

Disentangling the Performance Effects of Transformational Leadership: The Role of Person-Environment Fit

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Paper prepared for presentation at XVIII IRSPM Conference 2014, Ottawa, Canada.

Abstract. Finding new ways to improve performance in public service organizations is a key objective for scholars and practitioners alike. Transformational leadership is widely suggested as particularly efficient in this regard, however, important questions of how and when transformational leaders raise performance beyond expectations remain. Integrating the concept of person-environment fit, this paper builds on recent efforts by scholars to start disentangling potential causal pathways from transformational leadership to performance. Specifically, we argue that transformational leaders raise performance to higher levels when employee perception of person-organization (P-O) value fit and person-job (P-J) fit is high and that transformational leaders may cultivate and reinforce such perceptions over time. Finally, we propose and discuss a research strategy and specific measures of P-O and P-J fit to evaluate the theoretical propositions outlined.

Note to reader. This paper is one of two papers by the LEAP (Leadership and Performance) project to the IRSPM panel on ‘new directions in public leadership, innovation and change research’. Before reading this paper the reader will benefit from being acquainted with the paper *Leadership training, leadership strategies and organization performance: Designing an experiment to test the causal effect of leadership on performance* by Louise Bro et al. (2014).

Introduction

Finding new ways to improve performance in public service organizations is a key objective in public management research (Nasi 2011) and practice. In general management literature (Bass 1985; Antonakis, Avolio, and Sivasubramaniam 2003; Avolio et al. 2009) and more recently in public management research (e.g. Paarlberg and Lavigna 2010; Trottier, Van Wart, and Wang 2008; Wright, Moynihan, and Pandey 2012; Oberfield 2014), transforma-

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tional leadership strategies have been championed as particularly efficient in motivating employees and improving organizational performance. Despite a growing number of studies on this issue (Vandenabeele, Andersen, and Leisink 2013; Van Wart 2013), important questions remain unanswered. As noted by Fernandez, such questions relate to various problems faced by existing studies on transformational leadership including ‘concepts that are difficult to operationalize, causal paths that remain unclear, and the need to assess the impact of these leadership approaches under varying situations and conditions’ (2004, 200). In a recent critique of state-of-research on transformational leadership, Knippenberg and Sitkin raise similar concerns. Existing research, they argue, is ‘plagued by a simultaneously underdeveloped and overly inclusive causal model’ (2013, 15). What is needed is a more coherent and theoretically informed model detailing the potential causal pathways from transformational leadership to organizational performance. This is in line with recent calls by Vandenabeele et al. (2013) for public management research to build on general leadership theories and integrate issues or concepts that may be particularly important in a public sector context. Working along these lines, the paper integrates the concept of person-environment fit with general transformational leadership theory to clarify potential causal pathways from transformational leadership to organizational performance. The objective of this paper is twofold.

First, theoretical arguments linking transformational leadership, person-environment fit and organizational performance are outlined. We argue, that positive performance effects of transformational leadership are likely to be stronger when employees value core goals of the organization. A match between individual and organizational values is termed a person-organization (P-O) fit. Similarly, we argue that transformational leadership is particularly effective when employees are able to pursue ends of personal importance in their job. This type of fit is termed a person-job (P-J) fit. Finally, we recognize the temporal perspective in these arguments. A core characteristic of transformational leaders is their ambition to transform employee values and motivation (Jung and Avolio 2000) by raising their

awareness of the importance of organizational goals and clarifying how employee day-to-day actions support the achievement of such goals. Transformational leaders are thus expected to foster alignment of employee and organizational values and cultivate a sense of job significance over time potentially making up for a poor initial P-O or P-J fit or strengthen an existing match between employee and environment.

These arguments call for a complex research design. Our second objective therefore is to discuss how best to examine the theoretical propositions. We do so in two respects: First, a research design, which enables us to investigate cross-sectional as well as temporal questions, is advanced. Specifically, a longitudinal research design combining panel survey data with an extensive field experiment is presented. The experiment allows us to assess the impact of exogenously induced transformational leadership on performance taking into account the level of P-O and P-J fit at the post-treatment survey period. Combining these results with pre-treatment measures of employee P-O and P-J fit, we are able to estimate changes to individual P-O and P-J fit stemming from the leadership intervention. Second, specific measures of core concepts are presented. Particular attention is devoted to the operationalization of person-organization and person-job fit and to qualify this discussion preliminary evidence on construct validity and reliability of the proposed measures is included. Following the discussion on methodology, the paper concludes with some thoughts on the applicability of the theoretical propositions.

Transformational Leadership, Person-Environment Fit and Performance

First conceptualized by Burns (1978), transformational leadership has become one of the most prominent leadership theories in general management research (Antonakis, Avolio, and Sivasubramaniam 2003) and more recently making its way into public management research (e.g. Paarlberg and Lavigna 2010; Wright, Moynihan, and Pandey 2012; Wright and Pandey 2010). A particular appealing feature of transformational leadership is its proposed superior

effectiveness on employee and organizational performance (Bass 1985; van Knippenberg and Sitkin 2013). This paper does not go into detail with the conceptualization of transformational leadership as it is more thoroughly discussed in the other paper by the LEAP (Leadership and Performance) project group (Bro et al. 2014). We do need, however, to clarify our basic understanding of transformational leadership behaviors in order to outline the theoretical interplay between transformational leadership, person-environment fit and performance.

Transformational leadership entails behaviors to develop, share and sustain a vision with the intention to facilitate that employees transcend their own self-interest and achieve organization goals. Transformational leaders may not be successful in transforming employee values and motivation, but the defining feature is that they develop a vision that reflects core organization goals, seek to share this vision and sustain employees' attention to it in the short and long run with the intention to do so. Hence, transformational leaders seek to elevate employee motivation to higher levels of performance, it is argued, by setting well-specified goals and continuously making an effort to generate awareness of and enthusiasm for core organization goals (Jung and Avolio 2000). Empirical studies corroborate this claim consistently supporting a positive impact of transformational leadership on performance generally (Avolio et al. 2009; Judge and Piccolo 2004; Lowe, Kroeck, and Sivasubramaniam 1996) and in the public sector (Trottier, Van Wart, and Wang 2008; Wofford, Whittington, and Goodwin 2001; Bellé 2014). Examining a random sample of federal government employees in federal agencies, Trottier et al. (2008) demonstrate a positive association between transformational leadership and perceived leadership effectiveness. In a different study drawing on a field experiment of Italian nurses volunteering for an international aid program, Bellé (2014) shows a positive effect of transformational leadership on the number of surgical kits assembled by individual nurses. Based on these results the commonly asserted proposition follows:

H1: Transformational leadership positively affects performance.

The studies, however, also highlight the ambiguity surrounding the performance concept. Performance may be an individual-level, group-level or organizational-level phenomenon concerning procedural goals or outcome-based objectives. These may be very specific or general, related to in-role or extra-role behaviors and assessed by the individual herself, by internal stakeholders (e.g. supervisor), external stakeholders (e.g. users and clients) or by objective measures (see for example Brewer 2006; Boyne 2002). In this paper, performance is defined as the achievement of objectives formulated by elected politicians in public organizations and by the residual claimant in private organizations (Bro et al. 2014, 21). Transformational leaders thus process the overall goals determined by politicians or owners and translate them into a vision for the organization consisting of a set of clear and well-specified goals. Whether transformational leaders are successful in generating acceptance of and enthusiasm for the goals may likely depend on employee perception of the importance of such goals. Consequently, Avolio and Jung argue that transformational leaders not only provide the direction for the organization, but also aim at raising employees' level of awareness about the importance of the designated goals thereby transforming personal values of employees to be supportive of the collective vision (2000, 950). But what if employees do not value the goals promoted by the transformational leader – or value contradictory goals? What if employees share organization goals, but their jobs do not allow them to contribute to the achievement of such goals? These questions call attention to the role of person-environment fit when assessing the impact of transformational leadership on performance.

Matching Employee and Environment

Person-environment (P-E) fit theory deals with the interaction between characteristics of the employee and the environment of the organization (Muchinsky and Monahan 1987; Caplan 1987). Defined broadly as 'the compatibility between an individual and a work environment that occurs when characteristics are well matched' (Kristof-Brown, Zimmerman, and Johnson 2005, 281), P-E fit theory encompasses a number of different fit measures (e.g. per-

son-job, person-group, person-supervisor, person-organization fit). In this paper, we distinguish between person-organization fit, i.e. the compatibility between people and entire organizations, and person-job fit, i.e. compatibility between a person's characteristics and those of the job (Kristof-Brown et al. 2005, 284-85). The two types of fit capture: a) congruence between employee and organization values, and b) whether the job enables the employee to pursue ends of personal importance.

According to studies on person-organization fit, employees are more likely to perform well in settings where they perceive management practices and work of the organization to reflect and support individual values (Paarlberg and Lavigna 2010; Goodman and Svyantek 1999). In line with this argument, Bright (2007) shows that public sector employees will perform better as the congruence between their own values and their organization's values increases. Although not directly reflecting performance, other public sector studies suggest that employees who perceive their value to be consistent with those espoused by the organization display higher organizational commitment (Vigoda-Gadot and Meiri 2008), lower turnover intentions (Moynihan and Pandey 2007), higher job satisfaction (Kim 2012; Wright and Pandey 2008) and organizational citizen behaviors (Gould-Williams, Mostafa, and Bottomley 2013). The results suggest that transformational leaders are more likely to motivate employee to higher levels of performance when leaders develop, share and sustain a set of clear goals that resemble personal values of the employees. Employees respond to their personal values and if these co-align with the vision promoted by the transformational leader, employees ascribe intrinsic value to the collective goals of the organization. However, as argued by Paarlberg and Perry (2007) employees only respond to organizational mission statements and other strategic documents to the extent that such documents communicate values within the employee's zone of existing values. Hence, one implication could be that transformational leaders promoting a new set of goals in face of an organizational turnaround will not be very successful at first if employees do not embrace the new goals. In sum, these ar-

guments suggest that the impact of transformational leadership on performance is stronger when employee and organization values are congruent. A second proposition therefore is:

H2: Transformational leadership has a strong positive effect on performance when person-organization values fit.

The second type of fit, i.e. person-job fit, relates to the question whether the specific job enables the individual to work towards ends of personal importance. By ends of personal importance, we mean objectives valued as desirable ends (Kluckhohn 1962) by the individual. According to this perspective, the characteristics of a job cultivate or hinder certain actions by providing the individual employee with the possibility to pursue valuable ends. For example, public service employees have been shown to value public service because it increases the welfare of others and society (Perry and Hondeghem 2008). Hence, public service providers may actualize such altruistic public service motives when they perceive themselves to be able to pursue pro-social actions in their day-to-day task. As a consequence, transformational leaders are more likely to succeed in getting employees to contribute and work towards the collective goals of the organization if employees believe that they can make a viable contribution in their job. On this ground a third proposition is:

H3: Transformational leadership has a strong positive effect on performance when person-job fit.

Taken together, the impact of transformational leadership on performance is expected to be strongest when both person-organization fit and person-job fit exist, that is, employees share and value the core goals of the organization and believe that they can contribute to these goals in their jobs and everyday tasks. A central question in this respect is whether P-O and P-J fit discriminate and contribute uniquely to explain variance in outcomes such as performance (Lauver and Kristof-Brown 2001). Although some scholars hint that the two types of perceived fit are likely to be interdependent (e.g. Kristof 1996), it seems reasonable based on

the above discussion to distinguish the two. For example, employees may value the goals promoted by the transformational leaders but become increasingly frustrated if the job does not allow them to contribute to the collective vision through the daily tasks. On the other hand, employees may see their jobs as enabling them to pursue goals, which are of personal importance but differ or even contradict the goals stipulated by the transformational leader. On this ground, the fourth proposition suggests a multiplicative effect of a co-existing P-O and P-J fit for the impact of transformational leadership on performance:

H4: Transformational leadership has the strongest positive effect on performance when person-organization value fit and person-job fit are present.

Aligning Employee Values and Organizational Goals

A core characteristic of transformational leaders is their ambition to transform employee values and motivation (Jung and Avolio 2000) by making an effort to raise employees' awareness of the importance of organizational goals and clarifying how day-to-day actions support the achievement of such goals. Adding to the propositions outlined above, transformational leaders are likely to be increasingly successful in terms of organizational performance over time if they can foster alignment of employee and organizational values and cultivate a sense of job significance. Addressing value alignment, Jung and Avolio argue that 'transformational leaders motivate their followers by raising their follower's level of awareness about the importance and value of designated outcomes, and by transforming follower's personal values to support the collective goals/vision for their organization' (2000, 950).

Transformational leaders align employee values with those of the organization, we argue, by developing a set of clear and significant goals and continuously making an effort to generate acceptance of and enthusiasm for the goals. Emphasizing the importance of organization goals and the significant objectives they serve (e.g. to increase the welfare of oth-

ers and society), transformational leaders cultivate and reinforce employees' positive perception of the collective vision. As argued by Paarlberg and Lavigna (2010, 711) value alignment may be achieved in different ways, but one key process seems to be value internalization. According to Jung and Avolio, employees internalize the vision of the transformational leader due to effective communication and articulation of a desirable vision (2000, 952). Although clearly communicating and sustaining employee attention to the significance of the collective vision is important, we believe that the process of value internalization is more deep-rooted. Drawing on socio-psychological theory, we argue that employees internalize the vision and become increasingly self-motivated to achieve it when transformational leaders appeal to the three basic needs for autonomy, competence and relatedness (Ryan and Deci 2000). Transformational leaders appeal to the needs by making an effort to facilitate shared acceptance and enthusiasm for the vision, stimulating in-group collaboration and clarifying how the goals of the organization contribute to significant objectives (e.g. a public service mission). Surely, value alignment can be fostered in other ways. One example is through selection processes, where qualified candidates are selected to the extent that they hold or are responsive to core values of the organization (Paarlberg and Lavigna 2010; Mann 2006). Little empirical evidence exists to evaluate the claim, that transformational leaders indeed foster value congruence to achieve higher levels of performance. Jung and Avolio (2000) offer one study. Drawing on an experiment among 194 students, the authors demonstrate an indirect effect of transformational leadership on performance mediated through value congruence. Although the study may not be very representative of common work place settings (a brainstorming task among students), it nevertheless corroborates the argument, that transformational leadership affects performance positively through increased person-organization fit (in terms of value congruence). The fifth proposition therefore states:

H5: Transformational leadership affects performance positively
by increasing person-organization value fit.

Clarifying the Line of Sight: Cultivating Job Significance

Transformational leaders may also achieve higher levels of performance through increased employee perception of person-job fit. Clarifying how the job and day-to-day activities contribute to organizational goals (Paarlberg and Perry 2007) and connect to the significant objectives of the collective vision, transformational leaders may cultivate and reinforce perceived job significance (Paarlberg and Lavigna 2010, 713-14). Developing clear goals, for example, require transformational leaders not only to explain what employee should do to contribute to such goals, but also to call attention to the importance of the jobs to the organization and its vision (Wright 2007). Doing so, employees' perceptions of task significance might increase (Purvanova, Bono, and Dzieweczynski 2006). In recent studies, Grant offers some support of this argument (2008; 2012). Grant argues that transformational leaders are most effective in motivating employees to higher levels of performance, when they interact with beneficiaries of their work explicating how achievement of the vision has meaningful consequences for other people (2012). Conducting a quasi-experimental study and a survey with government employees, Grant shows that beneficiary contact and perceived social impact strengthened the effects of transformational leadership. One merit of Grants studies is that they provide very specific examples of how transformational leaders can increase employee perception of job significance. Directly confronted with the positive impact on the lives of other individuals, beneficiary contact may be one lever for transformational leaders to increase P-J fit. Taken together, the sixth and final proposition posits:

H6: Transformational leadership affects performance positively
by increasing person-job fit.

How to test the Propositions? A Research Strategy and Measurement

An empirical assessment of the theoretical proportions calls for a complex research design. In this section, we propose a research strategy and specific measures of person-environment fit.

To qualify the discussion on P-E fit measures preliminary evidence is presented on construct validity and reliability from a pilot study of 62 Danish school teachers. We refrain from going into detail with the experimental setup and measures of transformational leadership and performance as these are discussed extensively by the other contribution by the LEAP project, see Bro et al. (2014, 15-22). In stead we focus on the potential for combining longitudinal and experimental data to evaluate the propositions and discuss specific operationalizations of person-organization and person-job fit.

Combining an experimental and panel study design offer a viable strategy for evaluating the propositions for several reasons. First, experiments handle key challenges of endogeneity. Endogeneity is a potential problem faced by researchers because the relationship between employee and the environment is likely to influence leadership strategy. Omitted variables bias is likely to occur too in studies based on cross-sectional data if both independent and dependent variables are affected by unobserved factors. Thus, to test for example whether transformational leadership indeed has a positive causal effect on person-organization value fit (proposition 5) a field experiment comparing the effect of exogenously induced transformational leadership with an untreated control group, we are able to clearly establish the temporal sequence between cause and effect keeping unobserved variables constant (through the random assignment to treatment and control group). Including objective measures on performance moreover eliminate potential common source bias as data on transformational leadership (induced exogenously through treatment), person-environment fit (self-reported by employees) and performance (administrative data) emerge from different data sources. Taking this approach, the threat of generating false-positives is likely to be mitigated (Meier and O'Toole 2012).

Second, including longitudinal data such as pre-measures of P-O and P-J fit, researchers would be able to examine how individual perceptions of these types of fit develop over time. Relating such panel data to an experimental transformational leadership treat-

ment, it can be assessed whether treated leaders are more successful in terms of performance when person-organization value fit or person-job fit are high. Some treated leaders are likely to manage organizations in which employees do not share the core goals of the organization and/or do not perceive that their job enables them to do the work that they would like. Others leaders assigned to treatment are likely to manage organizations in which employee and organization values are congruent and employees clearly connect day-to-day activities to the achievement of the collective vision. In sum, we suggest that researchers have much to gain by combining experimental and panel data to test the theoretical propositions outlined in this paper.

Operationalization of P-O and P-J Fit

In line with the most frequent way of operationalizing person-organization fit, this paper focuses on the congruence between organization and employees values (Kristof 1996; Chatman 1989; Posner 1992). In previous research value congruence has been approached with indirect measures of fit collected from different sources (e.g. strategy or vision statements; leader assessment or employee assessment) and direct measures of perceived fit (Kristof 1996). It is argued, that direct measures of perceived fit are valid, since they have been shown to predict employee attitudinal outcomes stronger and better than indirect measures (Kjeldsen 2012; Bright 2008; Verquer, Beehr, and Wagner 2003). Consequently, we propose a multi-item Likert-scale measure of P-O fit (see table 1) based on a review of existing empirical studies on person-organization value fit. Originating from O'Reilly and Chatman (1986) and Cable and associates (Cable and Judge 1996; Cable and Judge 1997; Cable and DeRue 2002), the four items have been used in public sector studies on P-O fit displaying reasonable validity and reliability in a variety of contexts (Bright 2007; Bright 2008; B. E. Wright and Pandey 2008; Kim 2012; Moynihan and Pandey 2007). One substantial modification has been made to the items as presented in Bright (2008). The word 'culture' has been changed to 'values' in the

item ‘I am not very comfortable within the culture of my organization’ (2008, 155) to emphasize the theoretical content of the P-O construct.

To qualify the discussion on the proposed items, we present below preliminary evidence on construct validity and reliability from a pilot study of 62 Danish school teachers conducted in March 2014. Confirmatory factor analysis is applied to assess how individual scale items converge on the latent P-O fit variable. Table 1 displays reasonable convergent validity for the measure. Standardized factor loadings are all significant at 0.001-level and above the lower recommended threshold value of 0.5; except for the reversed item, which is just below (-0.490). Reversed coded items often display lower item-scale loadings, yet they possess other qualities such as lowering risk of response set etc. Fit indicators support that the specified model provides a reasonable fit for data ($\chi^2(2) = 2.527$, $p > 0.01$; root mean square of error of approximation = 0.066 (0.000;0.272); standardized root mean squared residual = 0.024; comparative fit index = 0.995; Tucker-Lewis index = 0.984). Scale reliability measure shows high internal consistency with Cronbach’s alpha (0.83) ranging well above the lower recommended threshold of 0.7.

Table 1. Confirmatory Factor Analysis for Person-Organization Fit Measures

Item	SFL (std. error in brackets)	z value	Scale reliability
My values are very similar to the values of the organization [Arbejdspladsens værdier stemmer godt overens med mine egne]	0.912 (0.049)	18.72	0.83
What this organization stands for is important to me [Det, arbejdspladsen står for, er vigtigt for mig]	0.729 (0.072)	10.06	
I feel a strong sense of ‘belonging’ to my organization [Jeg føler en stærk tilknytning til min arbejdsplads]	0.826 (0.056)	14.63	
I am not very comfortable with the values of my organization* [Jeg føler mig ikke så godt tilpas med værdierne på min arbejdsplads]	- 0.490 (0.105)	-4.65	
Note: CFA with maximum likelihood estimation. Scale reliability assessed as Cronbach’s alpha. * marks reversed question. N= 61.			

As for P-O fit, the measurement of person-job fit relies heavily on measures validated by previous studies. Based on general person-environment fit literature (Cable and DeRue 2002; Saks and Ashforth 1997), we suggest a multi-item Likert-scale measure of person-job fit (see table 2). The items have been adapted and applied in recent public sector studies by Kjeldsen (2012) and Van Loon, Vandenabeele and Leisink (2013). Again, items are directed to employees asking for their perceived P-J fit tapping the theoretical contents of complementary needs/abilities/supplies-demands fit.

Table 2. Confirmatory Factor Analysis for Person-Job Fit Measures

Item	SFL (std. error in brackets)	z value	Scale reliability
My job fulfills the attributes that I look for in a job [<i>Mit arbejde opfylder de egenskaber, jeg leder efter i et arbejde</i>]	0.980 (0.027)	36.60	0.88
My job does not enable me to do the work I would like to do* [<i>I mit job kan jeg ikke udføre den slags arbejde, som jeg helst vil</i>]	- 0.604 (0.086)	- 7.06	
My job is a good match for me [<i>Mit job passer godt til mig</i>]	0.812 (0.050)	16.39	
My job fulfills my demands for what a good job should be [<i>Mit job opfylder mine krav til, hvad et godt job bør indeholde</i>]	0.830 (0.044)	18.92	
Note: CFA with maximum likelihood estimation. Scale reliability assessed as Cronbach's alpha. * marks reversed question. N =62.			

Table 2 displays high convergent validity for the measure. Standardized factor loadings are all significant at 0.001-level and well above the lower recommended threshold value of 0.5. Fit indicators, however, suggest mixed support for the specified model. The chi-square measure ($\chi^2(2) = 4.067, p > 0.01$) and absolute fit indices of the comparative fit index (0.987) and the Tucker-Lewis index (0.960) all suggest a good fit to data, yet the root mean square of approximation is well above the upper limit of 0.08 for a reasonable fit (0.129). As argued by Kenny, Kaniskan and McCoach (2011) models with small degrees of freedom and low N are

likely to have artificially large values of the RMSEA. With only 2 degrees of freedom and a N of 62 this could well be the case in the pilot study evidence. This is also consistent with the fairly large RMSEA value of 0.66 for P-O fit despite a chi-square suggesting a good fit. As for the P-O measure, scale reliability test shows high internal consistency with Cronbach's alpha (0.88) ranging well above the lower recommended threshold of 0.7.

A related question concerning construct validity is how well the measures of person-organization fit and person-job fit discriminate. As argued above, the two types of fit may be distinguished at the conceptual level, but are they distinct to the employees? Lauver and Kristof-Brown (2001) offer a first study comparing both perceived P-O and P-J fit and their impact on job satisfaction and intention to quit among 231 employees of a US trucking company. The authors show a low correlation (0.16) between the two types of fit and P-O fit and P-J fit each explain unique variance in employee outcomes (2001, 461-65). These results were partially replicated for social workers' job satisfaction by Kjeldsen in a Danish research setting (2012, 106). Table 3 shows an interitem correlation matrix for all 8 person-organization and person-job fit items. Bold correlations mark correlations between items belonging to the same composite measure. If P-O fit items discriminate well from those of P-J fit, we should expect the bold correlations too be high and the remaining correlations to be low. Table 3 provides some mixed evidence for discriminant validity. As expected correlations between items belonging to the same composite construct (P-O fit and P-J fit, respectively) are quite high (except for item 4, which in general do not perform well). Some items, however, display quite high cross-correlations as well (e.g. item 1 and 5; item 1 and 3 and item 3 and 8). Also when treated as composite constructs the correlations between P-O fit and P-J fit exceeds 0.6 suggesting that the concepts are not clearly distinguishable in the pilot data.

Table 3. Interitem Correlations: Person-Organization Fit and Person-Job Fit Items.

	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
<i>1.</i> My values are very similar to the values of the organization	<i>1.000</i>							
<i>2.</i> What this organization stands for is important to me	<i>0.655</i>	<i>1.000</i>						
<i>3.</i> I feel a strong sense of 'belonging' to my organization	<i>0.756</i>	<i>0.625</i>	<i>1.000</i>					
<i>4.</i> I am not very comfortable with the values of my organization	<i>-0.480</i>	<i>-0.403</i>	<i>-0.329</i>	<i>1.000</i>				
<i>5.</i> My job fulfills the attributes that I look for in a job	<i>0.675</i>	<i>0.552</i>	<i>0.719</i>	<i>-0.439</i>	<i>1.000</i>			
<i>6.</i> My job does not enable me to do the work I would like to do	<i>-0.348</i>	<i>-0.322</i>	<i>-0.400</i>	<i>0.431</i>	<i>-0.584</i>	<i>1.000</i>		
<i>7.</i> My job is a good match for me	<i>0.513</i>	<i>0.455</i>	<i>0.475</i>	<i>-0.411</i>	<i>0.786</i>	<i>-0.560</i>	<i>1.000</i>	
<i>8.</i> My job fulfills my demands for what a good job should be	<i>0.604</i>	<i>0.495</i>	<i>0.687</i>	<i>-0.333</i>	<i>0.817</i>	<i>-0.469</i>	<i>0.647</i>	<i>1.000</i>

Concluding Remarks

General leadership theories are making their way into public management research. Transformational leadership has attracted particular attention due to its potential for motivating employee motivation and raising performance beyond expectations. Responding to recent calls for more comprehensive research on transformational leadership, this paper contributes to further disentangling potential pathways from transformational leadership to performance. Specifically, we have made an attempt to integrate the popular concept of person-environment fit arguing that transformational leaders are likely to have a larger impact on performance when employees share the values of their organization and the job enables employees to do the kind of work, that they like. Following recent arguments by Paarlberg and Lavigna (2010) we suggest that transformational leaders are likely to be more successful in terms of performance over time as they create value alignment (increasing employee perception of P-O fit) and connect individual jobs to higher organization ends (increasing employee perception of P-J fit). Although transformational leadership was originally thought to be most effective in raising performance in private organizations (Bass 1985), thinking in terms of person-environment fit may explain why studies have not supported this claim (e.g. Judge and Piccolo 2004; Avolio et al. 2009; Wright and Pandey 2010). In public service organizations employees have widely been shown to have altruistic public service motives and to be responsive of such motives (e.g. Perry and Hondeghem 2008). Appealing to the service and community-oriented nature of the organizational vision, transformational leaders may cultivate and reinforce self-motivated actions (Paarlberg and Lavigna 2010; Wright and Pandey 2010) raising performance to higher levels. We have suggested a research strategy and specific measures of person-organization and person-job fit to evaluate the theoretical propositions outlined in the paper. We have not, however, detailed whether and how the propositions may differ in terms of different performance dimensions. For example, researchers have suggested that P-J fit may be stronger associated with job, task, or in-role performance since characteristics of the job is more closely related to the day-to-day activities and job outcomes (Lau-

ver and Kristof 2001; Van Loon et al. 2013). On the other hand, if researchers focus on organizational performance, congruence between individual and organizational values might be a stronger predictor. Consequently, researchers need to think carefully about the relationship between person-environment fit and the specific performance construct investigated, when turning the propositions in this paper into empirical hypotheses.

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