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Decisions when Work Status and Job Type Vary**

**Tomoki Sekiguchi
Vandra L. Huber**

Tomoki Sekiguchi
Osaka University of Economics
2-2-8, Osumi, Higashiyodogawa-ku
Osaka 533-8533, Japan
Tel: +81-6-6328-2431
Email: tomoki@osaka-ue.ac.jp

Vandra L. Huber
University of Washington Business School
Box 353200
Seattle, WA 98195
Tel: (206) 543-5365
Email: vandra@u.washington.edu

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**THE RELATIVE EFFECTS OF FIT IN MANAGERS' HIRING DECISIONS WHEN
WORK STATUS AND JOB TYPE VARY**

ABSTRACT

This policy capturing study investigates the relative importance of person-organization (P-O) fit and person-job (P-J) fit in managers' hiring decisions when work status (full time versus contingent/temporary) and job type (managerial versus professional) vary. Our results found that P-O fit was relatively more important than P-J fit when hiring for permanent positions and P-J fit was relatively more important than P-O fit when hiring for contingent/temporary positions. Our results also found that the effect of work status on the relative weights of P-O fit and P-J fit was contingent upon whether positions are managerial or professional.

Key Words: Person-Organization Fit, Person-Job Fit, Employee Selection

Drawing from the person-environment interactionist theory of behavior (e.g., Chatman, 1989; Lewin, 1951), a developing stream of research focuses on understanding the importance of person-organization (P-O) and person-job (P-J) fit information when making hiring decisions. P-O fit refers to the compatibility between a person and the organization (e.g., its values and culture) and P-J fit refers to the congruence between job requirements (knowledge, skills and abilities or KSAs) and applicant qualifications (Adkins, Russell & Webel, 1994; Edwards, 1991; Kristof, 1996). While research has demonstrated that P-O fit as well as P-J fit cues about job applicants are both used to make hiring decisions (Cable & Judge, 1997; Kristof-Brown, 2000), empirical gaps in knowledge still exist. This study focuses on three major issues that have not been investigated thoroughly.

The first deals with the relative importance of the two primary types of fit during the choice, rather than screening stage of the hiring process (Huber, Neal & Northcraft, 1987). Research to date has examined the utilization of P-J and P-O fit cues when candidates are initially screened by recruiters or interviewed (e.g., Cable & Judge, 1997; Kristof-Brown, 2000; Rynes & Gerhart, 1990). There is a dearth of research examining the relative effects of P-J and P-O fit during the final stage of the hiring process when the focus is upon which applicant to accept into the firm rather than which applicants to reject or screen out of the selection process. Research also is lacking which involves managers rather than recruiters as decision-makers.

Second, there has been a transformation in the nature of work. No longer is the labor force composed solely of career employees, each holding a full-time permanent position in an organization. Instead, one-fourth of employees in the United States are contingent workers who fill part-time, temporary, contract, seasonal or casual positions. Of these, 5.6 million are employed in short term or temporary positions (Hipple, 2001). Unfortunately, research

addressing the contingent work force generally (Hulin & Glomb, 1999) and the hiring of contingent workers specifically has been limited.

Research also is needed regarding the relative importance of P-O and P-J fit in selecting employees for different types of jobs. Given the shift to a service economy, two categories of jobs are particularly worthy of study, namely managerial and professional. Among all job types, professionals account for 16.5 percent (the highest percentage) and managerial workers account for 10.8 percent of the U.S. work force (EEOC, 2001). These two job categories are the fastest growing work segments in the service sector. Professional specialties and managerial position account for more than half of all contingent workers (Hipple, 2001). Therefore, this study also examines the important of P-J and P-O fit when job type (i.e., professional versus managerial) as well as work status (permanent versus contingent/temporary) varies.

P-O FIT AND P-J FIT IN HIRING DECISIONS

Prospect theory (Kahneman & Tversky, 1979) suggests that people attempt to avoid losses during early stages of decision making and that people attempt to assure a win in later stages of decision-making. Research on human decision-making suggests that selection processes involves multiple steps and decisions: namely a prescreening stage followed by a choice stage (Northcraft, Neale, & Huber, 1988). Screening entails paring down the applicant pool application to a manageable size by evaluating credentials, administering appropriate cognitive or physical tests, and conducting job interviews and rejecting unqualified job applicants. The choice stage entails evaluating composite information on job applicants to make a final hiring “accept” decision (Huber, Neale, & Northcraft, 1987). Image theory (e.g., Beach, 1990; Beach & Mitchell, 1987) suggests that during early stages of decision-making, people use the compatibility test, in which applicants are evaluated to determine if they meet minimal job

qualifications. Once subsets of applicants pass the screening step, a profitability test occurs in which the applicant who best meets the organization's demands is determined and subsequently hired if available.

Employee selection processes of most organizations traditionally have focused on achieving P-J fit, namely finding job applicants who have the knowledge, skills, and abilities (KSA) necessary to do the job (Werberl & Gilliland, 1999). Traditionally, P-J fit has been the construct of interest during the screening as well as choice stages of selection. In a review of the literature, Edwards (1991) identified satisfaction, stress, motivation, performance, attendance and retention as outcomes that are positively affected by P-J fit. Despite the dominance of P-J fit perspective, researchers and practitioners now contend that P-O fit also is important in employee selection practices (e.g., Bowen, Ledford, & Nathan, 1991). This multi-dimensional perspective stems from the acknowledgement that the nature of work is changing (e.g., Bridges, 1994; Hipple, 2001; Hulin & Glomb, 1999) and that both criterion and predictor domains in employee selection should be expanded (Borman & Motowidlo, 1993; Werbel & Gilliland, 1999).

Researchers have found that interviewers' perception of applicant P-O fit predicted invitations to subsequent interviews (Adkins et al., 1994) as well as hiring recommendations and decisions (Cable & Judge, 1997). Similarly, recruiters' perception of P-J fit also was found to be the predictor of hiring recommendations (Kinnicki, Lockwood, Hom, and Griffeth, 1990). From the points above, it is suggested that P-J fit plays the major role in the early stages (i.e., screening stages) of the selection process when applicants who do not meet the minimum job requirements are eliminated or screened out, but P-O fit is also used for screening decisions or employment interviews.

Distinction between P-O and P-J fit

Conceptually, P-O fit and P-J fit are distinct constructs. Researchers have reported low correlations between actual P-O fit and P-J fit (e.g., O'Reilly, et al, 1991; Higgins, 2000) and perceived P-O fit and P-J fit (Lauver & Kristoff-Brown, 2001). Research using confirmatory factor analysis also has shown that job applicants and recruiters are able to distinguish between the two types of fit (Kristof-Brown, 2000; Saks & Ashforth, 1997).

Rynes and Gerhart (1990) found that objective qualifications (P-J fit) had little explanatory power but firm-specific variables explained recruiter decisions regarding employability. In their study, interpersonal skills, goal orientation and personal appearance were significant predictors of ratings of employable in a recruiter's specific firm. They concluded that the assessment of fit involves more than an evaluation of knowledge, skills, abilities and past accomplishments -- particularly when job applicants were highly credentialed MBA students. "Such candidates are generally assumed to meet minimal or job-specific requirements. They further concluded that the type of decision (general employability versus firm specific employability) affects the utilization of P-J and P-O cues differentially. Using the pre-screening interviews as the research context, Kristoff-Brown (2000) found that P-O fit and P-J fit cues each explained unique variance in recruiters' hiring recommendations. Still, P-J fit explained more variance than P-O fit in their hiring recommendations.

While there is evidence that P-J and P-O fit simultaneously affect staffing decisions (Kristoff-Brown, 2000; Rynes & Gerhart, 1990), the question of the role of fit in making final hiring or choice decisions remains unanswered. It seems, however, that P-O fit would be more important than P-J fit in the choice stage for two reasons. First, candidates are typically prescreened early in the selection process to ensure they meet minimum job requirements.

Therefore, managers' attention in final hiring choice decision would shift to the match between a finalist and broader organizational attributes. Second, managers are risk adverse at this stage. They must select workers who have the requisite contextual values and attributes to blend well with the culture. Therefore, it is predicted that:

Hypothesis 1: Managers will utilize both P-O and P-J fit cues when making final hiring decisions. However, P-O fit will be relatively more important cue than P-J fit when managers make final hiring choice decisions.

PERMANENT VS. CONTINGENT STATUS

Researchers from various fields are increasingly interested in the difference between contingent and permanent employees (e.g.; Hulin & Glomb, 1998). Belous (1989) suggested that in the new economic model, workers can be classified into core and peripheral categories. Permanent employees are considered to be "core workers" who have a strong affiliation with the company as well as an implicit, if not explicit, long-term employment contract. Permanent employees also are significant stakeholders, are part of the corporate family, and possess private knowledge of firm operations. In contrast, contingent workers are considered to be "peripheral workers" who have a weak affiliation with a specific employer, do not have a significant stake in the company, are not considered part of the corporate family, and possess public knowledge that is readily available on the external market (Matusik & Hill, 1998).

Similarly, human capital theory suggests that there are firm-specific human capital and general human capital (e.g., Becker, 1964). Firm-specific human capital is associated with private knowledge that is unique to the firm and that is not easily transferred outside of the firm. It may also include component knowledge of the organization's operations, technical systems and routines as well as architectural knowledge relating to coordination mechanisms and cultural

norms (Matusik & Hill, 1998). General human capital or public knowledge is associated with contingent positions. Such knowledge is applicable to a broad range of jobs across organizations and includes such things as industry best practices and job-specific competencies. This distinction is relevant to the organizations' "make or buy" decisions about their human capital (Lepak & Snell, 1999). If the human capital is firm-specific, organizations will "grow" their own human capital by developing it internally through company sponsored trainings or mature it through long term affiliation. This is closely related to hiring permanent employees. In contrast, contingent workers help firms respond to changing market conditions and may allow firms to import knowledge quickly (Matusik & Hill, 1998). Under these conditions, organizations will "buy" their human capital on the external market. This is closely related to hiring contingent employees.

The concept of psychological contracts provides another mechanism for understanding work status differences. Defined as an individual belief in mutual obligations between that person and another party (Rousseau, 1995), psychological contracts between contingent workers and organizations are likely to be transactional. That is, job requirements and expectations are likely to be clear and specified in advance, allowing individuals to assess personal costs and benefits associated with the exchange and calibrate their contributions accordingly (Hulin & Glomb, 1999). On the other hand, psychological contracts between permanent workers and their primary work organization are likely to be relational. That is, they are more complex in terms of what is expected from the employees and what is expected from organizations and are based more on social exchange and reciprocity in employment relationships (Hulin & Glomb, 1999).

P-O fit is critical when hiring permanent employees because they are the "core" employees who will be imbued with firm-specific private knowledge (Matusik & Hill, 1998).

One way to facilitate knowledge infusion and to protect knowledge exportation is to ensure that the values of permanent employees are aligned with organizational values and goals. To minimize the training and socialization, organizations can focus on selecting those employees whose personal values most closely align with those of the organization. The relational nature of psychological contracts between permanent employees and hiring organizations also suggests that P-O fit is important to maintain a good social exchange relationship and reciprocity. By comparison, P-J fit at the time of hiring may be relatively less important because employees have already been “screened in” or moved forward through the selection process based on their general knowledge and competencies. Therefore, it is reasonable to predict that P-O fit will be weighed more heavily than P-J fit in hiring permanent employees.

Hypothesis 2a: P-O fit will be relatively more important cue than P-J fit when managers make final hiring choice decisions for permanent positions.

For hiring contingent employees, P-J fit remains critical for several reasons. First, organizations use contingent workers when they need to “buy” public knowledge. Public knowledge consists of knowledge not unique to any one firm (e.g. specific accounting or legal practices, computer programming skills, supervisory expertise). Rather it resides in the external market or within various job families. Because contingent workers use their skills in numerous organizational settings, they often have stronger job-specific knowledge, skills and abilities than permanent employees. Additionally, they may be carriers of best practices (Matusik & Hill, 1998).

The transactional nature of psychological contracts between contingent employees and hiring organizations also suggests that P-J fit will dominate selection decisions for contingent employees. Contingent workers usually work directly for a temporary work firm and indirectly

for the organization to which they have been dispatched. The temporary firm finds them assignments and pays them. The contracting firm spells out the work to be performed, the deliverables and the timeline. Put another way, the distinctions between the job and their broader role as an organizational member is often trivial for the contingent worker. “Tell me what tasks you want done in what period and I will do them. But don’t expect me to go beyond those tasks. Conversely, I will not expect you to go beyond what is spelled out in the contract” (Ilgen & Hollenbeck, 1991).

P-O fit, by comparison, is relatively less important than P-J fit for contingent workers for several reasons. As noted above, contingent workers loyalties are more dispersed than those of permanent workers. Because their tenure in any work organization is limited, it is not necessary for contingent workers to be deeply committed to the contracting organization. In fact, organizations may even take steps to ensure contingent workers are not committed or embedded within the organization’s social stratum (e.g. no benefits, no access to corporate perks, no invitations to social functions) (Hipple, 2001). This is partly so that termination is made easier and partly to control the outflow of firm specific knowledge (Matusik & Hill, 1998). Given this, we hypothesize that:

Hypothesis 2b: P-J fit will be relatively more important cue than P-O fit when managers make final hiring choice decisions for contingent/temporary positions.

MANAGERIAL VS. PROFESSIONAL JOBS

Research on P-O fit and P-J fit has generally been mute regarding job type. The majority of studies have involved recruiters interviewing for a variety of positions on university campuses (e.g. Cable & Judge, 1997; Kristoff-Brown, 2000; Rynes & Gerhart, 1990). Given the nature of these sample, it would seem that these positions were primarily professional, rather than

managerial. However, no systematic data was collected or at least reported in the studies to date. An exception is an early study by Caldwell and O'Reilly (1990) which examined only P-J fit across seven jobs, five managerial/ supervisory positions, and three nonsupervisory, lower level jobs (sale representative, telemarketer and secretary). The relationship between P-J fit and performance was strongest for production supervisors ($r = .98$) and weakest for sale managers ($r = .38$). The former used subjective performance ratings while the later used an objective sales performance relative to quota as the dependent variable. P-O fit was not assessed in this study.

Researchers' interest in the difference between managerial and professional occupations or job types can be traced back to Gouldner's (1957) cosmopolitan-local perspective. According to Gouldner, cosmopolitans represent the interest of the occupation and have little loyalty to the organization, and locals are expected to represent the often conflicting interests of the organization. Professionals such as lawyers and engineers who are employed by organizations are often seen as cosmopolitans, while executives and managers of the organizations are usually considered to be locals (Golden, Dukerich & Fabian, 2000).

Similarly, the professional-bureaucratic conflict model suggests that there is an inherent tension between professional and bureaucratic goals and values. The professional's value system is believed to emphasize job characteristics such as professional autonomy, conformity to professional standards and ethics, collegial authority, and client orientation and loyalty. In contrast, bureaucratic value system is said to emphasize hierarchical authority and control, conformity to organizational norms and regulations, and organizational loyalty (Hall, 1968; Wallace, 1993). The role of P-O fit and P-J fit in hiring for managerial versus professional employees may be affected by characteristics of these different occupations.

Specifically, managerial jobs are deeply embedded in the organizational context (Zajac, Golden, B. R. & Shortell, 1991). To succeed, managers need to understand their organization's values, goals and strategies and their managerial tasks need to be consistent with them. Also, managers need specific knowledge about a firm's unique routines, processes, and documentation and skills relating to on the organizational context to perform their tasks effectively. This type of knowledge is firm-specific and acquired through on-the-job learning (Barney, 1991). In addition, managerial work requires that incumbents are highly adaptive to the changing environment of the organization. Therefore, we hypothesize that:

Hypothesis 3a: P-O fit will be relatively more important cue than P-J fit when managers make final hiring choice decisions for managerial positions.

The Fair Labor Standard's Act (FLSA) defines the work of a professional as primarily intellectual, requiring advanced knowledge and education in a "learned" area and the exercise of discretion and judgment which culminates in the production of nonstandardized work products. Researchers concur noting that specific expertise in a discipline is one of the distinctive characteristics of professionals (Hall, 1968; Kerr, Von Glinow & Schriesheim, 1977; Golden et al., 2000). The primary purpose of hiring professionals is to harness the specific expertise (e.g. best practices, accounting or legal knowledge, computer programming skills) that organizations do not have but need so not to be at a competitive disadvantage (Matusik & Hill, 1998). Therefore, P-J fit appears to be the most essential component in selecting professional employees.

Consistent with the characteristics shown above, professionals prefer to maintain control and autonomy over their professional work even if they are employed by non-professional firms (Granovetter, 1985; Wallace, 1995). For example, lawyers structure legal departments within organizations so that they are essentially mini-professional organizations rather than non-

professional bureaucracies (Deber & Schwartz, 1991). In such work contexts, the professional employees' jobs are neither highly interdependent nor deeply embedded within the organizational context. Therefore, a high level of P-O fit, which is critical for interdependent and flexible workforce, is not necessarily essential for hiring professional employees. We predict that:

Hypothesis 3b: P-J fit will be relatively more important cue than P-O fit when managers make final hiring choice decisions for professional positions.

INTERACTION OF WORK STATUS AND JOB TYPE

The hypotheses proposed so far are based on the view that work status and job type independently affect the relative importance of P-O fit and P-J fit in managers' hiring decisions. However, these two dimensions may also interact with each other. Combining the two dimensions results in four possible job positions: permanent managerial, contingent/temporary managerial, permanent professional, and contingent/temporary professional. Here, we predict that the effect of differences in work status on the relative importance of P-O fit and P-J fit will be contingent upon job type.

As discussed previously, managerial jobs are deeply embedded in the organizational context. Also, their knowledge should be form-specific, aligning with the organization's values, goals, and strategies. In this case, whether this position is permanent or contingent/temporary would strongly affect the relative importance of P-O fit and P-J fit. If the managerial position is permanent, it is clear that the manager is considered as a core employee and relational psychological contracts would play an important role in the long-term relationships with hiring organizations. Also, consistent with previous discussions, understanding of the organization's values, goals, and strategies is essential for the permanent manager's managerial tasks. Therefore, P-O fit would be especially critical in hiring permanent managers. On the other hand,

contingent/temporary managers do not have enough time to learn about hiring organizations' specific context. Rather, they are required to do immediate and temporal managerial tasks that are more general and lead to immediate results during their interim period of employment. In this sense, contingent/temporary managers may not be core employees and their psychological contracts with hiring organizations tend to be transactional. Therefore, P-O fit would be less critical when the managerial position is contingent.

A high level of P-J fit at the time of hiring is less important in hiring permanent managers because they will have opportunities to develop organizational-specific KSAs (e.g., contextual knowledge and performance skills) required to do their managerial tasks after they are hired. However, the role of P-J fit would become more critical when hiring contingent/temporary managers because they are required to use their managerial KSAs immediately to do their short-term interim managerial tasks. In short, the relative importance of fit in hiring decisions for managerial jobs should be affected by work status difference.

As discussed previously, professional employees' jobs are neither highly interdependent nor deeply embedded within the organizational context. Professionals usually keep their professional autonomy even when employed permanently by an organization. Therefore, do not need to have a high level of P-O fit to do their jobs. Thus, the importance of P-O fit may not be strongly affected by work status difference.

Regarding P-J fit, the skill sets of professionals are occupationally-specific rather than firm-specific. Their expertise is based on their long-term training and socialization processes in their professional communities. Thus, staying in the organization for a long term does not necessarily contribute to an increase in the specific expertise for professional employees.

Therefore, regardless of whether the professional positions are permanent or contingent, P-J fit at the time of hiring is the essential requirement in hiring decisions. Therefore, we predict that:

Hypotheses 4: When hiring for managerial positions, work status difference will affect the relative importance of P-O fit and P-J fit, but when hiring for professional positions, work status difference will not affect the relative importance of P-O fit and P-J fit.

METHODS

Participants

Participants of this study included 94 mid -to senior-level executives who were enrolled in executive education programs in a large public university in the northwest portion of the United States. During the study period, approximately 180 potential participants were asked to participate in this study and were distributed the research material. About 52% of them voluntarily participated in the study. Data from 3 participants were excluded from the sample because those participants failed to answer manipulation check questions correctly, resulting in the total sample of 91.

The majority of participants were male (60.5%). Seventy five percent were Caucasian, 17% were Asian, 2% each were African American, and multiracial. Their median age was 31-40 with 75% currently holding full time positions. Median full-time work experience was 11-15 years. Of those who held full-time positions, 73% held managerial job at the time of their participation. Eighty-two percent of the participants reported direct experience in corporate hiring activities with 80% of these individuals involved on a yearly or quarterly basis.

The industrial background of the participants varied including 19% communication/computers, 15% construction/manufacturing, 14% government/education/nonprofit, 10%

finance/banking/insurance, 9.0% transportation/distribution, 5% each for biotechnology/pharmaceuticals, healthcare, and professional services, 3% retail, and 2% energy/utility/natural resources. Their functional areas included 23% operations, 21% general management, 11% research and development, 10% marketing, 7% sales, 6% strategy, 6% finance, 5% accounting, and only 2% human resources. Their diverse backgrounds make it unlikely that results were biased toward a particular work context.

Design

An experimental policy-capturing design including both within-subject and between-subject manipulations was utilized. As within-subject manipulations, the levels of P-O fit and P-J fit cues were manipulated at three levels (low, medium, high). Participants were given all possible combinations of P-O fit and P-J fit levels (i.e., $3 \times 3 = 9$). One replication was added to assess judgment reliability. An orthogonal 2×2 between-subject factorial design (work status and job type) also was employed. Conditions included (1) hiring for permanent manager position, (2) hiring for contingent (temporary) manager position, (3) hiring for permanent professional position, and (4) hiring for contingent (temporary) professional position. Participants were randomly assigned to one of these conditions.

Procedures

We instructed participants that this study was being conducted to determine how executives make human resources decisions. Through the experimental materials, participants were informed that they would play the role of hiring manager and would evaluate the credentials of 10 prescreened job finalists and then determine which candidate(s) they would hire.

Contents of the various versions of research material were identical except for the difference in the type of job openings (i.e., differences in work status and job type) and fit cues.

A sample role description (the permanent manager case) is as follows:

“Two weeks ago, the manager of manufacturing software division resigned unexpectedly. In order to keep the operation of this division, the company decided to hire another manager. Because this manager will directly report to you, you are responsible to select the right person to fill this permanent/full-time position (temporary/six month contract). That is, as a hiring manager, you are to make a final decision about whom you hire. Please see the information below for the manager’s job.”

A job description for the position of interest followed. The between-subject conditions (i.e., permanent managerial, contingent managerial, permanent professional, and contingent professional) were manipulated in the job description. Position descriptions differed in terms of the titles, job requirements and key functions for the two types of position (manager versus in-house attorney) and in terms of contract type (permanent/full-time or temporary/six month contract). In terms of job requirements, the attorney position required a J.D. degree, experience practicing general corporate law and experience in commercial transactions and intellectual property law. The attorney’s role description stated:

Under the direction of the VP of strategic business development, advises the company concerning legal issues related to its business activities. These issues included patents, government regulations contracts with other companies and property interests. No supervisory responsibility is required.

The management position required an MBA degree, management experience at the division level, direct experience in the software industry and knowledge of financial, marketing and human resources management. The manager’s role description stated:

Under the supervision of the VP of strategic business development, formulates business strategies and provides overall direction of the manufacturing software division. Plans, directs, and coordinates the division’s daily operational activities. Manages and supervises employees in the division.

The work status manipulation was made salient in three ways. Instructions to participants indicated the type of position they were hiring for. In addition, job titles (e.g. The In-house Attorney's Job versus The Temporary In-House Attorney's Job) and contract type (permanent/full time versus temporary/six month contract) were manipulated in the job description.

Participants also read information indicating that the human resources department of the company had prescreened applicants and selected 10 job candidate finalists. Screening was based on resumes, personality tests, written assignments, and job interviews. Their job as the hiring manager (Vice President of Strategic Business Development) was to assess the qualifications of the 10 finalists to determine who would be offered a job. This was followed by the applicant profiles which summarized individuals qualifications and contained the P-J and P-O fit cues. To limit ordering effect, the order in which participants evaluated the 10 profiles was random. In addition, cue order within the profiles was varied across participants such that profiles for a half of the participants contain cues presented in the order of P-O fit - P-J fit and profiles for another half of the participants contain cues presented in reverse order.

To ensure their understanding of the scenario and of their role in the hiring simulation, and to ensure the manipulation of work status and job type of the position, participants next answered several manipulation check questions (e.g. "The position you are filling is _____. (Chosen from (a) managerial, (b) professional, and (c) low skilled)", and "The contract type of this position is _____. (Chosen from (a) permanent, (b) temporary, and (c) not specified)"). After answering those questions, participants were asked to evaluate the qualifications of the 10 job finalists and responded to four questions relating to the hiring the candidate.. After completing

the evaluation of all of the hypothetical finalists, participants were asked to fill in the demographic information.

Measures

Fit cues. To determine the differential impact of applicant P-O and P-J fit, the level of each was manipulated in job applicant profiles. P-O fit and P-J fit cues were developed through the review of the literature on P-O fit and P-J fit and discussions with human resource experts in technology firms and management researchers. The literature on P-O fit and P-J fit suggested that recruiters often use applicants' knowledge, skills and abilities (KSAs) to assess P-J fit, while recruiters often use applicants' values, goals, and personality traits to assess P-O fit (e.g., Kristof-Brown, 2000). In light of this, six to eight items for P-O fit and P-J fit cues were selected from the domain of applicants' KSAs and applicants' values, goals, and personality traits. Based on the discussions with experts and researchers, the pool of items was narrowed down to three items for each type of fit. The items for P-J fit cue included: (1) Match between this person's academic degree and job requirements; (2) Match between this person's work experience and job requirements; and (3) Match between this person's knowledge/skills and job requirements." The items for P-O fit included: (1) Similarity between this person's personal values and corporate culture; (2) Similarity between this person's personal goals and corporate goals; and (3) Similarity between this person's personality and those of our typical employees.

To increase the effectiveness of the P-O fit and P-J fit manipulations, verbal statements were combined with a simple graphical representation of fit cues. Verbal representation has an advantage of using natural language to depict a cue's value, which means that interpretation by judges is straightforward. A simple graphical representation has advantages such as (a) being easy to read and interpret, (b) providing a pictorial display of cue information, (c) providing a

clear relative indication of where each cue value sits with respect to values of all other cues, and (d) an indication of where each cue value sits with respect to the total overall range of values for that cue (Cooksey, 1996). A sample of verbal and graphic representations is presented in Figure 1.

 Insert Figure 1 about here

Pilot study. To see whether the manipulated fit cue levels generated desirable perceptions of low, medium, and high levels of P-O fit and P-J fit, a pilot study was conducted. Ten undergraduate students from a northwest business school rated their perceptions of applicants' P-O fit and P-J fit based on the applicant profiles. Each student rated 10 different applicant profiles, resulting in the total of 100 ratings. The t tests of the mean level of perceived fit demonstrated significant differences among the low, medium, and high levels of each fit cue. In addition, there were no statistically significant differences between the two low cues, the two medium cues, or the two high cues of P-O fit and P-J fit. This demonstrated that the P-O fit and P-J fit cues were manipulated with equivalent strength.

Number of applicant profiles. In order to create an orthogonal cue design, the three levels of P-O fit and P-J fit cues (1 = low, 2 = medium, 3 = high) were completely crossed, resulting in 9 (i.e., 3×3) different applicant profiles for each between-subject condition. An orthogonal cue design was appropriate to assess the independent effects of each cue (e.g., Aiman-Smith, Scullen & Barr, 2002). One replicated profile was included to assess within-rater judgment reliability, bringing the total number of profiles to 10. This number met the minimum requirements for policy-capturing suggested by Cooksey (1996) (i.e., at least five cases in every cue). Second, 10 profiles was deemed appropriate considering final hiring decisions usually

include less than 10 finalists, time constraints of the voluntary study participants, and other possible participant related effects (e.g., tiredness, boredom, or other negative effects).

To examine the stability of the regression results with 10 profiles, a pilot study using 40 undergraduate students was conducted in which judgment of applicant qualifications was the dependent variable and P-O fit and P-J fit cues were independent variables. Results revealed that the average of multiple correlations for each individual's regression analysis was .90, which indicated a high level of stability of the regression results (Cooksey, 1996).

Judgment of applicant qualifications. Judgment of applicant qualifications was measured with four 7-point Likert-type scales. Participants were asked to indicate: (1) "My overall evaluation of this applicant is:" (1 = very negative; 7 = very positive); (2) "I want to hire this candidate." (1 = not at all; 7 = absolutely); (3) "I will give a job offer to this candidate." (1 = very low; 7 = very high); and (4) "I think this candidate will succeed in the job." (1 = very unlikely; 7 = very likely). Factor analysis with principal component solution for these four items identified a single factor that explained 93.7% of the variance. The internal consistency in terms of alpha reliability estimate was .98. Therefore, a composite measure of the judgment of applicant qualifications was created by averaging the 4 items (mean = 3.58, SD = 1.64). This composite measure was utilized in subsequent analyses.

RESULTS

A summary of means, standard deviations, and correlation matrix for variables used in this study is provided in Table 1. Data for replication profiles were not counted in this descriptive statistics. No individual difference variable was significantly correlated with the judgment of applicant qualifications. This indicates that between-subject variance in judgment

of applicant qualifications was far smaller than within-subject variance (i.e., variance accounted largely by P-O fit and P-J fit cues).

Insert Table 1 about here

Reliability of judgment was assessed using replication profiles. The correlation between the original applicant profiles and replicated one was .85. Considering other published policy capturing studies that reported the reliabilities of judgment around .80 (Karren & Barringer, 2002), participants' judgments in this study were considered adequate in reliability. Data for the replication profiles were eliminated from original data for subsequent hypotheses testing.

To test the hypotheses on the importance of P-O fit and P-J fit, data were pooled across participants and a series of regression analyses were performed using data for each between-subject conditions. To control for individual differences, dummy variables were developed for all but one participant. These dummy variables were entered in the first step of a hierarchical regression analysis, and served as a mechanism to control for person effect in the subsequent analyses. The independent variables of interest were entered in the subsequent steps. Because P-O fit and P-J fit cues were orthogonal, the standard regressions coefficient for each type of fit represents the relative weight placed by participants.

Hypothesis 1 predicted that managers will use both sets of cues, but that P-O fit would be more important than P-J fit at the final choice stage of the selection process. To test this hypothesis, the regression analysis was performed using the entire sample. Table 2 shows the results of the regression analysis. As shown, the coefficients for P-O fit and P-J fit each explained unique variance in the judgment of applicant qualifications. While P-O fit explained more variance (3%) than P-J fit, a one-tailed t-test of the difference between the two standard regression coefficients (Cohen & Cohen, 1983) was not significant ($t = 1.14$, n.s.). Thus,

Hypothesis 1 was only partially supported. Managers utilized both types of fit cues but P-O fit was not weighted significantly heavier than P-J fit in the choice stage of the hiring process.

 Insert Table 2 about here

Hypothesis 2 focused on the relative importance of P-J and P-O fit when hiring permanent versus temporary positions. The results of the regression analyses for permanent and contingent positions are shown in Table 3. Hypothesis 2a focused upon permanent positions. For the permanent position condition, P-O fit explained more variance (14%) than P-J fit. The t-test of the difference between two standard regression coefficients was significant ($t = 3.56, p < .01$). Therefore, Hypotheses 2a was supported, indicating that P-O fit is a relatively more important determinant of hiring than P-J fit when the position to be filled was long term/permanent. Conversely, when the position was contingent, P-J fit explained more variance (8%) than P-O fit. The t-test of the difference between two standard regression coefficients was significant ($t = 1.96, p < .05$). Therefore, Hypotheses 2b also was supported. That is, P-J fit was a more important determinant than P-O fit when managers were hiring for contingent/temporary positions.

 Insert Table 3 about here

Table 4 shows the results of the regression analyses for managerial and professional positions. For the managerial condition, P-O fit explained more variance (6%) than P-J fit. However, the t-test of the difference between the two standardized regression coefficients was not significant ($t = 1.31, n.s.$). Thus, the relative importance of P-O fit and P-J fit differed in the expected direction, but the difference was not statistically significant for the managerial position. Therefore, Hypotheses 3a was not supported. For the professional condition, P-O fit and P-J fit

explained almost same amount of variance. The t-test of the difference between two standard regression coefficients also was not significant ($t = -0.29$, n.s.). Therefore, Hypotheses 3b also was not supported. That is, the relative importance of P-O fit and P-J fit was almost equal for the professional (lawyer) position.

 Insert Table 4 about here

Hypothesis 4 concerned differences within pairs of contingency-based subsamples. We were interested in knowing whether the relative weights for P-J and P-O fit differed appreciably between subsamples (work status). A simple but powerful technique for observing such differences is to conduct a Chow test (Chow, 1960). A Chow test examines for stability of regression coefficients between two groups and tests whether the pattern of parameters differs between the two groups. A change in parameters between two groups is an indication of structural change in the relationships. First, for each of the managerial and professional conditions, separate regressions were performed for the permanent and contingent/temporary subsamples. Person effect as a control variable was not included in the regressions because previous analyses showed that person effect did not explain significant variance of the judgments. Next, the same regression analysis was performed for the two subsamples pooled together. If the sum of squared errors for the two subsamples is small relative to the errors for the pooled sample, the best fitting models for the two subsamples differ significantly from one another (Maddala, 1977; Hambrick & Lei, 1985; Huber, 1989). The results of the regression analyses and Chow tests are presented in Table 5.

 Insert Table 5 about here

Consistent with the arguments that lead to Hypothesis 4, standardized regression coefficients for managerial conditions suggest that P-O fit was relatively more important cue than P-J fit for permanent managerial positions, while P-J fit was relatively more important cue than P-O fit for contingent/temporary managerial positions. For professional positions, it seems that P-O fit is more important for permanent professional and P-J fit is more important for contingent professional, but the difference is not larger than the case of managerial positions. The Chow test for managerial conditions showed that standardized regression coefficients were significantly different between permanent managerial positions and contingent/temporary managerial positions ($F = 10.99, p < .01$). On the other hand, for professional positions, the Chow test showed that observed difference in standardized regression coefficients for permanent vs. contingent/temporary positions was not significant ($F = 1.12, n.s.$). The combination of these results supports Hypothesis 4. That is, the effect of work difference status on the relative importance of P-O fit and P-J fit only applied when positions were managerial. When positions were professional, the effect of work status difference was not significant.

DISCUSSION

In the policy-capturing research reported here, we examined the role that the work status had on the relative importance of P-J and P-O fit in hiring choice decisions. Additionally, we examined the utilization of fit cues in making final hiring decisions for two types of jobs, namely managerial and professional. We predicted that in general, P-O fit would be relatively more important cue than P-J fit when managers make decisions at the final choice stage of the staffing process. We argued further that the relative importance of P-O and P-J fit cues would vary depending on work status (permanency of the job assignment) and the job type (professional versus managerial). The results of this study provide partial support for our hypotheses.

Present results indicate that hiring managers incorporate information about both types of fit into their decision-making framework. Holding position type and work status constant, we found that both types of fit cues are utilized to make final choice decisions. However, we did not find evidence that P-O fit was a more important determinant of final hiring recommendation than P-J fit. These results are valuable, extending the basic findings of Kristoff-Brown (2000) to the second stage of the hiring process.

We proposed that characteristics of job openings affect the relative importance of P-O fit and P-J fit in managers' judgments of applicant qualifications. Specifically, we hypothesized that P-O fit would be weighted more heavily than P-J fit when hiring for a permanent position. Conversely, we hypothesized P-J fit would be weighted more heavily than P-O fit when hiring contingent or temporary employees (Hypotheses 2a and 2b respectively). Results of this study support these hypotheses and provide the first substantive evidence that work status differentially affects staffing decisions. This suggests that the theoretical frameworks such as psychological contracts, core-peripheral dichotomy, and human capital theory are useful in predicting the relative importance of P-O fit and P-J fit in managers' hiring decisions for permanent versus contingent employees.

Next, we hypothesized that P-O fit would be weighted more heavily than P-J fit in hiring managerial employees and P-J fit would be weighted more heavily than P-O fit in hiring professional employees (Hypotheses 3a and 3b respectively). Findings in this study did not support the differential weighting of P-O and P-J cues based on position type per se. While the result was in the expected direction for a managerial position, they were not significant. Whether the job was professional or managerial, it seems that managers utilize both P-O and P-J fit cues equally to decide which applicants will be extended job offers. This may partially be an

artifact of sample size and may warrant further investigation. It may also be that the positions were more similar, than dissimilar. That is, in today's service economy, the professional, like the manager, perform tasks that are more aligned than different.

Lastly, we hypothesized that the effect of work status on the relative weights of P-O fit and P-J fit was contingent upon whether positions are managerial or professional. Specifically, we hypothesized that the effect of work status on the weighing of P-O fit and P-J fit applies for managerial positions, but not for professional positions (Hypothesis 4). Results of this study support this hypothesis and thus provide evidence that the dimensions of work status and job type interact in determining the relative weights of P-O fit and P-J fit for managers' final hiring choice decisions. It seems that job type differentially affects the relative weights of P-O and P-J fit.

Limitations and strengths.

Potential weaknesses of this study are juxtaposed against a number of strengths. First, this study was conducted using a policy-capturing methodology. While policy capturing provides rich data about information processing strategies (Morrison & Vancouver, 2000), the realism of this study may be questionable (Karren & Barringer, 2002). However, steps were taken to ensure that the experimental materials were realistic. In this study, participants were asked to read background information on a hypothetical firm, job descriptions for a specific permanent position, and applicant files. Acting as a vice president strategic business development, they were asked to make hiring decisions for 10 job candidates in a relatively short period of time.

While some researchers criticize the use of hypothetical job applicants (i.e., paper people) in employee selection research, the bulk of the evidence supports the idea that the use of "paper" representations of real cases for the capturing of judgment policies does not seriously distort

realism (Brehmer & Brehmer, 1988). For example, Cleveland (1991) examined whether decision-makers in an organization responded similarly to both actual and experimentally generated hypothetical applicants and obtained similar results from both types of applicants. Therefore, using hypothetical applicants is appropriate if the study is designed to capture the essential feature of hiring decision-making and mimics the choice stage of the selection process. That is, the hiring manager typically reviews the “paper trail” of job finalists.

A second concern centers around the information processing demands of the task. Two tactics were utilized to eliminate information processing overload. First, only two categories (P-O and P-J fit) of cues were manipulated in this study. As a result, participants evaluated only 10 job applicant profiles. These numbers are conservative when contrasted against other policy capturing studies (e.g., Kristof-Brown, et al, 2000; Judge & Bretz, 1992). To ensure that information was easily accessible (Morrison & Vancouver, 2000), P-O and P-J fit cues were presented in paragraph form as well as graphically and the work status and job cues were presented multiple time via the job title, position description and task instructions. Thus, information overload as well as exhaustion was minimized.

Regarding generalizability, steps were taken to ensure that materials were realistic and consistent with organizational practice. Information about the two manipulated positions (manager versus lawyer) were contained in written job descriptions. Job descriptions information (role description and key competencies) were drawn from the Department of Labor’s “O*Net occupation data base. Further, P-J and P-O fit cues were presented as part of a written summary of applicant qualifications. Summary applicant sheets were modeled after those utilized in a major company. To circumvent potential confounds caused by using non-expert judges (Barr &

Hitt, 1986), participants in this study were managers who had experience making choice stage decisions about whom to hire.

One limitation of this study was that only two jobs –manager and lawyer— from two job families – professional and managerial --were studied. It may be that Hypothesis 3 was not supported because the two jobs were more alike than different. That is, both jobs were exempt under the Fair Labor Standards Act (FLSA), required advanced degrees and entailed the exercise of discretion. The primary differences were in terms of supervisory responsibilities and intellectual capital. This explanation is plausible given recent federal actions to reform the FLSA as it relates to the clarity of professional-managerial exemptions (U.S. Department of Labor, 2003).

To definitively determine if fit differentially affects hiring decisions for professionals versus managers, future research is needed which examines a broader spectrum of jobs. For the professional category, there is a wide assortment of jobs that might be examined (e.g. software engineer, creative director, journalists, scientists, nurses, musicians). Given the rapid growth in technical jobs, it particularly would be beneficial to explore the relative importance of P-O and P-J fit in this job classification. In the managerial category, it would be useful to vary the level of management responsibilities (strategic, unit-based or supervisory) as well as the field of knowledge (e.g. finance, human resources, information systems). Additionally, non-managerial and non-professional jobs such as entry-level white-collar jobs might be contrasted. The differences in work responsibilities would be more salient between exempt and on exempt job because these jobs are less likely to overlap in competencies and duties.

Contributions.

The findings from this study contribute to the theory of fit as well as to HRM practice in several ways. First, this study theorized and empirically tested the effects of job position characteristics as contingency factors on the relative importance of P-O fit and P-J fit in hiring decisions. The results of this study denote that decision makers evaluate applicants for contingent versus permanent positions differently. The results of this study also suggest that the effect of work status on the relative weights of P-O fit and P-J fit was contingent upon whether positions are managerial or professional. Because it is now common for many organizations to hire various kinds of employees such as contingent workers and professionals (e.g., Leicht & Fennell, 1997; McLean Parks, Kidder & Gallagher, 1998), organizations should articulate their hiring strategy for different types of employees – if they want decision makers to use organizationally-sanctioned criteria that is different from what naturally evolves (Lepak & Snell, 1999; Osterman, 1987; Sonnenfeld & Peiperl, 1988). Consistent with Hulin and Glomb (1999), our study demonstrated that the addition of contingent workers to the workforce mix significantly alters the selection process used in organization.

Second, the relative importance of P-E fit in the later stage of selection process has been relatively unknown. Using policy-capturing design, this study investigated how decision makers use P-O fit and P-J fit cues to make final hiring decisions. The strong internal validity (i.e., causal inference) of the policy capturing design enabled us to capture the essential nature of judgment process of hiring managers. Generalizability of the results was also bolstered because experienced managers and professionals were utilized as a sample of this policy-capturing study. Based on the results, we can concluded that the role of fit is just as important when deciding which applicants to accept as it is when prescreening candidates and deciding whom to reject (Huber, et al, 1987).

Our present study focused primarily on how decision makers integrate the different types of fit information to make final hiring choice decisions. We utilized a contingency-based approach as our theoretical anchor. While results are encouraging, it remains to be seen whether this contingency-based approach to hiring the workforce mix is effective. That is, research might investigate the relative effects of P-O fit and P-J fit on post-hiring outcomes (e.g., commitment, satisfaction, performance). Such research would contribute to the theory and practice of contingency-based hiring.

Future research could also investigate other contingency factors that may affect the role of P-O fit and P-J fit in hiring employees. Some possible candidates include industry characteristics, labor market variations, the legal and institutional environment, as well as national culture. Organizational culture and organizational structure also may be other candidates for investigation. Other types of fit can also be included in future research. For example, person-group (P-G) fit would be more salient for organizations that extensively use groups and teams. Looking at sub-dimensions of P-O fit and P-J fit separately may be another direction because even P-O fit and P-J fit have several sub-dimensions (e.g., demands-abilities fit and needs-supplies fit) that might be weighted differently in hiring decisions.

In conclusion, findings from this study are useful for both organizations and job applicants. For organizations, the knowledge about the role of P-O fit and P-J fit in managers' hiring decisions can be used to improve their hiring practices. If organizations have clear policies such that a particular type of fit should be weighed heavier than other types of fit in hiring, and if these policies are not consistent with the findings from this study, they should provide hiring managers with rater trainings or with specific evaluation criteria. For job applicants, the knowledge about the relative importance of fit in hiring decisions may lead to

more effective strategies for securing a job (e.g., resume writing and interview strategies). That is, job applicants might want to change their strategies (e.g., impression management that attempts to increase a specific type of P-E fit perception) according to the characteristics of the positions such as work status and job type. For temporary positions in general, job specific skills and abilities should be emphasized. For permanent positions in general, it also is important to emphasize job skills to pass initial selection screening. But to get chosen for the job, applicants will need to demonstrate that their values and beliefs are aligned with the organization's culture and norms. This is particularly important for managerial positions where the manager must espouse corporate culture and values to other employees. For professional positions, the specific expertise that fits with the position requirements and values and beliefs that are consistent with the organization's culture and norms should be equally emphasized regardless of their work status.

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Table 1: Means, standard deviations and correlations among variables

Variable	Mean	SD	1	2	3	4	5	6	7	8	9	10	11
1 Judgment of applicant qualifications	3.57	1.64	-										
2 P-O fit cue	2.00	0.82	.60 **	-									
3 P-J fit cue	2.00	0.82	.58 **	.00	-								
4 Work status	0.54	0.50	.01	.00	.00	-							
5 Job type	0.47	0.50	.03	.00	.00	.04	-						
6 Age	3.54	1.73	-.05	.00	.00	.06	.11	-					
7 Gender	0.56	0.50	.03	.00	.00	.07	-.13	.14	-				
8 Work experience	4.04	1.64	-.06	.00	.00	.05	.08	.89 **	.13	-			
9 Managerial experience	2.57	1.45	-.01	.00	.00	-.04	-.11	.68 **	.08	.80 **	-		
10 Frequency of hiring	2.84	1.55	-.04	.00	.00	-.05	-.08	-.05	-.17	.04	.16	-	
11 Recenfy of hiring	3.00	1.76	.09	.00	.00	-.09	-.12	.07	.07	.15	.18	.54 **	-

N = 819 for correlations including variable 1-3 (within-subject variables).

N = 91 for correlations among variable 4-11 (between-subject variables).

** p < .01

**Table 2: Results from a hierarchical regression analysis:
All participants**

Variable	Beta	R ² change
Step 1		
Person Effect	-.05 - .11	.08
Step 2		
P-O fit	.60**	.36**
P-J fit	.58**	.33**
Total R ²		.77**

N = 819,
** p < .01

**Table 3: Results from hierarchical regression analyses:
Permanent vs. contingent/temporary positions**

Variable	Permanent		Contingent/temporary	
	Beta	R ² change	Beta	R ² change
Step 1				
Person Effect	-.04 - .12	.07	-.07 - .16	.08
Step 2				
P-O fit	.66**	.43**	.55**	.30**
P-J fit	.54**	.29**	.62**	.38**
Total R ²		.78**		.76**

N = 441 for permanent; N = 378 for contingent/temporary
** p < .01

**Table 4: Results from hierarchical regression analyses:
Managerial vs. professional positions**

Variable	Managerial		Professional	
	Beta	R ² change	Beta	R ² change
Step 1				
Person Effect	-.02 - .17	.05	-.07 - .12	.09
Step 2				
P-O fit	.62**	.38**	.59**	.35**
P-J fit	.57**	.32**	.58**	.34**
Total R ²		.75**		.78**

N = 387 for managerial; N = 432 for professional

** p < .01

Table 5: Chow Test of regression equation differences

Fit cues	Permanent		Contingent/temporary		Chow test
	Beta	R ² change	Beta	R ² change	
Managerial conditions					
P-O fit	.71**	.50**	.51**	.26**	
P-J fit	.50**	.25**	.64**	.38**	10.99**
Professional conditions					
P-O fit	.61**	.37**	.58**	.34**	
P-J fit	.57**	.32**	.60**	.36**	1.12

N = 216 for permanent manager; N = 171 for contingent/temporary manager

N = 225 for permanent professional; N = 207 for contingent/temporary professional

** p < .01

Figure 1
Sample verbal and graphical representation of fit cues

“Job-related assessments indicate high compatibility between this candidate’s academic degree, work experience, knowledge and skills and the nature of this job. Organization-related assessments indicate medium compatibility between this candidate’s personal values, personal goals, and personality, and our organization’s culture, goals, and employees.”

Assessment Results

Job-related assessment

Level of match/compatibility

Match between this person’s academic degree and job requirements
 Match between this person’s work experience and job requirements
 Match between this person’s knowledge/skills and job requirements

Low -----x--- High
 Low -----x----- High
 Low -----x----- High

Organizational-related assessment

Level of match/compatibility

Match between this person’s personal values and corporate culture
 Match between this person’s personal goals and corporate goals
 Match between this person’s personality and those of our typical employees

Low -----x----- High
 Low -----x----- High
 Low -----x----- High

Appendix: Sample job description

THE TEMPORARY IN-HOUSE ATTORNEY'S JOB

THE CORPORATE LEGAL OFFICE: UW Technology set up the in-house legal office under the VP of Strategic Business Development in 1988 and created one in-house attorney position. The office has helped the company with various legal issues related to its business activities.

THE ATTORNEY'S ROLE: Under the direction of the VP of strategic business development, advises the company concerning legal issues related to its business activity. These issues involve patents, government regulations, contracts with other companies, and property interests. *No supervisory responsibility is required.*

CONTRACT TYPE: *Temporary (Six-month contract).*

REPORT TO: Vice President of Strategic Business Development (YOU).

JOB REQUIREMENTS

J.D. from recognized law school,
5 -10 years experience practicing general corporate law, preferably in-house,
Practice experience in commercial transactions and intellectual property law,
Strong working knowledge of contract and agency law,
Knowledge on software and information technology,
Excellent verbal, written and interpersonal communication skills,
Ability to interact with diverse clients, vendors and industry representatives in a clear, confident manner.