Using Person–Organization Fit to Select Employees for High-Turnover Jobs

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Using a concurrent validation strategy, we examine the incremental value of a measure of actual person–organization fit (P–O fit) as a selection tool beyond cognitive ability for predicting continued length of service and performance for call center agents, a job with historically high turnover. P–O fit was operationalized as the correlation between managers' descriptions of the work culture with participants' work preferences. P–O fit added significant incremental variance in predicting employee retention, but was not related to performance. We discuss the implications of the results and suggest that firms should consider using measures of P–O fit in their selection battery, in particular when turnover is a significant problem.

1. Introduction

In general, selection systems typically are designed to measure applicant knowledge, skills, and personal characteristics that are related to job performance (Schmitt & Chan, 1998). As noted by practitioners (Branham, 2001; Herman, 1999) and scholars (Barrick & Zimmerman, 2005; Schmitt & Chan, 1998), however, for many jobs the retention of employees is also of critical importance for organizational success. To succeed, employers need to hire applicants who perform well on the job and who are unlikely to quit the organization. In pursuit of this optimal hiring goal, this field study extends the selection literature by examining the effectiveness of actual person–organization fit (P–O fit) in predicting employee retention. In addition, we examine whether P–O fit adds incremental validity over cognitive ability in predicting job performance.

Although there are various conceptualizations of P–O fit, it is broadly defined as the compatibility of individuals with the organizations in which they work (Kristof, 1996; Werbel & Gilliland, 1999). Note that P–O fit focuses on fit of the person with the organization rather than fit with a specific job, group, or vocation (see Wheeler, Buckley, Halbesleben, Brouer, & Ferris, 2005, for a discussion of five types of fit). An important distinction is between complementary and supplementary fit (Cable & Edwards, 2004; Van Vianen, 2000). *Complementary fit* occurs when a person or the organization provides attributes that the other party needs; for example, the person may have skills needed by the organization. *Supplementary fit* occurs when a person and organization are similar on fundamental characteristics (Kristof, 1996; Muchinsky & Monahan, 1987). Most research examining supplementary fit has examined value congruence, as values are a fundamental characteristic of both individuals and organizations (Cable & Edwards, 2004; Chatman, 1991; Kristof, 1996; O'Reilly, Chatman, & Caldwell, 1991; Schneider, 1987; Schneider *et al*., 1995; Werbel & Gilliland, 1999). Another important distinction is between actual and perceived P–O fit. *Actual* (sometimes called *objective*) *P–O fit* refers to the actual similarity of an employee and an organization on a fundamental characteristic such as values. In contrast, *perceived P–O fit* is the extent to which individuals believe they fit the organization. As

described in detail below, we examined actual P–O fit of values, which is a type of supplementary fit.

In general, P–O fit is proposed to lead to positive outcomes because individuals' needs are met and/or because individuals are working with others who have similar characteristics (Kristof, 1996). Considerable evidence indicates that perceived P–O fit is related to attraction to the organization, socialization, and work outcomes (see Kristof-Brown, Zimmerman, & Johnson, 2005; Verquer, Beehr, & Wagner, 2003, for recent meta-analyses). In addition, evidence indicates that perceived P–O fit is related to supervisory ratings, contextual performance, and career success (salary and job level) (Bretz & Judge, 1994; Goodman & Svyantek, 1999; Ryan & Schmit, 1996; Vigoda, 2000). More broadly, researchers have suggested that firms should attempt to select individuals who fit the requirements of the job *and* the values of the organization (Bowen, Ledford, & Nathan, 1991). Little research, however, has investigated the utility of P–O fit in a selection context, although researchers have called for such studies (Borman, Hanson, & Hedge, 1997; Werbel & Gilliland, 1999). Therefore, we extend previous research by conducting a concurrent validation study that examines the applied use of actual P–O fit of values as a pre-employment predictor. More specifically, we examine the effects of actual P–O fit on employee retention and job performance using call center representatives, a job known for high turnover rates (Anton, 2005). In addition, we examine whether P–O fit provides incremental value in a selection battery beyond the effects of cognitive ability.

We examined actual rather than perceived P–O fit because (1) we presumed applicants, if so motivated, could fake perceived P–O fit ('yes, I have the same values as your organization') compared with actual P–O fit, and (2) applicants would have little direct knowledge of the organization's work culture. More broadly, because we are interested in examining the potential value of P–O fit in a selection battery, the study used a measure of values that is based on the Q-sort methodology and which has been used by various researchers (Cable & Judge, 1996, 1997; Judge & Cable, 1997; O'Reilly *et al*., 1991). In particular, key members of the organization described the culture, individuals described their value preferences, and the correlation between these two profiles is the operationalization of actual P–O fit (Chatman, 1991; O'Reilly *et al*., 1991). As such, we examined the effects of actual P–O fit on selection outcomes using value congruence, which is a measure of supplementary fit.

1.1. Hypothesis development

A fundamental premise of P–O fit theories is that different types of people are attracted to and remain in different types of organizations (Kristof, 1996). For example, in his ASA framework, Schneider (1987) proposed that organizations attract, select, and retain (attrition) individuals who fit the organization. Chatman (1989) suggested that people are attracted to firms they view as having values and behavioral norms they view as important. Furthermore, Pervin (1989) noted that individuals' behavior is influenced by personal goals and their perceptions of the opportunities for goal attainment provided by the situation. Such arguments suggest that individuals will be attracted to and remain members of organizations that allow them to accomplish their goals and meet their needs.

As noted earlier, although evidence indicates that P–O fit is related to organizational attraction, relatively little research has investigated the effect of *actual* P–O fit on employee retention (Kristof-Brown *et al*., 2005; Schneider, Goldstein, & Smith, 1995; Verquer *et al*., 2003). As noted by Chan (1996), although employee turnover is one of the most important job-relevant criteria in applied psychology, it tends to be studied less frequently than other criteria such as performance. Nonetheless, some evidence indicates that *perceived* P–O fit (whether a person perceives a fit with the organization) is negatively related to turnover (cf. Saks & Ashforth, 1997), and actual P–O fit is negatively related to intentions to quit an organization (Bretz & Judge, 1994; Kristof-Brown *et al*., 2005; Saks & Ashforth, 1997; Verquer *et al*., 2003). Furthermore, a few studies have found that actual P–O fit is negatively related to turnover behaviors. For example, both Chatman (1991) and O'Reilly *et al*. (1991) found that P–O fit was related negatively to turnover for accountants. Similarly, Vandenberghe (1999) conducted a study with nurses from 18 hospitals in Belgium and found that P–O fit was related to turnover measured 12 months later. Finally, Chan (1996) operationalized P–O fit as the extent to which the individual's cognitive style of problem solving matched the demands of the work context and found that engineers with greater fit to the work context were less likely to leave the organization. Participants in these studies were in professional jobs, and none of these studies used a measure of P–O fit in a selection battery. Thus, we extend these results using call center representatives, a job that is less career-oriented and experiences greater turnover rates than previous studies. Moreover, as noted by Batt (2002), call centers are becoming an increasingly important context for organizations.

Hypothesis 1: P–O fit will be positively related to employee retention.

1.1.1. Cognitive ability

For P–O fit to have utility in a selection battery, it must add incremental validity beyond other measures used

to predict important job outcomes, such as employee retention. In the current setting, the firms were investigating the validity of a measure of cognitive ability in the selection battery; thus, we investigated the incremental validity of P–O fit beyond cognitive ability. Although several recent studies have investigated the incremental validity over cognitive ability of various selection predictors, such as biodata and personality (e.g., Cortina, Goldstein, Payne, Davison, & Gilliland, 2000; Mount *et al*., 2000), we found no study that included P–O fit and cognitive ability. Considerable evidence indicates that cognitive ability is related to job performance (see meta-analyses by Hunter & Hunter, 1984; Schmidt & Hunter, 1998), presumably because it influences individuals' ability to learn job-relevant information and to adapt to changing task requirements (Farrell & McDaniel, 2001; Schmidt, Hunter, & Outerbridge, 1986). Although cognitive ability typically predicts job performance, it typically does not have a strong direct relationship with turnover (e.g., Colarelli, Dean, & Konstans, 1987; Griffeth, Hom, & Gaertner, 2000; Mount *et al*., 2000). Furthermore, Cable and Judge (1997) found that value congruence was not related to students' grade point average, and we do not expect that cognitive ability will be related to a value congruence measure of P–O fit, which is what we used in this study. Therefore, we expect that P–O fit will add incremental validity in predicting employee retention beyond cognitive ability.

Hypothesis 2: P–O fit will add incremental validity over cognitive ability in predicting employee retention.

As noted above, considerable evidence indicates that cognitive ability is related to job performance. There is less evidence, however, concerning the role of P–O fit on job performance, although considerable evidence indicates that P–O fit influences employee attitudes (Kristof-Brown *et al*., 2005; Verquer *et al*., 2003). More broadly, although theoretical and empirical evidence supports a link between value congruence and employee attitudes, the evidence supporting a link between value congruence and job performance is not as strong. From a practical perspective, a measure of P–O fit would have greater utility if it predicted *both* retention and performance. Thus, we examine whether P–O fit is related to performance and predicts performance beyond cognitive ability.

The demands–abilities perspective of P–O fit, which is a type of complementary fit, proposes that firms select individuals who have the abilities to meet job demands, and evidence indicates that person–job fit is related to performance (Caldwell & O'Reilly, 1990; Kristof-Brown *et al*., 2005; Werbel & Gilliland, 1999). Furthermore, organizations attempt to select individuals that fit the values of the organization, as well as the requirements of the job (Bowen *et al*., 1991). Individuals whose work values fit their work environment are assumed to have greater motivation than individuals with less fit, in part because the environment provides rewards valued by the person (Bretz & Judge, 1994). Additionally, one might expect that employees with greater value congruence will enjoy better communication and greater role clarity than employees with less value congruence. Therefore, we theorize that P–O fit will be positively related to job performance.

Hypothesis 3: P–O fit will be positively related to job performance.

Hypothesis 4: P–O fit will add incremental validity over cognitive ability in predicting job performance.

Finally, although not directly related to the utility of P–O fit in a selection battery, we also investigate the effects of P–O fit on job satisfaction and whether job satisfaction mediates the relationships of P–O fit with the outcomes of employee retention and job performance. Considerable evidence indicates that P–O fit is related to job satisfaction (Kristof-Brown *et al*., 2005; Verquer *et al*., 2003). In addition, evidence indicates that job satisfaction is related to both employee turnover (Griffeth *et al*., 2000) and to job performance (Judge, Thoresen, Bono, & Patton, 2001), although the causal direction leading to the relationship of job satisfaction and performance is not clear and may be bi-directional. Nonetheless, if P–O fit influences satisfaction, which in turn influences turnover and/or performance, then satisfaction may mediate, or partially mediate, the relationship of P–O fit with retention and performance. Based on such logic, we investigate these hypotheses.

Hypothesis 5: P–O fit will be positively related to employee job satisfaction.

Hypothesis 6: Job satisfaction will mediate the relationship between P–O fit and (a) employee retention and (b) job performance.

1.1.2. Summary

We conducted a concurrent validation study to investigate the role of P–O fit in a selection battery for call center representatives. Currently, call centers experience 32% annual turnover with an average replacement cost of $6398, which includes advertising, recruiting, screening and testing, interviewing, and training (Anton, 2005). The opportunity to investigate whether a P–O fit selection instrument predicts employee retention was a major impetus for this study. Although little research has investigated the potential utility of a measure of P–O fit in a selection battery (Werbel & Gilliland, 1999), theoretical evidence suggests that

actual P–O fit, operationalized with individual and cultural values, will add incremental validity beyond cognitive ability in predicting employee retention and job performance.

2. Method

2.1. Procedure and sample

Participants were incumbents in 14 call centers from 11 companies in the financial services industry. The call centers were geographically dispersed with centers located in two provinces in Canada and in the East and Midwest regions of the United States. Representatives in 10 centers answered service calls while in four centers the representatives answered sales calls. All participants were on fixed compensation and worked on-site. In general, participants had been selected based on the results of a structured interview that measured relevant work experiences (e.g., customer service experience for service centers). Consistent with typical validation study procedures, participants were encouraged to participate in the study by their employer; the percentage of participation per center ranged from approximately 50% to 100%. Participants completed a cognitive ability test called Performance Skills Index (PSI) and a P–O fit instrument called *CultureFit* in an on-site room with the research team. Company personnel did not have access to test results; all information was used for research purposes only. Job performance was collected at the time of testing and the retention data were obtained 1 year after testing, as described more fully below.

The final sample ($n = 228$) included individuals who were still in the job ($n = 174$) or had quit the organization ($n = 54$) for whom we had complete data on the measures. Incumbents were primarily white (85%) and female (58%). At the time of testing, the average age was 33 years ($SD = 7.3$) with average length of time in the job of 1.8 years ($SD = 1.5$).

2.2. Measures

2.2.1. P–O fit

To measure P–O fit, we used the *CultureFit*, a PC-based Q-sort measure consisting of 54 electronic job descriptor 'cards' ranked on a nine-point scale. Test developers used work descriptors to describe a broad range of organizational cultures and individuals to meet O'Reilly *et al.*'s (1991) criteria of generality, discriminability, readability, and nonredundancy (e.g., 'Predictable – Work routines remain the same from day to day'). In addition, some descriptors were included specifically for sales and service cultures (e.g., 'Paid for results – Payment is based on productivity and results' and 'Customer focused – The organization and its associates commit to doing whatever it takes to provide customer satisfaction').

Three to five call center managers, individuals who were first- and second-line managers who had direct knowledge of day-to-day work operations, sorted the work descriptors using a scale from 1 – 'not very characteristic' to 9 – 'very characteristic.' Thus, managers described the extent to which the descriptors were characteristics of the call center. With Q-sort methodology, the card ratings were sorted into a forced normal distribution requiring a 2-4-6-9-12-9-6-4-2 pattern (cf. Block, 1978; O'Reilly *et al.*, 1991). The PC software averaged the managers' sorting to define the 'office profile.'

Participants (i.e., call center representatives) sorted the same 54 electronic descriptor cards in terms how much they value the attribute along a nine-point scale using the anchors of 1 – 'Not very important (to me)' to 9 – 'Very important (to me)' to create a 'candidate profile' (i.e., person profile). The correlation coefficient between the two profiles assessed the overall 'fit' between the individual and the call center. For ease of interpretation, the correlation coefficient was multiplied by 100 so that P–O fit ranged from −100 (perfect mismatch) to + 100 (perfect match); actual scores in our sample ranged from −45 to 74 with a mean of 34.4 and a standard deviation of 21.3. Company personnel did not have access to results; all information was used for research purposes only.

We should note that although numerous authors have used the Q-sort methodology and profile similarity index to measure P–O fit (e.g., Cable & Judge, 1996, 1997; Chatman, 1991; O'Reilly *et al.*, 1991), the technique is not without criticism (e.g., Edwards, 1993). Nonetheless, as scholars have argued that profile similarity indices may provide conservative estimates of true relationships (Cable & Judge, 1996, 1997) and as our profile similarity measure of actual P–O fit was consistent with theoretical conceptualizations of P–O fit, we elected to use the Q-sort methodology and a profile similarity index to measure P–O fit. We do acknowledge, however, as noted by Kristof-Brown *et al.* (2005), that the debate about the best way to measure P–O fit continues.

2.2.2. Test–retest reliability

The publisher of *CultureFit* reported that the test–retest reliability of individuals' sorting of the cards over a 3-month interval had an average correlation coefficient of .78. Thus, the Culture Fit measure appears to have satisfactory reliability for our purposes.

2.2.3. Cognitive ability measure

PSI is a timed multiple-choice cognitive ability test that consists of five sections – verbal knowledge, analogies, reading comprehension, math skills, and basic logic. A

percentage score is computed for each section and summed for a total test score. The coefficient α for the five sections' scores is .85.

2.3. Criterion measures

2.3.1. Job performance

First-line supervisors provided performance ratings of participants using a 28-item research measure developed from a job analysis. Performance areas for the call center job included learning ability, analytic skills, attention to details/accuracy, multitasking, adaptability, call volume speed, and service skills to name a few. Each item was rated on a six-point scale. The sum of the items was the overall job performance score ($\alpha = .96$). The first-line supervisors received rater training by the research team, then completed the forms confidentially and mailed them to the research organization.

2.3.2. Employee retention

Managers provided job departure information for each participant 1 year after the initial testing; for participants who voluntarily left the firm, managers indicated in what month the change in job status occurred. From this information, we operationalized employee retention as number of months in job, which was calculated as a continuous variable with a ceiling of 12 months.

2.3.3. Job satisfaction

Job satisfaction was measured by a single item, 'I am very satisfied with my current job.' According to Bretz and Judge (1994), single-item measures are appropriate for overall or summary judgments of satisfaction.

2.3.4. Control variables

Participants provided information on their age, gender (male = 1, female = 2), and tenure, which was operationalized as number of months in job before P–O fit testing. These variables were used as controls when predicting retention and job performance.

3. Analyses and results

Table 1 presents descriptive statistics and the correlations among all variables. As expected, cognitive ability is related positively to job performance (.23) and uncorrelated with P–O fit (−.05). P–O fit was related positively to tenure (.26), gender (.27), and employee retention (.36). In line with our expectations, job satisfaction was related to P–O fit (.37) and employee retention (.38). Contrary to expectations, however, job performance was not related to P–O fit (−.02) or to job satisfaction (−.03).

We used hierarchical regression analyses and a 'usefulness analysis' (Darlington, 1968) to test the first five hypotheses. More specifically, we first entered the control variables, followed by cognitive ability and P–O fit. Table 2 reports the standardized regression coefficient from the full model as well as the unique variance accounted for by both P–O fit and cognitive ability (unique R^2). The test of the regression coefficient, which is identical to the test of the unique R^2 for that variable, indicates whether that variable adds incremental (i.e., unique) variance beyond the other variables in the equation (Pedhazur, 1982).

3.1. Retention

The full set of predictors explained 20% of the variance in employee retention with significant regression coefficients for age (negatively), tenure, and P–O fit. Cognitive ability was not related to retention. Examination of the results from the usefulness analyses indicate that P–O fit added 9% unique variance in explaining employee retention. Such results provide strong support for hypotheses 1 and 2.

3.2. Job performance

Examination of Table 2 indicates a lack of support for hypotheses 3 and 4. P–O fit was not related to job performance and thus did not add incremental validity over cognitive ability in predicting performance. As

Table 1. Descriptive statistics and correlations

Variables	*M*	*SD*	1	2	3	4	5	6	7	8
1. Person–organization fit	34.4	21.3	–							
2. Cognitive ability	60.3	15.4	−.05	–						
3. Age	33.2	7.3	.09	−.02	–					
4. Gender	1.6	.5	.27	−.20	.04	–				
5. Tenure	21.7	18.4	.26	−.11	.01	.18	–			
6. Employee retention	10.4	3.3	.36	.01	.23	.06	.26	–		
7. Job performance ratings	4.0	.7	−.02	.23	−.10	.11	−.12	−.05	–	
8. Job satisfaction	3.6	1.0	.37	−.15	.16	.06	.13	.38	−.03	–

Note: $N = 228$. Gender: male = 1; female = 2. Correlations above .13 are significant at $p < .05$; correlations above .16 are significant at $p < .01$; correlations above .23 are significant at $p < .001$.

Table 2. Regression analysis to predict employee retention and job performance

	Employee retention		Job performance		Job satisfaction	
Predictors	β	Unique R^2	β	Unique R^2	β	Unique R^2
Control variables		.07***		.05**		.02
Age	.20**		−.10		.13*	
Gender	−.06		.19**		−.07	
Tenure (previous time in job)	.18**		−.12		.03	
Cognitive ability	.03	.00	.25***	.06***	−.14*	.02*
Person–organization fit	.32***	.09***	−.02	.00	.36***	.11***
Total R^2	.20***		.10**		.17***	
Adjusted R^2	.19		.08		.15	
N	228		228		228	

Note: β is the standardized regression coefficient from the full model; gender is coded as male = 1 and female = 2. *$p < .05$, **$p < .01$, ***$p < .001$.

expected, however, cognitive ability was positively related to job performance.

3.3. Job satisfaction

Results indicated that P–O fit was related to job satisfaction and explained 11% of the variance in job satisfaction, in support of hypothesis 5. To test the mediation hypotheses, we followed procedures described by Baron and Kenny (1986). As neither P–O fit nor satisfaction was related to job performance, the results failed to support hypothesis 6b, which proposed that job satisfaction would mediate the P–O fit to job performance relationship. However, as P–O fit was related to job satisfaction and both P–O fit and job satisfaction were related to employee retention, the preconditions for mediation were met (Baron & Kenny, 1986). Therefore, to test whether satisfaction mediated the relationship of P–O fit with retention, we added satisfaction to the regression equation predicting retention. If job satisfaction fully mediated the P–O fit to employee retention relationship, the P–O fit regression coefficient would become insignificant when job satisfaction was added to the equation; partial mediation would be indicated by a reduction in the magnitude of the P–O fit regression coefficient, although it would remain significantly related to retention. Results indicated that job satisfaction was significantly related to retention, explaining an additional 5% of the variance in retention. Importantly, for the mediation analyses, the standardized regression coefficient for P–O fit in the equation with job satisfaction was .22, which although $<.32$ (when job satisfaction was not in the equation, as shown in Table 2) was still significant. Such results indicate that job satisfaction partially mediates the relationship between P–O fit and employee retention.

4. Discussion

We conducted a concurrent validation study to investigate the utility of actual P–O fit, defined as the congruence between an individual's value preferences and the managers' descriptions of the call center, in a selection battery. Results indicated that P–O fit added incremental variance beyond cognitive ability in predicting employee retention but did not predict job performance. As expected, cognitive ability predicted job performance but was not related to employee retention. Such results suggest that although P–O fit has yet to be seriously considered as an assessment tool in hiring (Karren & Graves, 1994; Ryan & Schmit, 1996), as a practical issue firms might use actual measures of P–O fit in their selection battery, especially in historically high-turnover jobs, to maintain a stable workforce.

In addition, evidence indicates that applicants are more *attracted* to firms when they are provided with positive feedback about their fit with the organization (Dineen, Ash, & Noe, 2002). More specifically, using a Q-sort methodology to measure fit, similar to what was done in our study, Dineen *et al*. (2002) found that objective P–O fit (the correlation of the firm's and the applicant's profiles) was related to applicant attraction to the firm as an employer. Thus, applicants who thought they fit the firm were more attracted to the firm as a potential employer. Combining this attraction research with the retention findings in the present study suggests that firms could use P–O fit to both (1) improve recruiting by identifying (and communicating to) those individuals who will be attracted to the firm and (2) improve hiring by selecting those individuals who are likely to stay longer with the firm (i.e., those with higher fit).

Accumulating research suggests there are various conceptualizations of P–O fit (Kristof-Brown *et al*., 2005; Verquer *et al*., 2003) and, more broadly, various measures of fit with an employer, such as person–job fit, person–team fit, and person–vocation fit (Wheeler *et al*., 2005). We examined actual P–O fit, using values congruence, which is the most common approach to measuring supplementary fit (Cable & Edward, 2004), and which tends to be more strongly related to

outcomes than other dimensions of fit (Verquer *et al*., 2003). Nonetheless, supplementary fit can also be measured with goals and personality, and future research should examine the utility of additional types of fit.

Fit exists at numerous levels in an organization, and thus an important theoretical and practical issue is the level of analysis for P–O fit measurement. We measured fit by measuring the culture of the specific call center, which is not as broad as a companywide organizational culture. Different levels of the organization can result in different effect sizes (Kristof, 1996), and we suspect that the homogeneity of the individual call center culture may have made culture salient and thus lead to stronger effects than a more diffuse or less monolithic culture measured *across* a large company. Therefore, although our study indicates that call centers that use a P–O fit measure in their selection battery will increase retention, future research should investigate how well retention is predicted at different organization levels. For example, future research might explicitly compare effects of more specific work department cultures with overall organizational cultures.

As noted by Kristof-Brown *et al*. (2005), the validity of multiple types of fit, such as person–team and person–job, needs to be further examined for various selection criteria. Based on evidence that both supplementary (measured as values congruence) and complementary (measured as needs–supplies) fit explain independent variance in work attitudes (Cable & Edwards, 2004), we believe there is value in assessing various multiple types of fit. For example, future research might examine the role of complementary fit in retention, using the needs–supplies dimension, which measures the extent to which the organization provides (supplies) what the individual needs. Given concerns about social desirability responding, however, we do not think that researchers should measure applicants' perceived fit with the firm, but would need to obtain independent measures of employee needs and what the organization supplies.

Consistent with the large body of selection research, cognitive ability was related to job performance. Contrary to our expectations, however, P–O fit was not related to job performance. Interestingly, however, our results are similar to those found by Chan (1996) who also found that P–O fit, operationalized as fit with the cognitive style of the workplace, was related to turnover but unrelated to performance. As Chan noted, however, readers should not make strong inferences regarding the lack of a correlation; further clarification and explication is needed for theoretical and practical implications. For example, if subsequent research finds that P–O fit is related to work performance (task and/or contextual), this would be an efficient ideal for employee selection: one P–O test predicting two critically important organizational outcomes – retention and performance.

P–O fit was hypothesized to influence performance through its effects on job satisfaction. Consistent with previous research (Kristof-Brown *et al*., 2005; Verquer *et al*., 2003), P–O fit was positively related to job satisfaction ($r = .37$). However, job satisfaction was unrelated to job performance in our sample ($r = -.03$), contrary to meta-analysis findings where $\rho = .30$ between satisfaction and performance (Judge *et al*., 2001). However, Judge *et al*. (2001) also found that satisfaction and performance were more strongly related for high versus medium and low complexity jobs. Therefore, although speculative, perhaps with our relatively low complexity jobs we found no relationship between P–O fit and performance because there was no relationship between satisfaction and performance. This study was local validation research, and we suspect future studies and meta-analytic research will lead to more definitive conclusions.

Given our interest in predicting important selection outcomes, we operationalized *actual* P–O fit using the Q-sort methodology and calculating the correlation between managers' descriptions of the organization and applicants' work preferences. We recognize, however, that this Q-sort methodology has limitations, notwithstanding its widespread usage by P–O fit researchers (Barrett, 1995; Cable & Judge, 1996, 1997; Chatman, 1991; Dineen *et al*., 2002; O'Reilly *et al*., 1991). Nonetheless, as noted by Kristof-Brown *et al*. (2005), no measurement strategy is ideal, and assessing fit as a correlation is appropriate when a holistic assessment of similarity is desired.

As with all research, our study has limitations, which are simultaneously a call for additional research. First, the research design used a concurrent validation strategy, collecting data from employees. While there is no reason to expect that P–O fit does not measure work values similarly for both applicants and employees, a predictive validation study can better determine the extent to which P–O fit predicts outcomes such as retention or even performance for applicants. For example, if the value preferences of applicants and employees differ, then the measure of P–O fit may be different across those groups and the interpretation of results based on employees may not be valid for applicants. On the one hand, we might expect a stronger relationship of P–O fit with retention for applicants than with employees, based on the finding that P–O fit was related to tenure and therefore employees who did not fit the organization may have already left the firm before our data collection. That is, restriction of range on P–O fit may have attenuated the relationship with retention, leading to an underestimation of the value of P–O fit in a selection battery.

Although we found that our measure of P–O fit explained incremental validity beyond cognitive ability, future research might investigate the incremental validity of P–O fit over other predictors such as personality and biographical data. For example, based on evidence that personality is related to turnover (Salgado, 2002), researchers might investigate whether P–O fit adds incremental validity beyond cognitive ability and personality. Finally, researchers might investigate whether there are individual differences in the importance of P–O fit in value congruence for employee retention. For example, some employees may be more adaptable and flexible and thus less influenced by a lack of fit, although research is needed to investigate such relationships.

An important issue for future research is the extent to which findings in this study generalize to other call centers and to other work settings. As noted, the participants in our study were salaried and handled inbound calls. Future research is needed to determine whether our findings generalize to call centers with representatives who are paid solely by commissions, who make outbound cold calls, and other settings. Although we expect that our results will generalize to other settings, research is needed to examine the utility of using a measure of actual P–O fit in a selection battery in other contexts.

5. Practical implications and conclusions

The results have important practical implications for organizations making hiring decisions. Actual P–O fit measures provide robust information on turnover risk *before* the individual is hired. Thus, organizations can assess the risk of hiring an individual with a known (i.e., research-based) probability of turnover. From this information, companies can save money in recruiting, hiring, training, and management time in selecting those who will remain on the job so organizations can get a return on their investment dollars. Moreover, the dollar savings can be considerable in jobs that typically experience extremely high turnover, such as call centers, as demonstrated by a simple economic hiring model using actual retention findings. Using this type of modeling, McCulloch (2003) estimated a savings of $1400 per hire if the employee stayed at least 1 year.

In summary, we urge selection researchers to include employee retention as an important selection outcome in addition to measures of job performance. Research indicates that P–O fit instruments can be reliable and valid measures of retention and can be used as additional information in the hiring decisions. Therefore, in jobs with historically high turnover, we believe that selection batteries should be designed to include measures, such as P–O fit, that predict turnover. It is time to focus on feasible implementation.

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