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Searching for a match: the formation of person-organization fit perceptions

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CHAPTER 1

Person-Organization fit perceptions:
An introduction



Most people spend a large amount of time with working in an organization. They are generally happy to do so as long as their work and organizational environment fit with their needs and preferences. An organization's culture is particularly important for people's commitment to the organization and for their intentions to stay or quit the job. A person is committed to the organization and will stay if he or she experiences that the organization's culture matches with his or her own cultural preferences. For example, a young accountant, called Anna, likes her job because her organization stresses team work. Anna highly appreciates the input of other team members and she feels energized by working in a team. Her colleague Johan, however, is less happy. He feels most at ease when he can work on his own and when he is not forced to collaborate with others. Johan realizes that he made a mistake when accepting this job. He now knows that he has a suboptimal fit with the organization's culture and he, therefore, ponders about options to leave and to find a better fitting job. He spends quite some time searching vacancies on the web and inspecting organizational websites to get a solid impression of their cultures.

Little is known about how job-seekers in general and career starters in particular form their perceptions about organizations. Specifically, we do not know yet how an organization's culture is represented in the minds of people and how they assess their fit with an organization's culture. This is unfortunate, because fit perceptions are crucial for individuals' career choices. To date, most theory and research on Person-Environment (PE) fit in general and Person-Organization (PO) fit in particular has focused on the outcomes of fit perceptions, e.g., by showing that the more job-seekers perceive a fit with the organization, the more attracted they are to the organization (Judge & Cable, 1997), and the more likely they choose to apply (Dineen & Noe, 2009). Furthermore, perceptions of PO fit are positively related to job-seekers' future socialization and desirable individual outcomes such as job satisfaction and organizational commitment (Cable & Parsons, 2001; Kristof-Brown, Zimmerman, & Johnson, 2005). Finally, PO fit research shows that people's PO fit perceptions are better indicators of their choices and work outcomes than PO fit measures that are obtained more objectively (Arthur, Bell, Villado, & Doverspike, 2006; Kristof-Brown, Zimmerman, & Johnson, 2005; Verquer, Beehr, & Wagner, 2003).

It is important for individuals and organizations to gain more insight into the factors that influence people's fit perceptions during job search. Job-seekers aim to find a fitting job and organization and more knowledge about their job search and evaluation strategies could

help them to improve these strategies. Organizations aim to attract applicants, but the question is whether they are able to attract those applicants that will fit their organization. For example, job-seekers may self-select into organizations because of PO fit perceptions that are based on insufficient or biased information. This may lead to suboptimal career decisions that in turn may result in stress, turnover, and disruptions for both the new employee and the organization. In a similar vein, suitable and fitting applicants may self-select out of an organization's hiring process because of perceived insufficient PO fit.

The aim of this dissertation is to provide a better understanding of the content of job-seekers' fit perceptions and how these perceptions are shaped. This dissertation is a first attempt to answer the question: 'What do job-seekers' have in mind when they assess their prospective PO fit? The PO fit literature generally assumes that PO fit perceptions reflect an overall comparison between a person and an organization (Kristof-Brown & Guay, 2010). In this dissertation, I will test this assumption.

This introduction starts with an explanation of the PO fit construct. Next, I will discuss the different assessments of PO fit that are used in the literature and how these assessments relate to each other and to specific individual and organizational outcomes. The introduction will continue with describing factors that may influence people's PO fit perceptions. I will focus both on factors that may affect the inferences that people make about organizations and factors that may affect people's attention to and perception of particular organizational cues. This introduction ends with an overview of the studies in this dissertation.

Conceptualizing PO fit

One of the main questions in PO fit research concerns the precise nature of the PO fit concept. What are the contents of the P and O components, and how do they combine into an impression of PO fit? In her review of the fit literature Kristof-Brown states that: "... there appears to be only one universally agreed upon condition for fit. Namely, that Person-Environment fit requires that a constellation of P and E attributes influence outcomes" (Kristof-Brown & Guay, 2010). At the onset of fit theory is Lewin's (1939) assertion that $B = F(P, E)$, i.e., that behavior is a function of the person and the environment, or in other words,

that both personal and situational characteristics jointly affect behavior (Chatman, Wong, & Joyce, 2008). However, Lewin did not specify how the joint effects of person and environment come about and whether the combination of personal and situational characteristics is additive, interactive, or relative (Edwards, 2008; Schneider, 2001).

Kristof (1996, p.4) defined PO fit as: “the compatibility that occurs when (a) at least one entity provides what the other wants or needs, (b) they share similar fundamental characteristics, (c) or both” (p.4). This definition comprises (the combination of) two forms of fit, namely *complementary* fit (part a of Kristof’s definition) and *supplementary* fit (part b of Kristof’s definition). Schneider’s Attraction-Selection-Attrition (ASA) framework (1987) went a step further with proposing that ‘*people need to fit their environment*’. The ASA framework posits that people are not randomly assigned to particular environments (i.e., organizations), but that they select themselves into and out of these environments. First, people find organizations differentially attractive as a function of their judgment of the congruence between their own characteristics and those of the organization. Job-seekers self-select themselves into organizations: those who expect to find a match with the organization will apply, whereas those who do not expect such a match likely decide not to apply. Second, the prospective employee pool is further reduced through the organization’s selection procedure that aims to hire those job-seekers who have the attributes the organization desires. Finally, once people have become citizens of the organization they will assess the fit between their own characteristics and those of the work environment. If they deem this fit as too small, they will tend to leave the organization as soon as possible. Finally, this process of attraction, selection, and attrition will result in homogeneity of people in organizations, which in turn generate and consolidate an organization’s values and culture.

Person-organization fit has mainly been conceptualized in terms of the fit between personal and organizational values. Values are a fundamental and enduring aspect of both people and organizations, and they guide individual and organizational decisions and actions (Chatman, 1989). As such, values constitute an organization’s culture; they specify how organizational members should behave and how organizational resources should be allocated. Therefore, PO fit researchers have treated PO fit and value congruence as equivalent. They measured, for example, the actual congruence between people’s values and the values of the recruiting organization in order to predict people’s PO fit perceptions and subsequent job choice intentions (Cable & Judge, 1996; Judge & Cable, 1997). Moreover,

they measured people's PO fit perceptions with items that refer to the perceived congruence between one's values and those of the organization (Cable & DeRue, 2002).

In line with current fit research (e.g., Van Vianen, 2005), I will conceptualize PO fit as supplementary fit, thus as the congruence between a person's values and those of the organization.

Measuring PO fit

Although there is general agreement on the theoretical basis and definition of PO fit, there is a wide variety of operationalizations of the congruence between persons and organizations. The aim of this dissertation is to examine whether existing PO fit measures reflect the construct as described in seminal PO fit theories. Below, I will provide a short overview of the PO fit measures that have been used in the PO fit literature.

PO fit measures can be categorized into direct as opposed to indirect measures. Researchers who use a *direct* measure of PO fit interpret fit more as a general feeling towards the organization and operationalize it by asking individuals to indicate the extent to which they perceive fit with the (prospective) organization. Typical questions include: "How well do you think you fit in the organization?" (Cooper-Thomas, van Vianen, & Anderson, 2004) or "My personal values match my organization's values and culture" (Cable & DeRue, 2002). This direct PO fit assessment is also called *perceived fit* or *PO fit perceptions*.

Meta-analyses (Arthur, et al., 2006; Kristof-Brown, et al., 2005; Verquer, et al., 2003) have shown that PO fit perceptions are strong correlates of individual and organizational outcomes such as job satisfaction (.56-.62), organizational commitment (.59-.77) and intent to quit (-.52 - -.58; Kristof-Brown & Guay, 2010). At the same time, PO fit perceptions are not very informative, because the process underlying these perceptions remains largely unknown. For example, while people are thought to perceive fit when their characteristics are similar to those of the organization (Piasentin & Chapman, 2006), direct PO fit perceptions do not reveal how individuals have assessed these characteristics. To what extent do individuals have a mental representation of personal and organizational characteristics and, second, how do they examine the congruence between both? Measuring fit as a general perception permits a person to use all or only some sources of information

and to apply their own weighting scheme to the various informational aspects involved. Therefore, PO fit perceptions are likely based on individual differences in awareness and salience of individual and organizational characteristics (Kristof-Brown, et al., 2005; Piasentin & Chapman, 2007).

The second category of PO fit measures relies on an explicit comparison between individual and organizational characteristics. These *indirect* measures comprise the measurement of P and O characteristics separately, which researchers then combine into a PO fit index (Kristof-Brown & Guay, 2010). These indirect PO fit measures have also been referred to as *actual PO fit* which can take two forms: subjective or objective (actual) PO fit (Kristof-Brown et al., 2005). The *subjective PO fit* index is based on only one source of information, namely individuals' self-reports of their own characteristics and those of the organization. Hence, subjective PO fit is based on a person's own subjective interpretation of the organizational environment. An *objective PO fit* index seems less vulnerable to subjectivity because this index is based on two independent sources of information. The P ratings are derived from individuals themselves, whereas the O ratings are derived from (the shared perceptions of) other organizational members (e.g., Judge & Cable, 1997) or objective organizational features (e.g., Dineen, Ash, & Noe, 2002; Lievens, Decaesteker, Coetsier, & Geirnaert, 2001).

Although indirect measures are more informative about the specific characteristics on which persons and organizations are compared, they are often weaker predictors of people's affective reactions and choices than direct PO fit measures (Cable & Judge, 1997), especially when both persons and organizations are assessed by different sources. For example, low to moderate relations were found between objective fit and job satisfaction, organizational commitment and intent to quit (.22-.29, .23-.27, -.14 - .19 respectively; Kristof-Brown & Guay, 2010)

To summarize, different fit measures have different relations with relevant outcomes (as job satisfaction, organizational commitment and intent to quit). In other words, the measurement strategy has a significant impact on the strength of PO fit relationships. Edwards and colleagues (Edwards, Cable, Williamson, Schurer Lambert, & Shipp, 2006) compared people's direct fit perceptions with discrepancy perceptions and indirect measures of PO fit. They found that the relationships between these three fit operationalizations were rather weak. Apparently, people's PO fit perceptions do not follow

the basic logic of fit theory and are not based on an overall calculation of discrepancies or a holistic comparison across multiple value dimensions.

This dissertation examines why direct and indirect PO fit measures do not converge and what the sources of people's PO fit perceptions are. I use three measures of PO fit: PO fit perceptions, subjective fit and objective fit. Specifically, the P and O components are assessed and subjective and/or objective fits are estimated and related to job-seekers' PO fit perceptions. Through this, I aim to unravel the routes that lead to people's overall (direct) PO fit perceptions. I investigate how job-seekers perceive organizations, how they process organizational information, and how they compare this information with their own values.

The sources of job-seekers' PO fit perceptions

A first research question concerns job-seekers' perceptions of organizations. What signals do job-seekers use to make inferences about an organization? Job-seekers often have only sparse and ambiguous information to rely on when assessing their prospective fit. As compared to organizational citizens, job-seekers have relatively little information about an organization's culture. Thus to assess their PO fit, job-seekers develop an impression of organizations and their alleged cultures based on the incomplete information available to them. To evaluate this sparse information they may use schematic or stereotypical ideas and expectations about different types of organizations (Cable, Aiman-Smith, Mulvey, & Edwards, 2000).

A schema could be an organizational image which represents a general, overall impression of an organization and its characteristics that is based on the facts, beliefs, and feelings associated with this organization. Several studies have shown that an organization's reputation or image shapes job-seekers' evaluations with this organization (Turban & Cable, 2003). Also, the type of industry in which a firm operates, the opportunities that a firm provides for employee development, and organizational culture affect job-seekers' perception of an organization (Cable & Graham, 2000). These perceptions take the form of trait-like inferences (e.g., innovative, dominant) about an organization's culture (Lievens, Van Hove, & Anseel, 2007). That is, job-seekers may associate specific types of companies or

branches of industry with specific types of organizational cultures as based, for example, on messages (e.g., commercials, images) in the media.

Little is known about the content of these organizational culture impressions that people have in mind. This is surprising, because a job-seeker's initial attraction to the organization will depend on the extent to which these inferences correspond with their own traits and preferences. If possible – job-seekers choose organizations on the basis of perceived congruence between their own characteristics and those of the organization (e.g., Cable & Judge, 1994; Rentsch & McEwen, 2002). Extant studies that examined the relationship between PO fit perceptions and organizational attractiveness have provided job-seekers with ready items that reflect personal and organizational characteristics. This raises the question whether the mental models that people would spontaneously have in mind when searching for a fitting job resemble the content of P and O components as operationalized by researchers.

To identify the sources of job-seekers' PO fit perceptions, a second question to address is job-seekers' attention to and weighing of organizational cues. Job-seekers often have sparse and ambiguous information to rely on when assessing their prospective fit. Would it be better if they would have comprehensive and solid information about organizational cultures? Would their PO fit assessments be more realistic then? The answer to this question highly depends on how people process and weight different pieces of information. Research has convincingly shown that people are not able to process large amounts of information and that their subsequent decisions are seldom based on rationality (Kahneman, 2003). Rather, people are sensitive to and tend to focus on specific types of information as influenced by the circumstances in which they have to make their decisions. Consequently, job-seekers might weigh the P and O components in a different way than PO fit researchers or selecting organizations tend to assume: some types of information may be weighed more heavily than other ones.

Traditionally people are expected to make an overall comparison between their personal values and the values of an organization when evaluating their PO fit (Kristof-Brown & Guay, 2010). According to this assumption, it does not matter on what specific values job-seekers perceive fit or misfit with organizational values, what matters is the overall level of perceived fit. Therefore, overall PO fit perceptions are assumed to be equally based on the presence of values in the organization that support a person's own values, i.e.,

attractive values, and on the absence of values in the organization that contradict a person's own values, i.e. aversive values. However, research has shown that job-seekers rarely undertake such overall calculative comparisons between their own values and those of the organization (Edwards, et al., 2006; Van Vuuren, Veldkamp, de Jong, & Seydel, 2007). Yet, if PO fit perceptions do not reflect the overall similarity between a person's values and an organization's values, what then do they represent?

The precise comparison and weighing of personal and organizational information may, for example, depend on the salience of people's value preferences. People differ in the values they find attractive and those that are aversive or are more neutral to them (Cable & Edwards, 2004; O'Reilly, Chatman, & Caldwell, 1991). The differences in attractiveness of values guide people to approach certain outcomes and to avoid others. Attractive values are the values that people typically try to attain. Aversive values, on the other hand, are the values they try to avoid (Feather, 1995). Based on the general assumption underlying PO fit, job-seekers should strive to maximize value congruence with an organization; i.e., they should strive to find an organization in which they could attain their personal attractive values and avoid their personal aversive values. There is good reason, however, to assume that the activity of job search may make some of people's preferences more salient than other ones. They may, therefore, focus on a limited set of organizational values. In this dissertation, I propose that job-seekers' specific goal (finding a job) and the relatively large psychological distance to the object of evaluation (the future organization) may cause them to weigh organizational information about attractive values more heavily than information about aversive values.

Job-search is aimed at attaining a future goal (a prospective job). Hence, job-seekers' thoughts about the prospective employing organization will be likely dominated by desirable goals and plans, and will rarely include considerations of failure or unpleasant outcomes (Armor & Taylor, 1998; Newby-Clark & Ross, 2003). From the basic hedonic principle that people approach pleasure and avoid pain, Higgins (1997) proposed that people are guided by two distinct self-regulatory systems: promotion and prevention. Promotion is related to aspirations, growth, and accomplishments and involves one's sensitivity to the presence or absence of positive outcomes. Prevention, by contrast, centers on one's sensitivity to the presence or absence of negative outcomes and is related to protection, safety, and responsibility. Regulatory focus can differ both across situations (momentary regulatory

focus) and across individuals (chronic regulatory orientation; Förster & Werth, 2009). Regulatory focus theory proposes that the attention given to positive versus negative information depends on whether an evaluation is made from a promotion or a prevention focus.

I contend that the situation of job-search induces a promotion orientation. Because job-seekers tend to pay more attention to the goals they want to attain than to the goals they want to avoid (Brodscholl, Kober, & Higgins, 2007; Pennington & Roese, 2003), they will be in promotion rather than prevention focus. In other words, job-seekers will be more sensitive to organizational information about attractive rather than aversive values, and fit or misfit on attractive values will be weighed more heavily than (mis)fit on aversive values. Job-seekers' momentary induced regulatory focus may, however, interact with their chronic regulatory focus. Chronically prevention-oriented job-seekers, who usually are more attentive to the presence or absence of negative outcomes (Higgins, 1997), may also focus on information regarding the absence or presence of their personal aversive values. Hence, chronically prevention focused job-seekers may arrive at more balanced perceptions of their overall fit than their promotion focused counterparts.

Another characteristic of the job-search situation is that the outcome of the job search activity (a job) is by definition situated in the future. This future-oriented time perspective may affect the way in which PO fit perceptions are formed. The PO fit literature treats conceptions of anticipated future PO fit and present PO fit in similar ways, as if PO fit was always experienced in the present. However, people construct different representations of the same information depending on the temporal distance, that is, whether the information pertains to be more proximal or more distant in time (Liberman, Sagristano, & Trope, 2002; Trope & Liberman, 2000, 2003). With increasing time, people become more attuned to acquisition, achievement, and the presence of desired outcomes as opposed to caution, security, and the prevention of things unwanted (Brodscholl, et al., 2007; Pennington & Roese, 2003). Temporal distance seems to provide a cushion of resources: distance affords people greater opportunity for taking risks and making mistakes because there is some latitude for correction. Consequently, distance gives people room to focus on the desirable side of an option. Yet, as temporal distance decreases and events draw near, correction is less possible. In that case, the undesirable side of options become more salient (Eyal, Liberman, Trope, & Walther, 2004). Altogether, the distant time perspective that job-

seekers have during job-search may induce a focus on information about attractive values at the expense of information about aversive values.

To conclude, the central goal of this dissertation is to provide a more complete understanding of how people and especially job-seekers develop perceptions of fit as based on value-congruence. How do job-seekers form an impression of an organization's cultural values, how do they process organizational information, and how is this information weighed and compared with their own preferences? Below I will outline the chapters of this dissertation and the studies that were conducted to answer these research questions.

Overview of this dissertation

The first empirical chapter of this dissertation, Chapter 2, entails a first endeavor to identify the sources of the PO fit that job-seekers use when assessing an organization. In this chapter, I examine how job-seekers' ideas and expectations about different organizations may rely on common stereotypes about the branch of industry in which these organizations operate. I introduce the construct of Person-Industry (PI) fit to indicate the fit between personal values and industry culture stereotypes as a first indicator of how well job-seekers may fit with an organization (PO fit). Furthermore, I examine whether an organization's website can affect the influence of job-seekers' initial PI fit impressions; a well-designed website may help drawing attention to relevant information about an organization's culture.

Whereas Chapter 2 mainly concerns the processing of ambiguous organizational information, Chapter 3 focuses on the weighing of explicit information about an organization's culture. Traditionally, people are expected to make an overall comparison between their personal values and those of the organization when evaluating their PO fit (Kristof-Brown & Guay, 2010). Consequently, overall PO fit perceptions are assumed to be equally based on the presence of values in the organization that support a person's own values, i.e., attractive values, and on the absence of values in the organization that contradict a person's own values, i.e., aversive values. Chapter 3 questions this assumption and proposes that job-seekers weigh their personal attractive values more heavily than their personally aversive values. This basic proposition is examined across four studies all using an experimental repeated measure design, called policy-capturing, but differing in types of

measurements and samples. Unique to the design is that participants consider their PO fit with multiple organizational profiles that are personally relevant to them – thanks to an automatic yet hidden personal tailoring of the values presented to participants' own attractive, aversive, and neutral values.

Chapter 3 will draw a conceptually clearer picture of how job-seekers weigh their personal attractive, aversive, and neutral values in the formation of their PO fit perceptions. Chapter 4 continues on this by examining factors that could affect people's attention to and perception of particular organizational cues. It is proposed that regulatory focus may moderate the mechanisms as found in Chapter 3. This chapter tests whether job-seekers' proclivity for attractive or aversive indicators of PO fit may depend on their own regulatory focus, i.e. whether they are chronically promotion or prevention focused. Because prevention focused job-seekers may be sensitive to information about personal aversive values, they may arrive at more balanced and thus more accurate perceptions of their overall PO-fit.

Chapter 5 tests the idea that temporal distance is crucial in the formation of PO fit perceptions. Based on construal level theory, it is proposed that temporal (psychological) distance to the prospective organization influences the salience of attractive values and aversive values differently. The salience of fit or misfit on attractive values will increase with distance, whereas the salience of fit or misfit on aversive values will decrease. Furthermore, individual differences in regulatory focus could amplify and offset the effects of temporal distance. These ideas are tested in an experimental study.

The final chapter of this dissertation, Chapter 6, entails an overview of the main findings of the empirical studies in this dissertation. The general conclusions give ground to discuss theoretical implications for research on PO fit perceptions and to elaborate on future avenues for research on the determinants of people's PO fit perceptions. The chapter also outlines further practical implications for job-seekers and employees.

A final note: Chapters 2 through 5 have been prepared as separate (journal) articles and therefore may be read independently of each other. However, as a result of this, the reader may encounter similarities among parts of this dissertation.