

Relevance Of Person-Organization Fit In Predicting Organizational Commitment And Issues In Establishing Fit Through Employment Interviews

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INTRODUCTION

In the present day organizational context, one of the main challenges of HR managers is the retention of talent. In the job-starved labour market, it may not be difficult to attract manpower but what most HR managers face is the dilemma of manpower iteration. The question that begs for an answer is 'why do people leave organizations?' A synthesis of this may reveal several reasons for this trend, but the major challenge is to predict this behaviour at the time of personnel selection and help organizations save time and resource in induction and training of personnel who eventually leave in search of better pastures. It is imperative for any learning organization to understand the various dimensions effecting organizational commitment and predict the same for their potential employees based on Person-Organization fit.

Organizational commitment has been linked to absenteeism (Gellatly, 1995), turnover intentions (McDonald, 1993; Meyer, Allen, & Smith, 1993) and actual turnover (Whitener & Walz, 1993), as well as other attitudes and behaviours (e.g. job satisfaction, see Hackett, Bycio, & Hausdorf (1994); organizational citizenship (see Meyer & Allen, 1991). Turnover intention has been shown to have a negative relation with value congruence (Verquer et al., 2003). When employees' values do not match those of their organization, they are likely to leave. Even job performance may be affected by commitment (Meyer, Paunonen, Gellatly, Goffin, & Jackson, 1989). Thus, there is a growing body of evidence to illustrate that employee commitment has an impact on the organization.

According to Porter, Steers, Mowday, and Boulian (1974), commitment is a 'strong belief in and acceptance of the organization's goals and values, a willingness to exert considerable effort on behalf of the organization, and a definite desire to maintain organizational membership' (p. 604). Given that values play such an important role in the definition of commitment, it stands to reason that a person whose personal values match the operating values of the organization would be more committed to the organization than a person whose personal values differed from those of the organization.

Despite good reasons to expect that this might be the case, little empirical evidence exists for this idea (O'Reilly, Chatman, & Caldwell, 1991). The paper aims at reviewing the relevance of Person-Organization (P-O) fit in predicting organizational commitment and issues related to establishing fit through employment interview. The review paper is structured into four sections. The first section will discuss the concept of fit, followed by the concept of P-O fit and Organizational commitment. The third section deals with the difference between person-job and person-organization fit and dwells on the significance of P-O fit as a predictor of organizational commitment. Fourth section discussed the various issues in establishing P-O fit through employment interview and concludes with emphasizing the relevance of P-O fit in predicting organizational commitment.

CONCEPT OF FIT

The concept of congruence between personality and situational variables is not new to the field of organizational psychology. Fiedler's leadership theory (1967, 1978), Holland's (1985) theory of vocational choice, Hackman and Oldham's (1980) job characteristics model are but a few examples of the theoretical work that have been based on the idea that characteristics of the person and job interact to determine things such as job choice, satisfaction and employee well-being (Edwards, 1994). More recently, investigators have turned their attention towards examining the broader notion that the congruence between characteristics of the individual and characteristics of the

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organization itself can have an impact on attitudes and behaviour (e.g. Chatman, 1989; Ravlin & Meglino, 1987). Although there are many different conceptualizations of such person-organization fit, Kristof (1996) has broadly defined fit to mean 'the compatibility between people and organizations that occurs when at least one entity provides what the other needs, or they share similar fundamental characteristics, or both' (p. 5).

One fundamental characteristic that both employees and organizations share are 'values'. Values, according to Dose (1997), 'are evaluative standards relating to work or the work environment by which individuals discern what is "right" or assess the importance of preferences' (pp. 227-228). One can easily generate examples to show that individuals would probably be more comfortable in an environment that is consistent with their values. For example, an individual who values honesty and integrity would not be comfortable working in an organization that views 'getting the job done at all costs' as the overriding priority or an individual who values orderliness and cautiousness working in an organization that encourages experimentation and creativity is not likely to be satisfied. In all likelihood, the result of placing people in situations at odds with their personal values will not be positive for either the employee or the organization. Not only could the employees' well being be at risk, but also it is possible that they would be less devoted to the organization and possibly less productive or even leave the organization.

P-O FIT AND ORGANIZATION COMMITMENT

Of the studies that have examined the relationship between person-organization fit and commitment, two used different measures of fit than that of value congruence. Luthans, Baack, and Taylor (1987) looked at the relationship between the employee's locus of control and the supervisor's initiating structure whereas Vancouver and Schmitt (1991) looked at the congruency of goals between principals and teachers. In each case, the greater the fit, the greater the commitment to the organization. However, recent research has generally shown that there is a significant relationship between value congruence and organizational commitment (Boxx et al., 1991; Meglino, et al., 1989; Rosete, 2006). In addition, Verquer, Beehr, and Wagner's (2003) meta-analysis of 21 studies resulted in support for a positive relation between value congruence and job satisfaction. However, this relation is confounded by other research that showed no relation between value congruence and job satisfaction (Rosete, 2006). Recently, Rosete (2006) examined the relation between value congruence of employees and human resource managers and found a significant positive relation between value congruence and organizational commitment. Verquer et al's (2003) meta-analysis also examined organizational commitment. Not all of the studies in meta-analysis included a measure of commitment; those that did measured only normative or affective commitment. However, the results of the meta-analysis generally supported the positive relation between value congruence and organizational commitment (Verquer et al.).

One major study that examined the relationship between value congruence and commitment was that of Chatman and her colleagues (Chatman, 1989, 1991; Caldwell & O'Reilly, 1990; O'Reilly, Chatman, & Caldwell, 1991). They found evidence to suggest that a value fit between the person and the organization (P-O) is related to commitment. In their work, respondents were given 54 values to sort into nine categories from most desirable to least desirable. To capture organizational values, individuals who have been with the firm for at least 1 year were asked to rank the values using the same method as above, but this time, with respect to how characteristic the value is of the culture of the organization. The profile of the organization is calculated by averaging these responses. To get a measure of P-O fit, the responses of the individuals were then correlated with the organization's profile. Using the profile similarity scores, O'Reilly et al, (1991) found that P-O fit predicted commitment. Therefore, PE fit (PO, value congruence) may increase job satisfaction and organizational commitment, thus reducing employee turnover and costs associated with turnover (Boxx et al., 1991; Posner, 1992; Saks & Ashforth, 1997; Sekiguchi, 2004; Ugboro, 1993). One problem that plagues much of the fit studies of job choice is the heavy reliance on college students as a source for research data (Barber, 1998, p. 106). In addition, with a few exceptions (Cable & Judge, 1996; Judge & Cable, 1997; Tom, 1971), studies have used hypothetical companies and information that has been closely controlled by the researchers. Asking 'students for their perceptions does not appear to be a sufficient surrogate for asking actual applicants' (Ryan & Ployhart, 2000, pp. 601-602). The subjective estimate approach to fit assumes that the perceived fit and attraction ratings given in an experimental situation reflect the values attached to these during an actual job search. Breugh (1992) stated that 'such an assumption seems implausible' (p. 83).

P-J AND PO FIT

While studying organizational selection practices, researchers have commonly identified two forms of fit that may be important to hiring decisions, namely person-job (P-J) fit, or the match between an applicant and the requirements of a specific job; and person-organization (P-O) fit, or the match between an applicant and broader organizational attributes (Judge & Ferris, 1992; Rynes & Gerhart, 1990), P-J fit is typically operationalized as the match between employees' knowledge, Skills, and Abilities (KSAs) and job demands (e.g., Caldwell & O'Reilly, 1990; O'Reilly, Chatman, & Caldwell, 1991); whereas P-O fit has most frequently been studied as individual-organizational value congruence (Adkins, Russel, & Werbel, 1994; Cable & Judge, 1997; Chatman, 1989; Posner, 1992). To date, however, there has been no compelling empirical evidence demonstrating that, in actual practice, recruiters differentiate between these two concepts. In fact, the discriminant validity between the two types of fit has been questioned (Werbel & Gilliland, 1999). It may, therefore, be assumed that the recruiters give more relevance to P-J fit than P-O fit and hence, there is a high iteration of workforce.

P-O FIT AND EMPLOYMENT INTERVIEW

The employment interview represents one important method that organizations can utilize to establish P-O fit because interviews enable organizations and applicants to interact through organizational representatives, allowing each party to determine if the other demonstrates congruent values. Although interviewers readily claim the importance of 'fit' in their hiring decisions (Ricklefs, 1979; Rynes & Gerhart, 1990), and researchers have proposed that a critical function of the employment interview is the assessment of applicant's value congruence (Bowen et al., 1991; Chatman, 1991; Judge & Ferris, 1991, 1993; Parsons, Cable, & Liden, 1999), few empirical studies have investigated the role of P-O fit in the context of the interview.

ISSUES IN ESTABLISHING P-O FIT THROUGH EMPLOYMENT INTERVIEW

Because interview research inherently deals with applicant-interviewer dyads and person-perception, there is a need to distinguish between actual congruence and perceived congruence. Actual congruence refers to the similarity between an applicant's attributes and an organization's attributes as independently reported by each party (Cable & Judge, 1997). Perceived congruence, on the other hand, refers to a similarity between an interviewer's perception of an applicant's and their organization's attributes. Finally, subjective P-O fit perceptions refer to interviewers' holistic judgments about an applicant's P-O fit, because interviewers probably respond to applicants based on their perceptions. Thus, subjective P-O fit evaluations refer to an interviewer's interpretation of an applicant's fit with their organization.

The transition from actual to perceived P-O congruence places the onus of perceiving two sets of attributes on the interviewer. Thus, the relationship between actual and perceived P-O congruence depends on how accurately interviewers can assess applicants' attributes and how accurately interviewers perceive their organizations' attributes. Perceived congruence is, therefore, susceptible to a myriad of perceptual biases, and perhaps it is not surprising that actual congruence appears to play a very small role in the interviewing process.

PERCEPTIONS OF APPLICANT ATTRIBUTES

Research is needed to ascertain how accurately interviewers judge applicants' attributes (values, personality, etc.), and how interviewers' assessments can be improved. Some research indicates that interviewers are not adept in assessing applicants' personal characteristics (see Arvey & Campion, 1982), but other research indicates that interviewers can assess applicants' values with some modicum of accuracy (Jackson, Peacock, & Holden, 1982; Paunonen, Jackson, & Oberman, 1987). Additional research is needed to confirm and extend Cable and Judge's (1997) findings that interviewers can assess applicants' work values with significant (albeit low) validity. For example, research is needed to assess what cues interviewers attune to when making judgements about applicants' values and personality, and whether different interviewers focus on the same cues (an issue of standardization). Future research could be advanced through lab studies where observers view standardized videotapes of an interview and evaluate the target's values and personality. Also, given the prevalence of 'panel interviews', where several interviewers meet simultaneously with an applicant (Taylor & Bergmann, 1987), it is important for future research to examine agreement between multiple interviewers from the same organization. Future research should also

investigate the degree to which interviewers' personality, values, and P-O fit evaluations are affected by information-processing biases (e.g., stereotyping, contrast effects, snap decision-making) and whether the accuracy of interviewers' perceptions of applicants' values and personalities can be improved by variations on the standard interview format, such as structured or situational interviews (McDaniel et al., 1994). As noted by Cable and Judge (1997), "It may be possible to improve interviewers' P-O fit judgments by structuring interviews around organizational cultures (rather than specific jobs) and by assessing applicants' personal characteristics that are relevant to the 'fit' criterion. In the armed forces, these are achieved through monthly internal standardization and annual All India Standardization Exercises.

PERCEPTIONS OF ORGANIZATIONAL ATTRIBUTES

Perceived congruence includes not only interviewers' perceptions of applicants' attributes but also his or her organization's attributes. Accordingly, research is needed to ascertain the reliability and validity of interviewers' beliefs about their own organization's attributes (values, goals, etc.) and how their organizational beliefs can be made more consistent and accurate. Rynes and Gerhart (1990) reported that when multiple interviewers from the same firm evaluated applicants' P-O fit, inter-rater reliability was much greater than for interviewers from different organizations (also see Bass, 1951). Thus, there appears to be at least some consistency in interviewers' perceptions of their organizations. However, most interviewers receive little to no formal training (Rynes & Boudreau, 1986), suggesting that each interviewer derives his or her perceptions of organizational attributes from idiosyncratic organizational experiences.

Thus, research is needed to examine the validity of interviewers' perceptions of their organizations' cultures, goals, and policies. One way to assess the validity of interviewers' organizational perceptions could be to compare them to the perceptions of organizational executives, because executives have the perspective and experience necessary to report about a company's core values (Anderson, 1987) and because the assumptions and values of top management guide and direct perceptions and interpretations of the organization (Enz, 1988). It also would be interesting and useful for future research to reveal what interviewer attributes (e.g., tenure, age, position type) lead to greater accuracy regarding organizational attributes. In the armed forces, it is ensured that the interviewers are fairly senior to make accurate assessment of organizational attributes. Future research may reveal that training can improve the consistency and accuracy of interviewers' organizational perceptions.

SUBJECTIVE P-O FIT PERCEPTIONS

Additional research also is needed to establish the antecedents of interviewers' subjective impressions about applicant fit. For example, research may reveal that, consistent with Adkins et al. (1994), interviewers' subjective P-O fit evaluations are based on their own personal attributes (values, personality, goals) rather than organization attributes. As suggested by Ferris and Judge (1991), interviewers may consider themselves to be successful organizational members and may assume that their personal attributes provide an appropriate standard for evaluating P-O fit. It also is possible that interviewers prefer applicants similar to themselves because it allows them to build political coalitions (Gilmore & Ferris, 1989). Thus, following Barber (1998, p. 144) and Stevens (1998), future interview research would benefit from investigating interviewers' attributes, motives, and goals rather than treating interviewers as passive actors or failing to differentiate interviewers from the organization itself.

Research is also needed to investigate whether interviewers' subjective perceptions of fit actually refer to the same types of applicant attributes across different organizations. Although research and theory indicate that different firms have very different values and goals, Adkins et al. (1994) suggested that interviewers from different firms compared job applicants' values to an "ideal applicant" template that was stable across organizations. Moreover, research conducted by Chatman and Jehn (1994) suggests that different organizations share many of the same basic values, particularly if they are in the same industry. This is also true within the three services of the Armed Forces.

Finally, it should be noted that the voluminous interview research literature traditionally focused on a set of applicant characteristics (e.g., human capital, person-job fit, demographics), and interviewer perceptions (e.g., perceived attractiveness, interviewer liking) that do not include P-O fit. Thus, additional research is needed to establish the role of P-O fit in the interview relevant to these characteristics. Bretz et al. (1993) found that interviewers often mentioned work-related experiences and classes as predictors of their subjective fit perceptions, but rarely discussed values and

culture which are true even in the Armed Forces. Although Cable and Judge (1997) found that perceived values congruence accounted for a large percentage of the variance in interviewers' subjective P-O fit impressions, and that subjective P-O fit impressions accounted for a large percentage of the variance in hiring recommendations and actual job offers relative to the 'traditional' set of interview predictors, these researchers did not control for person-job fit.

CONCLUSION

In a crisp sum, it could be said that P-O fit is more relevant than P-J fit to predict organizational commitment and there are several issues as discussed above that needs to be researched to make the employment interview more effective in predicting employee commitment. However, if interviewers focus more on the individual and organizational values to establish congruence, they will be in a better position to predict organizational commitment and hence could reduce attrition levels in organizations.

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