



The Influence of Person-Organisation Fit on Employee Attitudes and Turnover Intentions: Empirical Testing in Lesotho

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ABSTRACT

Based on employees selected from four different companies in Lesotho, the aim of this study was to examine the influence of the person-organisation fit on organisational commitment, job satisfaction and turnover intentions within uncertain work environments. Correlation and regression analyses confirmed that the person-organisation fit related positively to organisational commitment and job satisfaction, and negatively to turnover intentions. We extended the generalisability of the person-organisation fit concept to new work contexts by examining its predictive validity on attitudes and turnover intentions in Lesotho, and proposed that increasing or maintaining value congruence can be a useful management strategy during uncertain periods.

Key words: Person-organisation fit, organisational commitment, job satisfaction, uncertain environments, Lesotho.

INTRODUCTION

It is now an established axiom that the interaction between the person and the environment induces behaviour. A substantial body of research provides evidence that a good match between people's needs, values or goals and those of the organisation they work for results in desirable organisational

Influence of Person-Organisation Fit on Employee Attitudes in Lesotho

outcomes (Kristof, 1996; Kristof-Brown, Zimmerman, and Johnson, 2005; O'Reilly, Chatman, and Caldwell, 1991; Verquer, Beehr, and Wagner, 2003; Vancouver and Schmitt, 1991; Vandenberghe, 1999). Although there are various conceptualisations of the person-environment fit (e.g. person-job fit, person-vocation fit, person-group fit, and person-supervisor fit), the person-organisation fit, defined as the compatibility between individuals and organisations they work for is one of the forms of fit that have received considerable practitioner and research attention in recent years (Kristof, 1996:1-3).

According to Verquer et al. (2003:474), outcomes that have frequently been examined in person-organisation fit studies include job satisfaction, organisational commitment and turnover intention. Verquer et al. (2003:475) indicate however that research on the effects of person-organisation fit on these work attitudes (i.e. evaluative tendencies towards one's job) and turnover intentions are mixed. The current study evaluated the influence of the person-organisation fit on these attitudes and turnover intentions in Lesotho, and to our knowledge, this provides an unexplored setting to person-organisation fit studies. The significance of this new setting is implied by Vandenberghe (1999: 183), who observed that 'organisational culture measures are rarely used outside the national context where they are developed, and therefore their generalisability to other nations is often questionable'. This study extends the generalisability of person-organisation fit by examining its predictive validity on attitudes and turnover intentions in an African country.

The research environment itself further makes the study potentially useful. The companies selected for the study were at different times in the past controlled by the government of Lesotho, but since the government reforms of the 1990's, some have been given autonomy, and others were privatised. One of the autonomous parastatals is in the provision of electricity, and the other is in the water and sewage management. The first of these parastatals has been earmarked for privatisation, but without a successful bidder. The two privatised companies are respectively in the manufacturing of beverages and the milling of grain-based foods.

The common thread that runs through the stories of these companies has been the uncertainty of employment contracts caused by the changes of deregulation and privatisation. Layoffs that often accompany these reforms affect psychological contracts of employees - the unwritten, perceptual and subjective reciprocal obligations that underlie employee-employer exchange relationship at the work place (Coyle-Shapiro and Kessler, 2000). The layoffs, which are a source of stress and uncertainty to employees that remain, negatively affect their attitudes and behaviours (Brockner, Spreitzer, Mishra, Hochwarter, Pepper, and Weinberg, 2004). Drawing from social exchange theories, the norm of reciprocity posits that employees who perceive that employers have breached their psychological contract may reciprocate by exhibiting negative attitudes and behaviours (Brockner et al., 2004; Coyle-Shapiro and Kessler, 2000). Thus in addition to popular

strategies suggested to mitigate negative effects in environments such as the one described above (e.g. increasing trust in management, perceived fairness and control, Brockner et al., 2004), the current study explored the utility of value congruence in maintaining employee commitment, job satisfaction and intentions to stay. In general, the current study contributes to existing debates by replicating prior studies in unexplored and uncertain environments.

Person-organisation fit concept

In light of multiple conceptualisations, dimensions, and measurements of person-organisation fit, Kristof (1996:18) recommends the clear specification of the concept before investigating it.

Person-organisation fit is broadly defined as the compatibility between individuals and the organisations they work for (Kristof-Brown et al., 2005; Kristof, 1996; Verquer et al., 2003). It focuses on the fit of the person with the entire organisation rather than a specific job, vocation, group or supervisor (Kristof, 1996; Verquer et al., 2003).

The concept has been defined either as complementary fit (the organisation and the individual contribute to the fulfilment of the needs of the other), or supplementary fit (the organisation and the individual share similar characteristics). The present study adopted a supplementary fit perspective because prior studies have shown that supplementary fit has higher correlations with outcomes than complementary fit (e.g. Kristof-Brown et al., 2005:311; Cable and DeRue, 2002:881).

A variety of dimensions have also been used to measure the compatibility between people and their organisations, and these include value congruence (Boxx, Odom, and Dunn, 1991; Judge and Cable, 1997; O'Reilly et al., 1991), goal congruence (Vancouver and Schmitt, 1991), and personality-climate congruence (Christiansen, Villanova, and Mikulay, 1997). Values-based instruments, according to Kristof (1996) and Verquer et al. (2003), are the most widely used instruments, probably because, unlike other aspects which can easily be altered, values are stable characteristics of individuals and organisations (Kristof-Brown et al., 2005). Accordingly, the present study was based on value congruence.

Researchers have also used either direct or indirect measures to assess whether or not fit exists. While direct (perceived) fit measures ask people to make subjective judgments in relation to how well they think their characteristics match those of the organisation, indirect (objective) measures compare between the separately rated individual and organisational characteristics (Kristof,1996:11). Using direct measures, fit is said to exist as long as it is perceived to exist. Kristof-Brown et al. (2005) noted that perceived fit is strongly associated with employee attitudes and behaviour than actual fit, primarily because 'people's perceptions of reality drive their cognitive appraisals of and reactions to specific situations' (Kristof,

Influence of Person-Organisation Fit on Employee Attitudes in Lesotho

1996:14). Accordingly, the present study measured fit using direct (perceived) measures.

Person-organisation fit and organisational commitment

Organizational commitment has been described as ‘one’s emotional attachment to, identification with, and involvement in a particular organization (Meyer and Allen, 1991:67). Though organisational commitment is a multi-dimensional construct, this paper adopts an affective perspective because affective commitment has been found to have higher predictive validities than calculative or continuance commitment (e.g. Mathieu and Zajac, 1990, cited in Coyle-Shapiro and Kessler, 2002). According to this definition, among other things, a committed person identifies with the values and goals of the organisation. It is therefore plausible that high value congruency (person-organisation fit) leads to high organisational commitment. The person-organisation fit, according to Moynihan and Pandey (2007:215), is ‘an approach to commitment marked by its concern with a contextual approach to values’. Past studies (Boxx et al., 1991; O’Reilly et al., 1991), integrative reviews (Kristof, 1996), and meta-analyses (e.g. Kristof-Brown et al., 2005; Verquer et al., 2003) support the consistent positive relationship between the person-organisation fit and organisational commitment. We accordingly expected a positive correlation between the person-organisation fit and organisational commitment.

Hypothesis 1: There is a positive correlation between the person-organisation fit and organisational commitment.

Person-organisation fit and job satisfaction

Locke (1976:1304) defined job satisfaction as a ‘pleasurable or positive emotional state resulting from the appraisal of one’s job or experience’. It is conceivable that individuals whose values are similar to those of the organisation would experience higher job satisfaction than those whose values are not similar. This is because people are attracted to, and remain in organisations and jobs that fit their values (Schneider, Goldstein and Smith, 1995). The study by O’Reilly et al. (1991) established strong correlations between the person-organisation fit and job satisfaction, not only among MBA students, but also among new accountants, senior accountants and middle management. Other notable correlations between these variables were reported by Boxx et al. (1991), Verquer et al. (2003), Kristof-Brown et al. (2005) and Silverthorne (2004).

Hypothesis 2: There is a positive correlation between the person-organisation fit and job satisfaction.

Person-organisation fit and turnover intention

Turnover intention can be defined as ‘a conscious and deliberate willingness to leave the organisation’ (Egan, Yang and Bartlett, 2004:286). Our use of turnover intention and not actual turnover is consistent with the majority of

prior empirical studies (Moynihan and Pandey, 2007). Although turnover intention does not perfectly reflect actual turnover, the former has been used primarily because it is highly correlated with the latter (e.g. Grieffeth, Hom and Gaertner, 2000). Further, studies also show that the intentions to leave are often actualised (e.g. O'Reilly et al., 1991).

It is axiomatic that employees whose values are not compatible with those of the organisation would express high intention to leave, resulting in the negative relationship between the person-organisation fit and intentions to quit. First, as explained above, such employees would have lower commitment and job satisfaction than those with higher value congruence, thus reducing their propensity to stay. Second, prior studies have shown that the person-organisation fit does not only predict job satisfaction and organisational commitment, but also turnover intentions (e.g. Kristof, 1996; Kristof-Brown et al., 2005; O'Reilly et al., 1991; Verquer, et al., 2003; Vancouver and Schmitt, 1991; Silverthorne, 2004; Vandenberghe, 1999). Accordingly, we expected a negative relationship between the person-organisation fit and turnover intentions.

Hypothesis 3: There is a negative correlation between the person-organisation fit and turnover intentions.

METHODOLOGY

The research design, study site and sampling

The study adopted the quantitative research design paradigm, and data were collected through survey using self-administered questionnaires. The study was conducted in Maseru, the capital city of Lesotho. Four companies were purposively selected as study sites. Two of the companies are parastatals, and the other two, though once controlled by the government, are now privatised. The two parastatals are respectively in the management of water resources/sewerage, and electricity; and the privatised companies are respectively in the business of brewing of beer and beverages, and milling of grain-based foods. The uncertainty of employment contracts occasioned by the government reforms of the late 1990's and the beginning of the new millennium was the main basis of our choice. Under such turbulent environments, the attitudes of those that survive layoffs are often negatively affected, requiring a specific approach to management of employees.

The companies were reluctant to provide us with a sampling frame; as such we were not able to take a random sample of employees. Instead we distributed 50 questionnaires to each company via the human resource office to ensure that they were all represented. Of the 200 questionnaires distributed, 120 were returned, a return rate of 60%. Since there were no

Influence of Person-Organisation Fit on Employee Attitudes in Lesotho

significant differences in terms of age, gender and educational attainment between employees of companies, we pooled together the questionnaires from the companies. Of the respondent sample, 52% were female, and 82% had tertiary education. The median age of the respondents was 31-40 years of age; earning a median income of R6, 000-R10, 000, and having worked for a median of 6-10 years at the time of study.

Instrument and Measures

In addition to demographic data (gender, age, tenure, education, income level), the questionnaire was designed to tap into employee person-organisation fit, organisational commitment, job satisfaction and turnover intention. To ensure anonymity, employees were asked not to write their names on the questionnaire, and confidentiality was guaranteed. The summary of the measures of variables is shown in Table 1.

Table 1: Summary of measurement of variables.

<u>Demographic Factors</u>
<i>Gender</i> (Males=2, Females=1)
<i>Age</i> (less than 20 years=1; 20-30 years = 2, 31-40 years = 3; 41-50 years = 4; 51-60 years = 5; Above 60 years of age = 5)
<i>Qualification</i> (Primary = 1; Secondary = 2; High school = 3; Tertiary = 4)
<i>Tenure</i> (less than 1 year = 1; 1-5 years = 2; 6-10 years = 3; 11-15 years = 4; More than 15 years = 5)
<i>Income level</i> (Less than M2 000 = 1; M2 000 – M5 000 = 2; M6 000 – M10 000 = 3; M11 000 – M15 000 = 4; M16 000 – M20 000 = 5; More than M20 000)
<u>Person-organisation fit</u>
The things that I value in life are very similar to the things that my organization values
My personal values match my organization's values and culture
My organization's values and culture provide a good fit with the things that I value in life
To what degree do you think you fit into the culture of your organization?
To what extent do you think you match or fit your organization and the current employees in your organization?
<u>Organisational commitment</u>
This organization has a great deal of personal meaning for me
I feel emotionally attached to this organization
I would be very happy to spend the rest of my career with this organization
I feel part of the family in this organization
<u>Job satisfaction</u>
Overall, how satisfied are you with your job?
<u>Turnover intentions</u>
It is likely that I will look for another job within the next 6 months
As soon as I can find a better job, I will quit this organization
I often think about quitting my job
I often think about leaving my organization
I will probably look for a job outside this organization within three years

Unless otherwise stated, the variables below were rated on a 5-point scale ranging from (1) “strongly disagree” to (5) “strongly agree”.

Person-organisation fit: The perceived person-organisation fit was assessed using Cable and DeRues's (2002) three-item measure, and a two-item measure adapted from Cable and Judge (1997). Sample items were, "the things I value in life are similar to the things that my organization values", and "to what degree do you think you match or fit your organization and the current employees in your organization?" In the latter case the responses were given on a scale ranging from (1) "not all" to (5) "to a very great extent". The internal reliability of the scale was 0.89.

Organisational commitment: Organizational commitment was assessed using four items of the scale developed by Ellemers et al. (1998). Sample items were: "This organization has a great deal of personal meaning for me", and "I feel part of the family in this organization". The internal reliability of the scale was 0.85.

Job satisfaction: Job satisfaction was measured using a single item: "Overall how satisfied are you with your job?" The responses were given on a scale ranging from (1) "very dissatisfied" to (5) "very satisfied". This one-item measure has been used in past studies (e.g. Wanous et al., 1997).

Turnover intention: Turnover intentions were assessed using items adapted from Colarelli (1984) and Michigan Organizational Assessment Questionnaire (Cummann et al., 1979). A sample item was: "I frequently think of quitting my organization". The internal reliability of the scale was 0.89.

RESULTS

The bivariate correlations of the person-organisation fit with the dependent variables are shown in Table 2.

Table 2: Correlation(r) of person-organisation fit with organisational commitment, job satisfaction and turnover intention.

<i>Variables</i>	Dependent variables		
	Commitment	satisfaction	Turnover intention
Person-organisation fit	0.71**	0.59**	-0.42**

** Significant at 0.01 level (2-tailed).

As expected, the person-organisation fit was not only positively and significantly correlated with organisational commitment ($r=0.71$, $p\leq 0.01$)

Influence of Person-Organisation Fit on Employee Attitudes in Lesotho

and job satisfaction ($r=0.59$, $p\leq 0.01$), but was also negatively and significantly related to turnover intentions ($r=-0.42$, $p\leq 0.01$). This suggests that the employees who perceived higher value congruence with their organisations expressed lower intentions to leave, and higher organisational commitment and job satisfaction than those who perceived lower value congruence. In order to ensure that the demographic variables did not influence the bivariate relationships, they were entered as control variables in simple regression models. The results are shown in Table 3.

Table 3: Results of regression analysis*

Variables	Independent variables		
	Commitment	satisfaction	Turnover intention
Person-organisation fit	0.72**	0.49**	-0.42**
Gender	0.06	0.02	-0.02
Age	0.03	0.26*	-0.24*
Tenure	0.10	-0.08	-0.12
Education	-0.10	-0.22*	0.09
Income level	-0.06	0.10	0.17
R ²	0.53	0.33	0.27

*Entries represent standardized regression coefficients.

** Significant at 0.01 level (2-tailed), * Significant at 0.05 level (2-tailed).

Even after controlling for the confounding effects of demographic variables, the results remained more or less the same. The person-organisation fit positively and significantly influenced organisational commitment ($\beta=-0.72$, $p\leq 0.01$) and job satisfaction ($\beta=-0.49$, $p\leq 0.01$); and negatively influenced turnover intention ($\beta= -0.42$, $p\leq 0.01$).

DISCUSSION

Although the impact of person-organisation fit on attitudes and turnover has recently received considerable attention from researchers, the study of the person-organisation fit in developing countries is limited (Silverthorne, 2004; Vandenberghe, 1999). As hypothesised, the current study found that person-organisation fit predicted organisational commitment, job satisfaction and turnover intentions of employees in four different companies in Lesotho. This is not only consistent with prior studies (e.g. Kristof, 1996; Kristof-Brown et

al., 2005; Verquer et al., 2003), but also extends the generalisability of prior findings to new work settings.

In terms of magnitude, consistent with prior studies (e.g. Kristof-Brown et al., 2005; Verquer et al., 2003), the person-organisation fit had higher relative impact on organisational commitment than job satisfaction. This owes to the fact that 'job related constructs are more strongly associated with attitudes about the job, whereas organisation-related constructs are more closely related to organisational attitudes' (Kristof-Brown et al., 2005:294). The high correlations between the person-organisation fit and affective commitment may also be explained based on the similarity of the two concepts. As noted earlier, affective commitment implies one's identification with organisational values, and the person-organisation fit denotes the interaction of the values of the individual and the employing organisation (Moynihan and Pandey, 2007).

Again, as in prior studies, the impact of the person-organisation fit on turnover intent had the lowest effect size, and this may be due to the fact that intent to leave is influenced by multiples types of fit and other considerations, and it represents, so to speak, the attitudes relevant to 'the total experience' of employees (Kristof-Brown et al., 2005: 294). Though the hypotheses were based on sound theory and empirical evidence, limitations have to be considered when interpreting the results of this study. First, the cross-sectional nature of the study precludes causal inferences. Second, the study was based on a small sample, as such it cannot be generalised to all employees in Lesotho. Third, the data used in this study were collected from one source (self-reported) at one particular point in time, and this lends itself to common method variance. A diversified sample and sources based on a longitudinal research design can benefit future studies in Lesotho.

Managerial implications

The current study has managerial implications. An obvious implication concerns selection of employees. Traditionally people with requisite knowledge, skills and abilities (KSA) were selected for jobs, but it has been recommended, and we support that view, that in addition to selection for jobs, people should be selected to fit the values of the organisation (Schneider et al., 1995). As suggested by the findings, value congruence leads to higher commitment and job satisfaction, both of which lead to higher productivity (Meyer and Allen, 1991). Value congruence could also reduce turnover and the cost associated with it. Mitchell et al. (2001: 96) maintain that departing employees take with them valuable knowledge and expertise while at the same time organizations face many costs directly related to turnover. These include time for exit interviews and administrative requirements; payout of unused leave; the cost of temporary workers or overtime for co-workers asked to fill in; replacement costs such as

Influence of Person-Organisation Fit on Employee Attitudes in Lesotho

advertising, processing of candidates, interviews and selection; and finally, informal and formal training costs of new employees.

Previous research has provided useful insights into mitigating the negative effects of uncertainty and stress (e.g. disengagement) to layoff survivors. These include perceived control over outcomes, trust in management and perceived procedural justice (Brockner et al., 2004). We propose an additional antidote: increasing or maintaining the perception of value congruence. In spite of uncertainty and the overtones it raises, management can re-articulate the vision, the goals and values the organisation espouses. Reaffirming to employees that the values of the organisation have not changed even during turbulent times will maintain employee commitment and job satisfaction, and reduce turnover intentions.

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