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# **How Does Person-Organization Fit Affect Behavioral And Attitudinal Outcomes?**

## **The Mediating Role of Psychological Empowerment**

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# **How Does Person-Organization Fit Affect Behavioral and Attitudinal Outcomes?**

## **The Mediating Role of Psychological Empowerment**

Many researchers and practitioners agree that person-organization fit (P-O fit) offers benefits to individual workers, work groups, and organizations (O'Reilly, Chatman, and Caldwell, 1991; Ostroff, 1993; Tziner, 1987; Bretz & Judge, 1994; Hoffman & Woehr, 2006). While relationships between P-O fit and important individual outcomes such as job satisfaction, work performance, and organizational commitment are well established in the literature, less research has focused on possible mediating variables that explain how P-O fit impacts these individual outcomes. This research explores the mediating influence of psychological empowerment on the relationship between P-O fit and two important individual outcomes: in-role performance and intention to turnover.

Theoretical Framework

### **Person-Organization Fit**

P-O fit, in a broad sense, can be viewed as the compatibility between the unique qualities of the individual worker and those of the overall organization in which he or she works. O'Reilly, Chatman, and Caldwell (1991) conceptualize P-O fit as a cultural fit based upon individual and organizational values. Here, aspects of the employee and the organizational situation are assessed in terms of a match between the values of the individual, of other employees, and of the organization. Additionally, P-O fit has been assessed as a general match in "personality" between the individual and that of the overall organization (Cable & Judge, 1996). Chan (1996) conceptualizes P-O fit as a compatibility of attributes between the individual and the organization. Individual attributes include beliefs, values, interests and dispositional traits for the individual; organizational attributes include values, norms, culture and the overall organizational climate.

Kristof (1996), in her review of the P-O fit literature, described P-O fit as having multiple conceptualizations, all based upon the compatibility between individuals and organizations. Synthesizing earlier research into an integrated model, Kristof defines P-O fit as "the compatibility between people and organizations that occurs when: (a) at least one entity provides what the other needs, or (b) they share fundamental characteristics, or (c) both" (1996: 4-5).

The current literature provides theoretical and empirical support for the notion that P-O fit impacts multiple work outcomes including intention to turnover and individual work performance. Schneider's (1987) Attraction-Selection-Attrition (ASA) theory suggests that individuals are attracted to organizations where they perceive high levels of P-O fit. Smaller subsets of those individuals are then selected by the organization (at least in part due to the organizational members' perceptions of the applicant's P-O fit). Finally, individuals whose values truly match their organization's values are more likely to remain with the organization relative to those whose values are inconsistent with the organization's values. Bretz and Judge (1994) applied ASA theory directly to the study of P-O fit and work outcomes by asserting that individuals who fit well in organizations are likely to remain with the organization, do work that the organization values, and be rewarded by the organization for that work.

O'Reilly, et al. (1991) found a strong negative correlation between P-O fit and turnover intentions. These results were later supported by Ostroff (1993), Verquer, et al. (2003), and Kristof-Brown, et al. (2005), among others. Hoffman and Woehr (2006), extending the work of Verquer, et al. (2003) beyond just attitudinal outcomes to include behavioral outcomes, found P-O fit to be related to actual turnover behavior. Likewise, previous research has found empirical support for the relationship between P-O fit and work performance (i.e., Tziner, 1987; Bretz & Judge, 1994; Hoffman & Woehr, 2006). Based on this theoretical and empirical evidence, we offer the following hypotheses:

*Hypothesis 1:* P-O fit is positively related to in-role performance

*Hypothesis 2:* P-O fit is negatively related to intention to turnover

The Mediating Role of Psychological Empowerment

While the direct relationships between P-O fit and in-role performance as well as intention to turnover are fairly well established in the literature, less is known about possible intervening mechanisms. The main contribution of this research is to explore psychological empowerment as one possible variable through which P-O fit comes to impact attitudinal and behavioral outcomes.

### **Psychological Empowerment**

Empowerment can be defined in many ways. As discussed by Liden, Wayne & Sparrowe (2000), some researchers focus upon the structural and social dimensions of empowerment, while others primarily focus upon the cognitive or psychological factors of empowerment. The structural concept of empowerment is primarily focused upon management practices designed to increase worker decision making power; whereas the cognitive concept of empowerment is focused upon individual perceptions of organizational power and the psychological states individuals experience to feel empowered at work. These are two distinct, yet related, dimensions of empowerment. Laschinger, et al. (2004), following the earlier work of Spreitzer (1995), found that psychological and structural empowerment were linked; that psychological empowerment mediated the relationship between structural empowerment and feelings of job satisfaction.

In this paper, we are primarily focused on the psychological and perceptual aspects of empowerment in the workplace. Thomas and Velthouse (1990) described psychological empowerment as intrinsic task motivation that consists of four cognitive elements that reflects a person's understanding of his or her work role and task responsibility; these cognitive elements are meaningfulness, competence, choice and impact. Spreitzer (1995) operationalized the four cognitions of Thomas and Velthouse (1990) into a four-dimensional scale measuring an individual's orientation to his or her work role. These dimensions include: meaning (replacing meaningfulness), competence, self-determination (replacing choice), and impact. Following Spreitzer's (1995) definitions, *meaning* is a general perceptual fit between the work role requirements and the individual worker's value system; *competence* is the individual's belief that he or she has the power, skill and capability to perform work activities; *self-determination* involves the power of choice and reflects the individual's sense of autonomy over behaviors, processes and decisions; *impact* reflects the individual's perception that he or she can influence or control outcomes at work and make a difference.

## **P-O fit as an Antecedent of Psychological Empowerment**

An individual's feelings of psychological empowerment and perceptions of impact on organizational outcomes are based upon that individual's psychological response to their work environment (Kraimer, Seibert & Liden, 1999). Several antecedents have been linked with positive feelings of psychological empowerment including information about mission and performance, rewards for positive performance, low role ambiguity, strong sociopolitical support, strong access to information and participative work climate (Spreitzer, 1995; Spreitzer, 1996). Spreitzer's (1995, 1996) support for role ambiguity as an antecedent of psychological empowerment suggests that P-O fit may also be an antecedent of psychological empowerment.

Our assertion that P-O fit impacts psychological empowerment is based on the notion that individuals with high P-O fit experience their work places differently than those with low P-O fit. Schein (1985) suggested that organizational values create behavioral expectancies for individuals such that people learn the behaviors that are expected of them from the organization's values. This process is likely impacted by the degree to which the individual shares the organization's values (i.e., P-O fit). It seems likely that individuals who share the organization's values would process the behavioral expectations sent through those values differently than those who do not share those values. Individuals with high P-O fit should experience less dissonance when interpreting messages sent through organizational values, and therefore they should perceive those messages more accurately. The concept of perceptual defense asserts that individuals process information congruent with their own beliefs more accurately than incongruent information (Hellriegel & Slocum, 2004). Spreitzer (1996) suggests that an individual's ability to accurately understand expectations of themselves is a critical antecedent of psychological empowerment, as those who don't fully understand what is expected of them will be less likely to be proactive in their work. Therefore, a portion of our mediation hypothesis will test the relationship between P-O fit and psychological empowerment.

## **Psychological Empowerment and Individual Performance**

Much research has suggested that a relationship exists between psychological empowerment and individual performance (i.e., Spreitzer, et al., 1997; Liden, Wayne, & Sparrowe, 2000; Siebert, Silver, & Randolph, 2004). The theoretical basis for the assertion that employee performance is impacted by psychological empowerment stems from the description of psychological empowerment as intrinsic task motivation (Thomas & Velthouse, 1990). This description implies that when employees are empowered, they find their work tasks more appealing, and are therefore more motivated to perform those tasks well. It has also been suggested that empowered employees develop the desire to help their organizations, perhaps in reciprocation for the empowerment that the individual experiences from their organization and organizational members (Alge, Ballinger, Tangirala, & Oakley, 2006). Therefore, our mediation model will include the assertion that psychological empowerment is positively related to in-role performance.

## **Psychological Empowerment and Intention to Turnover**

While less research has examined the relationship between psychological empowerment and intention to turnover, much evidence exists to support the notion that psychological empowerment leads to satisfaction and in-role performance (i.e., Spreitzer, et al., 1997; Liden, Wayne, & Sparrowe, 2000; Siebert, Silver, & Randolph, 2004). We, therefore, make the

assertion that individuals are less likely to leave jobs in which they are satisfied and in which they are performing well. Hence, our mediation model will also test the relationship between psychological empowerment and intention to turnover.

*Hypothesis 3:* Psychological empowerment mediates the relationship between P-O fit and in-role performance.

*Hypothesis 4:* Psychological empowerment mediates the relationship between P-O fit and intention to turnover.

## **Methods**

### **Overview of Sample and Procedure**

Data was gathered via an online survey to all full-time faculty, staff and service professional employees of a western public university business college. This data collection was part of an organizational diagnosis initiative, tied to the college's ongoing strategic planning initiatives. All employees were invited to participate in this anonymous and voluntary survey by the Dean, with the electronic survey emailed to employee email accounts by an independent, outside group. Out of a total of 116 employees who were approached, 87 usable responses were generated (yielding a 75% response rate).

### **Measures**

#### ***Perceived person-organization fit.***

The perceived person-organization fit measure, developed by Cable and Judge (1996), is a three-item measure used to assess how well an employee perceives that he or she fits the organization. The reliability of this measure was very high, with a Coefficient alpha of .94. The word "organization" was replaced by the word "college" to ensure that all respondents assessed their fit with the college rather than the university overall. A sample item from this measure: "Do you think that the values and 'personality' of this college reflect your own values and personality?"

#### ***Psychological empowerment.***

The 12-item Empowerment at Work Scale, developed by Spreitzer (1995), measures the extent to which workers believe they are empowered in their jobs, using the four cognitive aspects of empowerment (meaning, competence, self-determination, impact). The coefficient alpha of this scale was .81. Sample items include: "The work I do is very important to me" (meaning), "I am confident about my ability to do my job" (competence), "I have significant autonomy in determining how I do my job" (self-determination), "I have significant influence over what happens in my area" (impact).

#### ***In-Role Performance.***

In-role performance was measured by a 7-item scale developed by Williams and Anderson (1991). Sample items include: "Adequately completes assigned duties", and "Gives advanced notice when unable to come to work". The coefficient alpha of this scale was .94.

#### ***Intention to Turnover.***

Intention to turnover was measured with a 3-item scale developed by Konovsky & Cropanzano (1991). Items included "How likely is it that you will look for a job outside this

organization in the next year?”, and “How often do you think about quitting your job at this organization?”. The coefficient alpha of this scale was .88.

## Results

Means, standard deviations and correlations of all study variables including in-role performance, intention to turnover, psychological empowerment and p-o fit are presented in

Table 1. The correlations presented in table 1 are consistent with expectations established by previous research. Additionally, the coefficient alpha of all study variables suggests that the measures are adequately reliable.

Variables	Mean	SD	1	2	3	4
1. P-O Fit	3.3896	.92952	(.94)			
2. Psych. Empowerment	5.6508	.88696	.486**	(.81)		
3. In-role Performance	5.5993	1.28433	.615**	.575**	(.94)	
4. Intention to Turnover	3.2984	2.01175	-	-	-	(.88)
			.490**	.359**	.474**	

§ N = 87

\*\**p* < .01; alphas are on the diagonal

Hypotheses 1 and 2 were tested via ordinary least squares regression (see Table 2). These hypotheses, which predicted a direct relationship between P-O fit and in-role performance and intention to turnover, respectively, were both supported. Regression results showed a positive relationship between P-O fit and in-role performance (*beta* = .858, *p* < .001) and a negative relationship between P-O fit and intention to turnover (*beta* = -1.076, *p* < .001).

Table 2: Results of Regression Analysis

In-Role Performance	β	R <sup>2</sup>	Adj R <sup>2</sup>	F
P-O Fit	.858	.378	.370	46.793***

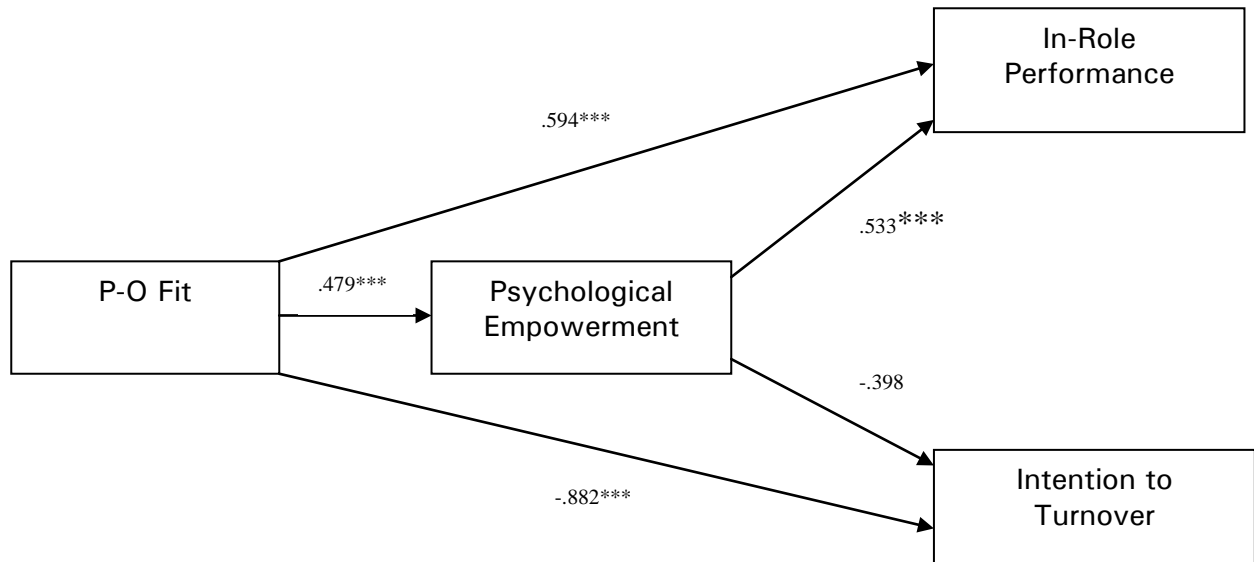
  

Intention to Turnover	β	R <sup>2</sup>	Adj R <sup>2</sup>	F
P-O Fit	-1.076	.240	.231	25.265***

\**p* < .05; \*\**p* < .01; \*\*\**p* < .001

Hypothesis three and four tested the mediating impact of psychological empowerment on the relationships between P-O fit and in-role performance as well as intention to turnover via a path analysis approach which followed the procedures described in prior research (Mayer and Davis, 1999; Sapienza and Korsgaard 1996) that are based on Baron and Kenny’s (1986) general principles. This technique compares alternative models (direct, indirect, and saturated) in terms of their fit indices as well as path coefficients. The direct model estimated paths from the P-O fit to psychological empowerment, in-role performance, and intention to turnover. The indirect model tested the paths from the P-O fit to psychological empowerment, and from psychological empowerment to both in-role performance and intention to turnover. The saturated (Figure 1) model is the same as the indirect model except the saturated model also estimates the paths from P-O fit to both in-role performance and intention to turnover directly.

Figure 1: Saturated Mediation Model



The first comparison was between the Chi-square results of the direct and saturated model, which resulted in a Chi-square difference of 16.5 with 2 degrees of freedom. This difference was significant at the .001 level, which indicated that psychological empowerment at least partially mediated P-O fit’s effects on in-role performance and intention to turnover.

Next the indirect model was compared to the saturated model. This difference was also significant at the .001 level (Chi-square difference = 30.2; 2 degrees of freedom). These significant results suggest that the more complicated saturated model improved the fit over the simpler, indirect model. Therefore, psychological empowerment only partially mediated the relationships between P-O fit and in-role performance and intention to turnover. All paths in the saturated model were significant and in the hypothesized direction except for the psychological empowerment to intention to turnover path (see Table 3).

Table 3: Saturated Model Path Coefficients

			Estimate	S.E.	C.R.	P
Psychol_Empowerment	<---	Percived_PO_Fit	.479	.096	5.002	***
Intention_Turnover	<---	Percived_PO_Fit	-.882	.239	-3.686	***
In_role_Performance	<---	Percived_PO_Fit	.594	.131	4.524	***
In_role_Performance	<---	Psychol_Empowerment	.533	.137	3.876	***
Intention_Turnover	<---	Psychol_Empowerment	-.398	.251	-1.583	.113

Chi square = 3.8; d.f. = 1

## Discussion

This study confirms a direct relationship between P-O fit and in-role performance as well as intention to turnover. Individuals with higher P-O fit exhibited higher levels of in-role performance and were less likely to intend to leave the organization.

The primary contribution of this research, however, comes from the investigation of psychological empowerment as a mediating factor in the relationship between P-O fit and both in-role performance and intention to turnover. Results suggest that psychological empowerment partially mediates these relationships. These findings provide empirical support for our contention that individuals with higher levels of P-O fit may interpret their environments differently than those with lower levels of P-O fit. The ability to perceive behavioral expectations should be more accurate when the organizational messages are consistent with the individuals values (i.e., high P-O fit), and accurate perceptions of expectations should allow the individual to feel more capable of making good decisions about their work (i.e., psychological empowerment).

Our results also show a relationship between psychological empowerment and in-role performance. This result is consistent with previous research (i.e., Spreitzer, et al., 1997; Liden, Wayne, & Sparrowe, 2000; Siebert, Silver, & Randolph, 2004), and suggests that the intrinsic motivation that goes along with psychological empowerment inspires higher levels of performance (Thomas & Velthouse, 1990). Counter to our expectations, the final mediation model shows an insignificant path between psychological empowerment and intention to turnover, although the path coefficient was in the hypothesized negative direction. Although psychological empowerment and intention to turnover are significantly negatively correlated, the inclusion of the path between P-O fit and intention to turnover leaves the psychological empowerment – intention to turnover path insignificant.

This study had several limitations. First, despite the fact that the in-role performance measure was collected from a separate source, all paths in the mediation model not containing in-role performance along with the regression testing hypothesis 2 may have been impacted by common method bias. Secondly, the sample size in this study was relatively modest (N=87) and a larger sample may have provided more insightful results. Thirdly, this research only studied one possible mediating variable of the P-O fit – outcomes relationships. It is likely that other mediating variables exist; future research is needed to explore these additional variables.



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