand the relationship between staffing and turnover, future research should strive for an encompassing conceptualisation that covers all dimensions of the phenomenon (Al Ariss & Sidani, 2016).

This study has several limitations. Data on normative institutions (institutional collectivism, power distance, and uncertainty avoidance) taken from the GLOBE study (House et al., 2004) are about 10 years older than those for most other variables, except for the data on societal norms that were retrieved from Gelfand et al. (2011). However, cultural practices and societal norms are assumed to be relatively stable and hence not very likely to change within a few years. Second, the binary categories for answers to the items from the CRANET survey and hence the index we built should be differentiated into more gradual scales in future research. Third, we relied on single-informant reports like other studies that use CRANET data on HR practices (e.g., Peretz et al., 2018). Yet, as the main goal of the CRANET network and its survey is the comparison of HR practices between countries, questions are designed to target factual data—"hard data" like numbers, percentages, ratios, etc.—instead of attitudinal information' (Brewster et al., 2011, p. 7).

Additionally, our country sample was chosen by matching the various data sets leading us to study 11 countries, most of which may be considered Western societies. In future research, it would be helpful to include more countries from other regions. Apart from providing a more inclusive picture, this would help organisations develop appropriate HRM systems to attract and retain talent from 'non-Western' societies (Aycan et al., 2014). Comparison between and within regions is a promising avenue for future research that aims to advance the discussion on institutional influences on staffing.

Finally, the methodological approach was chosen here (multilevel regression analysis) shows relationships but not causality. Nonetheless, given the relatively stable nature of national institutions and institutional pressure compared to staffing practices and organisational outcomes, their construal as independent predictors are highly plausible.

This study demonstrates the importance of considering the institutional environment for staffing effectiveness. We provide practical implications for both multinational and domestic organisations that aim to attract and retain local talent. Managers involved in staffing efforts in these organisations should familiarise themselves with the institutional profile of the respective country and the practices that will be most acceptable to both candidates and employees. However, managers should also consider the tightness of societal norms, as the relevance of national institutions for staffing and the relationship between staffing and turnover is especially high in societies with tight (vs. loose) norms.

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#### CONFLICT OF INTEREST

No conflict of interests.

#### DATA AVAILABILITY STATEMENT

The data that support the findings of this study are available from the corresponding author upon reasonable request.

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