

# DEPARTMENT OF PSYCHOLOGY

Person-Job Fit and Person-Organization Fit Among Start-Up Employees and their Relation to Job Satisfaction and Intention to Leave

## Sarah Ohlsson

Master's Thesis (30 hp) Spring 2018

Supervisors: Martin Bäckström

Rebecka Persson

#### Abstract

This study aimed to investigate on the employees in new ventures and focused on the perceived person-job fit and person-organization fit among staff members working in Swedish and Danish start-ups. Additionally, this study intended to understand how the perceived fit affects the employees' job satisfaction and turnover intention. Moreover, this research was interested to see whether the start-ups age moderates the relation between person-organization fit and job satisfaction/turnover intention, as well as the relation between Person-Job fit and job satisfaction/turnover intention. This study hypothesized that workers with a perceived person-job fit and person-organization fit would also have a high job satisfaction and a lower interest to leave their workplace. A cross sectional study was conducted, using self-report measures in an online survey (N = 197). The results showed that start-up employees with a perception of person job and person-organization fit also sensed job satisfaction and a low turnover intention. Therefore, this research's findings fell in line with results from previous studies. Furthermore, the start-up age was not found to moderate the tested relationships, indicating that Person-Organization and Person-Job fit seem to be important for both young and well-established start-ups.

*Keywords*: Person-Job fit, Person-Organization fit, Job satisfaction. Turnover intention, Start-ups.

New ventures are often considered as contributors to a country's economy and employment growth (Gilbert, McDougall, & Audretsch, 2006). With that said, newly establishing firms have a high failure percentage, although, they also show a higher average growth rate compared to the more established and structured organizations (Ouimet & Zarutskie, 2014). In order for the new ventures to grow, it is vital that they are able to attract, hire and finally retain skilled employees. This is perceived to be especially challenging for the newly established firms, since they have fewer resources and less structure in comparison to their more established competitors (Moser, Tumasjan, & Welpe, 2017). Start-up founders and entrepreneurs face this challenge and the recruitment of the right skilled talents for their firm is one of the key for having a successful and growing business (Williamson, Cable, & Aldrich, 2002). One widely used staffing strategy is hiring professionals that match the entire organization, instead of the specific job and the work tasks that comes with it (Bowen, Ledford, & Nathan, 1991).

Even though recruitment and start-up staffing are fields of research, these are yet still unexplored in some extent (Welbourne & Katz, 2002). Moreover, studies of how to recruit a staff for newly established firms are scarce and the research that involves the employees of new ventures is still limited (Knyphausen-Aufseb & Vormann, 2009).

Along with the interest of hiring the right personnel for new ventures, researchers have been manifesting an expanded interest in the concept of Person-Environment (P-E) fit, which measures the employees' perceived affinity to the organizational environment they work in. The concept of P-E is very extensive, often perceived as an umbrella which includes various types of different fit concepts (Kristof-Brown & Lauver, 2001). Two concepts that are closely aligned with the Person-Environment fit are the Person-Job fit and the Person-Organization fit. There is a vast amount of literature that focuses on these two aspects and their effects on the well-being of both employees and their workplace (Afsar, Badir, & Khan, 2015). Person-Organization fit involves pairing the employee's personality, values and personal goals with

the values and objectives of the organization he or she is working in. Furthermore, Person-Job fit is more focused on the individual competency level and ensures that the organization hires and admit employees that have the technical expertise to execute and complete their assigned job tasks (Afsar et al., 2015). A major knowledge gap in the existing literature is the lack of research that investigates start-up employee's perception on Person-Job and Person-Organization fit, and how that relates to job satisfaction and turnover intention in the start-up setting.

The purpose of this study is to investigate on employee's perception of P-J and P-O fit and see how it influences their job satisfaction and turnover intention. Furthermore, this research is interested to see whether the start-ups age moderates the relation between personorganization fit and job satisfaction/turnover intention, as well as the relation between Person-Job fit and job satisfaction/turnover intention. The overall goal is to extend current knowledge and contribute to a further understanding of how perceived fit relates to employee's job satisfaction and intention to leave in the start-up setting. The following sections will give an extended insight on the concepts of person job fit, person organization fit, job satisfaction and intention to leave, as well as the definition of start-ups and the challenges they face.

### Person-Job fit and Person-Organization fit

The interest on the inclusive concept of person-environment (P-E) fit has been growing for years, thanks to its relation to employee's behaviours and attitudes in their workplaces. The P-E fit describes the affinity between individuals and their organizational environment (Bretz & Judge, 1994) Various research has continuously confirmed its positive influence and effects on employees' attitudes and behaviours (Boon, Den Hartog, Boselie, & Paauwe, 2011). During the years, the concept of P-E fit has been expanded and now includes several types of fit, which makes this concept a dominant and extensive research topic. The primary types of fit that have

been developed are: Person-Vocation Fit (P-V), Person-Job Fit (P-J), Person-Organization Fit (P-O), Person-Group Fit (P-G), and lastly Person-Supervisor Fit (P-S) (Kristof-Brown, Zimmerman, & Johnson, 2005). Particularly the P-J and P-O fit were shown to have positive effect on the employees' job well-being and will therefore be of interest in the present study.

There are two different perceptions of fit: perceived and objective. The first one is interested in asking an individual for a description of him or herself and to also describe the organization he or she is working for with similar dimensions. The second one, objective fit, asks the individual to describe his or her attributions but then asks someone else to give a description on the organization on the same dimension. (Verquer, Beehr, & Wagner, 2003).

### Person-Job Fit

Person-Job fit matches the skills of an employee and the demands of the job tasks (Kristof-Brown & Lauver, 2001). Various research has found that employees have a higher well-being and perform better in jobs that better fits their own skills and abilities (Boon & Biron, 2016). There are two components in the concept of P-J fit: The first one is Demands-Abilities (D-A) fit, which indicates the affinity between the employee's skills, knowledge and abilities, and how these personal attributions match the requirements of the job. The second component, the Needs-Supplies (N-S) fit, refers to the employees' needs and how these are addressed by the supplies that arises from the job. In other words, the job supplies are characterized by salary, promotion opportunities, good working conditions and benefits, while the employees' needs consist of goals, values, interests and psychological desires. To summarize, the N-S fit has a strong focus on the employee and the D-A fit is more concentrated on the job and its demands (Boon & Biron, 2016). Researchers also suggest that the employees also search to reach and achieve correspondence with their job and work place. In order to achieve and maintain a strong sense of fit, the employees need to fulfil the demands of the job

and also perceive their work environment to be compatible with their expectations (Boon & Biron, 2016).

### Person-Organization Fit

P-O fit first emerged from Schneider's Attraction-Selection-Attrition (ASA) framework, which suggests that organizations and individuals are attracted to one another (Cable & Judge, 1997). The concept of P-O fit is therefore defined as the match between individual's values, or the values that people seek in an organization, and the organizational values. According to Ng and Burke (2005) the fit between employee and workplace is stronger when an organization fulfils the individual's preferences, needs and desires. P-O fit is therefore perceived as the match of the employee with the entire organization, instead of the affinity with a more specific job or task (Verquer, Beehr, & Wagner, 2002). Employees with a strong P-O fit find it easier to understand the organizations' expectations, norms and rules as compared to the employees with lower levels. This leads to a better understanding on which skills and abilities they need to adapt, possess and develop in order to reach their work demands (Boon & Biron, 2016). Brigham, De Castro, and Shepherd (2007) argue that once there is an affinity between the characteristics of an individual and the attributes of the organization, job satisfaction and performance tend to increase, and stress tends to decrease.

Kristof-Brown and colleagues (2005) concluded that the relevance of a specific fit depends on the type of conduct and performance is being analysed. The Person-Job fit is connected to job-related results such as task performance (Boon, et al., 2011). In addition, the P-J fit has a moderate correlation to the employees' general sense of organizational commitment (Kristof-Brown et al., 2005).

#### **Job Satisfaction**

Job satisfaction is generally perceived as an employees' attitude towards their job and different job-task (Davis, 2004). Locke (1970), proposed that job satisfaction is the result of the perception that a job allows and fulfils the job values of an individual. In other words, an employee perceives job satisfaction once he or she considers that his or her job values are reached and fulfilled. Job-satisfaction has been studied both as an independent variable, but also in relationship to other factors such as performance, intention to quit and stability (Davis, 2004).

Henne and Locke (1985) generalized a number of values that were considered relevant for job satisfaction. First, an employee must find that the job is in line with their personal interests. Moreover, values such as stability, role clarity, opportunity to grow and autonomy are also perceived as fundamental to job satisfaction (Henne & Locke, 1985). When employees experience job satisfaction in their work place, they increase their productivity, perform better, successfully complete their job tasks and it decreases their intention to leave (Ölcer & Florescu, 2015).

On the other hand, when employees are dissatisfied their job it is manifested in an increased sense of turnover intention. A low perception of job satisfaction results in a more frequent occurrence of occupational accidents, absenteeism, physical and mental problems among the employees. In other words, job dissatisfaction has a negative consequence for both the employees and the organization they are working in (Ardic, Oymak, Özsoy, Uslu, & Özsöy, 2016). Figure 1 emphasises the positive relation between P-J, P-O fit, and Job satisfaction.

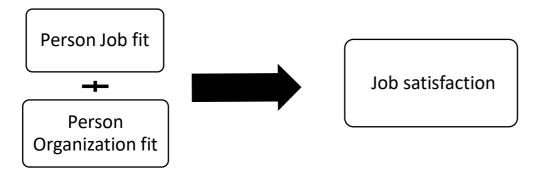


Figure 1: The effect of P-J and P-O fit on Job Satisfaction

#### **Turnover intention**

As mentioned above, an effect of employees' low perception of job satisfaction is an increased intention to leave. Turnover intention is defined as the employee's willingness to leave their workplace within a specific time frame. Moreover, the intention to leave mediates between the attitudes that negatively influences the levels of job satisfaction and the actual act of leaving the work place (Ardic et al., 2016). When employees have a high sense of job satisfaction, there is a decrease in the rate of those who wants to leave their work place. There is an extensive amount of literature that affirms the relationship between job satisfaction and turnover intentions (Aghaei, Najaf, Moshiri, Keivan, & Shahnaz, 2012). The direct relationship between job satisfaction and the intention to leave is moderated by the fit between the employees, their job and the organization they work for. Various studies have found a positive relationship between Person-Job fit, Person-Organization-Fit and job satisfaction. Moreover, there is a negative relation between P-O, P-J fit and intention to leave, which is manifested by the employees' decreased willingness to leave their workplace (see figure 2) (Ardic et al., 2016; Boon et al., 2011; Kristof-Brown & Lauver 2001).

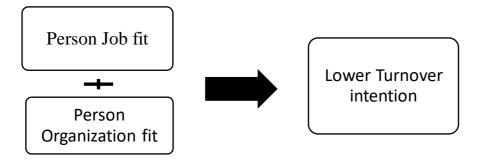


Figure 2: The effect of P-J and P-O fit on Turnover intention

#### **Previous studies**

As mentioned above, there are numerous studies that confirms the relation between P-J fit, P-O fit, higher levels of Job Satisfaction and a decreased turnover intention. In their study, Kristof-Brown and Lauver (2001), examined the relationship between employees' perception of both P-J and P-J fit, and examined if they influenced the employees' job satisfaction and intention to leave. After collecting data from 231 employees of a trucking company, they found that both P-J and P-O fit had a positive impact on job satisfaction and a negative influence on their turnover intentions. Moreover, the results showed that employees' perception of P-O and P-J fit should be treated as two different constructs and not as one (Kristof-Brown & Lauver, 2001).

Krishnan and Scullion (2016) created a theoretical framework where they looked at a variety of Small and Medium Enterprises (SMEs), and created hypotheses about PO and PJ fit in SMEs of different sizes, ages and growth stage. Firstly, they suggested that Person-Organization fit would be considered as more important in small sized SMEs than at the larger sized SMEs. Contrary, Person-Job fit would be weighted more heavily in the large sized SMEs than in the smaller sized SME. Secondly, they believed that the age of the SME influenced the degree of fit of its employees. The younger the SME, the stronger the P-O fit, while P-J fit would be higher in the older SMEs. Lastly, Krishnan and Scullion (2016) believed that the

growth of the SMEs would affect the employees' perception of fit and suggested that the more the firm is developed, the stronger is the degree of P-O fit, compared to the PJ fit, which would be stronger in organizations with lower level of growth. The two researchers created a number of hypotheses, although they were never tested and confirmed (Krishnan & Scullion, 2016).

The present study will investigate on person-job fit, person-organization fit, job satisfaction and intention to leave in the start-up context. The section below will give more background and information about the characteristics of start-ups.

### **The Start-Up Environment**

New ventures are important contributors to a country's economic growth and innovation, and there is an increased number of research that show interest in start -ups and examine how they emerge, grow and develop over a period of time (Guercini & Milanesi, 2016). Contrary to mature and more developed organizations, start-ups firms face challenges that are a result from their age and size. Therefore, young firms have a higher risk to fail in comparison to older organizations, due to their difficulty to compete with the already established rivals (Guercini & Milanesi, 2016). In their research, LeBrausser and colleagues (2003), show that most of the newly established companies face a high level of uncertainty about the future, and the risk of failure in the first five years of an organization are generally high (LeBrasseur, Zanibbi, & Zinger, 2003).

Consequently, start-ups generally operate under high levels of unpredictability and are perceived with a low organizational awareness, which also affects the recruitment process of these new companies (Greer, Carr, & Hipp, 2016). In fact, firms in their establishing phase have less resources which might limit their capability of finding and attracting the right personnel (Tzabbar & Margolis, 2017). Previous research has been suggesting that start-ups founders should focus on selecting the talents that fit with the venture's organizational culture, are

capable to conduct multiple jobs and have the skills to perform the responsibilities that are added to the daily job tasks (Heneman, Tansky, & Camp, 2000).

In their study, Moser and colleagues (2017), focus on how new ventures can attract highly qualified talent thanks to a well-matched Person Organization fit between the company and the new personnel. They hypothesised that employees with an entrepreneurial mind should have a higher P-O fit with the start-up work climate, which will increase their satisfaction and productivity. The researchers confirmed their hypothesis and suggested that employees with an entrepreneurial mind can contribute to a new venture's human capital (Moser, Tumasjan, & Welpe, 2017).

### **Present study and Hypotheses**

The aim of this study is to examine the levels of P-O fit, P-J fit, job satisfaction and turnover intention in the start-up setting. Moreover, this research is interested to understand whether the start-up age moderates the relation between person-organization fit and job satisfaction/turnover intention, as well as the relation between Person-Job fit and job satisfaction/turnover intention in their work context.

Because of the lack of established procedures and the need of flexibility, the job tasks and responsibilities in start-ups are often not stable and the employees of these types of organizations often need to shift between different roles (Hanks & Chandler, 1994). Consequently, the assessment of person-job fit is problematic since start-ups are characterised by the fluid roles and responsibilities (Krishnan & Scullion, 2016). As an organization grows and develops more established routines, the employees' job tasks and responsibilities will become less fluid and more set. Moreover, at that point, the needs of the organization will be clearer which will be manifested in more formal job descriptions (Krishnan & Scullion, 2016).

In addition, young firms are characterised by an unstable identity, which can have an impact on the employees. The start-up's lack of routines and policies can challenge the employees' ability to build trust towards their workplace, which can emphasise the importance of the affinity between the employees and the firms' values, in other words, their P-O fit (Krishnan & Scullion, 2016).

Considering the literature mentioned above, the hypotheses of the current study are:

- H1: The employee's perception of Person-Job and Person-Organization fit will be positively related to job satisfaction and negatively related to turnover intention.
- H2: The start-up age will moderate the relation between Person-Organization fit and job satisfaction/turnover intention. Start-up age will moderate the relation between Person-Job fit and job satisfaction/turnover intention.

### Method

### **Participants**

The sample consisted of 197 participants start-up employees. In total there were 124 males (62.9%) and 71 females (31%). Two participants (1%) did not specify their gender. At first, this study aimed to observe only the attitudes of Swedish start-up employees, but due to the lack of enough participants, also Danish companies were included. The start-ups were found through the website *The Hub*, a platform that gathers all the newer companies from Scandinavia in one place. The employees of a total of 244 companies were contacted, where 178 were Swedish and 66 were Danish. Because of confidentiality guidelines, the response rate was not possible to determine. Moreover, this study was interested in two main fields of professions: Technology and business. The number of companies within the field of business were 40 (20.3%), while there were 157 companies (79.7%) within the line of technology.

### Research Design

The participants completed a questionnaire that assessed Person-Job fit, Person-Organization fit, levels of job satisfaction, turnover intentions and the type of organization they were working in (see Appendix). The study is quantitative and cross-sectional, meaning that the data were collected on the variables at one point in time, with the use of self-report measures.

#### **Ethical Considerations**

This study did not need approval from the ethical committee since it was not using any sensitive data, physical interventions or was not physically or mentally harming the participants. Moreover, in order to protect the integrity of the participants, the survey was completely anonymous. Before participants could start with the survey, they were informed about the purpose of the study and asked to give informed consent. The participants were aware that their contribution was voluntary and that they could withdraw before or while answering. There was no compensation for participating in this study.

### **Procedure**

The questionnaire was firstly sent out to the founder or CEO of the company, in order to have the authorization to conduct the study. The email clearly instructed that only the employees of the company were allowed to participate. Once the CEOs gave the authorization, the questionnaire was sent out to the rest of the workforce via emails. Furthermore, this study was presented to the start-up hubs VentureLab (Lund), Minc (Malmö) and Sup46 (Stockholm), which contributed to the data collection. The survey took around 5 to 10 minutes to complete and the data were collected during March 2018.

The total questionnaire consisted of 23 items which were divided in two different sections. The first section had seven items that assessed the participant's type of organization and the age of the company. It was the participants who categorized the company they worked for as either Technology or Business. Also, there was a question regarding the participants' number of years in the company and their gender. All items were obligatory apart from item number one that asked for the name of the organization. The second section had 16 items which were divided in four sub-sections: Perceived Person-Job fit, perceived Person-Organization fit, Job Satisfaction and Intention to leave. The participants rated their level of agreement on a 7-point Likert scale, ranging from 1 = strongly disagree to 7 = strongly agree.

#### Measures

**Perceived Person-Job Fit** consisted of five items constructed by Kristof-Brown and Lauver (2001), typical questions were "I have the right skills and abilities for doing this job" and "My abilities fit the demands of the job".

Perceived Person-Organization Fit consisted of three items constructed by Cable and Judge (1996), typical questions were "My values match the values of this organization", "I am able to maintain my values at this company", and "My values prevent me from fitting in at this company" (reverse scored, see appendix A).

**Job Satisfaction.** The five-item Brayfield - Rothe job satisfaction scale was used to measure the participants job satisfaction. Item 9 to 13 included questions such as "I feel real enjoyment in my job" and "I feel fairly satisfied with my present job".

**Intention to leave.** consisted of three items constructed by O'Reilly (1991), typical questions were "I would prefer another job to the one I have now", "If I have it my way, I won't be working for this company a year from now" and finally "I have seriously thought about leaving this company".

### **Statistical Analysis**

To analyse the data, the Statistical Package of Social Sciences (SPSS), version 24 was used. All items were labelled and coded, and the item 8 was reversed. Also, all the scores per scale were calculated. Prior to the analysis, the data set was checked for missing data and outliers. No missing data were found, and two outliers were removed because of the company's size (+ 100 employees), thus not meeting the inclusion criteria.

To investigate how job satisfaction and intention to leave relate to person-job fit and person-organization fit among start-up employees (H1), correlation analyses including the variables P-J fit, P-O fit, Job Satisfaction and Intention to Leave, were conducted.

Finally, to assess whether the start-up age plays a moderating role in the relationships between (1) person-job fit and intention to leave, (2) person-job fit and job satisfaction, (3) person-organization fit and intention to leave, and (4) person-organization fit and job satisfaction (H2) moderation analyses as described by Baron and Kenny (1986) were performed. First, the variables were transformed into z-scores to ensure comparability among all variables. Next, interaction variables were created by multiplying the independent z-score variables. These were *start-up age x person-job fit* and *start-up age x person-organization fit*. To test for main effects, four linear regressions were conducted where person-job fit and person-organization fit predicted intention to leave and job satisfaction, respectively. To test for an interaction effect, the interaction variables were added as an additional predictor variable. In sum, four moderator models were tested: Intention to leave predicted by P-J fit and start-up age x P-J fit (Model 1a), Intention to leave predicted by P-O fit and start-up age x P-D fit (Model 1b), Job satisfaction predicted by P-J fit and start-up age x P-J fit (Model 2a), and Job satisfaction predicted by P-O fit and start-up age x P-O fit (model 2b). The four moderator models are illustrated in Figure 3.

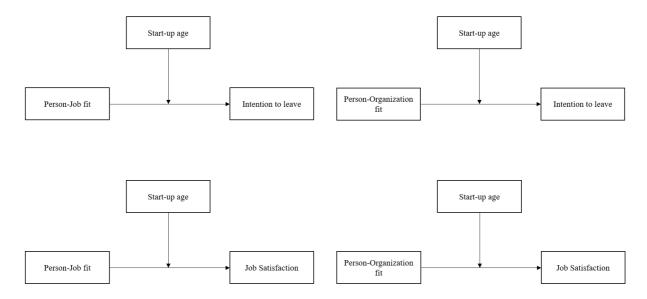


Figure 3: Moderation models: Model 1a (upper left), Model 1b (upper right), Model 2a (lower left), and Model 2b (lower right).

#### **Results**

The first hypothesis investigated whether person-job fit and person-organization fit were correlated to employees' sense of job satisfaction and intention to leave. Results of a Pearson correlation analysis indicated that Job satisfaction was significantly positively correlated with person-job fit as well as with person-organization fit (r = .48, p < .001 and r = .46, p < .001, respectively). Moreover, the results also showed a significant negative association between person job fit and intention to leave (r = -.36, p < .001); and a significant negative association between person organization fit and intention to leave (r = -.57, p < .001). Table 1 displays all correlations between the studied variables. In sum, results suggest that participants who experienced high person-job fit or person-organization fit were likely to also experience high job satisfaction and low intention to leave.

#### Table 1

Variables	M	N	SD	1	2	3	4
1. P-J fit	6,14	197	0,73	(1)	.232**	.478**	355**
2. P-O fit	6,06	197	1,08	.232**	(1)	.457**	574**
3. Job Satisfaction	5,62	197	1,01	.478**	.457**	(1)	649**
4. Intention to leave	2,62	197	1,77	355**	574**	649**	(1)

Means, Standard Deviations, and Correlations between P-Jfit, P-Ofit, Job Satisfaction and Intention to Leave (N = 197)

## Regressions

The second hypothesis addressed whether start-up age moderates the relationships between P-J fit and P-O fit and intention to leave and job satisfaction. To explore that, four moderation analyses were performed.

In model 1a, a significant linear regression equation was found F(1, 195) = 28.081, b = -.355, p = .000 with an  $R^2$  of .126, indicating that P-J fit explained about 12.6% of the variance in intention to leave. When testing for a moderation effect by start-up age, no significant interaction effect was found F(2, 194) = 14.723, b = .081, p = .252 and the models predictive power did not improve to a statistically significant degree ( $\Delta R^2 = .006$ , p = ns). Results suggest that the higher P-J, the less he or she intends to leave the workplace.

In model 1b, a linear regression with Person-Organization fit as the predictor variable was performed. Also here, a significant regression equation was found F(1, 195) = 95.698, b = -.574, p = .000 with an  $R^2$  of .329, indicating that P-O fit explained about 32.9% of the variance in intention to leave. Again, start-up age was not found to moderate this relationship to a statistically significant degree ( $\Delta R^2 = .001$ , p = ns).

In model 2a, Job satisfaction was the dependent variable, predicted by P-J fit. Results of the linear regression yielded a significant equation F(1, 195) = 57.735, b = .578, p = .000 with an  $R^2$  of .228, indicating that P-J fit explained about 22.8% of the variance in job

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed)

satisfaction. When testing for a moderation effect, results found no significant interaction effect of start-up age on the relationship between P-J fit and Job satisfaction ( $\Delta R^2 = .005$ , p = ns). In other words, these results suggest that an employee's Job satisfaction can be partly explained by whether or not person-job fit is experienced, yet the strength of this relationship does not seem to be influenced by the age of the start-up.

In model 2b, Job satisfaction was predicted by Person-Organization fit. A significant regression equation was found F(1, 195) = 51.337, b = .457, p = .000 with an  $R^2$  of .208, indicating that P-O fit explained about 20.8% of variance in Job satisfaction. No significant interaction effect caused by start-up age was found ( $\Delta R^2 = .000$ , p = ns).

In sum, results of the four linear regression analyses showed that P-J fit as well as P-O fit are significantly associated with both, intention to leave and job satisfaction, respectively. In fact, results suggest that experiencing P-J fit or P-O fit can increase the employee's likelihood to be satisfied in the job and simultaneously decreases its intention to leave the workplace. In none of the four moderation models, a significant interaction effect was found, indicating that the age of the start-up did not change the strength or direction of the examined relationships.

#### **Discussion**

The objective of this study was to address the influence of Person-Job fit and Person-Organization fit on employees' sense of job satisfaction and intention to leave, in the start-up setting. Numerous research has been focusing on studying the effects of PO fit and PJ fit in the work place on various variables such as job satisfaction and turnover intention. However, there is only very little research that focuses on the setting of early stage and growing start-ups. This thesis aimed to fill this gap in the literature by looking more closely into start-up employees and their attitudes about their workplace.

Even though not all hypotheses were confirmed, this research did find some significant results, by showing how both high perceived Person-Job fit and Person-Organization fit influence the sense of job satisfaction and turnover intentions among start-up employees, in both young and well-established start-ups. The results showed that employees which perceived Person Job fit and Person-Organization fit, also had a high job satisfaction and little or no intention to leave their workplace. This finding falls in line with previous research. Several studies have repeatedly confirmed how a strong P-O fit and P-J fit can have a positive impact job satisfaction and a negative effect on turnover intentions (Lauver & Kristof-Brown, 2001; Brigham, De Castro, & Shepherd, 2007; Van Loon, Vandenabeele & Leisink, 2017).

Moreover, this study confirmed the importance of the employee's fit with the job tasks and the values of the venture they work in, in order for them to feel satisfied and not tempted to leave. Furthermore, the findings emphasise the relevance of employees' P-O and P-J fit in the start-up context and this information can be useful to start-up founders and hiring managers especially when they recruit for new talents. Previous research has been suggesting that start-ups founders should focus on selecting the talents that fit with the venture's organizational culture, are capable to conduct multiple jobs and have the skills to perform the responsibilities that are added to the daily job tasks (Heneman, Tansky, & Camp, 2000).

The second hypothesis focused on whether the start-up age moderated the relation between person-organization fit and job satisfaction/turnover intention, as well as the relation between Person-Job fit and job satisfaction/turnover intention. According to the results, the start-up age does not play a moderating role, and P-O and P-J fit are important for both young and well-established start-ups. The employees' sense of fit is therefore important in order for them to perceive job satisfaction and less turnover intentions, and it doesn't lose value over time. Moreover, start-up age was not found to moderate the found relationship, therefore it can be concluded that no matter the start-up just started or is already well established, P-J and

P-O fit will play a critical role in satisfying employees and holding their intention to leave the workplace low.

This result is in contrast to findings from Knyphausen-Aufseß and Vormann (2009), who found that the start-up age effects the relationship between the start-up culture and the applicant's values. Their study concluded that the employees' sense of P-O fit was more important in the young start-ups than in the established ones. In contrary, the current study found that the age of the start-up did not change the strength of neither P-O and P-J fit. In other words, the current study found that start-up's employees' P-J and P-O fit increases their job satisfaction and it decreases their turnover intentions in their organizational setting, but that the age of the start-up does not play a moderating role in neither their P-J or P-O fit.

However, there is some diversity in the aims and the methodology that can clarify the contradicting outcome. Knyphausen-Aufseß and Vormann's study (2009), was limited to only IT professionals that were responsible of the selection of new talent, and it focused on the applicants' hirability in relation to their P-O, P-J fit and the firms' age. Moreover, the dependent variable was the applicant's hirability, while in the current study the dependent variables are job satisfaction and intention to leave. In other words, in Knyphausen-Aufseß and Vormann's research, the focus was on the attitudes of the hiring managers, while this study wanted to investigate merely on the start-up employees' perception of P-O and P-J in the start-up setting.

There is a lack of literature that focuses on start-up employees and the purpose of this study was to explore the impact of the start-up age on the fit between workers and venture. With that said, it is a challenge to find similar studies and compare the results. This thesis enhances the understanding of the employee's sense of fit in start-ups, and it invites future research to investigate this further.

### Strengths of the study

To the best of my knowledge, this is one of the few studies that have examined start-up employees and their P-J and P-O fit, in relation to their sense of job satisfaction and intention to leave. Additionally, this study explored the role of the start-up age and its influence on the employees and their sense of fit in the organizational context. There is a vast amount of literature that investigated on start-up founders and how to successfully create a new venture, and one of the aims of this research was to explore beyond the start-up founders, and to look deeper into the employees that are currently working in a new venture. It is important to consider the well-being of the employees of an organization, in order to obtain a healthy work environment (Haddon, 2018), and this is valid for start-ups as well. If start-up founders and hiring managers are able to attract and retain the right talents, the employees will have a lower intention to leave the workplace and will be generally more satisfied with their workplace, which consequently is manifested through a higher performance (Ölcer & Florescu, 2015). The current study shows that start-up employees with a strong person-job and person-organization fit are more likely to also have a higher job satisfaction and a lower intention to leave. These findings can be further developed in future studies and can contribute to a deeper knowledge about how to create a healthy and successful start-up setting.

### Limitations

This study confirmed one of the two hypotheses and specific limitations of this research need to be identified.

First of all, one limitation of the current research was its design. This was a cross-sectional study, which did not help to determine the cause and effect of the studied variables. A different design of this study could have presented different findings.

Additionally, this study was aimed to only the employees of start-ups, and not the founders or CEOs. Even though the description of the questionnaire was clear, there is no guarantee that no founder or CEO did not participate in the study, which could have affected the results.

Another limitation is that the study was applied in just two types of start-up industries (Technology and Business), which limited the data collection.

Moreover, this study looked at both Swedish and Danish start-up, and there is a possibility of different cultural aspects between the two countries, which could have influenced the participants' responses.

#### **Future research**

As mentioned above, one of the limitations was the design of the study. Therefore, on suggestion for future research is to re-design the study and to focus on creating a longitudinal investigation. The purpose would be to follow the development of a new venture and understand how the attitudes of the employees change over time and perhaps investigate on the specific timeframe.

Moreover, this study can be perceived as a base for future replications, where the sample and the design can be developed and improved.

#### Conclusion

The aim of the current study was to understand the importance of person-job and person organization fit among start-up employees, and to see how the perceived fit influenced their job satisfaction and turnover intentions. The obtained results showed that start-up employees with a strong person-job fit and person-organization fit, consequently also manifested a higher job satisfaction and a lower intention to leave their workplace. The results are in line with previous

research and confirm the importance of the employee's fit with the job tasks and the values of the venture they work in, in order for them to feel satisfied and not tempted to leave.

Moreover, the current study was interested in analyzing whether the start-up age moderates the relation between person-organization fit and job satisfaction/turnover intention, as well as the relation between Person-Job fit and job satisfaction/turnover intention. According to the results, the start-up age does not play a moderating role, and P-J and P-O fit are important for both young and well-established start-ups. The employees' fit is therefore relevant in order for them to perceive job satisfaction and less turnover intentions, and it doesn't lose value over time.

These findings contributed to the conclusion that in order to attract and retain talent in the start-up setting, the hiring managers should focus on selecting applicants that fit with the venture's organizational culture, are capable to conduct multiple jobs and have the skills to perform the responsibilities that are added to the daily job tasks. Furthermore, the importance of the affinity between the employees, the organizational culture and their job duties is not only important in the first stages of a venture, but it is also important during its development and growth. Despite from the findings of this research, further studies needs to be done in order to expand the research regarding employees in the start-up context.

#### References

- Abraham M., Kaliannan M., Mohan A. V., & Thomas S. (2015). A review of SMEs recruitment and selection dilemma: Finding a "fit". *The Journal of Developing Areas*, 49(5), 335-342.
- Afsar,B., Badir Y., & Khan, M. M. (2015). Person-job fit, person-organization fit and innovative behavior: The mediating role of innovation trust. *Journal of High Technology Management Research*. 26(2), 105-116.
- Aghaei, Najaf, Moshiri, Keivan, & Shahnaz (2012), "Relationship between Organizational Justice and Intention to Leave in Employees of Sport and Youth Head Office of Tehran", European Journal of Experimental Biology, 2(5), 1564-1570.
- Ardic K., Oymak Ö., Özsoy T., Uslu O., & Özsoy E. (2016). Comparing person organization fit and person job fit. *Journal of Economics and Management*, 25(3), 5-13.
- Baron, R. M. & Kenny, D. A. (1986). The Moderator-Mediator Variable Distinction in Social Psychological Research: Conceptual, Strategic, and Statistical Considerations. *Journal of Personality and Social Psychology*, *51*(6), 1173-1182.
- Boon C. & Biron M. (2016). Temporal issues in person-organization fit, person-job fit and turnover: The role of leader-member exchange. *Human Relations*, 69(12), 2177-2200.
- Boon C., Den Hartog D. N., Boselie P., & Paauwe J. (2011). The relationship between perceptions of HR practices and employee outcomes: examining the role of personorganisation and person-job fit. *The International Journal of human Resource Management*, 22(1), 138-162.
- Bowen D. E., Ledford G. E., & Nathan B. R. (1991). Hiring for the Organization, Not the Job. Academy of Management, 5(4), 35-51.
- Bretz R. D. & Judge T. A. (1994). Person-Organization fit and the Theory of Work

  Adjustment: Implications for Satisfaction, Tenure and Career Success. *Journal of Vocational Behavior*, 44(1), 32-54.

- Brigham K. H., De Castro J. O., & Shepherd D. A. (2007). A Person-Organization Fit Model of Owners-Managers' Cognitive Style and Organizational Demands.

  \*Entrepreneurship: Theory & Practice, 31(1), 29-51.
- Cable D. M. & Judge T. A. (1997). Interviewers' perception of Person-Organization fit and Organizational Selection Decisions. *Journal of Applied Psychology*, 82(4), 546-561.
- Davis G. (2004). Job satisfaction survey among employees in small businesses. *Journal of Small Business and Enterprise Development*, 11(4), 495-503.
- Gilbert, B. A., McDougall, P. P., & Audretsch, D. B. (2006). New Venture Growth: A Review and Extension. *Journal of Management*, 32(6), 926-950.
- Greer C. R., Carr J. R., & Hipp L. (2016). Strategic staffing and small-firm performance.

  Human Resource Management, 55(4), 741-764.
- Guercini, S. & Milanesi, M. (2016). Interaction approach and liabilities: A case analysis of start-up firms. *Journal of Business-to-Business Marketing*, *23*, 293-309.
- Haddon J. (2018). The impact of employees' well-being on performance in the workplace. Strategic HR Review, 17(2), 72-75.
- Henne D. & Locke E. A. (1985). Job dissatisfaction: What are the consequences? International Journal of Psychology, 20(2), 221-241.
- Hoffman B. J. & Woehr D. J. (2006). A quantitative review of the relationship between person-organization fir and behavioral outcomes. *Journal of Vocational Behavior*, 68(3), 389-399.
- Katz J. A., Aldrich H. E., Webourne T. M., & Williams P. M. (2000). Special Issue on Human Resource Management and the SME: Toward a New Synthesis.

  Entrepreneurship: Theory & Practice, 25(1), 7-10.
- Knyphausen-Aufseß D. & Vormann C. (2009). Personnel selection criteria in IT ventures: A policy-capturing analysis. *Zeitschrift fur Betriebswirtschaft*, 79, 213-234.

- Krishnan T. N. & Scullion H. (2016). Talent management and dynamic view of talent in small and medium enterprises. *Human Resource Management Review*, 27, 431-441.
- Kristof-Brown A. L., Zimmerman R. D., & Johnson E. C. (2005). Consequences of individuals' fit at work: A meta-analysis of person-job, person-organization, persongroup, and person-supervisor fit. *Personnel Psychology*, 58, 281-342.
- Lauver K. J. & Kristof-Brown A. (2001). Distinguishing between Employees' Perceptions of Person-Job and Person Organization Fit. *Journal of Vocational Behavior*, *59*, 454-470.
- LeBrasseur R., Zanibbi L., & Zinger T. J. (2003). Growth momentum in the early stages of small business start-ups. *International Small Business Journal: Researching Entrepreneurship*, 21(3), 315-329.
- Locke E. A. (1970). Job satisfaction and job performance: A theoretical analysis.

  Organizational Behavior and Human Performance, 5(5), 484-500.
- Moser K. J., Tumasjan A., & Welpe I. M. (2017). Small but attractive: Dimension of new venture employer attractiveness and the moderating role of applicants' entrepreneurial behaviors. *Journal of Business Venturing*, 32, 588-610.
- Ng E. S. W. & Burke R. J. (2005). Person-organization fit and the war for talent: does diversity management make a difference? *Journal or Human Resource Management*, 16(7), 1195-1210.
- Ouimet P. & Zarutskie R. (2014). Who works for startups? The relation between firm age, employee age, and growth. *Journal of Financial Economics*, 112(3), 386-407.
- Tzabbar D. & Margolis J. (2017). Beyond the startup stage: The founding team's human capital, new venture's stage of life, founder CEO duality, and breakthrough innovation. *Organization Science*, 28(5), 857-872.
- Van Loon N. M., Leisink P., & Vandenabeele, W. (2017). Clarifying the relationship between public service motivation and in-role and extra-role behaviors: The relative

- contributions of person-job and person-organization fit. *American Review of Public Administration*, 47(6), 699-713.
- Verquer M. L., Beehr T. A., & Wagner S. H. (2003). A meta-analysis of relations between person-organization fit and work attitudes. *Journal of Vocational Behavior*, 63(3), 473-489.
- Williamson I. O., Cable D. M., & Aldrich H. E. (2002). Smaller but not necessarily weaker:

  How small business can overcome barriers to recruitment. *Managing People in Entrepreneurial Organizations*, 5, 83-106.
- Ölcer F. & Florescu M. S. (2015). Mediating effect of job satisfaction in the relationship between psychological empowerment and job performance. *Business Excellence and Management*, 5(1), 5-32.

#### **Appendices**

### Appendix A

Hello there! Thank you for being interested in this study!

On the following two sections, you will find questions regarding your experience of working in a startup. The purpose of this study is to explore the employees' attitudes regarding their workplace and by participating in this research, you will contribute to the development and improvement of the life cycle of startups. All answers will be recorded anonymously, and the name of the organization will not be mentioned due to confidentiality. The participation is voluntary, and you can withdraw at any time before and while answering the survey. Thank you for your participation!

In this first section, you are going to answer 7 questions regarding the startup you work for.

The purpose of this section is to give a general overview of the company, its main field of profession and the size in terms of employees. The answers will be recorded anonymously, and no information will be mentioned due to confidentiality.

Name of the start-up. (Not obligatory)

When was the start-up formed?

Main orientation of this start-up:

Does the start-up have a Human Resource Department?

How many employees does the start-up have?

Gender:

For how long have you been working for this start-up?

Overview of the attitudes regarding the start-up

In this final section, you will find questions regarding your attitudes about the company and your job in general. The section is formed by 16 items that focuses on your perception of your

work tasks, the values of the company and your general point of view of your workplace. Also, all answers will be recorded anonymously. Good luck!

- 1. My abilities fit the demands of this job.
- 2. I have the right skills and abilities for doing this job.
- 3. There is a good match between the requirements of this job and my skills
- 4. My personality is a good match for this job.
- 5. I am the right person for this type of work.
- 6. My values match or fit the values of this organization.
- 7. I am able to maintain my values at this company.
- 8. My values prevent me from fitting in at this company because they are different from the company's values
- 9. I feel fairly satisfied with my present job.
- 10. I find real enjoyment in my job.
- 11. Most days I am enthusiastic about my job.
- 12. I am seldom bored with my job.
- 13. I like my job better than the average worker does.
- 14. I would prefer another job to the one I have now.
- 15. If I have my way, I won't be working for this company a year from now.
- 16. I have serious though about leaving this company.