

Person – Organization fit and Organizational Outcome Variables: A Review

¹, Nazir A Nazir , ², Saima

¹, Professor (Kashmir University) ,
², Research Scholar (Kashmir University)

ABSTRACT : Literature is full of evidence suggesting the need for selecting and employing appropriate people for the organizations, as well as documenting the importance of adaptation and fit between individuals and organizations for the overall success of all the stakeholders of business organizations. Moreover, researchers and practitioners have demonstrated a significant amount of attention in examining the relationship between Person – Organization fit and various organizational outcome variables like job satisfaction, employee commitment, intent to turnover and performance. The studies that have been done were limited, while a growing body of research suggests a need to examine the effect of Person-Organization fit on organizational outcome variables. In view of the growing importance attached to this recent phenomena of Person – Organization fit and its implications, it therefore becomes all the more necessary, to critically review the literature on Person – Organization fit and its implications. The present study is therefore moderate attempt in this direction. Moreover, there has been little attention paid to the interaction of fit and organizational culture with such concepts as job satisfaction and organizational commitment and the application of this concept in non-western cultures.

KEY WORDS: Person – Organization fit, Organizational Outcome variables.

I. INTRODUCTION

The success and effectiveness of an organization depends upon many factors. There is no exaggeration to say that the destiny of an organization lies in the hands of the individuals working in it (Dawley, Andrews, Bucklew, 2010). Organizations are thought to become more homogenous over time through attraction, selection, attrition, and individual socialization (Schaubroeck, Ganster, & Jones, 1998; Schneider, 1987). Individuals who fit the organization are more likely to be attracted to it, and more likely to be selected. Those who do not fit tend to leave, although some who do not fit experience a socialization process that increases fit. In this way, the organization is a function of the persons behaving in it, rather than the person and environment producing behaviour (Schneider). The definition of fit in this context initially focused on the similarity of values between person and organization, also known as values congruence (Chatman, 1989, 1991; O'Reilly, Chatman, & Caldwell, 1991), but has since been extended to encompass types of fit that consider how the person and organization complement one another on a variety of characteristics. The idea of fit has also been expanded to include interactions between persons and their jobs, supervisors, peers, and groups, in addition to the original concept of fit between the person and organization. Researchers therefore, contend that Person – Organization fit is the key to maintaining the flexible and committed workforce that is necessary in a competitive business environment and a tight labour market (Bowen, Ledford & Nathan, 1991; Kristof, 1996). The roots of Person – Organization fit research can be traced back to Schneiders (1987) Attraction-Selection-Attrition (ASA) framework. Schneider argues that individuals are not randomly assigned to situations, but rather they seek out situations that are attractive to them. Schneider applies this ASA framework to the functioning of organizations. Schneider argues that organizations are situations that people are attracted to, selected to be a part of, and remain with if they are a good fit with the organization, or leave if they are not a good fit with the organization. Moreover, the fit between the individual and the organization has been related to various attitudinal and behavioural outcomes such as job satisfaction, organizational commitment, intention to quit, turnover and task performance (Wheeler, Gallagher, Brouer, & Sablynski, 2007; Hoffman & Woehr, 2006; Brown, Zimmerman & Johnson, 2005; Verquer, Beehr, & Wagner, 2003). Person – Organization fit is generally defined as the compatibility between individuals and the organizations where they work (Sekiguchi, 2003). Specifically, Person – Organization fit refers to the state of resemblance between the individual's values and the perceived organizational values.

However, as depicted by existing literature, research on assessing the relationship between person – organization fit and various organizational outcome variables such as job satisfaction, employee commitment and performance, is still limited. The rationale of this paper is to critically review the literature on Person – Organization fit and its association with organizational outcome variables. Therefore, the objective and purpose of this study is aimed to make a thorough review of the literature available on the relationship between person – Organization fit and organizational outcome variables in a critical notion. Literature on consequences of P-O fit has demonstrated significant relationships with important individual outcome variables such as job satisfaction, organizational commitment and performance. Understanding precursors and consequences of compatibility between people and the organizations in which they work has made P-O fit an area of interest for both researchers and managers during recent years. One of the earliest studies conducted by Downey et al., (1975) in which the authors tested the proposition that organizational climate interacts with individual personality in influencing job satisfaction and performance by using data collected from 92 managers. They found that individuals having high need for social contact and interdependence with other people and who perceive their climate as having a reward system were better performers in organizations of humanitarian climates when compared to less sociable co-workers. Also, individuals with high need for social contact and interdependence with other people and who perceive the organization's climate as open and empathetic and set high standards for achievement were more highly satisfied.

O'Reilly, Chatman and Caldwell (1991) for example, also assessed Person-Organization fit on the basis of value congruency by using data collected from students, accountants and middle-level managers employed by a government agency, each representing a separate group using OCP. Results indicated that a high level of Person-Culture fit was positively associated with organizational commitment, satisfaction and longevity with an organization. In this line of research Vandenberghe (1999) further replicated the study of O'Reilly et al. (1991) on the effect of level of congruence between the organization's culture and its new employees' value preferences on turnover on a sample of 630 respondents drawn from health care industry in Belgium. Results revealed that employees having value profiles similar to their employing organizations were more likely to stay with the organization during the early employment period. Also, the study demonstrated a cross-cultural generalizability of the structure of the OCP by providing preliminary evidence that the OCP can be used in another country with different language. Similarly, Kristof-Brown, Zimmerman and Johnson (2005) signify that the realization of the person – organization fit positively effects the employee's commitment to the organization, job satisfaction and performance. Research has also shown a relationship between person-organization fit and career success. However, in this context Bretz and Judge (1992) examined the relationship between fit and career success. Graduates from industrial relations programs in two large universities were surveyed to assess their preferences for particular organizational environments, the level of career success they had attained, and the nature of the organizational environments in which they worked. The results of the study suggested that both extrinsic measures of success (salary, job level, and number of promotions received), and intrinsic measures of success (job and life satisfaction) were significantly influenced by the degree to which the individual fits into the organization.

Hoffman & Woehr (2006) extended the meta – analysis of Verquer, Beehr, & Wagner (2003) by providing a meta – analytic review of the relationship between person – organization fit and behavioural outcomes including (task performance, organizational citizenship behaviours, and turnover). Results indicated that P – O fit was moderately related to behavioural outcomes including turnover, task performance, and organizational citizenship behaviour. Subjective fit measures were weakly related to behavioural outcomes while perceived and objective fit measures were moderately related to behavioural outcomes. Research has also shown that in the wake of a rapidly changing environment, organizations needed to look critically at the concept of P – O fit and accordingly design their selection and socialization practices. In this context, Tyagi and Gupta (2005) examined the relationship between P – O fit, tenure, innovation styles, and organizational commitment using data collected from 103 managers. The results of the study showed that P – O fit between individual and organizational values tends to increase the individual's attachment and involvement with the organization.

Moreover, the effectiveness of three Person-Organization fit measures (values congruence, personality congruence, and work environment congruence) in predicting performance and satisfaction has been supported by Westerman & Vanka (2005) in management training and education cross - culturally. Data was collected from 194 students in four sections of management classes taught by four instructors from higher educational institutions in the Western U.S. and India. The results indicated that student-professor personality congruence was a significant predictor of student performance, and classroom environment congruence was a significant predictor of both student satisfaction and performance in the United States.

No P-O fit measure was found to be a predictor of student outcomes in India. Nazir (2005) made an attempt to ascertain the relationship between socialization, person – culture fit and employee commitment. The study was conducted on six banks including two public sector, two private sector and two foreign banks located in Delhi. Data was collected from two separate groups of respondents through convenience sampling procedure with the help of three established scales – Organizational Culture Profile (OCP), Organizational Commitment Scale (OCS), and Socialization Practices Scale (SPS). The results of the study showed that there was a significant relationship between person – culture fit and normative commitment in the banks which were high on value congruency and socialization practices and insignificant relationship between person – culture fit and normative & instrumental commitment in the banks which were low on value congruency and socialization practices. Yaniv and Farkas (2005) explored a unique aspect of person – organization fit and concluded that person – organization fit has a significant positive effect upon the employee’s perception of brand values as to the values declared by the management; this ultimately was found to have an effect on customers’ perception of brand values in a positive way.

Research has also been conducted to explore the processes through which different types of PE fit relate to employee attitudes and behaviours. Greguras and Diefendorff (2010) tested two competing models in which the satisfaction of the psychological needs for autonomy, relatedness, and competence mediated or partially mediated the relations between different types of PE fit (i.e., person-organization, person-group, and person-job fit) with employee attitudes (i.e., affective organizational commitment, job satisfaction) and overall job performance. Data from 164 full-time working employees and their supervisors was collected across three time periods. Results indicated that different types of PE fit predicted different types of psychological need satisfaction, and the satisfying of different psychological needs predicted different employee outcomes. Further, person-organization fit had both direct and indirect effects on employee attitudes. Moreover, Andrews, Baker & Hunt (2010) conducted a study to explore the relationship between corporate ethical values and person – organization fit and the effects on organization commitment and job satisfaction. Data was collected from 489 respondents. The results of the study showed that there was a significant and positive impact of corporate ethical values on person – organization fit and it was in turn positively related to commitment and job satisfaction.

The relationship between Person – Organization fit, Organizational Commitment and Knowledge sharing attitude was examined by Saleem, Adnan & Ambreen (2011) by using data collected from 315 academic managers of public sector institutions of higher education. The authors found a positive and significant relationship between person – organization fit and organizational commitment. A positive relationship between person – organization fit and knowledge sharing attitude was also found. Moreover, Nawab et al., (2011) used “person-culture fit” as an approach for better adjustments of expatriates to new cultures. Data was collected from 72 respondents of different international organizations in China as sample for finding the importance of different cultural aspects, which could influence the adjustability of expatriates to new cultures and to find whether these aspects influence the performance of the expatriates or not. The authors found that the interaction with host country nationals and fluency with host nationals were significantly related to the person-culture fit. Also, there was a significant relationship between person-culture fit and the culture of an organization. Research that considers the effect of person-organization fit on job stress and conflict (see for example, Ulutas, Kalken and Bozkurt (2011) proposed to find a correlation between person-organization fit and job stress and conflict by conducting a survey on employees and the managers in 20 companies of Dalaman International Airport. The results showed that there was a statistically negative correlation between person - organization fit and job stress and conflict. Hamid and Yahya (2011) conducted a study to examine the relationship between person-job fit and person-organization fit on employees’ work engagement. Work engagement reported to have positive significant impact towards individual performance, organizational performance and success. This study focused on how employees’ knowledge, skills, and abilities (KSAs) fit the demands of the job (person-job fit) and the organization (person-organization fit) that could be used in enhancing employees’ work engagement. Data were collected from engineers in seven semiconductor companies in Malaysia. The results of this study revealed significant positive correlation between person-job fit and person-organization fit with employees’ work engagement. This suggested that employees who fit with their job and organization, in terms of possessing KSAs could influence employees work engagement that could in turn benefit the organization.

Conclusion and Implications One of the major problems organizations face is a gap between the values as perceived by the employees and the organizational values declared as such by the management. So how can the organizations close that gap? This research showed that Person-Organization Fit can play a significant role in closing that gap. The notion of Person-Organization Fit, i.e. the fit between organizational values and the individual values of employees, has been explored a lot and normally in relation to internal organizational aspects such as organizational commitment, organizational identification, job satisfaction, intention to leave the organization, willingness to do extra work in the organization and so on. In this paper we examined and reviewed some of the research studies that have been conducted on the relationship between Person – Organization fit and various organizational outcome variables. The results revealed that congruence or fit between individual and organizational values tend to enhance the individual's attachment and involvement with the organization. When there is a match between the organization's culture, values, goals and the individual's values, goals, personality attributes, people would be willing to exert high levels of effort on behalf of the organization. As such, literature suggests that Person – Organization fit is a highly influential variable, generating numerous positive outcomes for an organization. However, relationship of Person – Organization fit with various organizational outcome variables like job satisfaction, employee commitment, turnover, task performance, organisational citizenship behaviours are not exclusively studied and are required to be explored further.

Most importantly when examining the relationship of Person – Organization fit with various organisational outcome variables, very little data was available. The dearth of research in this area highlights the critical need for additional research examining the relationship between Person – Organization fit and various organizational outcome variables. Thus, in the light of the present study and earlier research evidences, it is suggested that organisations need to pay due attention to the concept of Person – Organization fit and its relationship with various organizational outcome variables to delineate gaps in the literature and serve to stimulate future research in the domain of Person – Organization fit. The conclusions derived from this research are that employees' Person – Organization fit positively affects the extent to which they perceive their values as congruent with those of the organization. It seems therefore, that HR managers have to pay due attention to the concept of Person – Organization fit as a means to improve the organization's performance. But a high Person – Organization fit may have also a negative influence because of its being an obstacle to change; a strong corporate culture, as a consequence of a high Person – Organization fit, might lead to a dangerous inflexibility and inability to see the urgency for change.

REFERENCES:

- [1] Andrews, M. C., Baker, T. & Hunt, T. G. (2010). Values And Person – Organization Fit: Does Moral Intensity Strengthen Outcomes? *Journal of Leadership and Organization Development*, 32(1), 5-19.
- [2] Bowen, D. E., Ledford, G. E., & Nathan, B. R. (1991). Hiring for organization, not the job. *Academy of Management Executive*, 5(4), 35-49.
- [3] Bretz, R. D. Jr & Judge, T. A. (1992). The Relationship Between Person – Organization Fit & Career success. CAHRS working paper series. Paper 295.
- [4] Brown, A. L., Zimmerman, R. D. & Johnson, E. C. (2005). Consequences of individuals' fit at work: A meta-analysis of person-job, person-organization, person-group, and person-supervisor fit. *Personnel Psychology*, 58, 281-342.
- [5] Chatman, J. A. (1989). Improving interactional organizational research: A model of person-organization fit. *The Academy of Management Review*, 14(3), 333-349.
- [6] Chatman, J. A. (1991). Matching people and organizations: Selection and socialization in public accounting firms. *Administrative Science Quarterly*, 36, 459-484.
- [7] David, D. D., Andrews M. C., & Bucklew, N. S. (2010). Enhancing the ties that bind: mentoring as a moderator. *Career Development International*, 15(3), 259-278.
- [8] Downey, H.K., Hellriegel, D. and Slocum, J.W. (1975). Congruence between individual needs, organizational climate, job satisfaction and performance. *Academy of Management Journal*, 18, 149-155.
- [10] Greguras, G. J. and Diefendorff, J. M. (2010). Different Fits Satisfy Different Needs: Linking Person-Environment Fit to Employee Commitment and Performance Using Self-Determination Theory. Research Collection Lee Kong Chian School of Business. Paper 2559. http://ink.library.smu.edu.sg/lkcsb_research/2559
- [11] Hamid, S. N. A., & Yahya, K. K. (2011). Relationship between person-job fit and person-organization fit on employees' work engagement: a study among engineers in semiconductor companies in Malaysia. Annual Conference on Innovations in Business & Management.
- [13] Hoffman, B. J. & Woehr, D. J. (2006). A quantitative review of the relationship between person – organization fit and behavioral outcomes. *Journal of Vocational Behavior*, 68, 389-399.
- [14] Kristof, A.L. (1996). Person-organization fit: An integrative review of its conceptualizations, measurement, and implications. *Personnel Psychology*, 49, 1-50.
- [15] Nawab, S., Li, X. X., & Nisar, M. W. (2011). Person culture fit" as an approach for better adjustments of expatriates to new cultures: A case study of China. *African Journal of Business Management*, 5(9), 3429-3435.
- [17] Nazir, A. N. (2005). Person – Culture fit and Employee Commitment in Banks. *Vikalpa*, 30(3), 39-51.

- [19] O'Reilly, C. A., Chatman J., and Caldwell, D. F. (1991). People and organizational culture: A profile comparison approach to assessing person-organization fit. *Academy of Management Journal*, 34, 487-516.
- [20] Saleem, W. A., Adnan, G., & Ambreen, M. (2011). Person – Organization fit, Organizational Commitment and Knowledge Sharing Attitude - An Analytical Study. *Information Management and Business Review*, 3(2), 110-116.
- [23] Schaubroeck, J., Ganster, D. C., & Jones, J. R. (1998). Organization and occupation influences in the attraction-selection-attrition process. *Journal of Applied Psychology*, 83(6), 869-891. Schneider, B. (1987). The people make the place. *Personnel Psychology*, 40, 437-453.
- [24] Sekiguchi, T. (2003). A contingency perspective on the importance of P-J fit and P-O fit in employee selection. Paper presented at the Annual Conference of Academy of Management, Seattle, WA. <http://digitalcommons.ilr.cornell.edu/cahrswp/295>
- [25] Tyagi R. and Gupta M. (2005). Person-Organization Fit: Practices and Outcome. *Indian Journal of Industrial Relations*, 41, 64-78.
- [26] Ulutas, M., Kalkan, A. & Bozkurt, C. (2011). The Effect Of Person-Organization Fit On Job Stress And Conflict: An Application On Employees Of Businesses In Dalaman International Airport. *International Journal Of Social Sciences and Humanity Studies*, 3(1), ISSN: 1309-8063.
- [27] Vandenberghe, C. (1999). Organizational culture, person-culture fit, and turnover: a replication in the health care industry. *Journal of Organizational Behavior*, 20, 175- 184.
- [28] Verquer, M.L., Beehr, T.A., & Wagner, S.H. (2003). A Meta-analysis of relations between person-organization fit and work attitudes. *Journal of Vocational Behaviour*, 63:473-489.
- [29] Westerman, J. W., & Vanka, S. (2005). A Cross-Cultural Empirical Analysis of Person-Organization Fit Measures as Predictors of Student Performance in Business Education: Comparing Students in the United States and India. *Academy of Management Learning & Education*, 4(4), 409-420.
- Wheeler, A. R., Gallagher, V. C. Brouer, R. L. & Sablinski, C. J. (2007). When person – organization (mis)fit and (dis)satisfaction lead to turnover: The moderating role of perceived job mobility. *Journal of Managerial Psychology*, 22(2), 203-219.
- [30] Yaniv, E. & Farkas, F. (2005). The impact of Person-Organization fit on the Corporate Brand Perception of Employees and of Customers: *Journal of Change Management*, 5(4), 447-461.