# BRIDGING THE GAP BETWEEN PAY COMMUNICATION AND PAY

# REACTIONS: PAY INFORMATION SEEKING BEHAVIOR

# Alexandra Arnold

University of Lucerne
Faculty of Economics and Management
Center for Human Resource Management
Frohburgstrasse 3
PO Box 4466
6002 Lucerne
Switzerland

Email: alexandra.arnold@unilu.ch

# **Ingrid S. Fulmer**

Rutgers University
School of Management and Labor Relations
94 Rockafeller Road
Janice H. Levin Building
Piscataway, 08854, NJ
USA

# Anja Feierabend

University of Lucerne
Faculty of Economics and Management
Center for Human Resource Management
Frohburgstrasse 3
PO Box 4466
6002 Lucerne
Switzerland

#### **ABSTRACT**

Over the course of their work lives, individuals are often motivated, for a variety of reasons, to proactively seek information about what others are paid, both inside and outside the organization. However, efforts to gather this information are costly, in terms of effort, money and/or social costs and may be enhanced or hindered by organizational pay communication policies. In this study, we draw on motivated information processing and decision-making theories to develop and test hypotheses regarding predictors and contingencies in workers' pay information seeking behavior. Data from a two-wave employee survey (n=710) show that younger workers are more motivated to seek internal pay information while workers with shorter tenure and lower organizational trustworthiness perceptions seek more external pay information. Workers with stronger quit intentions and more pay-related workplace changes seek more of both internal and external pay information. Furthermore, we find that perceived organizational communication policies about pay disclosure and about workers' discussion of pay information have distinctive direct effects on internal respectively external pay information seeking behavior and that the two aspects of pay communication moderate several of the other relationships. We conclude by discussing implications of this research for motivation and compensation theory, and for managerial practice.

**Keywords:** Motivated information search; pay information seeking behavior; pay communication policies; pay information disclosure; pay communication restriction