

COMMENTARY

## The influence of UBI on selection: The job seeker and applicant attraction

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Anyone who has ever experienced a financial bind may understand the allure associated with a universal basic income (UBI). However, UBI has implications beyond those who are “down on hard times.” In their focal article, Hüffmeier & Zacher, in press posited that implementing UBI would have tangible outcomes for most, ranging from exiting the labor market to taking on more entrepreneurial risk. In particular, UBI would likely influence the selection process for both applicants and organizations. Therefore, in our commentary we draw on the agency restriction model (Fryer, 1986) and the scarcity resource model (Shah et al., 2012) to elucidate the ways in which individual behaviors would be influenced by UBI. Specifically, we address changes regarding the importance of pay to applicant job-choice decision making (Cable & Judge, 1994). Moreover, we examine how these changes will affect organizational selection systems and applicant attraction strategies such as reliance on organizational image (Yang & Yu, 2019) and increased work flexibility.

### UBI on job seeking behaviors

Concerns stemming from the fear of unemployment and a lack of financial resources carry significant weight for jobseekers and their decision-making processes. For example, Fryer's (1986) agency restriction (AR) model posits that a lack of manifest rewards (i.e., money) should lead to decreases in well-being via reduced autonomy. In line with this proposition, unemployment has been linked to a host of negative well-being outcomes, such as psychological distress, depression, and low self-esteem (Creed & Macintyre, 2001). Moreover, *scarcity* researchers have found that perceiving oneself to have fewer resources (e.g., money) than what are needed lead to negative outcomes such as reduced consideration for future consequences and increased attentional attunement to said resources (Shah et al., 2012; Shah et al., 2018). This may lead job seekers to take a position that fulfills their immediate financial needs. However, in doing so they may overlook jobs with characteristics that would otherwise provide more cognitive or emotional fulfillment (Hackman & Oldham, 1975), thereby opening the door for alternative negative outcomes such as decreased satisfaction and increased turnover intent. Fortunately, UBI would allow applicants the opportunity for increased job choice by reducing the risk of seeking new employment. That is, individuals may be more likely to seek new employment or make less haste-filled job choices given that UBI offers a “financial cushion” to act as a buffer from the financial burden of temporary unemployment or reduced financial security during the job search process. Additionally, the UBI financial cushion may allow applicants to take more time with their job decisions because they place more emphasis on organizational image and preferred job characteristics (Chapman et al., 2005) than on pay. Therefore, UBI may provide a welcomed change to the recruitment and selection process from the perspective of the job seeker.

### Would implementation of UBI lead to more risk taking?

An alternative consideration for job-seeking behavior is that the implementation of UBI may also give individuals the time and financial resources that are necessary to pursue personal projects that they are passionate about, which can lead to an increase in entrepreneurial risk taking and self-employed work. Many potential entrepreneurs have indicated that their largest concerns and obstacles are liquidity constraints, budgeting, and other capital constraints. Yet the majority (42%) who were recently self-employed used their own money rather than taking loans or asking to borrow from friends and family (Blanchflower & Oswald, 1998). UBI would effectively reduce this entrepreneurial risk, as the underlying costs of financial loss from these pursuits would not damage an individual's basic needs (food and shelter). Consistent with this proposition, empirical evidence suggests that it is the individual's risk attitudes, given the time, context, and opportunity that leads some people to take entrepreneurial risks over others (Caliendo et al., 2009). Entrepreneurs' self-perceptions and levels of risk aversion are objectively similar to those of nonentrepreneurs (Koudstaal et al., 2014). The differences that often lead to entrepreneurial risk taking are instead confidence and optimism (Palich & Bagby, 1995) and entrepreneurial self-efficacy (Newman et al., 2019). That is, the belief in one's personal ability to accomplish self-employment based on their education, experience, skills, and resources. Furthermore, a more recent model of limited attention posits that all potential entrepreneurs are risk neutral and care only about expected values, but they differ in both their ability to recognize opportunities and to manage their current resources (Gifford, 2011). Under this assumption, having more money allows one to spend more effort and attention on discovering opportunities and taking risks than managing their resources. Finally, congruent with career exploration opportunities, people have more time to explore and build their repertoire of skills with UBI, and they will also have more financial resources to rely on when taking these risks. Thus, regardless of risk propensity, the number of individuals who identify entrepreneurial opportunities or decide to become self-employed will increase with the implementation of UBI due to the increase in information and knowledge, as well as search time for opportunities (Eckhardt & Shane, 2010) and the influence that a universal income would have on an individual's attention and perceptions of risk (Gifford, 2011).

### The role of UBI: Influencing organizational applicant attraction

Workplace researchers have understood for some time that perceptions of pay that are associated with a position have influence over applicant behavior (Jurgenson, 1978; Rynes, 1987; Rynes et al., 1983). Moreover, previous research has indicated that applicants use pay as noncompensatory decision-making criterion early in the job-choice process to reduce the number of potential options (Chapman et al., 2005; Osborn, 1990). For example, applicants may not apply to a job in the first place if the pay is considered inadequate. However, with UBI implemented applicants may place less weight on pay as a noncompensatory determinant (i.e., screening tool) early in the application process. Job seekers may begin to place more emphasis on alternative significant predictors of job choice such as type of work and organizational characteristics (e.g., organization image, work environment, familiarity) when choosing which position to ultimately pursue (Chapman et al., 2005). Therefore, within the application process UBI places more onus on the organization to diversify their means of attracting talent.

### Attracting talent under UBI: Organizational image

One method that organizations might employ in the face of changes associated with UBI is to focus on one of the aforementioned alternative predictors of applicant attraction: organizational image (Chapman et al., 2005). Organizations have both an image that they intend to maintain

(Yang & Yu, 2019) and the perceived characteristics (Slaughter et al., 2004) that job seekers can identify and relate to in order to find the best perceived person–organization (P–O) fit. The theory of symbolic attraction (Lievens & Highhouse, 2003) posits that job seekers gather both tangible and symbolic meaning from various mediums (e.g., Internet, social media, job advertisements) and other interactions with the organization (e.g., products and services). Subsequently, job seekers use this information to make personality-like inferences of the organization such as sincerity, innovativeness, competence, prestige, and robustness of the organization. These corporate images that job seekers perceive are critical in maintaining attraction and require organizational impression management tactics and targeted information provided in job advertisements and media.

### Would UBI increase talent attraction competition?

When confronted with the changes to applicant behavior that may be caused by UBI, organizations may need to adapt by altering work conditions. One approach would include providing additional work flexibility. Presently, workers are turning to the gig economy in droves in order to exercise control over their schedule (Statista, 2021). That is, flexibility is likely attractive to workers given that it fulfills their intrinsic need for autonomy (Gagné & Deci, 2005). However, one of gig work's major drawbacks for the individual is the economic risk that comes without a guaranteed paycheck. Unemployment already appears to be a large driver of gig work (Huang et al., 2020), and gig workers may find themselves financially unstable, especially early in the transition (Ashford et al., 2018). Therefore UBI, which decreases the existential financial threat of unemployment, may cause workers to see more flexible work (i.e., gig work) as an enticing option. To compete with this, organizations should encourage flexibility in their work arrangements such as offering flextime, hybrid (in-office/remote) commuting schedules, or adopting structures that limit meetings and promote independence. Decision makers should seek to build a culture of taking breaks and pursuing personal goals in their workforce. These options not only increase organizational attractiveness to new applicants but also encourage current employees to stay as well.

In conclusion, UBI may have a tangible influence over the selection process. Individuals may find themselves imbued with a new sense of entrepreneurial risk and willingness to seek employment change through self-employment or personally fulfilling ventures. Alternatively, job seekers may simply experience a reprioritization of criteria in determining which jobs to apply for and subsequently choose. In a similar vein, organizations may have to adapt their strategies of applicant attraction to meet the changing job-seeking behaviors of applicants such as emphasizing their organizational image or altering the characteristics of the job (e.g., increased flexibility).

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