

Assessing Applicants' Value Preferences: Taking the Selection Process One Step Higher

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During selection, organizations often assess applicants' knowledge, skills, abilities and other requirements (KSAOs) to determine the best applicant for the job. In most cases, the assessment is intended to discriminate between candidates who will likely be poor-performing and high-performing employees. Although performance is arguably the most important criterion for selection, predicting the retention of employees may be a close second. One recent approach adopted by some organizations to predict turnover has been the assessment of cultural fit or value congruence between applicants and their prospective employer. This is done by measuring cultural fit objectively, or through the matching of an organization's endorsed values and the applicant's favored values. Assessing cultural fit objectively offers a more accurate measure of fit between an applicant and the organization because each entity rates its own value preferences. These value preferences are then compared to see how well an applicant would 'fit' within the organization. In this paper, we further explore what cultural fit is, why it is important for selection and the limitations of using such a cultural fit assessment.

The exploration of value congruence for selection purposes has grown out of research on person-organization fit (P-O fit), or the compatibility of an individual and the organization. Early research examining P-O fit focused on the degree of equivalence between employees' personalities and the organizational climate in which they worked. However, the seminal work of Chatman (1989) operationalized P-O fit as the congruence between employee and organizational values. In accordance with this operationalization, Chatman and colleagues developed the Organizational Culture Profile (OCP), which is a values-based instrument that can be used in a selection setting to assess the compatibility between applicants' values and the organization's values (O'Reilly, Chatman, & Caldwell, 1991). Research has shown that measurement of P-O fit predicted job satisfaction and organizational commitment one year after, and turnover two years after P-O fit was assessed. Due to this influential

work, most research today examining P-O fit defines the construct as value congruence, which is the comparison of an applicant's preferred values to the organization's predominant cultural values.

Past research examining the value congruence between employees and their organization has not only found significant relationships with turnover, but also positive relationships between P-O fit and job satisfaction and organizational commitment (see Kristof Brown, Zimmerman, & Johnson, 2005). For example, Verquer, Beehr and Wagner (2003) found that when P-O fit was operationalized as the congruence between individuals' values and organizational values, it was more strongly related to employee satisfaction and organizational commitment. This relationship was stronger when P-O fit was operationalized as value congruence, versus non-value congruence (e.g. personality or goal congruence). These findings make intuitive sense given the fact that individuals are more likely to be satisfied and comfortable with their environment when surrounded by individuals who share similar values. Furthermore, moderately significant negative relationships between P-O fit and intentions to quit have also been found. In a longitudinal investigation of employee perceptions of P-O fit and organizational outcomes, Saks and Ashforth (1997) found P-O fit to be negatively related to intentions to quit 10 months after employees were hired. This finding is again not surprising given that employees should want to stay with an organization when the company is comprised of employees who all share similar values. This research implies that selecting applicants based on value congruence may lead to decreased intentions to quit and increased employee job satisfaction and organizational commitment. This, in turn, can result in decreased turnover for organizations.

Schneider (1987) presented the attraction-selection-attrition (ASA) framework in which he theorized that individuals are attracted to, selected and retained by organizations that are similar to them. Of the applicants who are selected for hire, those who find that the

fit is poor will self-select out or eventually be separated from their coworkers. Those applicants who are attracted to the organization, are hired and stay with the organization are likely to be similar to the other employees. Newcomers whose values and beliefs are wholly different from those already in place may have a difficult time functioning within the existing culture and communicating with long-standing incumbents (Guion, 1998). Schneider's (1987) theory indicates that organizations will move towards homogeneity, and selecting on P-O fit should only accelerate that trend.

The implementation of selecting applicants whose values are similar to that of the organization does not come without its disadvantages. For example, the aforementioned trend towards homogeneity may result in lowered adaptability and greater resistance to change. In addition, the importance of sharing similar values with the organization may not hold true for all employees at every level. We may find that the further away employees are from the dominant stakeholders within an organization, whether it be geographically, hierarchically, etc., the less important fit becomes. Arthur et al. (2006) meta-analyzed the P-O fit literature and—on the basis of low relationships between P-O fit and performance—recommended against using P-O fit as a selection method. Interestingly, Arthur et al. (2006) found that when P-O fit was operationalized as value congruence, the correlation between P-O fit and turnover was 0.34. When compared to other predictors of turnover, this is a very respectable relationship. For example, Vinson, Connelly and Ones (2007) have found that the correlation between conscientiousness-related traits and turnover was 0.18, and the relationship between openness to experience and turnover was 0.13. Given that Arthur et al. (2006) made their recommendation based upon the relationship between P-O fit and job performance, and ignored the moderate finding between P-O fit and turnover, the argument that P-O fit should not be used in a selection setting may be too premature.

Work in this domain is still evolving and much remains to be learned about the use of Cultural Fit Assessments. For now, it appears that P-O or Cultural Fit predicts turnover, but not performance. For this reason, it is recommended that a cultural fit assessment be used in conjunction with additional validated selection instruments that have been created to predict performance on the job. Identifying and hiring the most capable applicants is one aspect of the war for talent, while the winners may be those who figure out how to retain that talent. In using cultural fit in the hiring process, we are continuing to take selection one step higher. ■

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