Person-Organization Fit and Incentives: A Causal Test

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Abstract

We investigate the effects of organizational culture and personal values on performance under individual and team contest incentives. We develop a model of regard for others and in-group favoritism that predicts interaction effects between organizational values and personal values in contest games. These predictions are tested in a computerized lab experiment with exogenous control of both organizational values and incentives. In line with our theoretical model we find that prosocial (proself) orientated subjects exert more (less) effort in team contests in the primed prosocial organizational values condition, relative to the neutrally primed baseline condition. Further, when the prosocial organizational values are combined with individual contest incentives, prosocial subjects no longer outperform their proself counterparts. These findings provide a first, affirmative, causal test of person-organization fit theory. They also suggest the importance of a 'triple-fit' between personal preferences, organizational values and incentive mechanisms for prosocially orientated individuals.

(joint with Ola Andersson, Marieke Huysentruyt, and Ute Stephan)