

Hiring for the Organization, Not the Job

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#### HIRING FOR THE ORGANIZATION, NOT THE JOB

Conventional selection practices are geared toward hiring employees whose knowledge, skills, and abilities (KSAs) provide the greatest fit with clearly defined requirements of specific jobs. Traditional selection techniques rarely take into account characteristics of the *organization* in which the jobs reside. Traditional techniques also ignore characteristics of the person that are irrelevant to immediate job requirements. In common management parlance, the organization hires new "hands" or new "heads" -- that is, parts of people.

A new model of selection is emerging, however, that is geared toward hiring a whole person who will fit well in the culture of a specific organization. It reflects a fundamental reorientation of the goals of selection toward hiring "people," not just KSAs, for "organizations," not just jobs. This leads to hiring practices that seem peculiar, and needlessly extravagant, from the standpoint of traditional human resource practice. Consider the hiring practices of three different organizations.

- \* AFG Industries builds two new float glass plants. The plants use various practices, such as work teams, extensive training, and skill-based pay, that create a high level of employee involvement. The hiring process for factory workers includes the screening of formal resumes (not job applications), personality testing, pre-employment training that simulates some plant jobs, interviews with panels of managers and/or employees, and a medical exam. Why does the company use such an elaborate hiring process for factory workers?
- \*Sun Microsystems is the fastest-growing U.S. company during the past five years, with annual growth averaging well over 100 percent. Filling open jobs is critical to Sun's effectiveness, phenomenal growth, and profitability. Yet, the hiring process is extremely time-consuming and labor-intensive. Potential hires at all levels are brought into the organization from four to seven times for interviews with up to twenty interviewees in all. The process is full of ambiguity, lacks of formal rules, and demands that all employees engage in problem solving (in this case, in getting themselves hired). Why would a rapidly growing company use a selection process that prevents it from hiring quickly?
- \* Toyota (USA) screens 50,000 applications for 3,000 factory jobs in the initial staffing of its plant in Georgetown, Kentucky. Each employee hired invests at least 18 hours in a selection process that included a general knowledge exam, a test of attitudes toward work, an interpersonal skills assessment center, a manufacturing exercise designed to provide a realistic job preview of assembly work, an extensive personal interview, and a physical exam. Is all this time and money spent on selection worth it?

As we shall see, these organizations adopt unusual hiring practices in order to find employees who fit the organization and to encourage those who do not fit the organization to seek employment elsewhere.

Although these companies do not ignore the fit of potential hires with the demands of specific jobs, they feel that person-job fit needs to be supported and enriched by person-organization fit. They are willing to invest substantial resources in assessing this fit rigorously.

In this paper, we explore this new approach to personnel selection. We review its rationale, and suggest a systematic set of hiring practices that follow from the logic of the approach. We consider the advantages of these practices and also their problems. Finally, we consider the types of organizations for which these practices are and are not appropriate.

#### Theoretical Foundations of the New Selection Model: The Person-Situation Controversy

Is individual behavior, such as job performance, a function of the *person* (attributes of an employee), the *situation* (characteristics of the work setting), or the *interaction* of the person and situation? This question is age-old. Proponents of employee selection as a key to human resource effectiveness answer that individual behavior is largely a function of the person. Selection techniques attempt to capitalize on enduring differences between individuals by choosing those individuals who are best suited to the job. On the other hand, advocates of practices such as socialization and training that attempt to mold employees after they are hired assume that the situation is the principal determinant of individual behavior.<sup>3</sup>

The vast majority of researchers and managers, however, subscribe to some form of the interactionist perspective. That is, they assume that both the person and the situation matter, and the combination of the two determines individual performance and other behaviors. Indeed, organizations would look quite different if managers believed only the person or only the situation to be important. If behavior in organizations was solely caused by the person, there would be no point in attempting to change behavior through organizational practices and organization design. Selection would be the most important human resource function in the organization by far. Alternatively, if behavior in organizations was determined completely by the organization, there would be little point in expending resources on the selection process. All new employees would behave in exactly the way determined by their job duties, training, rewards, pattern of supervision, and so on. Clearly, both person-oriented and situation-oriented techniques are used by contemporary organizations and both are the subject of considerable research.

Although the interactionist perspective is widely accepted, we argue that both researchers and managers have overemphasized the situation and have paid only lip service to the person in recent years.

Academic neglect of the subject is reflected in the high percentage of the top business schools in the U.S. that

employ no faculty member who represents the selection or individual differences tradition. In research on organizational behavior, person variables (for example, needs) usually are treated as secondary to situational variables (for example, job designs) and researchers generally are skeptical about the ability of personality variables to predict job performance. Managerial interest in selection systems appears to have dropped sharply after several court decisions in the early 1970s held that selection procedures which had not been validated and which discriminated against minorities were illegal.

We further argue that an overemphasis on the importance of the situation fits the managerial ideology dominant among U.S. corporations. A basic assumption of the bureaucratic form of organization is that individuals cannot be trusted to manage their own behavior in ways that serve the needs of the organization. Thus, management designs the organization to control employee behavior as tightly as possible, through the managerial hierarchy, impersonal rules and procedures, close supervision, and extensive socialization and training. This curtails the expression of individual differences in behavior. As a result, the organization is designed to be what researchers have called a "strong situation," one in which the intensity of the situation suppresses variation in behavior that is attributable to the person. Thus, managers create a self-fulfilling prophesy. The belief that the situation is the most important predictor of behavior leads to the design of organizations in which the importance of individual differences is suppressed. This self-fulfilling prophesy is further reinforced by basing hiring decisions on a single, brief interview, a method of selection whose unreliability and poor validity is well-established. It is not surprising, then, that managers often conclude that the selection system is not a key success factor.

The preceding discussion suggests where a different set of assumptions about individuals' behavior might be appropriate. There may be organizations which, for whatever reason, are designed as "weak situations" that allow a range of employee responses to their work requirements. As such, these organizations would offer less control over individuals, and the effects of person variables would be greater. In such organizations, it would be more important than in traditional organizations to do a good job of selecting the right people for the organization.

Consider the three organizations we described at the beginning of this paper. They are more different than similar on a number of dimensions. They include high-technology to moderately low-technology

companies, manufacturing-driven to engineering-driven firms, white collar and blue collar, U.S.-owned and Japanese-owned, and so on. What these organizations have in common is a set of management assumptions about the key to organizational success. Each organization is attempting to build a distinctive culture that is intentionally "fragile" in design, meaning that management relies heavily on self-motivated, committed people for system effectiveness. While all three organizations have a management hierarchy, organizational policies, and other tools of external control, all rely to an unusual degree on employees to make the system work effectively. That is what makes the system "fragile." Traditional means of external control, such as hierarchy, job descriptions, and so on, appear more reliable as sources of system predictability and stability than does employee self-regulation. Certainly, there is more potential for variation in the temperament and decisions of employees than in the content of job descriptions, performance appraisal forms, and so on. Nevertheless, some organizations have decided that they must rely more heavily upon their people in order to be successful over the long haul in fast-changing, intensely competitive environments.

In sum, the new approach to selection can be found in those organizations willing to invest in the most "fragile" of the factors of production -- labor. The investment takes the form of sophisticated selection systems designed to find the right type of person for a particular type of organization. The goal is to hire the whole person, KSAs and needs, values and interests, to work in environments defined more broadly than just a job. The work environment is the organization overall -- a uniquely designed "weak situation" intended to allow employees to demonstrate what they're made of.

#### How to Hire for Person-Organization Fit

Before considering the emerging person-organization model of selection, it is helpful to overview the traditional approach to employee selection. It remains the approach to selection currently used by most organizations. The overview can provide a basis for comparison in understanding how the philosophy and methods of the new selection model differ in fundamental ways from the traditional model.

#### The Traditional Selection Model

The traditional selection model consists of three steps:

- 1. Job Analysis. A formal job analysis is conducted to determine the critical requirements of a particular job.
- 2. Infer the KSAs Necessary To Do The Job. On the basis of the job analysis the analyst infers the knowledge, skills, and abilities that are needed for the job.
- 3. Selection Tests. Selection tests are chosen or developed that are intended to indicate the degree to which job applicants possess the KSAs needed on the job. The tests are administered to all applicants.

  Additionally, these tests need to be validated. This is accomplished first by collecting data on criteria measures, which are measures of job performance or other outcomes that can be used to evaluate the effectiveness of the hiring process. Then the validity of the selection tests is assessed by examining the correlation between applicant test scores and its criteria measures. A statistically significant and reasonably high correlation indicates that the test is capable of discriminating appropriately between employees who do well and those who do poorly on the criteria measures.

The goal of these steps in the traditional selection model is to produce a fit between the critical requirements of a particular job and the job-relevant KSAs of job applicants.

#### The New Selection Model:

#### Hiring for Person-Organization Fit

Figure 1 presents what can be viewed as the "Rolls Royce" version of the new selection model. It presents the ideal, top-of-the-line approach to hiring for person-organization fit. This model represents a composite, or synthesis, of the steps taken by the organizations mentioned in our opening case examples, as well as some other progressive firms with which we are familiar. Although any one firm may not fully implement every step, all of these steps together offer the best guarantee of person-organization fit.

Our description of the steps in the model will be followed by a detailed case description of a firm whose hiring practices are a close match to the ideal. Before reviewing the steps themselves, however, we will offer some additional clarification of their intended outcome.

#### Person-Organization Fit

The model in Figure 1 places the selection process in the context of a rich interaction between the person and the organization, both of which are more broadly defined and assessed than in the traditional selection model. Person-organization fit requires that two types of fit be achieved in the hiring process. One type is a fit between the KSAs of the individual and the task demands or critical requirements for the job. The second type is a fit between the overall personality of the individual (their needs, interests, and values) and the climate or culture of the organization. The traditional selection model focuses almost exclusively on the former type of fit (KSAs - job) while tending to ignore, or assessing far less rigorously, the second type of fit (personality - climate/culture). 10

The narrow focus of the traditional selection model (KSAs and the job) reflects several factors. One is that managers tend to think of individual job performance as the key outcome of the hiring process and they believe that job performance is a function of the fit between KSAs and task demands. Additionally, the traditional selection model is more concerned with finding new employees than with retaining them. There is, then, less attention given to whether the whole person finds the organization's culture satisfying enough to stay. Organizations have also been constrained by the unavailability of proven selection technologies for producing the fit between personality and climate/culture. Although there are ample studies of person-job fit (validation studies) and person-occupation fit (studies of how individuals can select occupations that match their skills or traits), there is little guidance on how systematically to produce person-organization fit as we have defined it here. 11 This situation can be improved, we believe, by following the steps for hiring for person-organization fit that we will describe next.

#### Step One: Assess The Work Environment

The job analysis of the traditional model of selection is also conducted in the new model. It remains instrumental in achieving the fit between individual KSAs and task demands. Alternative job analysis techniques are well-known. Options include the Position Analysis Questionnaire, Task Inventories, and Critical Incident Techniques. 12 Job analysis is a necessary but insufficient starting point in hiring for personorganization fit.

The purpose of an organizational analysis is to define and assess the work environment in terms of the characteristics of the organization, rather than just in terms of the characteristics of a specific job. It identifies the behaviors and responsibilities that lead to effectiveness in a given type of organization, and serves as the basis for inferring the personal characteristics most likely to be associated with such behaviors and responsibilities. Organizational analysis also is important because job analysis data may quickly become outdated as rapidly changing products and technologies reshape employees' jobs. The organization's overall philosophy and values are likely to be more stable and consequently, the more important long-term focus for fit.

Techniques for organizational analysis are not well-established, largely because there is very little research that identifies the characteristics of organizations relative to their individual behavioral consequences. What is needed is to identify the important dimensions or parameters of organizations and their implications for the kinds of employees who would best fit those situations. This could lead to what scholars might term a "taxonomy of situations" that could help match different types of organizations and different types of employees.

Although organizational analysis techniques are not nearly as well-developed as job analysis techniques, a variety of methods are available. For example, there are guidelines in the training field for conducting an organizational analysis as one component of a needs analysis, which is done to shape the content of training programs. Organization characteristics assessed include short- and long-term goals; staffing needs; properties of the environment (for example, stability); and employee perceptions of organization climate. Organizational culture audits have emerged in the last decade that offer both qualitative and quantitative methods for describing an organization's norms and values. <sup>13</sup> Quite promising is a sophisticated Q-sort methodology that assesses the content, integrity, and crystallization of organizational values and matches them with an assessment of individual values. <sup>14</sup> Finally, there is a long-standing approach to diagnosing the characteristics of an organization's four subsystems (individuals, tasks, organizational arrangements, informal organization) that can yield organizational analysis data. <sup>15</sup>

Data from the organizational analysis can indicate the overall strength or weakness of the organizational environment. Again, individual differences will only be related to employee behaviors in relatively weak situations. Strong situations exist where organizations are characterized by low job autonomy, a technology-driven work pace, close supervision, extensive formal policies and procedures, and so on. Weak

organizational situations exist when employees have some freedom of choice in how they go about doing their work as a consequence of enriched work, work teams, flat organizational structures, and so on.

#### Step Two: Infer the Type of Person Required

This step requires those who manage the selection process to assume a very holistic perspective on the attributes applicants need. It is still necessary to infer from the job analysis the KSAs employees must possess to be technically competent at their work. However, step two also requires inferring, from the organization analysis, the needs, values and interests -- that is, the personality -- an employee must possess to be an effective member in this type of organization.

It is important to recognize what a radically different philosophy this is toward the hiring process. The organization is trying explicitly and systematically to assess and to hire the person as a totality. The selection process deals with applicants in terms of who they are, not just what they can do. For example, if the organizational analysis reveals that teamwork is a key norm or value in the setting, then selection tools must be used to find people who are team players. Furthermore, social and interpersonal skills will be necessary, in addition to the cognitive and motor abilities that are the dominant skills-focus of the traditional selection model.

The move by some organizations toward hiring the total person coincides with a renewed interest by organizational researchers in personality as a predictor of job attitudes and behaviors. These researchers feel that studies in which personality measures fail to predict job performance often have been plagued by problems such as focusing on personality aspects of questionable relevance to the job, poor research methods, and so on. <sup>16</sup> These problems have given personality a "bad name" and fostered the impression that the situation matters much more than the person in influencing job attitudes and performance. In contrast, more recent research has yielded such interesting findings that individual personality attributes can predict their job satisfaction later — over fifty years and even over different job (situations). This research implies that job satisfaction may be associated with a stable, enduring personality attribute rather than a function of the situation. <sup>17</sup> More generally, this type of research is helping to establish both "why" and "how" to incorporate personality data into hiring decisions.

Step Three: Design "Rites of Passage" That Allow Both the Organization and the Individual to Assess Fit

Richard Pascale has observed that the battery of screens characteristic of the new hiring in some organizations are so rigorous that they seem designed to discourage individuals, rather than encourage individuals, from taking the job. 18 There are, though, compelling reasons for this apparent madness.

First, the combination of multiple screening methods, raters, and criteria has long been recommended by researchers as the best approach to hiring. <sup>19</sup> It just has been used rarely. The norm is to hire employees using a single interview with a single interviewer. If more sophisticated techniques are used at all, they are reserved for hiring executives and sometimes sales people. Applying such techniques in hiring assembly workers was unheard of -- until recently. Second, this battery of screens not only allows the organization to select employees, but also provides applicants with sufficient realistic information about the work environment so that they can make an informed choice about whether they even want the job in the first place. Third, the people who do join the organization arrive on the job feeling special. This is because they have successfully gone through elaborate rites of passage to gain entry to the organization, analogous to the sense of accomplishment felt in pledging a fraternity, or completing boot camp when entering military service.

A recent Fortune article described these fresh approaches as "The New Art of Hiring Smart." One ingredient has been the increasing use of job simulation exercises for assembly workers. These simulations, or work sample tests, help both the person and the organization assess the possibility of a good fit. The applicant receives a realistic job preview of the nature of the work; and raters screening for the organization have the opportunity to assess applicants' technical skills and, when group interaction is required in an exercise, their interpersonal skills as well. Intelligence tests also seem to be on the rebound.

The approach at Sun Microsystems, mentioned at the beginning of this article, is a good example of the use of rites of passage to allow mutual assessment of fit. This fast-growing Silicon Valley firm, like many high-technology companies, is constantly changing in response to rapidly developing markets, evolving technologies, and the pace of internal growth. Employees who prefer clear job descriptions, stability, a leisurely pace, and predictability would be unhappy at Sun. The hiring process is such a challenge that unsuitable applicants tend to give up before the process is completed. Those who are hired have survived multiple interviews with many different possible co-workers. A joke at Sun is, "after seven sets of interviews, we put applicants on the payroll

whether they've been hired or not." The process is full of ambiguity, and potential employees often must play a problem-solving role in moving the process forward to resolution and in helping to find a suitable position for themselves. Thus, the hiring process introduces prospective employees to the culture of the organization.

Another way to assess mutual fit is through personality tests. It appears that "personality tests are back." For example, the Meyers-Briggs Type Indicator is used by companies such as Allied Signal, Apple, AT&T, Citicorp, Exxon, G.E., Honeywell, and 3M. However, they are used primarily in management development programs. The more noteworthy development in personality testing is the renewed interest in their use as a selection test, particularly when the applicants are for assembly worker positions.

There is renewed interest in personality tests even though past efforts to validate applicant scores on personality tests against job performance have been largely unsuccessful.<sup>22</sup> There still are very few tests with proven high validities, but there is a growing feeling that personality tests can be validated as selection tools -- under the proper conditions.<sup>23</sup> These include:

- 1. Using personality measures that are tailored to the work setting. The major personality tests were not developed for use in a work setting, so their poor track record in validation studies is not surprising.
- 2. Using personality measures to predict global criteria, that is multi-faceted measures of job attitudes and behaviors, rather than one specific criterion such as quarterly sales.
- 3. Using measures of personality dimensions that are logically or theoretically associated with the work in the organization, rather than screening for personality attributes that hold some particular interest to managers, but may not be job-related. The use of a personality test in the hiring process that followed these guidelines is a central piece of the case study below.

Whereas personality tests provide organizations with information about applicants, realistic job previews provide applicants with information about organizations. Examples of RJPs are the Toyota USA job simulations/work sample tests that show applicants the repetitive nature of manufacturing work and the requirements for teamwork, rather than individual work. This allows applicants to make informed choices about whether they think they would be satisfied working there. "Turned-off" applicants may drop out of the hiring process. Those who are hired are more likely to join the organization with a strong sense of commitment and realistic expectations. Fundamentally, an RJP helps individuals to decide if they want to join an

organization, based on their own assessment of their personality and how it might fit with a particular type of organization.<sup>24</sup>

In summary, fragile systems that rely heavily upon people for system effectiveness use a battery of mechanisms to facilitate selection of the right type of people and people choosing the right type of organizations. The objective of the hiring process is to acquire a workforce with not only the right skills, but also the right needs, values, and interests. Douglas Bray, noted pioneer of the AT&T Management Progress Study, suggests that selection decisions about needs, values, and interests may be more critical than those for skills. For example, a desire to learn new jobs is an attribute that cannot be taught easily to employees, as job skills can. You either hire people who have this attribute, or do without.

#### Step Four: Reinforce Person-Organization Fit at Work

Selection is clearly the first and, arguably, the most important step in implementing a fragile system philosophy. However, the organization must take other steps as well. The hiring process for personorganization fit must be integrated with, and supported by, the firm's other human resource management practices.

Japanese automobile manufacturers operating in the United States provide examples of how to accomplish this. The Japanese "Auto Alley" in the U.S. provided over 6,000 assembly jobs in 1989, with key operations include Nissan in Smyrna, Tennessee; Toyota in Georgetown, Kentucky; Honda in Marysville, Ohio; Mazda in Flat Rock, Michigan; and Diamond-Star Motors Corporation in Normal, Illinois. The Japanese have attempted to create a certain type of organization, characterized by now-familiar values on teamwork, consensual decision-making, peer control, egalitarianism, and non-specialized career paths. These values are a reflection of the Japanese theory of the firm which includes two tenets particularly important for human resources management: (1) shareholders are not the firm's only constituent, and (2) human resources are treated as assets. These tenets guide a human resource management strategy that focuses on developing the internal labor market via: tight screening of job candidates; employment stability; broad job classifications; on-the-job training and job rotation; teamwork and group activities; and cooperative labor-management relations. In other words, the selection process is embedded in a broader philosophy and set of practices

intended to reinforce congruence between individual and organizational values. It is interesting that plants of Japanese companies in the U.S. generally use far more elaborate and sophisticated selection systems than do the same plants of the same companies in Japan. One explanation is that the greater homogeneity of Japanese culture makes it less necessary to screen out potential employees on the basis of personal characteristics such as values and needs.<sup>28</sup>

High involvement organizations (HIOs) are another class of organization that uses multiple systems to support hiring for person-organization fit. HIOs are a relatively new organizational form; there are perhaps a few hundred examples now existing in the U.S.<sup>29</sup> HIO's have two key characteristics.<sup>30</sup> First, the organization is designed to create very high levels of employee involvement. Power, information, skills, and rewards for performance are pushed down to the lowest levels of the organization. Second, employee involvement is reinforced by multiple organization design elements such as self-managing teams, skill-based pay, gainsharing, and social and technical training. The hiring process is one design element of many that must fit with the overall design. HIO's use the principle of congruence to weave employee involvement throughout the fabric of the organization.

The high involvement design is based on the rationale that close control of employees and their performance by bureaucratic methods is inappropriate when the technology requires employees to show initiative, quickly make decisions, and solve problems close to their source. HIOs are specifically designed to be different from traditional organizations and to have a very participative, egalitarian culture. In the language of our earlier discussion, HIOs are designed as weak situations that allow employees to show what they're made of.

The following case description of the hiring process in a new HIO illustrates all four steps of the new selection model.

#### Hiring for Person-Organization Fit:

#### The Case of a Start-up High Involvement Organization

The research reported here was conducted as part of an action research project at a new float glass plant in the western U.S. The plant is a classic new HIO. Research on the selection system reported here is

part of a larger, on-going action research effort. Management was interested in developing selection procedures and tools for hiring employees with the necessary job skills, needs, and aspirations to fit the organization design. The researchers helped design the hiring process, conducted extensive research on the initial hiring process at the plant, and explored the validity of personality measures as possible future selection tools. The overall effort essentially followed the four steps previously discussed for hiring for personorganization fit.

#### Step One: Assess the Work Environment

Since the plant was a start-up operation, there were no existing jobs to analyze in this initial step. There were individual jobs with comparable content at other organizational sites, but management was committed to designing the new plant as the first high involvement organization in the company. Thus, analyzing the work environment of the existing plants would have been of limited use in designing a hiring process to match the new HIO. Instead, top management and two of the researcher/consultants (the second author and Tom Cummings of the University of Southern California) conducted an organizational analysis to assess key desired organizational characteristics, norms, and values. This led to the development of the management philosophy and practices that would define the new organization. A customized version of the HIO concept, tailored to the needs of the organization, emerged from this work.

Glass-making lent itself to a HIO design for several reasons. First, there was a great deal of task interdependence requiring cooperation and teamwork among workers. Second, technical uncertainty was high. Workers were responsible for processing information and making immediate decisions about the glass-making process from the raw materials stage through melting of raw materials in the furnace and various stages of cooling, inspecting, cutting, packing, and storing. The plant's profitability is directly related to production efficiency and glass quality. Glass with defects must be cut around resulting in smaller sheets of glass. Quality is directly dependent on workers' ability to maintain a continual, steady flow of glass, by constantly monitoring and regulating the temperature and speed of flow of the product through the system. Deviations from desired parameters must be corrected as soon as possible after detection. Therefore, internal control by employees is more responsive to system fluctuations than external control through supervision and rules and procedures.

This work environment led management to adopt a work design that encouraged high levels of employee teamwork and decision making. Employees were organized into self-regulating work teams at each sequential stage of production. Management saw this job design as the one most appropriate for the relatively high task interdependence and task uncertainty of the plant technology. Management expected that as team members developed technical and social skills, they would make joint decisions about work methods and assignments and solve production problems on the line.

#### Step Two: Infer The Type of Person Required

Since work in the high involvement glass plant required more than simply performing a task, but also requires understanding and becoming involved in the entire production process, selecting on the basis of technical skills was not enough. Basic SKAs, such as motor and arithmetic skills, while necessary, would not be sufficient for organizational success. Workers also had to feel a sense of commitment to working in this type of organization. Furthermore, the jobs were to be dynamic. Over time, employees were expected to learn more and different skills within their team and in other teams, and to take on an increasing share of decision-making needed to perform their work. Top management expected that the number of supervisors and layers of management would be reduced over time as the teams matured. These organizational characteristics required a reassessment of the traditional techniques and goals of employee selection. A fit between overall applicant characteristics and work requirements of a high involvement organization as a whole was required.

In addition to the necessary technical skills, two personality characteristics were identified as being especially important to the organization. One was growth need strength. The HIO design placed many demands on employees for continuous learning, decision making, and assuming responsibility for organizational structuring, functioning, and performance. For example, employees could be required to train each other, to give feedback to fellow team members on their performance, and to help design organizational changes.

Applicants who desired little challenge or learning opportunity and those who prefer narrowly defined jobs would have been misfits with this organization. Conversely, those who valued or had strong needs for personal growth, accomplishment, and personal development were expected to be more committed to working in the new plant.

A second relevant personality characteristic was social needs. This was obvious because self-regulating teams demand cooperation and teamwork. In addition, management planned to make heavy use of special problem-solving groups, committees, and task forces. Those who saw working with others as a burden would have been misfits in such a setting, while people with high social needs were expected to prefer group forms of work and group activities.

#### Step Three: Design "Rites of Passage" That Allow Both the Organization and the Individual to Assess their Fit

The hiring process consisted of several stages that involved multiple methods, raters, and criteria. A state agency conducted an initial screen of approximately 1000 candidates responding to local advertisements about job openings at the plant, which was then under construction. At this stage applicants received scores for their education and experience, such as having a high school degree or GED, having manufacturing or related experience, and possessing ability to understand process instrumentation and complete a time card. In addition, tests using potential predictors based on personality and other survey questions also were administered at this time. Personality characteristics were assessed using the *Personality Research Form-Form E*, or PRF, a highly regarded personality assessment instrument. The PRF measure of affiliation needs is very similar to social needs as described above. Three PRF measures were relevant to growth needs: achievement, endurance, and dominance. (The dominance items measure desire to influence others or social achievement, not oppressiveness.) Of the 540 applicants who passed the initial screening and were invited to a pre-employment assessment and training program (described below), approximately 500 candidates responded. These two personality dimensions, affiliation and growth needs, were logically associated with the nature of work in a HIO and the PRF measures were moderately tailored to better fit the work setting.

Performance was assessed in four half-day sessions of a pre-employment assessment and training program, designed to capture characteristics of work in a high involvement float glass factory. The company used this program both as a selection tool and as a realistic job preview of how a high involvement organization is designed to operate, technical and social requirements, what it would be like handling glass (for example, lacerations are common and special protective clothing is used to minimize the likelihood of injury), and various tasks they would be expected to perform.

The program was divided into two approximately equal segments. One part involved work simulations consisting of handling and packing glass and operating hand tools and equipment required for glass making. Participants were given preliminary instructions about work methods, rules, and safety procedures, and engaged in glass making and packing tasks as a team. The second part of the training program involved classroom learning and experiential exercises aimed at group decision-making. Almost half of the classroom time was used to present information about glass making and the design features of the high involvement plant, including self-regulating groups, participative leadership, egalitarian human-resource practices, skill-based pay, and gainsharing. Participants were given a realistic portrayal of what it would be like to work in a team-based, high involvement structure, including the kinds of work behaviors that would be expected. They also were sted on basic math and measurement skills needed to perform glass making and packaging tasks, as well as seen homework covering basic processes and terminology used in making glass as well as the nature of one's work and responsibility in a high involvement organization.

For more than half of the classroom time, participants engaged in exercises designed to simulate the kind of group interaction and decision-making occurring in self-regulating groups. One exercise, for example, involved reaching a group consensus about the ranking of items needed to survive in the rugged outdoors.

Another exercise involved role playing a group decision about which department should receive a new piece of equipment. These exercises were followed by extensive debriefing about members' behaviors and interactions and how the learning applies to the work of teams in the plant.

Applicants received points for attendance, punctuality, compliance with rules, as well as performance on the various activities, by members of the plant's supervisory staff. These evaluator/trainers received prior training in how to avoid common rater errors. All program activities were scored over the four days.

Classroom activities were scored as follows: *Math Test* and *Tape Test*, 25 questions each, with the best 15 items scored for a total of up to 15 points; and *Quality of Homework* (15 points); two classroom activities (15 points each). *Work simulations* were not scored on task performance per se, such as number of crates packed.

Instead, work simulations were based more broadly on *Attendance*, including absence and tardiness (-10 to +15 points); *Responsibility*, meaning following instructions, not engaging in disruptive or distracting behavior (15 points); and *Behavior*, specifically team skills, abusing equipment, paying attention, breaking plant rules (20

points). Team Exercises were scored by statements or questions that related to participating, negotiating, gatekeeping, and probing behaviors (15 points).

The pre-employment assessment and training program met two important goals. First, it was consistent with technical and professional standards for employment selection. Like assessment centers, job behaviors were sampled systematically across different situations and provided a broad set of criteria. Multiple and diverse activities and assessment methods afforded evaluators an opportunity to assess how well applicants would fit into an HIO generally, rather than just on how well applicants could perform specific tasks. The use of global criteria also satisfied one of the conditions necessary for successfully validating personality tests as selection tools. Second, it gave applicants a realistic job preview of what working in a high involvement glass plant would be like. The task activities provided them with a preview of the physical and potentially dangerous nature of the work. (One of the authors was present when a piece of tempered glass was mishandled and literally exploded in an applicant's hands.) The classroom activities prepared applicants for the organization's emphasis on working together and taking responsibility for action.

Those who passed this program were invited to a final selection interview conducted by a panel of management personnel. This structured interview consisted of questions regarding manufacturing experience, education, understanding the high involvement and autonomous work group design, past experience and interest in group activities, and other performance skills, e.g., organizing ad planning experience, and creativity experiences. Finally, applicants were required to pass a physical examination including a drug screen.

Ultimately, 250 applicants of the original 1000 applicants successfully completed these phases and the subsequent physical examination.

Using data from the PRF test measures as predictors and scores on the pre-employment training program and anticipated job satisfaction as criterion measures, the authors eventually validated the PRF as a significant predictor of employee performance. This means that it would be appropriate and legal for the company to use measures of social and growth needs from this test in future hiring decisions. Since the analysis was completed long after most employees had been hired at the site, however, the company did not use the test in hiring decisions.

#### Step Four: Reinforce Person-Organization Fit at Work

The objectives of the hiring process were reinforced by various organization design features that emphasized high involvement and team functioning. For example, extensive training was provided, both in technical skills and in social skills such as group decision-making. A skill-based pay system gave employees increases in base pay for learning new jobs within their team. This in turn reinforced employees' interest in receiving training, which enabled them to earn pay increases. The plant adopted a gainsharing plan from the beginning that provided generous plant-wide monetary bonuses when plant performance met specific objectives. This reinforced the need for teamwork, since no individual could win a bonus at the expense of another; all earned bonuses or none do. The gainsharing plan also provided incentives for exemplary performance and for developing improvements in the production process that could result in greater payouts. Extensive business information was routinely shared with employees. This was done in part to make the gainsharing plan work more effectively. Employees were also involved as needed in task forces of various kinds to solve business, personnel, and other problems. In short, the organization was designed in a way that moved power, rewards for performance, business information, and skill to the lowest level of the organization. The system thus provided extensive reinforcement for the behaviors and characteristics that were sought during the hiring process.

The results of the hiring process have been quite positive. The plant is one of the most effective in the company on most key performance measures. Its main rival is another new high involvement plant that opened shortly after startup of the plant described here. The second new plant was developed on the same HIO model, and it used a similar hiring process. A survey of employee attitudes after startup indicated that employee quality of work life, according to various measures of satisfaction, organization commitment, and so on, was very high -- a likely indication of person-organization fit. This was especially true for non-exempts hired according to the process described here. However, employee turnover was disturbingly high for some time after startup. A variety of factors appear to explain the high turnover. Perhaps the most important, however, was the unfamiliarity of the work force with rotating work shifts. When a twelve-hour work day leading to longer periods of time off was adopted this year, turnover dropped to a fraction of its former level. Turnover is now below national norms. On the whole, it appears that the plant has been a very effective organization and that hiring for the organization, not just the job, has contributed to that effectiveness.

#### Potential Benefits and Problems from

#### Hiring for Person-Organization Fit

Clearly, the new approach to hiring for person-organization fit requires more resources than the traditional selection model. Is the new approach worth the cost? The benefits of the new selection model can be realized in the form of more positive individual attitudes and behaviors, as well as returns to the organization overall (see Figure 2). Specific benefits may include the following.

(1) Employee Attitudes. Researchers have long proposed that a fit between individual needs and organizational climates and cultures would result in greater job satisfaction and organization commitment.<sup>32</sup>

There is ample data documenting that the realistic job previews typically used in the new selection model are associated with higher on-the-job satisfaction.<sup>33</sup> Greater team spirit also is likely when new employees have shared the experience of moving successfully through the demanding rites of passage that lead to organizational entry.

Evidence from the preceding case of enhanced attitudes is presented in Table 1, which lists of questions asked to those applicants who participated in the pre-employment training. Overall, applicant reactions to the pre-employment training were extremely favorable. Applicants responded on seven-point rating scales. To aid in interpretation, results are clustered into three categories, with the percentages of applicants responding in each category reported below each item. The vast majority of applicants felt the training program was an accurate measure of how well they could do the job and get along with others, as well as a help in subsequent performance on the job and interacting with co-workers. Applicants also felt it provided a realistic preview of what working here would be like. An overwhelming 77 percent reported that after going through pre-employment training, the work seemed more satisfying than when they first applied for the job. Only two percent thought it would be less satisfying.

(2) Employee behaviors. There are numerous case studies indicating that high involvement organizations, which typically use the new selection model, have low rates of absenteeism, turnover, and grievances.<sup>34</sup> The data are even clearer that using realistic job previews in Step 3 is associated with lower turnover.<sup>35</sup> This at least implies that if a person is skilled enough to perform the job well (or match between KSAs and job requirements), that they will also remain in the organization to carry it out. Finally, we have

presented a strong case that person-organization fit will result in employees displaying more of what have been labelled "organizational citizenship behaviors." These are behaviors that employees perform above and beyond the call of duty by, for example, going out of their way to train new co-workers, working non-compensated overtime, and so on. The thinking here is that fitted employees see themselves as really belonging to the organization and willing to invest their own resources in its on-going maintenance. 36

(3) Reinforcement of Organization Design. At the organizational level, the effectiveness of Japanese transplants in the U.S. who hire according to this model is common knowledge. HIO's, where hiring for person-organization fit is practiced, often are very high performers. For example, in their study of a large sample of high involvement organizations, found that HIOs outperformed their industry on return on sales by an average of 532 percent and outperformed their industry on return on investment by an average of 388 percent.<sup>37</sup> It is often argued that the power of such organizations derives from the congruence or mutual reinforcement of the various subsystems, including the selection subsystem. The hiring process in high involvement organizations helps select employees who are interested, for example, in jobs with a great deal of challenge, responsibility, and variety and in pay systems that reward needed behaviors and performance.

#### Potential Problems

Hiring for person-organization fit may also have its disadvantages (see Figure 3). These include the following.

- (1) Greater Investment in Hiring. This model requires a much greater investment of resources in the hiring process. For example, Mazda in Flat Rock, Michigan estimates that it spent about \$13,000 per employee to staff its plant.<sup>38</sup> It appears that organizations hiring within this model are spending the same time and money on hiring an assembly worker as they do in conducting an executive search.
- (2) Undeveloped Selection Technology. The supporting selection technology is still relatively undeveloped and unproven. This takes many forms, one is the still thin track record of successfully validating personality tests against job performance. However, the present authors' study in which measures of growth needs and social needs predicted candidates performance in a pre-employment simulation of high-involvement work demonstrates that personality measures, carefully chosen and developed, can be validated. Yet until

personality tests acquire a deeper inventory of successful validation studies, organizations will doubt, fairly so, both their utility and legality.

In the context of a person-organization fit, there are more developed techniques for assessing people than for assessing work environments. Even on the people side, though, the field is not nearly as sophisticated in measuring work-related personality facets as it is in assessing KSAs. Relatedly, there is an even more neglected need to develop techniques for organizational analysis that are as sophisticated as those for job analysis (e.g. PAQ). Overall, the challenge in organizational analysis is to: (a) identify relevant underlying dimensions of settings and how they can be measured, (b) determine the major impact on individual attitudes and behaviors, and organizational effectiveness, and (c) determine how such impacts differ depending upon individuals' personality.<sup>39</sup>

- (3) Employee Stress. Individuals fitted to "fragile systems" may find their organizational lives to be more stressful. The firms in the Japanese Auto Alley, high-involvement organizations, firms in the Silicon Valley, and so on, which rely on their carefully selected people for system effectiveness are also laying substantial claims to those peoples' lives. This higher level of involvement at work may be associated with experiencing more stress on the job. These workers have reported that they now take work problems home with them and feel the strains more typically associated with managerial roles. 40
- (4) Difficult to Use the Full Model Where the Benefits are Greatest. A new hiring model may offer the greatest potential benefits to new organizations, such as new plants and startup companies. This is because hiring the right kinds of employees can help establish the desired culture of the organization from the very beginning. In existing organizations that are attempting to change their culture, there may be a long period over which the proportion of employees with unwanted attributes drops through attrition, while the proportion of employees with desired attributes gradually increases due to an improved hiring process.

Most of the hiring model we have described can be used in new organizations. Indeed, the new model often is used in new organizations. However, one component of the model, specifically formal selection testing, often cannot be used appropriately or legally early in the life of the organization because the tests have not yet been validated. By the time the validation studies have been conducted, most of the workforce will have been hired.

In some circumstances, it may be possible to avoid this problem by validating the tests before hiring in the new organization. For example, many companies that develop one high involvement organization (or other unusual culture) go on to develop others. It may be possible to validate the tests an existing location if the culture of the existing organization and that desired of the new location are similar. AFG Industries, for example, could use the PRF test to hire employees in other plants that are designed as high involvement organizations.

Another approach is taken by Development Dimensions International, a consulting firm that designed the hiring system for Toyota's Kentucky plant as well as other hiring systems aimed at person-organization fit. 41 DDI identifies the desired characteristics of new hires through a diagnosis conducted with senior managers of the organization. Potential hires explicitly are told about the desired characteristics during the orientation process. Then, the new hires complete a Job Fit Inventory, which includes items relevant to the desired qualities of employees in the organization. The instrument intentionally is very "transparent" and fakeable. Thus, it does not serve the same purposes as personality tests. Rather, it is used to screen out the bottom five to fifteen percent of applicants -- those who indicate that they do not have the attributes that they have been told the company is seeking.

effective. If everyone in the organization had the same personality profile, the organization might become stagnant because everyone would share the same values, strengths, weaknesses, and blindspots. (Obviously, the issue is the same whether employees all tend to have the same point of view because of the selection system or because of training and socialization.) There has been considerable debate about whether a powerful organizational culture, whatever its source, leads to success or leads to dry rot and lack of innovativeness. There is some evidence, for example, indicating that organizations with little internal variability in employee perspectives perform better in the short run but worse in the long run, presumably as a result of inferior adaptation. 42

We would be more concerned about problem if selection technologies were more advanced than they are now. Currently, no selection approach is capable of producing employees who are "clones" of each another.

The selection system is successful if it reduces somewhat the variability in employee-organization fit; no

selection system eliminates the variability. For example, selection tests that consistently explain a quarter of the variance in employee performance on criterion variables are considered extremely effective; most tests explain far less. 43

Moreover, if the organization threatens to become nonadaptive, it is possible to modify the selection system to take into account new characteristics that are needed in the organization's culture. Thus, the selection system may be used to increase as well as to decrease variability among employees.

#### The Future of Hiring for Person-Organization Fit

What does the future hold for this more sophisticated and elaborate approach to employee selection?

Will it be adopted by an increasingly large share of corporations?

Answers to these questions are suggested by the data in Table 2, which details the hiring practices that are used in 96 high involvement organizations. These organizations not only use traditional hiring data sources, such as work experience, education, and tests of verbal and math ability, but they also use a variety of types of data that are relevant to the new selection model. A majority use group interview data and social skills tests, and over one in five use personality tests and work sample performance tests. This level of use of personality and work sample tests, while still limited, is very high for non-exempt employees such as factory workers.

Moreover, there is heavy involvement of non-exempts in the hiring process. In seven out of ten HIOs, non-exempts inform applicants about the job and interview job applicants; in a majority of HIOs, non-exempts participate in hiring decisions. These data suggest that if the number of high involvement organizations increases in the future -- as we expect -- then the use of the new selection model will increase as well. These data also implicitly suggest that progress is being made in developing the selection technologies necessary to implement hiring for person-organization fit.

We believe that hiring for the organization, not the job, will become the only effective selection model for the business environment that most organizations will face. The defining attributes of this business environment -- such as shortened product life cycles, increasingly sophisticated technologies, growing globalization of markets, shifting customer demands -- make for very transitory requirements in specific employee jobs. Organizational success in this environment requires hiring employees who fit the overall

organization, not those who fit a fixed set of task demands. Employee personalities must fit the management philosophy and values that help define the organization's uniqueness and its fitness for the future.

We also believe that senior managers must become more "person-oriented" in their own implicit resolution of the person-situation controversy if hiring for person-situation fit is to become a more common approach to selection. Again, generally speaking, managers tend to believe that tightly controlled situations are more effective in shaping employee performance than less-structured situations that allow the expression of individual differences. Managers who believe this are more inclined to spend resources on creating strong situations via job descriptions, close supervision, and so on than on sophisticated selection procedures.

Finally, we offer an important caveat to "person-oriented" managers who are committed to hiring for person-organization fit. They must manage a paradox. They must build strong organizational cultures yet, at the same time, design work situations that are weak enough to allow the unique qualities of individual employees to impact work performance. They key ingredient in balancing this paradox is to create a strong organizational culture with values that empower employees to apply their individual potentials to the conduct of their work. In this way, fragile systems release the employee energy necessary to compete in today's business environment.

#### **Endnotes**

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#### FIGURE 1

#### A HIRING PROCESS FOR PERSON-ORGANIZATION FIT

#### 1. ASSESS THE OVERALL WORK ENVIRONMENT

- Job Analysis
- Organizational Analysis

#### 2. INFER THE TYPE OF PERSON REQUIRED

- Technical Knowledge, Skills and Abilities
- Social skills
- Personal Needs, Values, and Interests
- Personality Traits

# 3. DESIGN "RITES OF PASSAGE" FOR ORGANIZATION ENTRY THAT ALLOW BOTH THE ORGANIZATION AND THE APPLICANT TO ASSESS THEIR FIT

- Tests of Cognitive, Motor, and Interpersonal Abilities
- Interviews by Potential Co-Worker and Others
- Personality Tests
- Realistic Job Previews, Including Work Samples

#### 4. REINFORCE PERSON-ORGANIZATION FIT AT WORK

- Reinforce Skills and Knowledge Through Task Design and Training
- Reinforce Personal Orientation Through Organization Design

#### FIGURE 2

## POTENTIAL BENEFITS OF HIRING FOR PERSON-ORGANIZATION FIT

#### 1. MORE FAVORABLE EMPLOYEE ATTITUDES

- Greater Job Satisfaction
- Greater Organization Commitment
- Greater Team Spirit

#### 2. MORE DESIRABLE INDIVIDUAL BEHAVIORS

- Better Job Performance
- Lower Absenteeism
- Lower Turnover
- Citizenship Behaviors

#### 3. REINFORCEMENT OF ORGANIZATIONAL DESIGN

- Support for Work Design
- Enhanced Organization Performance

## FIGURE 3

## POTENTIAL PROBLEMS WITH HIRING FOR PERSON-ORGANIZATION FIT

1,	GREATER INVESTMENT OF RESOURCES IN THE HIRING PROCESS
2.	RELATIVELY UNDEVELOPED AND UNPROVEN SUPPORTING SELECTION TECHNOLOGY
3.	INDIVIDUAL STRESS
4.	MAY BE DIFFICULT TO USE THE FULL MODEL WHERE PAYOFFS ARE GREATEST
5.	LACK OF ORGANIZATIONAL ADAPTATION

## Table 1 Applicant Reactions to Pre-employment Training

1.	To what degree was the training program an accurate measure of how well you can do the job?
	Accurate69%
	Neutral24%
	Not Very Accurate7%
2.	To what degree was the training program an accurate measure of how well you can get along with others?
	Very Accurate88%
	Neutral8%
	Not Very Accurate2%
3.	To what degree will the training program help you perform the job?
	A Great Deal88%
	Neutral8%
	Very Little5%
4.	To what degree will the training program help you get along with others?
	A Great Deal80%
	Neutral16%
	Very Little4%
5.	How would you rate the difficulty of the work at AFG as you see it now compared to when you first applied?

Less Difficult.......48%
The Same......35%
More Difficult......18%

6.	How satisfying does the work seem now compared to how you felt when you first applied?		
	More Satisfying77% The Same20%		
	Less Satisfying2%		
7.	How much more do you know about working at AFG now compared to what you originally knew?		
	A Great Deal More85%		
	Somewhat More13%		
	Not Very Much More2%		
8.	I feel the hiring process has given me a realistic preview of how this organization functions.		
	Strongly Agree88%		
	Neutral11%		
	Strongly Disagree2%		
9.	How honest do you think AFG has been about what working here will be like?		
	Very Honest79%		
	Neutral10%		
	Not Very Honest1%		
10.	How accurate do you feel the information you have received has been?		
	Very Accurate92%		
	Neutral7%		
	Not Very Accurate1%		
	•		
11.	To what degree do you think AFG has held back information about your job?		
	Held Back Very Little73%		
	Neutral21%		
	Held Back A Great Deal8%		

12.	To what degree do you think AFG has held back information about the company and its procedures?
	Held Back Very Little80%  Neutral16%  Held Back a Great Deal4%
	ficia back a Great Beat4/0
13.	I received all of the information I wanted about working for AFG?
	Strongly Agree55%
	Neutral24% Strongly Disagree21%
14.	All of the major issues that concerned me were addressed in the information I received.
	Strongly Agree87%
	Neutral22% Strongly Disaggree10%
15.	I feel I really know what to expect on this job at AFG.
	Strongly Agree81%
	Neutral13% Strongly Disagree6%
	Note: The "Neutral" category was a rating of '4' on a seven point scales; categories about the Neutral scales of '6' (7' and '1') (2' assessment)

ınd below Neutral included ratings of '5' - '7' and '1' - '3', respectively.

Table 2
Hiring Practices in % High Involvement Organizations

## I. Types of Data Used In Hiring Process

		Data Not Collected	Collected But Not Important	Somewhat/ Very Important
Traditional Selection Data Sources				
1.	Work Experience	1	3	97
2.	Education	1	6	93
3.	Verbal Ability Tests	36	3	61
4.	Math Ability Tests	41	4	53
5.	Motor Skills Tests	56	4	40
Data Relevant to New Selection Model				
1.	Group Interviews	27	2	71
2.	Social Skills Tests	43	4	53
3.	Personality Tests	73	7	21
4.	Performance on Work Samples	74	4	22

## II. How much do non-exempt employees do the following?

		Not At All	A Little Bit	A Great Deal/Completely
1.	Inform job applicants about the job	30	38	32
2.	Interview job applicants	32	41	28
3.	Make decisions about hiring workers	45	29	27

Source: Ledford & Wright (1990)