

The Impact of Perceived and Actual PO fit on Employees' Work-Related Attitudes and Behaviors

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Introduction

The fit between employees and their organization (person-organization fit, i.e., PO fit) tends to have a significant influence on a variety of important work-related attitudes and behaviors, such as job satisfaction, organizational commitment, turnover intention, and performance (Kristof-Brown, Zimmerman, & Johnson, 2005; Verquer, Beehr, & Wagner, 2003). Yet, previous studies provided mixed results regarding the consequences of PO fit. This is probably due to differences in the operationalization and measurement of PO fit. On the one hand, perceived or subjective PO fit indicates employees' perceptions of fit between their own values and those of the organization. It is measured directly by asking employees to estimate the perceived PO fit. On the other hand, actual or objective PO fit is measured indirectly by calculating the difference between the values of the employees and those of their organization. In line with previous studies, the present study examined the influence of PO fit on different work attitudes and behavior, however, special attention was additionally given to the differential role of perceived and actual PO fit. Important meta-analyses in the field showed that although both methods of measurement indicate a beneficial effect, perceived fit is generally more strongly related to outcomes than actual fit (Kristof-Brown et al, 2005; Verquer et al, 2003). In a first set of hypotheses we predicted that perceived as well as actual PO fit are positively related to job satisfaction, task performance, and work effort, and negatively related to turnover intentions. In a second set of hypotheses we predicted that perceived PO fit better predicts work outcomes than actual PO fit.

Method

In 2010, a total of 205 employees from one large organization in the Belgian distribution sector completed an on-line survey (response rate: 28%). The sample consisted of 54% male respondents, working in a non-management position (63%). Respondents had a mean age of 37 ($SD = 7.95$), an organizational tenure of 12 years ($SD = 7.14$), and a job tenure of 7 years ($SD = 4.63$).

We measured *perceived PO fit* with two items derived from Cable and Judge (1996). Respondents indicated on a five point scale to what degree they agreed with a statement about the congruence between their own values and their organization's values (1) and the values of the people in their organization (2). This measure was repeatedly used in other studies where both items were found to be strongly correlated (Cable & Judge, 1996: $r = .87$; Cable & Parsons, 2001: $r = .85$; De Cooman et al., 2009: $r = .64$ & $.80$, respectively). However, in the current sample the two items were only moderately correlated ($r = .38$, $p < .001$). Therefore, in a first

step we included the aggregated score in the analyses and in a second step we included both items separately. *Actual PO fit* was measured using two of the dimensions of Lyons' Work Values Survey (Lyons, 2010), i.e. cognitive (5 items) and instrumental (7 items) values. We presented two sets of questions to each respondent. A first set of items referred to the personal values. Here, respondents were asked to indicate on a six point scale to what degree they consider each of the statements a top priority in deciding whether to accept a job or remain in a job (e.g. instrumental: 'Having hours of work that are convenient to your life;' cognitive: 'Working on tasks and projects that challenge your abilities'). A second set of items referred to the organizational values. Here, respondents were asked to indicate to what degree they agreed that each statement reflects how they think about their current organization (e.g. instrumental: 'The organization attaches importance to hours of work that are convenient to employees' lives'; cognitive: 'The organization attaches importance to tasks and projects that challenge the employees' abilities'). Good internal reliability scores were obtained for both subscales, on both the individual and organizational level (instrumental $\alpha = .76$ & $.88$; cognitive: $\alpha = .88$ & $.91$, respectively). Based on both sets of items, we calculated difference scores on item level.

Next, we turned the scores into absolute differences and aggregated them into one actual PO fit score for each dimension. Scores must, thus, be interpreted in such a way that smaller values indicate greater levels of fit. Finally, the outcomes were measured by the following scales: *job satisfaction* (three items by Seashore, Lawler, Mirvis, & Camman (1982), $\alpha = .83$); *turnover intentions* (two items by Mowday, Steers, & Porter (1979) and one item by Taris & Fey (2001), $\alpha = .76$); *task performance* (seven items by Williams & Anderson (1991), $\alpha = .88$); and *work effort* (ten items, De Cooman, De Gieter, Pepermans, Jegers, & Van Acker (2009), $\alpha = .90$).

Results

As can be seen from Table 1, difference scores indicated that overall personal values exceeded organizational values (positive means for all value items). The largest difference (lowest fit) was found for the work-life balance item. The smallest difference (strongest fit) was found for the competent supervisor item. In Table 2 means, standard deviations, and intercorrelations between all variables are presented.

Table 1: A comparison of personal and organizational values at the item level*.

| Value dimension | Item | Min | Max | Mean | SD |
|-----------------|----------------------------|-----|-----|------|------|
| Instrumental | Supportive supervisor | -2 | 5 | 1.06 | 1.37 |
| | Information | -2 | 5 | 1.43 | 1.20 |
| | Training | -2 | 5 | 0.91 | 1.37 |
| | Feedback | -2 | 5 | 1.13 | 1.35 |
| | Hours of work | -4 | 5 | 1.63 | 1.62 |
| | Competent supervisor | -3 | 5 | 0.73 | 1.45 |
| | Work-life balance | -1 | 5 | 1.74 | 1.43 |
| Cognitive | Challenge | -2 | 5 | 1.29 | 1.26 |
| | Intellectually stimulating | -1 | 5 | 1.49 | 1.27 |
| | Interesting | -2 | 5 | 1.59 | 1.20 |
| | Variety | -1 | 5 | 1.43 | 1.23 |
| | Continuously learning | -3 | 5 | 1.18 | 1.32 |

* Scores can vary between -5 and 5. Negative values indicate that organizational values exceeded personal values and vice versa.

Table 2: Means, standard deviations, and intercorrelations.

| | <i>M(SD)</i> | 1. | 2. | 3. | 4. | 5. | 6. | 7. | 8. |
|--|--------------|---------|---------|---------|---------|---------|--------|---------|--------|
| 1. Perceived PO fit | 3.34(0.65) | - | | | | | | | |
| 2. Perceived PO fit - People | 3.44(0.72) | .80*** | - | | | | | | |
| 3. Perceived PO fit - Organization | 3.24(0.85) | .86*** | .38*** | - | | | | | |
| 4. Actual PO fit – instrumental ^o | 1.44(0.87) | -.40*** | -.40*** | -.25*** | - | | | | |
| 5. Actual PO fit – cognitive ^o | 1.50(0.92) | -.36*** | -.38*** | -.20** | .74*** | - | | | |
| 6. Job satisfaction | 4.23(0.76) | .46*** | .51*** | .24*** | -.23*** | -.29*** | - | | |
| 7. Turnover intention | 2.12(0.92) | -.54*** | -.62*** | -.24*** | .33*** | .32*** | .74*** | - | |
| 8. Work effort | 6.96(0.78) | .20** | .23*** | .09 | .001 | .04 | .38*** | -.34*** | |
| 9. Task performance | 5.76(0.89) | .22*** | .24*** | .12 | -.14* | -.07 | .33*** | -.22** | .34*** |

* $p < .05$, ** $p < .01$, *** $p < .001$

^o Values are based on difference scores; low scores indicate high levels of fit.

All correlations were in the expected directions. Job satisfaction, work effort, and task performance were negatively related to turnover intentions. Both dimensions of actual PO fit were positively interrelated and positively related to perceived PO fit. Moreover, they were positively related to job satisfaction and task performance and negatively related to turnover intentions. Only for work effort results indicated no relationship with actual PO fit. Finally, perceived PO fit was positively related to all three beneficial work-related outcomes and negatively related to turnover intentions. Finally, correlations and T-tests with sociodemographic variables and general employee characteristics revealed that actual PO fit on cognitive values was positively related to age ($r = -.20$, $p < .001$) and that employees in a management position showed higher actual PO fit (lower differences) than employees in a non-management position ($t_{(200)} = -2.01$, $p < .05$; $t_{(200)} = -2.33$, $p < .05$, for the instrumental and cognitive values respectively).

Table 3: Regression analyses with standardized Beta-coefficients

| | Job satisfaction | Turnover intention | Work effort | Task performance |
|---|------------------------------|------------------------------|-------------------------|----------------------------|
| | $F_{(3, 202)} = 20.30^{***}$ | $F_{(3, 202)} = 29.94^{***}$ | $F_{(3, 202)} = 3.70^*$ | $F_{(3, 202)} = 3.96^{**}$ |
| Perceived PO fit | .424*** | -.474*** | .244*** | .205** |
| Actual PO fit – instrumental ^o | .075 | .073 | .007 | -.125 |
| Actual PO fit – Cognitive ^o | -.190* | .096 | .123 | .094 |
| | $R^2 = .23$ | $R^2 = .31$ | $R^2 = .05$ | $R^2 = .06$ |

* $p < .05$, ** $p < .01$, *** $p < .001$

^o Values are based on difference scores; low scores indicate high levels of fit.

Table 4: Regression analyses with standardized Beta-coefficients for separate perceived PO fit items

| | Job satisfaction | Turnover intention | Work effort | Task performance |
|---|------------------------------|------------------------------|-------------------------|----------------------------|
| | $F_{(4, 202)} = 18.89^{***}$ | $F_{(4, 202)} = 33.10^{***}$ | $F_{(4, 202)} = 3.79^*$ | $F_{(4, 202)} = 3.48^{**}$ |
| Perceived PO fit - people | .048 | .011 | .011 | .025 |
| Perceived PO fit - organization | .464 ^{***} | -.583 ^{***} | .283 ^{***} | .224 ^{**} |
| Actual PO fit - instrumental ^o | .083 | .062 | .012 | -.117 |
| Actual PO fit - Cognitive ^o | -.161 | .054 | .141 | .106 |
| | $R^2 = .27$ | $R^2 = .40$ | $R^2 = .07$ | $R^2 = .07$ |

* $p < .05$, ** $p < .01$, *** $p < .001$

^o Values are based on difference scores; low scores indicate high levels of fit.

To test the hypotheses, we performed multiple linear regressions with the different measures of fit as independent and the work-related outcomes as dependent variables. Results are summarized in Table 3 and 4. As expected, results showed that perceived PO fit strongly predicted all work-related outcomes. However, analyses with the separated perceived fit items (see Table 4) showed that this result was found for only one aspect of perceived PO fit, namely the fit with the organizational values and not for the fit with the values of the people in the organization. Furthermore, results showed that actual PO fit only predicted job satisfaction, and this only for the cognitive dimension. Findings, thus, partially confirmed the first hypotheses. Concerning the second set of hypotheses, results indicated that, compared to actual PO fit, perceived PO fit was a better predictor of all outcomes. Finally, looking at the total variance explained, we can conclude that PO fit was a particular strong predictor of turnover intention and job satisfaction.

Discussion

From the findings, we conclude that PO fit was strongly related to employees' affective outcomes (i.e. job satisfaction and turnover intentions) and moderately related to employees' behavioral outcomes (i.e. work effort and task performance). Moreover, these effects were consistently stronger for perceived compared to actual PO fit. When combining all separate types of fit in one model, we noticed that the impact of the perception of fit with organizational values suppressed the impact of the perception of fit with employees' values. Similarly, the impact of actual fit with cognitive values suppressed the impact of actual fit with instrumental values. The first finding contradicts Schneider's (1987) ASA theory which emphasizes that environments are constructed by the people within them and that people fit environments because they are similar to those who constitute the environment. Our results indicate that the perceived fit with the organization as a whole had the biggest impact on employees' attitudes and behaviors. Since this conclusion is based on separated one item measures, future research might consider measuring both types of perceived PO fit in a more elaborate manner. The second finding where fit on cognitive values surpasses fit on instrumental values is not surprising. It is in line with a number of eminent motivation theories emphasizing the impact of intrinsic values (cfr. cognitive values) on

need satisfaction, intrinsic/autonomous motivation, and employee well-being and functioning (Gagné & Deci, 2005; Herzberg, Mausner, & Snyderman, 1959).

Consequently, we suggest that PO fit has a big impact on work-related outcomes and should not be disregarded in OB and HRM research. Most importantly, we agree with other scholars that the impact of PO fit largely depends on how employees themselves perceive the fit. Even though the findings indicated that the impact of PO fit on turnover intentions is large (this model explained the highest percentage of variance), practical implications might be limited. Wheeler and colleagues (2007) stated that low fit perceptions do not at all times convert into actual turnover. They argued that, rather than leaving; people often stay, become dissatisfied and stressed, and produce adverse outcomes. According to Wheeler (Wheeler, Gallagher, Brouer, & Sablinski, 2007), employees are not only influenced by their own values in taking their decision to leave, but also by factors in the organization and the wider environment. This issue could be further investigated in future research by including measures of job embeddedness and actual turnover. Finally, we acknowledge that our conclusions are limited in generalizability due to a rather small sample size and an objective calculation of PO fit that is based on just two value dimensions. Moreover we used a profile comparison method which is often criticized because of the lack of information it provides on the form of the relationship. Directions for future research include looking at multidimensional fit as well as fit on a larger set of values, because people do not interact with only one part of the work environment, and using polynomial regression as a technique to analyze the actual fit.

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