1.1. Introduction

This chapter briefly introduces the issues and concerns related to Person-organization fit. The success of a professionally managed organization extensively depends upon its human resource. It is a widely accepted fact that if right job is offered to right person, it would always have a twofold benefits. First the performance of person on job improves significantly, and second the person of job feels satisfied and contented with his professional responsibility. Finding the right person for the job is an important task to be done for achieving a higher quality of work life. Person-organization fit is an important element for employees and organization. It can be broadly defined as the compatibility between employees and the organizations.

A good fit between an organization and an employee is important for considering the impact of work-related factors such as job satisfaction, organizational commitment, and employee performance, which are important work outcome for competitive advantage.

Human Resource Management helps in obtaining utmost individual development, effective working connection and desirable moulding of human resources. It involves the recruitment, selection, utilization, development, motivation and compensation of human resources by the organization. The HR function provides significant support and guidance to the management. The safeguarding, attraction and development is far above the ground talented people are a foundation of competitive advantage for organization and are the responsibility of Human Resource Management.

Organizations do not possess values apart from the values of their members. Thus, an organizational value system or culture is said to exist when:

1. Individuals know that group support for a given belief exists,
2. A majority of active members are in agreement,
3. The core values of an organization are intensely held throughout the organization (Chatman, 1991).

Humans are widely accepted as the most important assets of the organizations. Organizations use humans as strategic tools of competence. To derive the best out of
human resource, it is essential to give them the task that is best suited to their efforts or competencies.

This study will add to the existing body of knowledge by showing how person organization fit affects job satisfaction, commitment and job performance of the employees.

1.2. Person-Organization Fit

‘The things that I value in life are similar to the things that my organization values, my personal values match my organization’s values and culture’.

Caldwell and O’Reilly

Person-Organization Fit has a key influence on the job satisfaction and performance of the employees. The employee whose values fit the organization values can contribute more to the success of the organization. Person-Organization Fit makes perfect sense in that, the greater the fit between the values of an individual and those of the organization, the more likely they will be to remain with that organization. A high Person-Organization Fit means a higher commitment and willingness to do extra work for the organization.

According to Charles Handler Person-Organization Fit is the congruence of an individual’s beliefs and values with the culture, norms, and values of an organization. A high degree of congruence between the individual values of the employees and the organizational values may create culture and values with which the employees will feel comfortable. Person-organization fit has been defined in a number of ways including value congruence, goal congruence and the match between employees’ needs. Person-Organization Fit is defined as the compatibility between organization and people.

For the purposes of this study, person-organization fit is defined as the congruence of values of a person and an organization. Person-organization fit is a meaningful way of assessing person-situation interaction because values are fundamental and relatively enduring and individual and organizational values can be directly compared.
Person-organization fit has been an area of interest among both researchers and managers during recent years whose concern is the antecedents and consequences of compatibility between employees and the organizations in which they work.

Literature on consequences of Person Organization fit has confirmed significant relationships with important individual outcome variables such as job satisfaction, organizational commitment and performance, which will be explored in detail in the study.

Due to its relationship with individual outcome variables, Person-organization fit has important implications for selection practices of organizations. It offers a more comprehensive and flexible approach to employee selection. The focus of this study will be the impact of Person-organization fit on the job satisfaction and performance of the employees.

Researchers have studied the values and traits of humans for decades, but measurement of the shared values and culture of organizations has received little attention. Fredrick Taylor (1911) was the first to suggest that skills and abilities should match organizational needs, and championed the ideas of vocational aptitude, training and motivation. He introduced the concept of “Scientific Management” at the end of the 19th century as a means to bring professional organizational methods to manufacturing organizations.

What we now think of as Human Resource Management began as structure and measurement applied to hiring and training employees in early 20th century factories.

1.3. Operationalization of Person-Organization Fit

Schneider’s Attraction-Selection-Attrition (ASA) framework is regarded as a milestone in the beginning of Person-organization fit research. According to this framework, individuals are not randomly assigned to situations, but rather they seek out situations that are attractive to them. Finally, individuals will be selected to be a part of that situation and help to determine the situation by remaining in that situation.
Schneider argues that organizations are one situation 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. Schneider’s Attraction-Selection-Attrition (ASA) framework can be placed within Supplementary fit since it proposes that people and organization are attracted to each other based on similarities.

Specifically, four different operationalization of Person-organization fit were identified as a result of Kristof’s (1996) review of Person-organization fit literature. The first operationalization focuses on measuring similarities between fundamental characteristics of people and organizations such as values and personality, and hence, congruence between individual and organization is the most frequently used measure in this type of operationalization. The second operationalization of Person Organization fit focuses on goal congruence with organizational leaders or peers. The third operationalization concerns the match between individual preferences or needs and organizational systems and structures. The fourth operationalization of Person Organization fit is the match between the characteristics of individual personality and organizational climate.

A comprehensive definition is needed to integrate the variety of conceptualizations. Kristof (1996) proposed a model in order to generate a comprehensive definition. In the model (Figure1), the relationship between the fundamental characteristics of a person such as values, goals, personality and attitudes and fundamental characteristics of an organization such as culture, climate, values, goals and norms represents “supplementary fit”. On the other hand, the relationship between demands and supplies of person and organization represents “complementary fit”.

As a result, Person-organization fit is defined comprehensively as the compatibility between people and organizations that occurs when at least one entity provides what the other needs, or, when they share similar fundamental characteristics or both, in the model. By this way, both the supplementary and complementary perspectives are incorporated into the definition.
Figure 1: Various Conceptualizations of Person-Organization Fit, Source: Kristof (1996)

1.4. The Value Theory of Shalom Schwartz

Schwartz’ value theory concerns the basic values that people in all cultures recognize. It identifies 10 motivationally distinct value types and specifies the dynamics of conflict and congruence among these values. The primary content aspect of a value is the type of goal or motivational concern that it expresses. This motivational goal is what distinguishes one value from another. As a consequence, this value theory defines 10 broad value categories, which presumably encompass the range of motivational distinct values that are recognized across cultures. In the form of conscious goals, these values represent three universal requirements of human existence to which all individuals and societies must be responsive: needs of individuals as biological organisms, requisites of coordinated social interaction, and survival and welfare needs of groups. According to
Schwartz, values are the socially desirable concepts that mentally represent these goals and they provide the vocabulary to express them in social interactions.

1.5. **Person–environment fit**

“Of all of the issues in psychology that have fascinated scholars and practitioners alike, none has been more pervasive than the one concerning the fit of person and environment” – Schneider (1983). This statement about the interaction between personal characteristics and environmental properties – commonly described as person-environment fit – is based on a research tradition that started in the first half of the twentieth century. Lewin (1951) described human behavior as the result of two interdependent factors: the person and the environment. He recognized the importance of both the individual and the environment as powerful determinants of human behavior. Person–environment fit is defined as the degree to which individual and environmental characteristics match. Person characteristics may include an individual’s biological or psychological needs, values, goals, abilities, or personality, while environmental characteristics could include intrinsic and extrinsic rewards, demands of a job or role, cultural values, or characteristics of other individuals and collectives in the person's social environment. Due to its important implications in the workplace, person–environment fit has maintained a prominent position in Industrial and organizational psychology and related fields. Person–environment fit can be understood as a specific type of person–situation interaction that involves the match between corresponding person and environment dimensions. Even though person–situation interactions as they relate to fit have been discussed in the scientific literature for decades, the field has yet to reach consensus on how to conceptualize and operationalize person-environment fit. This is due partly to the fact that person-environment fit encompasses a number of subsets, such as person supervisor fit and person-job fit, which are conceptually distinct from one another. Nevertheless, it is generally assumed that person-environment fit leads to positive outcomes, such as satisfaction, performance, and overall well-being.
1.5.1. **Person–job fit**

Person–job fit refers to the compatibility between a person’s characteristics and those of a specific job. The complementary perspective has been the foundation for person-job fit. This includes the traditional view of selection that emphasizes the matching of employee key specific areas and other qualities to job demands.

1.5.2. **Person–group fit**

Person–group fit is a relatively new topic with regard to person–environment fit. Since person–group fit is so new, limited research has been conducted to demonstrate how the psychological compatibility between co-workers influences individual outcomes in group situations. However, a study by Boone & Hartog (2011) revealed that person–group fit is most strongly related to group-oriented outcomes like co-worker satisfaction and feelings of cohesion.

1.6. **A Model of Person-Organization Fit**

According to Chatman’s model of person-Organization fit (Figure 2), Person-organization fit starts by measuring an organization’s characteristics based on values and norms. Individuals in the organization are measured and their individual scores are combined to make an organizational profile. The individual scores are used to find crystallization (how widely shared the values are), intensity (how strongly held values are relative to other values), and content (which values are important to the organization). Intense and crystallized values make for strong organizational situations.
Individual Characteristics:
Values (Intensity, Content)

Organization Characteristics:
Values
Norms (Crystallization, Intensity, Content)

Selection

Selection Socialization

Person-Organization Fit

Sample Organization Outcomes:
- Changes in Norms/Values

Sample Individual Outcomes:
- Value Change
- Extra-Role Behaviors
- Tenure

Figure 2: Improving interactional organizational research: A model of person-organization fit - Chatman, J. (1989)
Organizations can use the same scale to measure job seekers or new organization members. These individuals’ scores are also used to measure content (what values are) and intensity (how strongly held they are). Their scores are then compared to the organization’s profile to see how well the individuals match the organization.

Person-organization fit leads to greater positive effects. The positive outcomes for employees include enhanced employee job attitudes, reduced stress, lower turnover, higher commitment, greater satisfaction, positive effects on self-report ratings of teamwork, and tendencies toward ethical behavior.

Organizations also receive positive effects from person-organization fit. Employees are more likely to feel as if they are an important part of the organization. An accurate understanding of the job requirements and the organization’s values has been shown to enhance people’s adjustment to their jobs as well as their subsequent level of satisfaction and organizational commitment. A person whose values match the operating values of the organization will be more committed to the organization than a person whose personal values differ from the organizations.

As stated earlier, Person-organization fit is most often measured in terms of the congruence between a set of work-related values held by a candidate and the culture of an organization. While it may be easy to think of all kinds of work values that may be important, research performed by psychologists suggests that Person-organization fit can be broken down into some very specific dimensions. Although many people have done research into Person-organization fit, some of the most useful work has been performed by Jennifer Chatman, whose Organizational Culture Profile (OCP) identifies the following major dimensions:

- Innovation
- Stability
- Orientation towards people (fair and supportive)
- Orientation towards outcomes (results-oriented, achievement-oriented)
- Easy going vs. aggressive
- Attention to detail
• Team orientation.

The OCP uses these dimensions to measure fit via the following process: First of all, a baseline for the organization’s culture is established. This is done by having members of the organization make ratings based on their opinions regarding which of the above dimensions they feel are most and least characteristic of the organization. These ratings are then aggregated to provide a profile that defines the organization’s culture in terms of these dimensions. One really cool aspect of this process is that it can be used to identify the culture of any aggregate group within the organization (as long as members of that group complete the rating process). Second, an individual's personal value profile is created.

This process involves having individuals rank their own personal values on the dimensions listed above in terms of their most and least preferred work environment. Finally, the individual’s ranking of the above work values are then compared with the aggregate values profile that was created by the organization in order to summarize its culture. This comparison process yields detailed information about the overlap between the values of an organization and those of an individual.

1.6.1. The Organizational Culture Profile

Organizational culture is the behavior of humans within an organization and the meaning that people attach to those behaviors. Culture includes the organization's vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits. Organizational culture may affect how much employees identify with an organization. It is also the pattern of such collective behaviors and assumptions that are taught to new organizational members as a way of perceiving and, even, thinking and feeling. Thus, organizational culture affects the way people and groups interact with each other, with clients, and with stakeholders.

Organizational culture refers to a system of shared assumptions, values, and beliefs that show people what is appropriate and inappropriate behavior. Values have a strong influence on employee behavior as well as organizational performance. In fact, the term
organizational culture was made popular in the 1980s when Peters and Waterman’s best-selling book *In Search of Excellence* made the argument that company success could be attributed to an organizational culture that was decisive, customer-oriented, empowering, and people-oriented. Since then, organizational culture has become the subject of numerous research studies, books, and articles.

Organizational culture is still a relatively new concept. The Organizational Culture Profile (OCP) is considered an important instrument to measure the fit between individual’s preferences and organizational cultures.

The Organizational Culture Profile is an instrument initially developed by O’Reilly, Chatman and Caldwell (1991) to assess person-organization fit. The tool can be useful as well in assessing organizations in need of culture change, distinguishing subcultures and evaluating potential fit in mergers and acquisitions. Person-organization fit is a useful predictor of job satisfaction and organizational commitment, which in turn affect performance. The OCP is considered an important instrument to measure the fit between individual’s preferences and organizational cultures. An additional advantage of the profile is that it allows the assessment of individuals and situation.

The original version of the OCP consisting of 54 value statements was developed by using exploratory factor analysis to establish eight dimensions of organizational culture, namely: innovation, attention to detail, outcome orientation, aggressiveness, and supportiveness, emphasis on rewards, team orientation and decisiveness.

These 54 value statements can generically capture individual and organizational values and the instrument uses the Q-sort method of data collection in identifying values that characterize a target organization and an individual’s preference for that particular configuration of values. In line with the general procedure for generating Q-sort profiles, respondents are asked to sort the 54 items into nine categories, ranging, for instance, from most to least desirable or from most to least characteristic, and to put a specified number of statements in each category.

To develop a profile of an organization’s culture, respondents familiar with the organization are asked to sort the 54 value statements according to the extent to which the items are characteristic of the organization. For individual preferences, individuals are
asked to sort the same items according to the extent to which these values would exist in their ideal organization. O’Reilly et al. developed dimensions of Organizational Culture Profile (OCP) that best matched with the individual culture and values as shown in figure 3:

![Dimensions of Organizational Culture Profile (OCP)](image)

**Figure 3: Dimensions of Organizational Culture Profile (OCP)**


Culture can be understood in terms of seven different culture dimensions, depending on what is most emphasized within the organization.
1.7. **Innovative Cultures**

According to the OCP framework, companies that have innovative cultures are flexible and adaptable, and experiment with new ideas.

1.7.1. **Aggressive Cultures**

Companies with aggressive cultures value competitiveness and outperforming competitors: By emphasizing this, they may fall short in the area of corporate social responsibility.

1.7.2. **Outcome-Oriented Cultures**

The OCP framework describes outcome-oriented cultures as those that emphasize achievement, results, and action as important values.

1.7.3. **Stable Cultures**

Stable cultures are predictable, rule-oriented, and bureaucratic. These organizations aim to coordinate and align individual effort for greatest levels of efficiency. When the environment is stable and certain, these cultures may help the organization be effective by providing stable and constant levels of output.

1.7.4. **People-Oriented Cultures**

People-oriented cultures value fairness, supportiveness, and respect for individual rights. These organizations truly live the mantra that “people are their greatest asset.” In addition to having fair procedures and management styles, these companies create an atmosphere
where work is fun and employees do not feel required to choose between work and other aspects of their lives. In these organizations, there is a greater emphasis on and expectation of treating people with respect and dignity.
1.7.5. Team-Oriented Cultures

Companies with team-oriented cultures are collaborative and emphasize cooperation among employees. In team-oriented organizations, members tend to have more positive relationships with their co-workers and particularly with their managers.

1.7.6. Detail-Oriented Cultures

Organizations with detail-oriented cultures are characterized in the OCP framework as emphasizing precision and paying attention to details. It is important to realize that a strong culture may act as an asset or liability for the organization, depending on the types of values that are shared. It is important to realize that a strong culture may act as an asset or liability for the organization, depending on the types of values that are shared with the employees.

1.8. Measurement of Person-Organization Fit

To better assess fit, the researcher utilizes a common standard of measurement. The Organizational Culture Profile, the person organization fit, employees’ job satisfaction and performance were used as a parameter to measure person organization fit. This study tries to assess individual values by asking whether the same dimensions exist in their “ideal” organization or not.

1.8.1. Direct and Indirect Fit

Person Organization Fit measurement assumes that direct fit exists if the respondent perceives it to exist, regardless of whether the respondent’s values are actually similar to the direct Person-Organization Fit. It can be measured by simply asking respondents to estimate the extent their values are similar to those of the organization. On the other hand, indirect fit is measured by comparing individual characteristics and organization characteristics.
1.8.2. Employee Job Satisfaction

Hoppock (1935) defined job satisfaction as “Any combination of psychological, physiological, and environmental circumstances that cause a person to say, I am satisfied with my job.”

Mumford (1970) defined the concept of job satisfaction as “the degree of fit between organisational demands and individual needs, and that the employee's satisfaction with his job and the employers’ satisfaction with his job and with work performance will only be high when this fit is a good one”.

Job satisfaction is defined as a positive or negative evaluative judgment of one’s job or job situation. Job satisfaction is among the most important areas of concern in organizational studies because of its influence on employee behavior and job performance and subsequent economic benefits. Relationship Between Organizational Culture, Individual Values, Person Organization Fit and Individual Outcomes is shown below:

![Diagram](image)

**Figure 4: Relationship Between Organizational Culture, Individual Values**
Person Organization Fit and Individual Outcomes

Job satisfaction is one of the most frequently measured organizational variables in both research and applied settings. Organizations often want to know the state of the employee morale over time because of its influence on employee behavior and job performance and thus, some form of job satisfaction measurement is often included in employee opinion surveys. It is widely accepted that an employee’s performance is closely related to the overall satisfaction of his or her task at hand and is thus an invaluable concept that an organization must invest in.

Although there are a number of definitions which encompass employee job satisfaction, we believe it to be vital to express one which will be used consistently throughout this study. Therefore, employee job satisfaction will be expressed as “the positive emotional state that results from an employee’s appraisal of their work situation.” In other words, how satisfied an employee is with their current work.

1.8.3. Employee Job Performance

Job performance has generally been defined as the degree to which an individual helps the organization achieve its goals. An evaluation of employee performance is necessary for several reasons such as compensation, promotion, training and feedback and personnel research. There is a wide agreement that job performance is a multidimensional construct. Two general factors have received the most attention among the dimensions of performance that have been discussed, which are task performance and contextual performance.

Task performance includes behaviors that contribute to the core transformation and maintenance activities in an organization, such as producing products, selling merchandise, acquiring inventory, managing subordinates, or delivering services.

On the other hand, contextual performance refers to behaviors that contribute to the culture and climate of the organization, in other words, the context within which transformation and maintenance activities are carried out.
Volunteering for extra work, persisting with enthusiasm, helping and cooperating with others, following rules and procedures, and supporting or defending the organization are examples of contextual performance behaviors.

1.8.4. Contextual Performance

Contextual performance is important for organizations because it facilitates the meeting of organization goals and organizational performance. An employee engages in contextual performance when they are for instance involved with voluntarily helping colleagues, putting in extra effort to complete a given task, putting in extra hours to get work done on time. Employees who are less satisfied with their jobs may exhibit lower levels of contextual performance behaviours and are therefore less likely to engage in such contextual performance activities.

Overall job satisfaction will have a stronger relationship with contextual performance than with task performance.

It is apparent that for the job satisfaction it is necessary that the tasks and responsibilities assigned to the employees must match his or her competences. The tasks which are not suited to the abilities of employees will lead towards job dissatisfaction. With the rewards and benefits that determine the level of job satisfaction, job fit is also important variable that leads to job satisfaction. Job satisfaction is thus ultimate leads to the job performance.

Employees will like to work in organizations where they feel that the values of the organization are aligned with their own values. Organizations too will try to recruit those employees whose values are consistent with the values of the organization. If the values of an organization match an employee’s abilities, he will perform satisfactorily and show greater results or higher performance. Hence, Human Resource managers must be aware of this fact and consider employees’ capabilities while drafting the job descriptions of their employees. Despite the ever-changing work place and shifts in generational work
attitudes, person-organization fit remains a considerable influence in determining Job Satisfaction and Performance of the Employees.

1.9. Objectives of the Study

The main purpose of the present study was to find out the impact of Person Organization Fit on employees job satisfaction and performance in the manufacturing organizations. Therefore the specific objectives of the study were:

1. To find out the existing conventional practices of Person-organization fit.
2. To study how Person-organization fit has value for an organization.
3. To examine the relationship between Person-organization fit and employees job satisfaction.
4. To examine the relationship between Person-organization fit and employees performance.
5. To provide the practical suggestions for Person-organization fit.

1.10. Significance of the Study

This study is important for several reasons as it studies the impact of Person-Organization Fit on an employee’s job satisfaction and performance. Person-Organization Fit has a major influence on the job satisfaction and performance of the employees. The employee whose values fit the organization values can contribute more to the success of the organization. Person-Organization Fit makes perfect sense in that the greater the fit between the values of an individual and those of the organization, the more likely they will be to remain with that organization.

The researcher wished to conduct the study in the city of Pune. Pune city has many types of industries like Software, Automobiles, Hospitality, Pharmaceuticals, Engineering and Electronics etc. As the subject of the present research was to find the link between person organization fit with employee job satisfaction and performance, the researcher felt that this could best be measured from employees working in the manufacturing sector. Hence
the employees working in manufacturing companies of Pune city only were selected for the study.
The outcome of this study will enable the researcher to communicate to the top management how to identify parameters to be kept in mind during an employee’s selection process. One way to meet this challenge is to ensure a match between organizational values and the values of those they hire.

This study will also help to fill the gap between individual values and the values of the organization. The greater the fit between the values of an individual and the organization, the higher will be their job satisfaction and performance. Alternatively, organizations may consider modifying employee values through on-boarding, early orientation programs, training sessions and so forth. It may be more difficult to change employee values, however, than it is to hire employees with similar values to begin with.

Employers of various manufacturing companies may incorporate these findings by shaping organizational culture in such a way as to enhance the overall level of job satisfaction of their employees and making them more willing to build their career within the organization. This way, the organization can minimize the chances of losing talented individuals and is thus more likely to create a competitive advantage.