Ten Ways of Managing Person-Organization Fit (P-O Fit) Effectively: A Literature Study

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Abstract

**Purpose:** This paper addresses how to manage P-O fit effectively based on a literature study published by the international researchers.

Reducing employee turnover is a strategy which one factor that has significant relation is the degree of fit between a person and the organization. When the team activities had a good “fit” with other organizational activities then performance was enhanced and resistance to change reduced. The importance of P–O fit for organizations is indicated by significant relationships between P–O fit and employee’s turnover. Person’s fit with the organization (P-O fit) associates a person’s personality, goals and values with those of the organization. The Person-organization fit essentially argues that people are attracted to and selected by organizations that match their values, and they leave organizations that are not compatible with their personalities. There are ten ways in managing the person-organization fit effectively to ensure that the organization gain the objectives in term of organizational objectives such as employee turn over, profitability, sustainability, market leadership as well as individual and or organization’s member objectives such as having meaningful work, appreciation, career, well-being, good human relationship at work and quality of life: 1) Process of hire and selection of employees; 2) Deliver communication/message during hire and selection of employee; 3) Socialization; 4) Intervening culture; 5) Comprehensive training; 6) Measure “ideal” and “actual” of organization culture and values; 7) Career development management process; 8) Maintain diversity in the organization; 9) The role of the leader; and 10) Focus on both the individual and the organization culture.

**Keywords:** P-O fit, employee turn over, personality, culture and values, intervening culture, degree of fit, training, KSA (knowledge, skills, ability), career development, diversity, leadership

Introduction

Today, organizations operate in a very competitive global environment. Given the major expense for most organizations is the cost of labor, any steps that can be taken to reduce these costs will be beneficial. While downsizing and automation can be effective, these approaches have their own costs. Therefore, increasing productivity and/or reducing employee turnover are better strategies; with one of the factors that have significant relation is the degree of fit between a person and the organization (Silversthorne, 2000). Since well-run corporations of the world have distinctive cultures that somehow responsible for their ability to create, implement, and maintain their world leadership positions (Schwartz and Davis, 1981 cited in Kilmann, Saxton and Serpa, 1985), finding employees that have good fit with the organization is critical. There has been a shifting away of employment from full-time and ongoing employment arrangements towards and increased use of contingent workers and professionals such as lawyers and doctors (Kalleberg, 2000 cited in Sekiguchi, 2007; Barley, 1996, cited in Kakhara & Sorensen, 2004). In such a situation, different weight in measuring person-organization fit is needed by the organization (Sekiguchi, 2007).

There is an important dimension of fit between the person and the organization at a surface level and in conscious and unconscious psychological processes. Although it will suit some people more than others, sufficient numbers of people must find a fit for defence to remain unchallenged. People find an organization in which their unconscious ideas of authority, leadership and social relationships fit (James, 1999). When the team activities had a good “fit” with other organizational activities then performance was enhanced and resistance to change reduced (Casta, Bamber, Sharp and Belohoubek, 2001). The importance of P–O fit for organizations is indicated by significant relationships between P–O fit and turnover (Westerman and Cyr, 2004). Robbins and Judge (2009) described that organization faces a dynamic and changing environment and requires employees who are able to readily change tasks and move easily between teams, it is more important that employee’s personalities fit with the overall ’s culture than with the characteristics of any specific job.
**Person-Organization Fit (P-O fit)**

Person-Organization fit (P-O fit) is defined as 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” (Kristof-Brown, Zimmerman and Johnson (2005). P-O fit is a type of Person-environment (P-E) fit in the organization in which people may fit or misfit (Judge and Kristof-Brown, 2004).

P-O fit takes place when the organization fulfills employee’s needs, whereas from all abilities-demands perspective, there is congruence between person and organization, when the employee possesses and demonstrates the abilities to meet organizational demands (Kristof, 1996). Edwards (1991) has brought together these two perspectives suggesting that needs and abilities compose the “person” angle, and supplies and demands the “job” angle of the P-O fit research. He described needs in terms of employees’ desires, goals, values, interests and preferences, and abilities in terms of aptitudes, experience and education.

Van Vianen, De Pater and Van Dijk (2007) elaborates that people’s fit with the organization (P-O fit) associates a person’s personality, goals and values with those of the organization. Peoples’ values are important attributes on which to establish their fit. Within the work context, values have been labeled as work values. Instrumental work values are work values related to obtaining desired ends, and refer to work benefits, work security, and success at work. Cognitive work values are those values that relate to a belief system about appropriate behaviors and refer to broadening one’s horizons, contributing to society, and having meaningful work. Affective work values are related to feelings and emotions, and refer to happiness, good human relationships, and friendships at work.

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**Exhibit 1. Conceptualization of Person-Organization Fit**


Kristof (1996) illustrates the conceptualization of Person-Organization Fit (Exhibit 1). In the model, supplementary fit (arrow “a”) is represented as the relationship between the fundamental characteristics of an organization and a person. Characteristics for organization include the culture, climate, values, goals, and norms. Person side characteristics are values, goals, personality, and attitudes. When similarity between an organization and a person on these characteristics occur, supplementary fit exists. In addition to these underlying characteristics, organizations and individuals can also be described by what they supply and demand in employment agreements. These demands and supplies are likely to be influenced by the underlying characteristics of both entities as is indicated by the dotted arrows; however, they represent distinct dimensions on which fit or misfit may occur.
More specifically, organizations supply financial, physical, and psychological resources as well as the task-related, interpersonal, and growth opportunities that are demanded by employees. When these organizational supplies meet employees’ demands, needs-supplies fit is achieved (arrow “b”). Similarly, organizations demand contributions from their employees in terms of time, effort, commitment, knowledge, skills, and abilities. Demands-abilities fit is achieved when these employee supplies meet organizational demands (arrow “c”).

The Person-organization fit essentially argues that people are attracted to and selected by organizations that match their values, and they leave organizations that are not compatible with their personalities (Robbins and Judge, 2009).

**Ten Ways in Managing Person-Organization Fit Effectively**

The important question in P-O fit is how workers and organizations select each other, why they continue to maintain an association, and how person-organization compatibility impacts that association. In times of both economic hardship and fiscal health, when employers seek to maintain their market share by attracting and retaining the most qualified personnel, fit is an important consideration (James, 2003) There are ten ways in managing the person-organization fit effectively to ensure that the organization gain the objectives in term of organizational objectives such as employee turn over, profitability, sustainability, market leadership as well as individual and or organization’s member objectives such as having meaningful work, appreciation, career, well-being, good human relationship at work and quality of life.

**1. Process of hire and selection of employees**

To succeed, employers need to hire applicants who perform well on the job and who are unlikely to quit the organization. In pursuit of optimal hiring goal, the organization needs to examine the effectiveness of actual P-O fit in predicting employee retention (McCulloch and Turban, 2007). During the processes of employee selection the understanding of P-O fit that occur beyond KSA (knowledge, skill, abilities) matching, and how to offer the potential candidates for a more flexible and comprehensive approach is very important. Recruiters often rely on implicit P-O fit judgments to distinguish between qualified candidates by determining fit with the organization’s values or congruence on personality with the organization. However, recruiters’ perceptions of fit are often inaccurate, and these inaccurate perceptions of fit have been shown to be more predictive of hiring decisions than the actual fit between an applicant and an organization. Increased accuracy in fit measurement is crucial for recruiters to obtain the beneficial outcomes of P-O fit (Westerman & Cyr, 2004)

Actual P-O fit measures provide robust information on turnover risk before the individual is hired. Thus, organizations can assess the risk of hiring an individual with a known (i.e. research-based) probability of turnover. It was estimated a savings of $1400 per hire if the employee stayed at least 1 year in the company (McCullough, 2003, cited in McCullough, 2007). Defining values and culture set up as an objective of hiring is important. Once the values and culture are made clear, the organization then designs screening processes that help the organization identify who will fit in and screen out those who do not share these values (Kristoff-Brown et al., 2005). It has also been recommended that organizations use a standardized common metric to assess applicant fit for selection purposes (Carless, 2005). This does not mean that organization ignore a candidate’s abilities. Instead organization should recognize that to really contribute over a long period, a person must feel comfortable in the organization, the abilities that are important are thus those that help someone grow, change, and develop to meet changing business challenge (O’Reilly III and Pfeffer, 2000).

Assessment centres have potentially particular predictive value for a graduate population. The assessment process may itself project positive perceptions concerning the professionalism of the organization and how progressive it is. Furthermore, graduates are likely to use criteria related to characteristics of the organization when deciding to join it. Graduates are likely, on the point of entry to the organization, to make attributions concerning the favorability of the organization from career and work perspectives (Mayrhofer et al., 2005) and they will place particular value on how they are likely to fit in. High potential graduates are likely to be exposed to various practices that are designed to enhance P-O fit. These processes may change the graduate’s initial perceptions of the organization and it is possible that the graduate’s personal values may change as a result of exposure to organizational processes. Various studies (Ryan and Ployhart, 2000; Anderson et al., 2001) highlight the importance of focusing on the graduate’s future fit with the organization on the grounds that it is a describable outcome for organizations. Selection processes in organizations are very much concerned with assessing the graduate’s future fit with the (Garavan, 2007, 152)
Considering the trend of organizations shifting away from full-time and ongoing employment arrangements towards and increased use of contingent workers and increasing professionals, such as lawyers, doctors and engineers working in organizations (Kalleberg, 2000 cited in Sekiguchi, 2007, p. 119; Barley, 1996, cited in Kakihara & Sørensen, 2004, p. 181), organizations should use different weights of person-organization fit as selection criteria for different types of employees, because the effect of each type of fit on various employee and organizational outcomes may differ according to the type of employees or employment relationships (Sekiguchi, 2007, p. 120). Related to the process of hire and selection, Robbins and Judge (2009) explained that following the guidelines at the time of hiring should lead to selecting new employees who fit better with the organization’s culture, which should, in turn, result in higher employee satisfaction and reduced turnover.

2. Deliver communication/message during hire and selection of employee

From the beginning of the recruitment process through long-term employment, managers should pay attention to how clearly they are communicating work unit and organizational values. This should aid in attraction, hiring, and retention of individuals who share these values and are inspired by an organization that reinforces them (Kristoff-Brown et al., 2005). Organizations seeking to recruit individuals would be well advised to provide detailed and specific information about training opportunities, level of responsibility, their values, policies, and culture so that individuals can assess their P-O fit. This is based on the finding that initial attraction is influenced by perceived P-O fit. Inducing a perception of a caring organization has considerable positive impact on individuals. Behaviour that demonstrates a genuine interest in helping the applicant choose a job that fitted their KSA (knowledge, skill, abilities) and values, needs and abilities is probable to result in perceptions of a caring organization (Carless, 2005).

3. Socialization

No matter how good a job in the organization does in recruiting and selection, new employees are not fully indoctrinated in the organization’s culture. Because they are unfamiliar with the organization’s culture, new employees are potentially likely to disturb the beliefs and customs that are in place. The organization will, therefore, want to help new employees adapt to its culture. This adaptation process is called socialization (Robbins and Judge, 2009).

Socialization is the process by which organization bring new employees into the culture. To be able to work in an organization the employee must internalize its values, norms and way of operating so that they become part of one's mental life. The employee must be able to sublimate primitive impulses and gain gratification through task-related activity, must develop the capacity to create and maintain strong identification with a leader and must have the capacity to enter and become a member of a group (Czander, 1993 in James, 1999)

In terms of culture, socialization involves a transmittal values, assumptions, and attitudes from the older to the newer employees. Socialization of new members emphasizes the “fit” between the new employee and the culture. Socialization attempts to make this fit more comfortable for the employee and the organization. Socialization process goes on throughout an individual’s various career stages, but individuals are more aware of it when they change jobs or change organizations (Gibson et al., 2003). Socializing employees to enhance P–O fit potentially improves effectiveness because employees who feel they belong to the organization are more satisfied, higher intention to remain, and are more willing to recommend their s (Tepeci and Bartlett, 2002).

4. Intervening culture

There are courageous managers who believe that they can intervene and make changes in the culture (O’Reilly, Chatman and Caldwell, 1991 cited in Gibson, Ivancevich, Donnelly and Konopaske, 2003). Managers can get benefit by taking into account when conceiving and implementing organizational change (Sathe, 1985).

Exhibit 2 shows how intervening culture is conducted. The most effective way of changing people’s beliefs and values is to change their behavior (intervention 1) (Duck, 2001 cited in Gibson et al., 2003). When members and their organization are at least receptive to change, it is miraculous how making lists desired norms affects the members of work group (Kilmann, 2001). However, behavior change does not necessarily produce culture change because of process of justification. People’s attitudes are not only affected by their own perceptions but also by those of others (Van Vianen et al., 2007, p. 192). Managers must get employee to see the inherent worth in behaving in a new way because people tend to rationalize in term of external justifications, sometimes people are likely to cooperate just for the incentives, rather than because they fundamentally believe in what they have been asked to do (intervention 2) (Sathe, 1985). Typically, communication (intervention 3) is the method used by managers to motivate the new behaviors. Cultural communications can include announcements, memos, rituals, stories, dress, and other forms of communications. Another set of interventions are socialization of new members (intervention 4) and removal of existing members who deviate from the culture (intervention 5). Each of interventions must be done after careful diagnoses are performed.

Some individuals may not perfectly fit with the organization, but may possess exceptional skills and talents. Removal of cultural misfits might be necessary, but it should be done only after weighing the cost and benefits of losing talented performers who deviate from the core cultural value system (Gibson et al., 2003).

5. Comprehensive training

According to Greenberg and Baron (2008), training is a process of systematically teaching employees to acquire and improve job-related skills and knowledge to make employee’s job performance getting better.

For skill-driven jobs such as manufacturing and warehouse positions, a systematic and comprehensive training program will result in greater fit with the organization. It is suggested that providing employees with the knowledge, skills, and abilities (KSAs) needed to excel on the job through training programs such as instructional systems design modules (ISD) may increase fit. Instructional systems design training modules specifically to address the KSAs needed to perform the job. Organizations must choose the best training programs to fit the strategic goals of the organization that will differentially influence employee perceptions of P-O fit (Autry and Wheeler, 2005). Training takes many forms. Some training is quite informal in nature, consisting of having experience employees take new employees under their wings to show them how to do the job in question.
Most of the time, however, training, involves highly systematic, formal efforts to teach employees how to do specific things that are required for job success. There are varieties of training such as classroom training, apprenticeship programs, cross-cultural training, corporate universities (Hamburger University for McDonald), executive training programs and e-training (Greenberg and Baron, 2008). Training is used not only to prepare new employees to meet the challenges of the jobs they will face, but also to upgrade and refine the skills of existing employees.

6. Measure “ideal” and “actual” of organization culture and values
Based on P-O fit research has shown that the discrepancy between actual and ideal organizational culture (i.e. discrepancies between what the organization and the individual values) can influence important organizational criteria (Chatman, 1991 cited in Goodman and Svyantek, 1999). Ideal culture (i.e. what the individual values) will have a significant impact on contextual performance above and beyond organizational culture (i.e. perceived organizational values). In the hospitality industry there is an instrument proposed to measure the roles of (1) organizational culture, (2) individual values, and (3) the fit between the two (person–organization (P–O) fit) on employees’ job satisfaction and behavioral intentions (Tepeci and Bartlett, 2002). Organization in the hospitality area may use the hospitality industry culture profile (HICP) to generate profiles of their current culture and of their employees’ ideal culture. Once “actual” and “ideal” profiles are specified, they can be compared to see where discrepancies and similarities exist. If managers want their culture to be different they can take specific actions to achieve the desired profile.

7. Career planning and development management process
Career is the evolving sequence of work experiences over time. To avoid the problems associated with career plateaus (the point at which one’s career has peaked and is unlikely to develop further), the organization should develop career development intervention. This is a systematic effort to help manage people’s careers while simultaneously helping the organizations in which the employees are working (Greenberg and Baron, 2008). Organizations should invest significant resources in development and career management processes for high potential employees. Organizations may utilise a number of HR tools to achieve P-O fit, including selection processes; socialization processes and tactics followed by career development. It is recognized that career development and that career management and career planning have a great impact on whether organizations can meet corporate goals and individuals meet personal goals. Only those organizations that negotiate careers will survive into the next century (Atkinson, 2001).

8. Maintain diversity in the organization
Employees in almost any organizations are divided into subgroups of various kinds. Formation of groups is determined by two broad sets of conditions. First, job-related (which is created by the organization) differences and similarities such as type of work, rank in the organization, and physical proximity to one another, sometimes cause people to align themselves into groups. However, second set of non-job related condition (those related to culture, ethnicity, socio-economics, sex, and race) arise primarily from an individual’s personal background (Newstrom, 2010) Besides work attitudes, P–O fit may be related to other consequences that are both positive and negative and are at not only the individual level but group and organizational levels also. Similarity among individuals, be it values, goals, or personality congruence, facilitates understanding of one’s interpersonal environment. Similar individuals are expected to behave in similar manners; which reduces role confusion and could increase group task performance. Too much similarity, however, decreases the diversity in ideas and processes needed in decision-making group performance. This lack of diversity may also inhibit the flexibility necessary in organizational survival. Diversity in employees assists in keeping the organization fluid to external market demands (Verquer et al. 2003).

9. The role of the leader
Newstrom (2010) argued that the primary role of a leader is to influence others to voluntarily seek defined objectives (preferably with enthusiasm). Leadership, then, is the catalyst that transforms potential into reality. Interactive style of leadership had significant effects on subjects’ motivation, commitment and employee’s trust in the leader. The subordinates working under leaders with high interactive style reported significantly higher motivation, commitment and trust than did their counterparts under leaders with low interactive style, even though they all had lower-than-average person–organization value fit. Based on the study among Oriental Chinese firms, feminine leadership (or interactive and team-oriented leader behaviours) has significant effects on person–organization value fit as well as on employees’ trust in their leaders (Li, 2007).
Employees apparently are sensitive to the general perceptions of their work group. Social information processing research has convincingly shown that employees’ perceptions can be influenced through the communication and behaviors of their supervisors. Consequently, organizational leaders are not only able to manage employees’ experiences but also their fit with the organization (Van Vianen et al., 2007).

10. Focus on both the individual and the organization culture.

The change process emphasizes the importance of the individual in creating and supporting the organization culture, and of the organization culture in creating and supporting the individual. Through this process, a synergy and interdependence is developed that can assure the success of both employee and the organization (Allen, 1985, p. 338). The positive outcomes of P–O fit remain at the individual and group levels with congruence among members potentially impeding organizational functioning, a balance is necessary where the level of fit necessary is determined by group function and the time in the organization’s life (Verquer et al, 2003). At the end employees who share the organization’s values will be more likely to help the larger causes of the organization (Yanif and Farkas, 2005). People-centered organization understand that money is important to people and can be a powerful driver of behaviour. However, organization can combine monetary incentives with intrinsic rewards of fun, growth, teamwork, challenge and accomplishment. The overall alignment and consistency among these levers is what makes the values come alive in these organizations (O’Reilly III and Pfeffer, 2000).

Conclusion & Management Implication

Organization faces a dynamic and changing environment and requires employees who are able to readily change tasks and move easily between teams, it is more important that employee’s personalities fit with the overall ‘s culture than with the characteristics of any specific job. The importance of P–O fit for organization is indicated by significant relationships between P–O fit and turnover. Person-Organization fit defined as the compatibility between people and organizations, which people may fit or misfit, associates with person’s personality, goals and values with those of the organization. There are ten ways in managing the person-organization fit effectively to ensure that the organization gain the objectives in term of organizational and personal objectives.

This paper will be useful as an insight for the organization to manage P-O fit effectively through the process of hire, communication and socialization to find high degree of PO fit which in the future will have a highly compatible between employees and the organization. Intervening culture and comprehensive training conducted by the organization will develop better attachment between employee and the organization. Organization which is successfully measure the ideal condition and actual situation of culture and values will be able to develop action plan to narrow the gap and improve employee P-O fit. A clear career development management process for the employee will reduce turn over, career development and career planning have a great impact on whether organizations can meet corporate goals and individuals meet personal goals. Only those organizations that negotiate careers will survive into the next century, while maintaining diversity in employees assists in keeping the organization fluid to external market demands. Focusing on both the individual and the culture of the organization in which employees share the organization’s values will be more likely to help the larger causes of the organization, and at the last the role of the leader will be critical had significant effects on employee’ motivation, commitment and employee’s trust in the leader.

References


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