

**Testing additive versus interactive effects of person-organization fit and organizational trust on engagement and performance**

**Abstract**

**Purpose:** To date, most research has assumed an additive relationship between work-related predictors and engagement. The present study contributes to the refinement of engagement theory by exploring the extent to which two predictors – person-organization fit and organizational trust – interact to influence employees' engagement, which in turn, positively influences their task performance.

**Design:** A test of moderated mediation was conducted using survey data collected from 335 employees and matched performance records from the Human Resource department in a support services organization in the United Kingdom.

**Findings:** Engagement was best predicted by the interactive model, rather than the additive model, as employees who felt a close fit with their organization and who trusted their organization were most engaged with their work. Further, engagement mediated the relationship between the interaction and task performance.

**Originality:** This paper contributes to a refinement of engagement theory by presenting and testing a model that explains the synergistic effect of work-related factors on engagement.

**Keywords:** person-organization fit, organizational trust, engagement, individual task performance

### **Introduction**

Today's dynamic and increasingly complex business environment poses new challenges for organizations to remain innovative and competitive. Research has identified employee engagement as a means to meet these new realities (Christian et al., 2011), and finding ways to increase engagement levels has therefore become a top priority for Human Resource Management (HRM) professionals (Truss et al., 2013). Hence, it behooves HRM scholars to pay particular attention to how research examines drivers of engagement, as it may have implications for how HRM professionals design and implement strategies intended to raise engagement levels.

One approach to examining drivers of engagement has involved asking employees to assess a number of personal and work-related resources, summing these components together, and examining the relationship between this composite measure and engagement (e.g., Schaufeli and Bakker, 2004). Other research has taken a different approach by examining the individual effect of a number of drivers of engagement so as to disentangle the relative effect of each (e.g., Shantz et al., 2013, Rich et al., 2010). Although research that uses these approaches has gone some way in enhancing our understanding of the antecedents of engagement, they rely on an "additive" logic; the underlying assumption is that drivers are independent of one another and that the overall effect on engagement is the additive sum of each driver's individual effect. Neither of these approaches has considered the possibility that drivers operate "interactively," in that they mutually reinforce one another. An interaction effect is a multiplicative relationship between variables where the effect of one variable is influenced by another variable, and the outcome of two variables may be synergistic.

Understanding whether drivers of engagement are additive or interactive has implications for how engagement strategies are designed and carried out. If drivers of engagement are

additive, then each tool designed to increase engagement exerts a separate influence, and only the strongest individual predictors of engagement should be put into place. If drivers produce an interactive effect, on the other hand, then HRM professionals need to take a more strategic view in managing engagement levels of the workforce and focus on designing coherent combinations of practices rather than solely identifying individual drivers of engagement. This is because the overall effect of some combinations may be greater than the sum of the individual practices.

A key objective of the present study is to test the predictability of an additive versus an interactive model of engagement by exploring the extent to which person-organization fit (P-O fit), and organizational trust interact to jointly influence engagement. We decided to focus on P-O fit and organizational trust as potential drivers of engagement for two reasons. First, although research has identified that organizational trust and P-O fit additively predict engagement (Biswas and Bhatnagar, 2013, Agarwal, 2014), no research to our knowledge has examined whether they interact to multiplicatively predict engagement. Second, recent research suggests that in addition to commonly studied antecedents at the individual and job level, employee perceptions of organizational factors are particularly important in enhancing engagement and increasing individual performance (e.g., Chughtai and Buckley, 2013, Bailey et al., 2015). This is in line with self-determination theory (SDT, Ryan and Deci, 2000), which suggests that the provision of a supportive work environment satiates employees' basic needs and enhances their autonomous motivation (i.e., engagement) and further their job performance (Gagné and Deci, 2005, Meyer and Gagné, 2008).

Although searching for ways to increase levels of engagement is laudable, it is necessary for HRM professionals to furnish this knowledge with a demonstration that engagement leads to higher levels of performance. Hence, we also examine the extent to which engagement

mediates the interactive effect of P-O fit and trust on employees' task performance, as assessed by employees' appraisal records. Although previous studies have positioned engagement as a mediator of the relationship between various predictors and employees' performance, few studies have used time-lagged, supervisor-generated performance measures, and none, to our knowledge, have analyzed whether engagement mediates the relationship between an interaction of predictors and employees' task performance.

Understanding the relationship between engagement and performance is important, given the increasing pressures facing HRM practitioners to demonstrate the value of their activities.

In summary, this paper contributes to engagement theory through the presentation of theoretical arguments that support the synergistic effect of organizational factors in raising engagement. Moreover, it explores the extent to which higher levels of engagement are positively related to employees' task performance. These hypotheses are tested simultaneously using a moderation mediation analysis.

### **Motivational potential of resources**

Schaufeli and Bakker (2004: 295) defined engagement as a "positive, fulfilling, and work-related state of mind that is characterized by vigor, dedication and absorption."

Engagement research in this tradition tends to use the job demands-resources (JD-R) model as a theoretical framework (Bakker and Demerouti, 2007). According to the JD-R model, job characteristics are classified into two general categories. Job demands describe aspects of a job that require sustained effort and are related to physiological and psychological costs. In contrast, job resources refer to aspects of a job that (1) reduce the costs of job demands, (2)

## P-O FIT, TRUST, ENGAGEMENT AND PERFORMANCE

are functional to achieve work goals, and/or (3) stimulate personal growth and development (Demerouti et al., 2001).

Job resources are both extrinsically and intrinsically motivating, in that they assist employees in achieving work goals, and they foster employees' growth, learning and development (Bakker and Demerouti, 2007), thereby fulfilling basic human needs, such as the need for autonomy, competence and relatedness (Deci and Ryan, 2000). The motivational process outlined in the JD-R model states that through the satisfaction of basic needs, or through the achievement of work goals, job resources lead to higher levels of engagement, which in turn, is related to a host of positive outcomes such as individual task performance (Xanthopoulou et al., 2009). An underlying assumption of the JD-R model is that resources exert their influence on engagement in an additive way (Demerouti et al., 2001); hence, in what follows, we develop arguments that P-O fit and organizational trust are important resources which independently influence levels of engagement.

### **Additive Effect of P-O fit and Organizational Trust on Engagement**

P-O fit is defined as the match between a person and the organization, and emphasizes the extent to which a person and the organization share similar characteristics and/or meet each other's needs (Kristof-Brown, 1996). P-O fit is a job resource as employees are attracted to, and remain in organizations where they share similar values and preferences because it enables them to achieve their work goals (Schneider, 1987). P-O fit is also a job resource because a sense of fit satisfies employees' basic psychological needs, such as the need for relatedness, which in turn is associated with individual growth and optimal functioning (Greguras and Diefendorff, 2009, Deci and Ryan, 2000). Hence, employees with high levels

## P-O FIT, TRUST, ENGAGEMENT AND PERFORMANCE

of P-O fit experience a sense of self-fulfillment in their work role. As the organization meets their intrinsic needs, employees are motivated to invest energy into their day-to-day performance, thereby becoming more engaged (Vansteenkiste et al., 2007, Gagné and Deci, 2005). Support for the relationship between P-O fit and engagement was found by Rich et al. (2010); they demonstrated that employees who shared the same values as their organization were more engaged at work.

A second driver of engagement is organizational trust, which refers to “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor” (Mayer et al., 1995: 712). Organizational trust differs from trust in another referent, in that employees assess collective characteristics of the organization (Whitley, 1987). We focus on organizational trust, as we are interested in exploring organizational-level antecedents of engagement. Organizational trust, as a job resource, is functional in achieving work goals, because situations that promote trust create a clear and predictable work environment in which employees feel free to take risks and invest themselves in their work performance (Kahn, 1990). Trust also implies that employees experience discretion at work and opportunities for development which stimulates their psychological growth and learning, resulting in higher levels of engagement (Aryee et al., 2015).

Like the JD-R model, social exchange theory (SET) suggests a positive relationship between organizational trust and engagement. SET states that when one party provides the other with certain benefits, the other party feels obliged to respond in kind (Blau, 1964). Trust is an underlying foundation of social exchange relationships, as engaging in social exchanges requires that each party trusts one another to reciprocate in kind. Organizations that provide

benefits to employees signal to them that they are cared for, thereby demonstrating their own trustworthiness. Employees feel obliged to reciprocate to maintain the exchange relationship and demonstrate trustworthiness on their part. One way for employees to reciprocate is through immersing themselves in their work roles and, as a consequence, they become more engaged. Reciprocation therefore stabilizes and reinforces mutual trust, which forms the basis upon on which future exchanges take place. Whereas the relationship between trust in one's supervisor and engagement has been explored in a number of empirical papers (Rees et al., 2013, Chughtai and Buckley, 2009, Chughtai and Buckley, 2013), only a few studies have analyzed the relationship between organizational trust and engagement (e.g., Agarwal, 2014, Ugwu et al., 2014). These studies demonstrated that organizational trust was associated with higher levels of engagement. In line with arguments suggesting that resources independently influence engagement, we suggest that:

*Hypothesis 1: P-O fit is positively related to engagement.*

*Hypothesis 2: Organizational trust is positively related to engagement.*

### **Interactive Effect of P-O fit and Organizational Trust on Engagement**

Our hypotheses so far suggest that P-O fit and organizational trust are independently related to levels of engagement. This is in line with the majority of research that suggests that work-related factors have unique influences on engagement, and do not either interfere or enhance one another. However, more recently, scholars have argued that antecedent factors may interact to influence engagement (e.g., Bakker and Demerouti, 2007, Crawford et al., 2013). Specifically, one proposition of the JD-R model suggests that job demands and job

## P-O FIT, TRUST, ENGAGEMENT AND PERFORMANCE

resources influence each other in determining levels of engagement (Bakker and Demerouti, 2007). This is because the extent to which employees are able to engage with their work is contingent on an array of factors which have the potential to weaken or strengthen one another (Crawford et al., 2013). A number of studies have subsequently lent preliminary support to this proposition and demonstrated the usefulness of exploring combinations of predictors of engagement. However, these studies have predominately focused on analyzing how personal resources (e.g., Ugwu et al., 2014) or job resources (e.g., Kühnel et al., 2012) buffer the negative implications of job demands.

To our knowledge, no study to date has explored whether job resources strengthen each other to increase levels of engagement. The present study contributes to this line of research by exploring the interactive effect of P-O fit and organizational trust on employees' levels of engagement. Specifically, we suggest that, aside from exerting a direct effect on engagement, high levels of both factors produce higher levels of engagement than either one alone.

We propose a strengthening effect because P-O fit and organizational trust may complement one another as each creates space for the other to be more energizing. Specifically, a sense of fit with the organization may trigger employees' motivation to become engaged with their work role, whereas the level of trust influences the extent to which the motivation to become engaged leads to engagement. Hence, organizational trust may strengthen the relationship between P-O fit and engagement because employees who trust their organization may be more likely to translate the meaning they experience at work into higher levels of engagement. Although a close fit with the organization may increase levels of engagement through the perceived benefits of self-investment, the establishment of a trusting relationship with the organization may amplify this positive relationship by creating a safe environment for employees to become invested. Conversely, if employees distrust their



organization, they do not feel as safe to express their engagement, so that the extent to which P-O fit is related to engagement may be reduced. Hence, we hypothesize:

*Hypothesis 3: There is an interaction between P-O fit and organizational trust on engagement, such that engagement is highest when employees perceive high levels of both.*

### **Engagement and Task Performance**

Both the JD-R model and SDT dovetail in the assertion that engagement leads to higher levels of performance. This is because the fulfilment of psychological needs enhances employees' intrinsic motivation, which in turn is related to performance (Gagné and Deci, 2005). A wealth of research has provided support for this assertion. For instance, engagement is positively related to customer ratings of employee performance (Salanova et al., 2005), a person's objective financial returns (Xanthopoulou et al., 2009), and supervisory ratings of task performance (e. g., Bakker et al., 2004, Rich et al., 2010). There may be a positive relationship between engagement and supervisory-ratings of performance because engaged employees express more positive emotions at work (Sonnentag et al., 2008), are more proactive (Salanova and Schaufeli, 2008), innovative (Agarwal, 2014) and they tend to have more effective working relationships with their managers (e.g., Alfes et al., 2013). Hence, we hypothesize:

*Hypothesis 4: Engagement is positively related to task performance.*

### **Mediating Role of Engagement**

The previous hypotheses imply that engagement mediates the relationship between the interactive effect of P-O fit and organizational trust, and employees' task performance. This proposition is consistent with the JD-R model that suggests that engagement mediates the relationship between job resources and positive individual and organizational outcomes, such

## P-O FIT, TRUST, ENGAGEMENT AND PERFORMANCE

as higher task performance. Previous research has lent support to the mediating role of engagement in the relationship between a range of personal, job, and organization-related variables on employees' task performance (e.g., Christian et al., 2011). We extend this line of research by hypothesizing that engagement also mediates the relationship between an interaction of predictors and task performance:

*Hypothesis 5: Engagement mediates the interaction of P-O fit and organizational trust on task performance.*

### **Methods**

#### *Respondents and Procedures*

This study was carried out in a services organization in the United Kingdom operating in the environmental and waste collection industry. Employees were asked to participate in a survey that assessed their perceptions of P-O fit, organizational trust, and engagement, as per the measures described below. The Human Resources Manager encouraged the employees to participate in the online survey; no specific incentives were provided to employees.

Performance data were sourced from the HRM department's appraisal records.

Five hundred and fifty employees received an e-mail with information about the purpose of the study, its confidentiality, and a personalized link which directed them to the survey. Employees were encouraged to complete the survey within two weeks. From this sample, 335 questionnaires were completed, constituting a response rate of 61%. The final sample was comprised of 50 percent men; the average age was 39.38 years (s.d. = 10.23) and the average tenure was 6.38 years (s.d. = 5.51). Participants occupied a variety of different roles, including waste collection (5%), customer services (8%), administration (37%) and management (35%).

### *Measures*

***Person-Organization Fit*** was measured with a 4-item scale developed by Saks and Ashforth (2002). A sample item was, “The values of my organization are similar to my own values.” The response scale ranged from 1 (“strongly disagree”) to 7 (“strongly agree”). Cronbach Alpha was .93.

***Organizational Trust*** was measured with the 7-item scale developed by Robinson and Rousseau (1994). The participants responded to items such as, “I believe my employer has high integrity.” Cronbach Alpha was .95.

***Engagement.*** Engagement was measured with the UWES-17 scale (Schaufeli et al., 2002). We used the UWES-17, because it has been widely used in previous research and has high internal consistency and test-retest reliability, as well as discriminant, convergent, and construct validity (Schaufeli et al., 2006, Seppälä et al., 2009). Each facet of engagement – vigor (6 items, e.g. “At work, I feel full of energy”), dedication (5 items, e.g. “I am enthusiastic about my job”) and absorption (6 items, e.g. “I am immersed in my work”), – was assessed with a 7-point rating scale from 1 (“never”) to 7 (“always”). Cronbach Alpha values for the three facets were .86, .91 and .80, and for the overall engagement scale .93.

In line with the majority of previous engagement research (e.g., Schaufeli and Bakker, 2004, Ugwu et al., 2014), we combined the subscales to measure the overall level of engagement. This is because we were interested in disentangling the mechanism through which P-O fit and organizational trust influence an employee’s overall level of engagement, and in exploring the extent to which engagement mediates the relationship between P-O fit, organizational trust and task performance. We did not expect different effects for the three facets of engagement.

***Individual Performance.*** Performance data were collected from the HR Manager of the organization four months after the survey was completed. Line managers were asked to rate their employees' skills against performance dimensions that were critical to the organization's success. The managers rated each employee on a scale from 1 ('very poor') to 5 ('very good').

***Control Variables.*** We controlled for age and gender in all analyses because younger employees have been found to have lower levels of engagement (James et al., 2011), and women have been found to have higher levels of engagement (Truss et al., 2006, Alfes et al., 2009). We conducted all analyses twice, once with and once without control variables (Becker, 2005). The results were consistent across the analyses. Below we present the analyses that include the control variables.

## **Results**

### *Descriptive Statistics*

Table 1 presents the means and standard deviations, reliability estimates, and inter-scale correlations for all variables.

(Insert Table 1 about here)

### *Measurement Models*

We performed a series of confirmatory factor analyses (CFA) to ascertain the distinctiveness of the self-report constructs used in the present study (Gerbing and Anderson, 1988). First, we tested a full measurement model in which the three facets of engagement loaded onto a general factor and all indicators for P-O fit and organizational trust loaded onto their respective factors. All factors were allowed to correlate. In all measurement models,

## P-O FIT, TRUST, ENGAGEMENT AND PERFORMANCE

error terms were free to covary between two pairs of organizational trust items to improve fit and help reduce bias in the estimated parameter values (Reddy, 1992). Five fit indices were calculated to determine how the model fitted the data (Hair et al., 2009). For the  $X^2/df$ , values around 5.0 indicate an acceptable fit (Arbuckle, 2006). For the Comparative Fit Index (CFI) and Normed Fit Index (NFI) values above .90 are recommended as an indication of good model fit (Bentler, 1990). For the Root Mean Square Error of Approximation (RMSEA) and Standardized Root Mean Square Residual (SRMR), values less than .08 indicate a good model fit and values less than .10 an acceptable fit (Browne and Cudeck, 1993, Hu and Bentler, 1998). The 3-factor model showed a good model fit ( $X^2= 283$ ;  $df = 72$ ;  $CFI = .95$ ;  $NFI= .94$ ;  $RMSEA = .09$ ;  $SRMR = .05$ ). To establish the discriminant validity of the scales, we compared the 3-factor model with four alternative solutions, as indicated in Table 2. The model fit of these alternative models was significantly worse.

(Insert Table 2 about here)

To assess convergent validity, we computed estimates of construct reliability and calculated the average variance extracted (AVE) for each of the three latent constructs. Construct reliabilities from the CFA results for the measurement model ranged from .86 to .90, which exceeded the recommended threshold of .70 (Hair et al., 2009). The AVE values ranged between .67 and .75 and exceeded the recommended threshold of .50 (Hair et al., 2009). We also found evidence for the discriminant validity of our scales, as each construct's AVE value exceeded the squared correlation between the focal construct and each of the other study constructs (Fornell and Larcker, 1981). Finally, we carried out a test for common method variance on all our study variables, as suggested by Widaman (1985) and applied by Williams, Cote and Buckley (1989). Specifically, we compared a null model, a measurement

## P-O FIT, TRUST, ENGAGEMENT AND PERFORMANCE

model, a single method factor model, and a measurement model with an additional method factor. Results from our analyses showed that the common method factor improved the model fit. However, the changes of CFI and RMSEA values, comparing both models, were 0.03 and 0.02, which does not exceed the suggested rule of thumb of 0.05 (Bagozzi and Yi, 1990). Moreover, all factor loadings remained significant and loaded in the expected direction when the methods factor was added. The method factor only accounted for a relatively small portion of the variance (10%), which is considerably lower than the amount of common method variance (25%) observed in Williams et al.'s (1989) study. This suggests that common method variance explains a limited amount of variance, and therefore does not unduly influence our results.

### *Test of Hypotheses*

We followed the procedure outlined by Preacher et al. (2007) to test the hypothesized model.

(Insert Table 3 about here)

We first tested the mediator model using hierarchical moderated regression in SPSS. This model examines the relationship between P-O fit, organizational trust and the interaction term on engagement, to test Hypotheses 1 to 3. Results in Table 3 (Model 2) indicate that P-O fit was significantly related to engagement, thereby supporting Hypothesis 1. In contrast, organizational trust was unrelated to engagement; Hypothesis 2 was therefore not supported. To test Hypothesis 3, P-O fit and organizational trust were standardized and their product was created as the interaction term (Aiken and West, 1991). Results in Table 3 (Model 3) show that the interaction term was significant, and there was a significant change in the  $R^2$  value

## P-O FIT, TRUST, ENGAGEMENT AND PERFORMANCE

when the interaction term was included in the model. Hence, the interactive model significantly added to the prediction of engagement, over and above the additive effects of P-O fit and organizational trust, supporting Hypothesis 3.

In a second step, the relationship between engagement and task performance was tested, while controlling for age, gender, P-O fit, trust, and their interaction. The results in Table 3 (Model 4) show that engagement was significantly related to performance, supporting Hypothesis 4.

To test the fifth hypothesis, we examined the full moderated mediation model in step three by testing the effect of P-O fit via engagement on performance, as moderated by organizational trust, controlling for gender and age, in accordance with Preacher et al. (2007). We used Preacher et al.'s (2007) SPSS MODMED macro to estimate the significance of the conditional indirect effects in which the indirect effect was presumed to be moderated by organizational trust. The significance of conditional indirect effects can be inferred either by the magnitude of the indirect effect of P-O fit on task performance via engagement at different values of the moderator using normal test theory, or through bootstrapping which computes confidence intervals. Both methods are imbedded in the MODMED macro, and results for our study are presented in Table 4.

(Insert Table 4 about here)

The results based on normal test theory reveal that the conditional indirect effect of P-O fit on task performance via engagement was significant at high and mean levels of organizational trust; the indirect effect approached significance ( $p=.07$ ) at low levels of organizational trust. This suggests a moderating effect of organizational trust on the mediated relationship specifically at high levels of organizational trust. The final two columns in Table

## P-O FIT, TRUST, ENGAGEMENT AND PERFORMANCE

4 show the 95% confidence intervals. None of the confidence intervals included zero, which provides further support that the conditional indirect effect of P-O fit on performance, through engagement, differs in strength across low and high levels of organizational trust. The results of a simple slopes analysis revealed that organizational trust moderated the relationship between P-O fit and engagement at low ( $\beta = 3.92, p < .05$ ) and at high ( $\beta = 6.34, p < .05$ ) levels of organizational trust. Figure 1 shows that trust strengthens the positive effect of P-O fit on engagement at both high and low levels of organizational trust. However, the slope of the line is steeper for individuals who reported higher trust in the organization.

(Insert Figure 1 about here)

We also examined whether the endpoints of organizational trust were different from one another at high versus low levels of P-O fit. To conduct this analysis, we swapped P-O fit and organizational trust and conducted an additional simple slopes test (Dawson, 2014). The results showed that the slope of the line at low levels of P-O fit was not significantly different from zero ( $\beta = -.02, p = n.s.$ ), whereas the slope of the line for employees with high levels of P-O fit was significantly different from zero ( $\beta = .21, p < .01$ ). This implies that the two points on Figure 1 at high levels of P-O fit are significantly different from one another. Hence, P-O fit and organizational trust operate in an interactive way such that at high levels of both, engagement is highest. Hypothesis 5 was supported.

In order to further validate our results, we tested our overall model using moderated structural equation modeling (MSEM; Cortina et al., 2001, Mathieu et al., 1992). The MSEM results and the resulting plot mirror those produced by our moderated mediation analyses. The details of the MSEM procedure and results are available by request from the first author.



### **Discussion**

The present study contributes to the engagement literature by addressing a recent call by Crawford et al. (2013) to explore interactions among drivers of engagement. Although research has shown the importance of job resources for enhancing engagement (Bakker and Demerouti, 2007), no study to date has explored whether resources operate additively or interactively to explain engagement. The results of our analyses supported an interactive model of engagement. Specifically, our results showed that two predictors of engagement – P-O fit and organizational trust – interacted, such that engagement was highest when both were high.

Overall these findings suggest that merely exploring the main effects of the predictors of engagement may not capture the complexity of the work environment. In fact, in an additive model, we might have ignored the importance of organizational trust in creating a context for engagement and the possibility that organizational trust can work with P-O fit to generate relatively higher levels of engagement. Future research should continue to examine how other organization and task-focused antecedents of engagement interact to produce higher levels of engagement.

The pattern of the interaction we found also highlights the importance of further refining engagement theory. Some prior research, like ours, found that predictors of engagement produce an interactive effect, such that at high levels of two predictors, work engagement is highest (e.g., Zhu et al., 2009). However, other research has emphasized the compensating effect of one predictor for another on engagement. For instance, Ugwu et al. (2014) found an interaction of trust and psychological empowerment on engagement, such that at high levels of trust, employees did not differ in their level of engagement according to their psychological empowerment. It was only at low levels of trust that psychological

## P-O FIT, TRUST, ENGAGEMENT AND PERFORMANCE

empowerment increased engagement. Future research should focus on understanding the extent to which antecedent factors compensate, versus complement, one another, in predicting engagement.

Future research could also consider exploring the relationship between organizational trust and engagement in more detail. Researchers have distinguished between cognitive and affective bases of trust (McAllister, 1995). Cognition-based trust describes a rational evaluation of the other party's character whereas affect-based trust reflects an emotional attachment between two parties (Colquitt et al., 2012). Like Ugwu et al. (2014), we used a measure of organizational trust that captures both cognitive and affective components of trust. This is because researchers have argued that organizational trust encompasses multiple components of trust relating to cognitive and affective bases (Weibel et al., 2015, Searle et al., 2011). However, there is reason to believe that affect-based trust might be specifically relevant in enhancing engagement in social exchange relationships, as affect-based trust is based on a commitment to a relationship rather than motivated by self-interest (e.g., Colquitt et al., 2012). We therefore encourage researchers to include both affect and cognition-based measures in their study to provide a more nuanced account of the different mechanisms through which each component enhances an employee's tendency to engage at work, and perform well.

This paper also contributes to P-O fit theory by identifying and examining a mechanism that links P-O fit with ratings of task performance, sourced from the HRM department's appraisal records. Research that demonstrates a positive relationship between P-O fit and performance (e.g., Hoffman and Woehr, 2006, Kristof-Brown et al., 2005) has precipitated an interest among scholars to understand and explain the motivational basis of this relationship. Our study suggests that the mechanism which explains why P-O fit increases employees' task

performance is engagement. Drawing from the JD-R model, we argued that a strong fit with the organization satisfies an employee's psychological needs which initiates a motivational process, inducing employees to engage with work. Our results support this proposition as individuals who perceived a good fit with their organization were more likely to demonstrate higher levels of engagement and thus perform better. We encourage researchers of P-O fit to consider the explanatory power of engagement when analyzing the mechanism through which P-O fit impacts performance.

Finally, the findings of our study could also serve as a springboard for future HRM research. Strategic HRM scholars have been interested in identifying bundles of HRM practices, so-called high performance work systems that have the potential to enhance individual and organizational performance. Similar to much of the engagement research to date, the majority of studies have adopted an additive approach by summing or averaging the different HRM practices in one composite measure (MacDuffie, 1995). Based upon the results of our study we encourage HRM researchers to focus more on exploring whether different HRM practices might be related in an interactive rather than merely an additive way so that they interfere or strengthen one another (Conway et al., 2015).

### **Practical Implications**

In practical terms, the results of this study show that resources, in our case P-O fit and organizational trust, are more than independent drivers of engagement. Instead synergies exist between them such that when they are implemented together, they can generate even higher levels of engagement than having either one alone. Organizations are therefore well advised to consider their engagement strategies holistically. Rather than aiming to identify a

## P-O FIT, TRUST, ENGAGEMENT AND PERFORMANCE

key driver that might lead to higher levels of engagement, they should search for combinations of engagement practices, as the joint implementation is likely to further increase employees' engagement with their jobs and their task performance. Developing and implementing engagement strategies is therefore an opportunity for HRM practitioners to help individuals perform at their best, and through this demonstrate HRM's added value in the organization.

HRM practitioners could use documentation from performance appraisal conversations or staff meetings to understand the different factors in the working environment that work together to increase employees' level of engagement. They could then develop and implement engagement bundle initiatives, i.e. combinations of engagement practices aimed at addressing those drivers. For example, our results suggest that it only makes sense for HRM practitioners to invest in establishing a high-trust culture, once they have ensured that employees fit the organization's values. Hence, HRM practitioners need to understand how different drivers are related to one another to create a climate for employees to become engaged.

HRM practitioners should also reflect upon how engagement surveys are carried out. The majority of engagement surveys are set up such that they ask employees to rate different aspects of their work or their work environment, and the analysis often focuses on rank-ordering drivers of engagement according to their relative importance. The calculation of engagement indicators and the reporting of key benchmarking figures ignores the potential for certain resources to reinforce the effect of other drivers. In our study, organizational trust did not have a main effect on engagement, but rather strengthened the effect of P-O fit on engagement. Hence, resources can have an important effect, even if they are not directly related to engagement.

## P-O FIT, TRUST, ENGAGEMENT AND PERFORMANCE

For employees, results of our study emphasize that the perceptions of factors in the organizational environment foster their engagement and job performance. Hence, employees are advised to consider these wider aspects when looking for a job, as they might be as relevant in influencing their motivation as aspects that are related to the job itself. Specifically, individuals should proactively look for employment opportunities where they perceive a fit with the values and mission of the organization and feel that they can trust that the organization treats them fairly. This combination is likely to create an environment which enables them to fully flourish in their roles.

### **Limitations**

Notwithstanding the methodological strengths of our study, the findings should be interpreted in light of some potential limitations. For instance, due to the nature of the variables, P-O fit, organizational trust, and engagement were measured using self-report data. Although statistical analyses revealed that the findings were not undermined by common method bias, we encourage future researchers to use multiple sources of data. Further, the study was conducted in a specific setting in the UK. Hence, future research should establish whether the results are generalizable to other industries and national contexts.

### **Conclusion**

We examined whether P-O fit and organizational trust operate additively or interactively in raising employees' levels of engagement and their subsequent task performance. The results revealed that P-O fit and organizational trust interacted to jointly influence engagement. The study further showed that individuals who feel that they 'fit' their organization and who trust their organization exhibit higher levels of performance because they are more engaged with their job. Theoretically, our research advances engagement

## P-O FIT, TRUST, ENGAGEMENT AND PERFORMANCE

theory by pointing to the potential for resources to operate in an interactive way in predicting engagement. Practically, our research may encourage HRM departments to take a holistic approach to the management of people in order to raise levels of engagement and task performance.

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**Tables and Figures**

**Table 1**

**Descriptive Statistics, Reliability Estimates, and Correlations**

	Mean	SD	1	2	3	4	5
1 Gender (1=female)	N/A	N/A					
2 Age	39.38	10.23	-.14*				
3 P-O fit	5.03	1.29	-.13*	.06	(.93)		
4 Organizational Trust	4.93	1.26	-.06	.02	.76**	(.95)	
5 Engagement	5.16	.83	-.13*	.14*	.61**	.50**	(.93)
6 Task Performance	3.47	.50	.12	-.24*	.07	-.10	.37**

*Note: \*\*p < .01, \*p < .05, Cronbach Alpha values are presented on the diagonal.*

**Table 2**

**Fit Statistics from Measurement Model Comparison**

Models	$X^2(df)$	<i>CFI</i>	<i>NFI</i>	<i>RMSEA</i>	<i>SRMR</i>	$X^2_{diff}$	$df_{diff}$
<b>Full measurement model</b>	<b>283 (72)</b>	<b>.95</b>	<b>.94</b>	<b>.09</b>	<b>.05</b>		
Model A <sup>a</sup>	702 (74)	.86	.85	.16	.07	419	2***
Model B <sup>b</sup>	567 (74)	.89	.88	.14	.07	284	2***
Model C <sup>c</sup>	717 (74)	.86	.84	.16	.10	434	2***
Model D <sup>d</sup> (Harman's Single Factor Test)	1035 (75)	.79	.78	.20	.09	752	3***

Notes: \*\*\* $p < .001$ ;  $X^2$ =chi-square discrepancy,  $df$ =degrees of freedom; *CFI*=Comparative Fit Index; *NFI*=Normed Fit Index; *RMSEA*=Root Mean Square Error of Approximation; *SRMR*= Standardized Root Mean Square Residual;  $X^2_{diff}$ =difference in chi-square,  $df_{diff}$ =difference in degrees of freedom. All models are compared to the full measurement model.

<sup>a</sup>=Person-organization fit and organizational trust combined into one factor.

<sup>b</sup>=Person-organization fit and engagement combined into one factor.

<sup>c</sup>=Organizational trust and engagement combined into one factor.

<sup>d</sup> All factors combined into a single factor

**Table 3**

**Hierarchical Regression Results**

Variables and Statistic	Engagement						Task Performance	
	<i>Model 1</i>		<i>Model 2</i>		<i>Model 3</i>		<i>Model 4</i>	
	<i>Estimate</i>	<i>SE</i>	<i>Estimate</i>	<i>SE</i>	<i>Estimate</i>	<i>SE</i>	<i>Estimate</i>	<i>SE</i>
Gender (1=female)	-.19*	.09	-.06	.08	-.04	.07	.10	.13
Age	.01*	.01	.01*	.00	.01*	.00	-.01	.01
P-O fit			.48**	.06	.53**	.06	.09	.12
Organizational Trust			.09	.06	.01	.06	-.12	.08
P-O fit x Trust					.11**	.03	.12	.18
Engagement							.24**	.09
R <sup>2</sup> (Adj. R <sup>2</sup> )sig change R <sup>2</sup>	.03(.02)		.39 (.38)**		.41(.40)**		.24 (.17)	
F	4.97		50.86**		43.61		3.74**	

Note: \*\* $p < .01$ , \* $p < .05$

**Table 4**

**Bootstrapping Results for Test of Conditional Indirect Effects at Specific Values of Organizational Trust**

Dependent Variable	Value of Moderator (Organizational Trust)	Conditional Indirect Effect	SE	95% CI	
				Lower	Upper
Task Performance	One SD below	.07	.04	.01	.17
	Mean	.11	.05*	.02	.22
	One SD above	.14	.06*	.04	.30

*Note: Analyses are based on 5,000 bootstrap samples. CI = confidence interval, \*p < .05*

Figure 1

Interaction between P-O fit and Organizational Trust on Engagement

