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## **Organizational Fit: The Value of Values Congruence...In Context**

**Stephen G. Godrich  
The Open University**

### **Abstract**

This developmental paper looks at the issue of value congruence as being a key driver of fit between individuals in work and the organizations they work for (PO fit). It takes a brief look at the background to the interaction debate as a foundation for the argument that value congruence is key to establishing PO fit and, ultimately, as a predictor of employee behaviour. The debate is brought up to date with a discussion of Edwards and Cable's 2009 paper which puts the case for the value in value congruence in determining employee behaviour. This paper, however, extends the argument by identifying that value congruence between individuals and organizations is too generic. It goes on to propose that the real value of value congruence is when that value congruence is put into context – whether the basis of congruence is founded upon, for example, demography, vocation and/or geographic congruence. Furthermore, it is only when value congruence is assessed using a more localised interpretation of organizational values against a more localised set of individuals' values that real benefit in congruence can be determined and a more robust prediction in employee behaviours and outcomes can be established.

The debate regarding human behaviour being driven by innate personality traits in the individual or that the situation and environment play the key role in affecting that behaviours (Bowers, 1973; Mischel, 1973; Pervin, 1978)) has been raging for almost a hundred years now. The most compelling evidence appears to be that interaction between traits and the situation an individual experiences is likely to affect behaviour (Lewin, 1952; Magnusson & Endler, 1977).

This issue of 'interaction' has, in turn, been applied to individuals and their workplaces and has fuelled the debate, principally since the 1980's, regarding how individuals fit with the organization they work for (Cable & Judge, 1996; Chatman, 1989; Muchinsky & Monahan, 1987; 1991; O'Reilly, Chatman, & Caldwell, 1991) – a Person-Organization (P-O) fit. Whilst there are a variety of fit constructs – Kristof-Brown et al (2005) present a comprehensive overview of the key constructs ((Kristof-Brown, Zimmerman, & Johnson, 2005) – Chatman (1989) argued that P-O fit exists “when there is a congruence between the norms and values of organizations and the values of persons...Once person-organization fit is assessed, predictions can be made about specific...[and] behavioural outcomes”(pg 335). A key finding of Meglino and Ravlin suggests that value congruence is positively related to affective outcomes and point out that value congruence leads to lower employee turnover (and, by implication, associates this with outcomes such as job satisfaction and commitment.) (Meglino & Ravlin, 1998). Equally, Schneider (1987) in his seminal paper regarding ASA theory suggested that it was individuals' attraction to an organization and the

organizations' selection of individuals who would fit in (on more than a simple knowledge and skills basis) which was key. In other words P-O fit came about as "organizations actually ...[chose] people who share many common personal attributes although they may not share common competencies" (pg 444, (Schneider, 1987)). The argument was made that if (beneficial) outcomes such as job satisfaction and reduced employee turnover were to be achieved there had to be a P-O fit which was based on something less tangible than an individual's mere ability to carry out a task which an organization wished to have completed. The values of both organizations and individuals had to be matched so that outcomes which were valued by both those parties might be attained.

### **Identifying Relevant Values**

Meglino and Ravlin present a detailed account surrounding the identification and measurement of values (Meglino & Ravlin, 1998). They identify two types of values from the literature – values which an individual places on an object or outcome; values likely to describe a person. It is more appropriate to focus on the values 'possessed by a person' rather than those 'inherent in an object' as this is more likely to reflect the social aspect of values held by individuals in organizations (Rokeach, 1973). This, in turn, is more likely to be important in affecting subsequent behaviour of those individuals at work (with the aggregate of these values making up organizational values).

### **Values and P-O Fit**

This issue of value congruence as a key facet of P-O fit has been debated with increasing interest (Bowen, Ledford, & Nathan, 1991; Cable & Judge, 1996; Judge & Cable, 1997; Rynes & Gerhart, 1990). Whilst the issue of values congruence appears to be widely accepted as vital to establish P-O fit, the specific values which are most influential have yet to be established. So, for example, Cable and Judge (1996) argued that, with regard to job-seekers, P-O fit perceptions are predicted by a congruence of the job-seekers values and their perceptions of the recruiting organization's values but not by demographic similarity between the job-seekers and the organization's representatives. Brown and Trevino (2009) found that demographics and occupation were of greater importance with regard to values such that "although socialised charismatic leadership is associated with values congruence...leaders and organizations should recognize the important individual (demographic) and occupational boundaries on the degree to which leaders can bring about such congruence" (pp 488, (Brown & Trevino, 2009)). O'Reilly et al (1991) hint that for outcomes such as job satisfaction and commitment to an organization the individual needs to have both task competency and a "value system congruent with the central values of the organization" (p511). This suggests that there may be an occupational (if not vocational) element to values congruence and, importantly, that there is a single organizational set of values with which an individual will align.

Edwards and Cable (2009) take the debate further by seeking to test why positive outcomes come about when both employees and organizations have congruent values ((Edwards & Cable, 2009)). Using data from an earlier study (Cable & Edwards,

2004) which looked at the issue of value congruence being most associated with supplementary fit - (see Muchinsky and Monahan (1987) for more detail on complementary and supplementary fit) - Edwards and Cable (2009) found that trust and communication were key explanations of value congruence effects. Whilst they had a reasonable sample size across a wide variety of technical, administrative and managerial jobs the analysis was of quite a generic nature. This generic approach meant that there was little analysis of the data on, for example, a geographic basis. The results were aggregated which led to little analysis as to whether the results were applicable across the various sites or occupations of the respondents. The question is, are these findings applicable across differing situations i.e. does a different situation lead to a difference in which values are important and therefore leads to differences in outcomes.

The issue, then, appears to be not that values congruence is a key factor if P-O fit is to be achieved but in what context it is most relevant. It seems that a major assumption in the literature is that there are a single set of organizational values with which an individual will have congruence with or not. What has not been tested is the extent to which it is overall organizational values or specific, even local, values which are important for congruence (and subsequent outcomes such as job satisfaction, intent to stay etc). (What has been established, though, is that there are various levels of fit analysis which would hint at a local values effect e.g. P-G fit or P-V fit (Kristof-Brown et al., 2005). So key questions in the debate should be regarding the extent to which an organization may have only one set of values and the extent to which there might be, for example, regional, demographic (based on, for example, age, sex etc) and vocational differences in values which affects the degree to which congruence can be achieved and the subsequent outcomes.

*Proposition 1 – where an organization is based in more than one site, values congruence will positively affect a local interpretation of P-O fit.*

*Proposition 2 – where an organization is based in more than one site, values congruence will positively affect a local interpretation of vocational values leading to greater local P-O fit.*

*Proposition 3 – where an organization is based in more than one site, values congruence will positively affect the extent to which the organization is perceived to be congruent with regional values in the local population.*

## **Conclusion**

It seems clear that if we are to move nearer to understanding and predicting workplace behaviour in the individual it is vital to understand subtleties in the *P* and *O* relationship. Whilst values congruence appears to be the key to delivering a more robust *P* and *O* relationship there seems, at present, to be little detailed understanding of how this relationship is affected by interactions between the individual and the 'situation'. The benefits of developing this understanding may be far-reaching for both the individual and the organization. As has been seen, for the individual, the

outcome of values congruence may well lead to higher job satisfaction and a lower intention to leave. For the organization there may be benefits from having a more motivated workforce with lower turnover. Moreover, this may lead to competitive advantage in that, if trust and communication are key elements in developing values congruence outcomes as Edwards and Cable (2009) show, then, as Ambrosini and Billsberry (2008) suggest “high levels of value congruence will promote the sustainability of tacit resources and the associated causal ambiguity and hence will enhance the sustainability of competitive advantage by preventing competitive imitation” (Ambrosini & Billsberry, 2008, pg 3).

Future research should, therefore, have some focus on understanding not only which values are important and the potential outcomes but what situational and contextual factors are at play in affecting both individuals’ and organizations’ particular values. Until we have a better understanding of these factors it is unlikely that we will have a robust answer to the value of values congruence.

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