

## **Person-organization fit relationship with innovative performance of employees:**

### **A literature review**

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**Abstract:** With the continuous development of knowledge economy, entrepreneurship and innovation are becoming more and more important, which introduced a series of related policies. Based on the theory of innovation and matching, this paper summarizes and analyzes the previous researches on innovation performance and person-organization fit, finds that matching type and degree of employee and organization can impact employee innovation performance. This paper also shows that person-organization fit can improve the self-efficacy and psychological empowerment of employees, affect the organizational climate, so as to improve the employees' innovation performance. Finally, the paper puts forward the future research direction of innovation performance and person-organization fit.

**Keywords:** Person-organization fit; employees innovation performances; psychological empowerment; Organizational climate

### **0 Introduction**

Nowadays innovation has become an important stimulus factor of enterprises in the era of knowledge economy. China put forward the construction of innovation-oriented country in 2006, entrepreneurship and innovation gradually occupy the labor and product markets. The key position, "to enhance independent innovation capability" is rose to the national strategy. And if you want to improve business and organizational innovation performance, we must pay attention to the basic unit--individual innovation. In the past few years, more and more scholars have paid attention to the influence of individuals and environment on innovation performance. Most literatures is from the individual characteristics' perspective. This paper will explore the impact of the degree of person-organization fit on the innovation performance of employees by collecting the literatures and empirical researches about innovation.

### **1 Employees innovation performances**

Many academic researches and management practices show that innovation is a key element in organizational performance, corporate culture and so on. With regard to the concept of innovation, Holt (1983) points out that innovation refers to the process individual, team, organization learn new knowledge, use new technologies, and form new products. Coomers defined innovative performance from the view of result, which it is the balance between input and output by new method. On the contrary, Mumford believes that innovation performance refers not only to the products, but also to the new knowledge creativity, new technology discovery and the formation of innovative climate. His definition emphasis on the process of innovation. This paper agree with Janssen, which employees produce new products and technology in the process of continuous updating and dissemination of knowledge. These new products and technology help them achieve goals and generate value. This article emphasizes on the process of innovation (knowledge, methods) and the results of innovation (product), so we should pay attention to "what is" and "how to do".

Table 1 Dimensions of employees innovation performances

Scholars	Time	Dimensions of employees innovation performances	Type
Simon	1977	Use unconventional approach to achieve the goal, emphasizing innovative behavior.	process theory
Csikszent mihalyi	1996	Consider innovation as: new products; new fields. Focus on the results of innovation.	result theory
Han	2006	Employee innovation performance is divided into innovation willingness, behavior and achievement by constructing employee performance model and conducting investigation	process -result theory.

The measurement scale usually uses self-perceived innovation performance, because innovation idea and details is known by employees himself. Empirical researches divide employee innovation performance into different dimensions and measure it. Summarizing other researches, the article use Wang et al measurement, which divide the employees innovation performance into three dimensions: the innovative idea (for example, the new idea is praised by the organization) Innovative methods (I use new methods to solve the problem), innovations (product creation).

## 2 Person-organization fit

Person-organization fit originated from individual and environmental matching, initially associated with adaptability. Lewin first stated the concept of P-O fit. P-O fit is often defined as the degree of compatibility between individual members and organizations in certain traits, including goals, knowledge, competencies, supply and demand (Kristof, 1996). For example, mission-oriented organizations match performance-oriented individuals. According to the purpose of the study and the use of different methods, the dimension of the P-O fit is not the same. But it mainly divided into the following dimensions:

(1) Single dimension. Supplementary fit, which there is similarity between person and organization on the characteristics. Early researches is based on single dimension. (2) Two-dimensions, this view is the combination of consistency and complementary. Complementary fit refers to the individual and organization to make up for the lack of each other and satisfy the needs of both. It reflected that individual's ability meet organizational needs, organization's reward satisfies employees, that is, needs-supplies fit (Muchinsky). (3) Three dimensions. Kristof first proposed in 1996, which is supplementary fit, need-supplies fit, demands-abilities fit. Need-supplies fit is organization satisfied the need of employees, which includes salary, welfare, development demand and achievement demand. Demands-abilities fit refers to individuals can meet organizational goals and requirements, which includes knowledge, skills, methods, management, and leadership. Three-dimensional view can interpret the meaning of P-O fit integrally, so it has been more widely used in management practice. This paper will collect literature from this three dimensions.

## 3 Person-organization fit and Innovative performance of employees

According to social identity theory, people tend to communicate with who have the same traits with them, it can improve the sense of belonging and happiness. So they have confidence and enthusiasm to complete the task, and improve the performance. Stimulation theory suggests that if the organization satisfies employees' needs, they will feel encouraged, they will take efforts to work, and improve performance. There are empirical studies on the relationship between P-O fit and performance. Kristof investigate employees and found that people and organizations fit is good to improving the work of staffs. Bretz's experimental results show that need-supplies fit plays an important role in employees' satisfaction. Long proved the consistency of individual and organizational

identity promote employees' behaviors and performance. Guo et al verified the relationship from the perspective of demands-abilities fit.

Though there are few researches about innovation performance, many scholars have begun to explore the impact of P-O fit on employee's innovative ideas and behaviors. According to the creativity motivational theory, personal motivation can promote his innovative ideas and behaviors. If the resources provided by organization can meet employees, it can stimulate them to generate innovate ideas and innovative products. The creative component theory put forward by Amabile thought that the interaction of employees' creativity skills, domain-related skills, motivation and work environment can promote innovation. The earliest research is made by Choi, which surveyed students at North American and found that the degree of adaptation has a significant impact on innovative ability. Amabile thought that organization can provide resources to promote innovative behaviors and improve performance. Anderson found that an innovative program required person and organization interaction and collaboration.

Many empirical studies show that the dimensions of P-O fit have different effect on innovative ideas, behaviors and achievements. For example, Wang's survey on 200 employees and supervisors showed that supplementary fit have a positive impact on employee's innovative ideas, but not have a impact on the innovative behaviors; There is a positive correlation between demand-abilities fit and innovation ideas behaviors; need-supplies fit has no significant correlation with innovation ideas behaviors. But Martin found an inconsistent result, which need-supplies fit significantly predicted the employees innovative behaviors. For example, Yao and Fan(2014) investigated different types of enterprises,different staffs, and found that the needs-supplies fit and demands-abilities fit have a positive impact on innovation. Although research of P-O fit and its dimensions often results in inconsistent results, overall, P-O fit has a significant correlation with innovation performance. However, it is found that little studies is about innovative ideas and products, it is only about innovation behaviors.

**4 Path analysis**

This paper summarizes that the psychological empowerment and organizational atmosphere can play a mediating role between P-O fit and employee innovation performance. Figure 1 shows the intermediate model of the two variables.

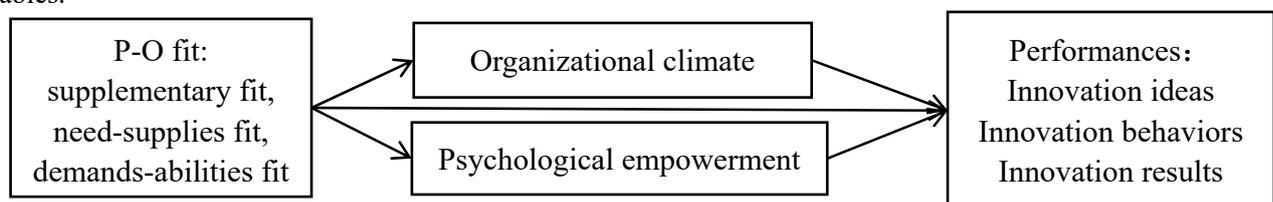


Figure 1 Conceptual structure.

Psychological empowerment: Thomas thought it's a kind of perception empowered by employees, reflecting the individual's four experiences of work: meaningfulness, competence, choice and impact. Gregory's research suggests that if employees and organization better matched, they will understand job requirements, so they will work hard to meet the organization. Psychological empowerment has a positive impact on individual's innovative performance, because employee's experience and feelings of work can influence their behaviors (Liu, 2008). According to cognitive behaviorism theory, stimulus will cause psychological changes, thus new behaviors happened. Therefore, we can speculate that psychological empowerment is a potential mediator variable for P-O fit to innovation performance. There are many empirical research in this field. Yang explores the mechanism about the impact of P-O fit on innovation by inserting self-efficacy, a dimension of psychological empowerment. The results show that self-efficacy of innovation is a mediate. Gu etc investigated 500 employees and found self-efficacy mediate on organizational climate and innovative behavior. Previous studies have verified the mediating effect of self-efficacy and have not yet studied for other dimensions, so it can be extended in the future.

Organizational innovation climate: according to Cai, it is whether your organization encourage new ideas and methods, how many resources you can use if you create new ideas, and the degree of management innovation. It is found that the recognition of values, the P-O fit and people-environment fit have a great influence on organizational climate. Jamesetal thought that if organization encourage innovation or colleagues around always try new things, employees will take efforts to innovation. Many studies have shown that organizational innovation climate can affect employees' innovative ideas and innovative behavior, and ultimately the innovation result. Wang found that organizational climate supports develop staff's creativity and complete the creative work. Wang recovered that friendly climate has a significant positive impact on the staff's knowledge sharing and innovation behavior. Thus, we believe that P-O fit can improve the organization's climate, especially innovative climate, and ultimately impact. the innovative behaviors performance.

## 5、 Conclusion

This paper summarizes the researches of employees innovation performance and P-O fit and analyzes the relationship. The results show that the dimensions of P-O fit will affect innovation performance. In addition, psychological empowerment and organizational climate may be a possible mediator variables of the relationship.

Theoretical significance: 1 There are little research on innovation performance from individual level in the past. It enrich the literature flow of the individual innovation performance. It's found that the research on employees innovation performance is just about innovative behavior, but seldom about innovation ideas and achievements 2. We enrich researches about P-O fit and employee innovation performance, emphasizing the impact of the individual and team matching. So we provide a direction for the future research. 3. It reveals the mediating effect of the psychological empowerment and the organizational climate, so we can provide the path for the future research.

Practical significance: 1. micro-innovation accord with national strategy is conducive to the implementation of macro-policy. 2. In the past, researches on innovation performance hold the view that enterprises rely on the macro policy made by government. This study argues that the innovation performance of an enterprise is also affected by employees, so we should consider the "thrust effect" from the enterprise internal 3. this study consider the effect of P-O fit, so it'll contribute to human resources management. Companies can use recruitment, training, job rotation, and organizational culture to improve innovation performance.

This paper used literature method, so it is lack of empirical support and our assumptions don't have data support. This paper summarizes previous researches and found inconsistent results in the relationship between the dimensions of P-O fit and innovation performance. However, due to the limitation of data and related literature, the article did not explain this inconsistent results. In the future, we can do some research on this relationship and provide data support for our conclusion. We can also explore the relationship between different dimensions of innovation performance (innovative idea, innovation behavior and innovation achievement) and P-O fit (supplementary, supply-demand fit, requirement-capacity fit). In addition, to explore the inconsistent results, we can use the meta-analysis method, which summarized their research about industry, job or other variables, so we can find out the reasons of this difference.

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