

Work Value Congruence and Job Performance: Buffering Role of Leader Member Exchange and Core Self Evaluation

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Abstract

Value congruence with the organization has shown a positive relationship with job performance of employees. This study aims to identify the impact of work relationships (LMX) and individual factor (CSE) on this relationship. We hypothesize that leader member exchange (LMX) and core self-evaluation (CSE) would interact with work value congruence (VC) to effect job performance. In a sample of 868 employees from various organization in India, we found LMX and CSE have positive moderation with VC to effect job performance. The results contribute to person-environment fit literature by demonstrating the buffering nature of LMX and CSE for low value congruence to increase job performance.

Keywords: Job Performance, Core Self Efficacy, Leader Member Exchange, Value Congruence

1. Introduction

Since the turn of the century, behavioural scientists have concerned themselves with understanding and enhancing organizational effectiveness by studying the behaviour of individuals in organizations (Wexley & Yukl, 1984). Job performance has become one of the most highly researched outcome variables in the behavioural sciences because good employee's job performance is critical for organizational effectiveness.

Individual Performance also has high significance for organizational practitioners well as researchers. In a review of 146 meta-analysis by Sonnentag and Frese (2002) 54.8 % of articles referred to individual performance as core construct, around 72.5% of articles referred performance as dependent or outcome measure. From practitioner point of view, understanding predictors of performance is important for employee, supervisor and organization for an employee good job performance will provide job security, career development, income, colleagues and work pride. High performers can feel pride and satisfaction. Externally performance is awarded by benefits and incentives. For a manager it will help in understanding the adjustment he needs to make to help an individual perform and achieve goals given by management. For organization it helps in achieving organizational goals. Thus to increase job performance it is important to understand it's predictors and their interaction on performance. Predictors of job performance ratings are at multiple levels (personal, organizational and managerial) (Waldman & Spangler, 1989). In this study we would take one variable for each level. CSE, value congruence (VC) and LMX, represents personal, organizational and managerial level predictor of job performance. We also contend LMX and CSE will affect the relationship between VC and performance.

Our study will make contribution as it identifies the condition under which value congruence – performance relationship is strengthened or weakened. It also contributes to person environment fit literature by identifying, mitigating effect of value incongruence by LMX and CSE. We would discuss value congruence and its relationship with job performance. Next we turn to discuss compensatory nature of LMX and CSE and develop hypothesis.

1.1 Value Congruence

Value congruence is degree to which two entities have similar values. In literature one finds congruence between employee and co-worker (Ostroff, Shin, & Kinicki, 2005), supervisor (Adkins, Russell, & Werbel, 1994) an organization (Hoffman, Bynum, Piccolo, & Sutton, 2011). In this study, we are focusing on value congruence between employee with organization. People choose occupation and organization on basis of their values (O'Reilly, Chatman, & Caldwell, 1991). Jung and Avolio (2000); Posner (2010) have also supported the need for

value congruence between individual and organization. In a recent review by Bao, Dolan, and Tzafrir (2012), value congruence has shown positive relationship with job performance, job satisfaction etc. Erdogan et al. (2004) pointed out that value incongruence causes poor communication, cognitive dissonance and organizational non-identification all of which lead to lower performance.

There are different ways to measure value congruence one is objective (the value survey of both person and organization is done separately) and other is subjective (the perceived value of organization are extracted from the mind of employee using value survey). Though both subjective and objective value congruence have been positively associated with job performance, still subjective value congruence is more important than the objective value congruence (Edwards & Cable, 2009).

1.2 Value Congruence and Performance

Adkins, Ravlin, and Meglino (1996) agree that value congruence affects performance positively, this relationship is moderated by job tenure and nature of job. Also, Meglino and Ravlin (1998) identified that high value congruence may be detrimental to innovation and adaptability of the organization. They propose that heterogeneity in perspectives resulting from low value congruence is desirable to increase adaptability and innovation. Thus companies may prefer to hire employees with low value congruence to maintain competitive advantage, especially to increase innovation (Erdogan et al., 2004). Hence it's important to identify the moderators which can compensate for the negative consequences due to low value congruence.

1.3 Buffering Role of LMX

Leader member exchange (LMX) is based on social exchange perspective. It talks about dyadic influential relation between superiors and subordinates. Most LMX studies have involved LMX, employee attitude and behaviors. One of the most consistent finding is that LMX leads to job satisfaction. High LMX relationships provide resources to cope up with negative influences of value incongruence. High LMX employees experience more freedom due to supervisor support (Dienesch & Liden, 1986). Hence we expect that high LMX will buffer the negative consequences of work value incongruence.

Hypothesis 1: LMX will moderate the relationship between work value congruence and job performance such that the relationship between value congruence and performance will be stronger at high LMX as compared to low LMX.

1.4 Buffering Role of CSE

Core self-evaluations (CSE) refers to appraisal of one's own capabilities. Such assessment determines how much and for how long individual would put effort to achieve tasks (Judge & Bono, 2001). High CSE suggests that employee has high self-esteem, self-efficacy, internal locus of control and low neuroticism (Erez & Judge, 2001). High CSE leads satisfaction, commitment, less stress, motivation, and positive perception of job characteristics all of which leads to performance (Chang, Ferris, Johnson, Rosen, & Tan, 2012). High CSE employee have resources to cope with the negative influence of value incongruence. We expect that higher CSE employees can mitigate the effect of value incongruence with the organization.

Hypothesis 2: CSE will moderate the relationship between work value congruence and job performance such that the relationship between value congruence and performance will be stronger at high CSE as compared to low CSE.

1.5 Simultaneous Buffering Role of CSE and LMX

We hypothesised that both LMX and CSE will positively moderate the relationship between value congruence and job performance. It will be imperative to explore the change in VC-performance relationship by simultaneously changing LMX and CSE. We propose that CSE, LMX, VC (personal, managerial and organizational factors) will have three way interaction (moderated moderation) to effect job performance.

Hypothesis 3: The moderation effect of LMX on VC-performance relationship will be effected by the level of CSE. At higher level of CSE there wont be interaction between LMX and VC to effect performance.

2. Method

The methodology of study is based on positivist paradigm. The data collection method was purposive sampling including cross section of population (working population) from different companies in India.

2.1 Sample Description

The survey was distributed only to executive or managers in various firms in India. For the pilot study (to check reliability of measures) fifty-four responses were collected. For the main study a total of one thousand and

thirty-three responses were received through different modes of data collection. One hundred fifty-eight responses were deleted as they were either incomplete or unengaged (zero variance), or were not from executives. Seven responses were removed from sample as outliers on the basis of Mahalanobis distance criteria. For the final analysis we had 868 responses. The descriptive statistics of the sample is presented in following tables.

Table 1. Gender

Gender	Number	Percentage
Male	731	84.2
Female	137	15.8
Total	868	100

Table 2. Descriptive Statistics of Age

	Mean	Median	Mode	Std Dev	Minimum	Maximum	N
Age	33.54	31	30	7.487	21	71	868

Table 3. Three Age Groups

Age Group	Number	Percentage
29 and below	285	32.8
30-34	272	31.3
35 and above	311	35.8
Total	868	100

Table 4. Sector in Four Categories

Sector Category	Number	Percentage
Manufacturing	272	31.3
Finance	273	31.5
Infrastructure	148	17.1
Others	175	20.2
Total	868	100

Table 5. Function in Four Categories

Category	Number	Percentage
Business Development	168	19.4
Operations	294	33.9
Support	349	40.2
Others	57	6.6
Total	868	100

Table 6. Education Qualification

Educational Level	Number	Percentage
Up to Bachelors	372	42.9
Postgraduate and above	496	57.1
Total	868	100

2.2 Measures

Job performance is a latent construct having multiple dimensions made up of indicators that can be measured directly (Sabine Sonnentag, Volmer, & Spychala, 2008). The exact indicators will be different and specific to nature of job and sector; hence countless measures of job performance have been used. Many measures do not provide complete range of behaviours, which can account for job performance especially in this of age of dynamism (Griffin, Neal, & Parker, 2007). *“The lack of an agreed upon nomenclature is striking, and it gives the impression that attempts to explicate the latent structure of performance are quite in disorder”* (Campbell & Wiemik, 2015, p. 48). There were many scales available for measuring job performance. We combined (as practiced by Jiwen Song, Tsui, & Law, 2007) 15 items ($\alpha = 0.888$, appendix) to form a relevant measure of job performance in Indian context. As an alternative to self-reported and supervisor ratings on job performance, Schoorman and Mayer (2007) suggested researchers should ask respondents for their supervisor's assessment of their performance rather than for their own assessment. Hence we asked the question to employee; how would your supervisor would have rated you on the following (appendix) on five points from low (1) to high (5). An

exploratory factor analysis gave us four factor model. Model fit for two models ([a] with four factors and [b] with single factor) was conducted and we found better fit for single factor model. Value congruence ($\alpha = 0.711$) was measured through four items mentioned in appendix. CSE ($\alpha = 0.752$) and LMX ($\alpha = 0.869$) were measured using scales mentioned in (Judge, Erez, Bono, & Thoresen, 2003; Liden & Maslyn, 1998) respectively. All the measures were on five point Likert scale. We averaged all the items to generate scores for a construct.

Correlation, construct validity, mean and median of all the construct to be used in the study for hypothesis has been presented in Table 7. The diagonal represents square root of AVE (bolden) which is more than correlation between two factors, suggesting that each factor has internal variance greater than variance shared between factors. Also , the composite reliability (CR) for all constructs is more than 0.65, hence constructs have adequate construct validity (Fornell & Larcker, 1981).

Table 7 Construct Validity and Descriptive of All Variables

	Mean	S.D.	CR	CSE	VC	LMX	JP
CSE	3.57	0.509	0.711	0.765			
VC	3.68	0.676	0.738	<i>0.536</i>	0.655		
LMX	3.79	0.638	0.840	<i>0.403</i>	<i>0.413</i>	0.761	
JP	4.05	0.515	0.884	<i>0.461</i>	<i>0.375</i>	<i>0.482</i>	0.583

The correlations are in italics. CSE= Core Self Efficacy, VC = Value Congruence, LMX = Leader Member Exchanges, JP= Job Performance, CR= Composite Reliability

3.3 Control Variables

As our sample was from diverse background, hence we controlled for background variables (gender, education, sector, function, age) mentioned in sample description section.

3. Results

To test our hypotheses, we used hierarchical moderated regression analysis. Following Baron and Kenny (1986) in first step we regressed all control variables, in second step all main effects and in last steps the interaction effect. The main effects were mean centered as suggested by Cohen, Cohen, West, and Aiken(2003). The results of hierarchical moderated regression analysis are presented in table 8. Interaction plots for the same are presented in Figure 1 (VC*CSE) and figure 2 (VC*LMX). In the figures, Y, X, M, L,0 and H denotes dependent variable, independent variable, moderating variable, low level (mean-SD), mean and high level (mean + SD) respectively. As can be seen from Table 8 we observed significant interaction between (i) LMX and VC ($\beta = 0.064$, $p < 0.05$) (ii) CSE and VC ($\beta = 0.080$, $p < 0.05$), hence hypothesis 1 and 2 are supported. We also observed a three-way interaction between VC, LMX and CSE ($\beta = -0.0278$, $t = -2.379$, $p = 0.0176$, $\Delta R^2 = 0.0050$) and is plotted in Figure 3.

Table 8. Hierarchical Regression Testing for Moderation

	Step 1	Step 2	Step 3		Step 1	Step 2	Step 3
Age	0.104*	0.050	0.045	Age	0.104*	0.077*	0.079*
Sector	0.064	0.04	0.040	Sector	0.064	0.022	0.022
Function	0.016	-0.021	-0.022	Function	0.016	-0.024	-0.022
Education	0.032	0.00	-0.001	Education	0.032	0.020	0.018
Gender	0.012	0.038	0.037	Gender	0.012	0.043	0.043
VC		0.213*	0.227*	VC		0.179*	0.192*
CSE		0.249*	0.245*	LMX		0.354*	0.359*
VC*CSE			0.080*	VC*LMX			0.064*
ΔR^2	0.015*	0.133*	0.006*	ΔR^2	0.015	0.189*	0.004*
R^2	.015*	0.147*	0.15*	R^2	0.015*	0.204*	0.208*
Adj. R^2	0.009*	0.140*	0.146*	Adj. R^2	0.009*	0.197*	0.2*
ΔF	2.561*	66.954*	6.33*	ΔF	2.56*	102.17*	4.220*

*- significant at .05 percent

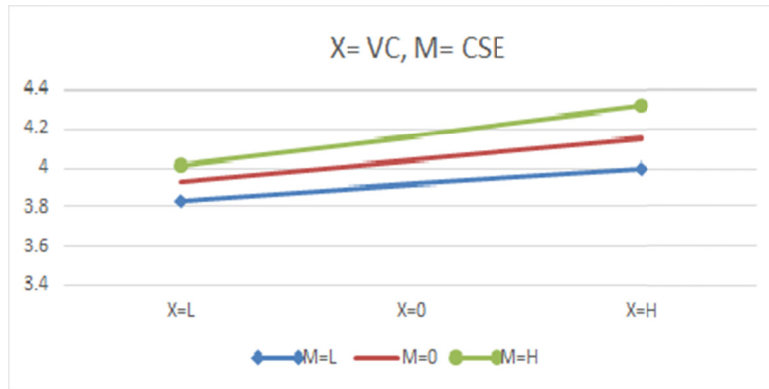


Figure 1. The Relationship Between VC and JP for high and low levels of CSE

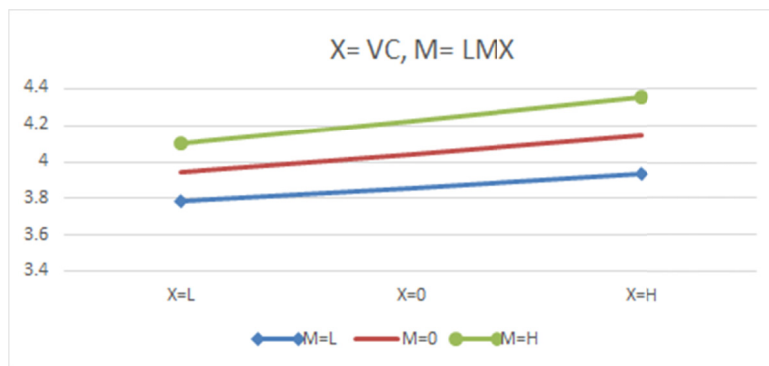


Figure 2. The Relationship Between VC and JP for high and low levels of LMX

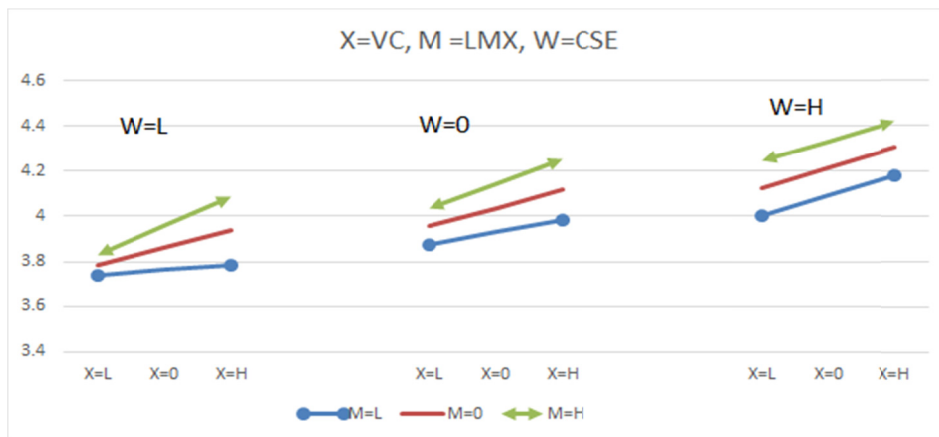


Figure 3. Three way interaction between VC, LMX and CSE

4. Discussion

Results of the current study demonstrate that LMX and CSE positively moderate the relationship between value congruence and performance. At low levels of CSE and LMX, the effect of value congruence on job performance is very low. Suggesting that for value congruence to positively affect job performance, there has to be a minimum level of LMX and CSE. At higher level of CSE and LMX, the low level of congruence can be compensated by LMX and CSE. Value congruence has been positively associated with job performance possibly through mechanism of organizational identification and not having to go against one's personal values. On the other hand, to achieve innovation organization would hire people with different values and outlooks. The organization can avoid negative consequences due to such value incongruence by buffering effect of LMX and

CSE. From figure 3 it can be seen if the employees have high level of CSE, then the impact of LMX on value congruence-performance relation is not there. It means one need not increase both LMX and CSE based on Figure 1 and 2, as simultaneously increasing both of them will not always provide desired result of increase in performance.

5. Implications & Conclusion

5.1 Theoretical Implications

Our finding contributes to person environment literature, by highlighting that if there is low person-environment fit for an employee its negative effects can be mitigated by leader support and self-esteem of employee.

Erdogan et al. (2004) found negative interaction between value congruence and LMX to effect intrinsic career success in an academic setting. Our results demonstrate a positive interaction between value congruence and LMX to effect job performance in an organizational setting. Posner (1992) demonstrated there is no demographic moderator (“age, gender, ethnic background, organizational level, management position, length of service, and functional area”) of value congruence and work attitude relationship. However, we have found positive moderation of CSE on VC and performance relationship.

We have positive correlation between VC-CSE and VC-LMX relationship. It suggests that people with higher self-esteem will tend to have higher value congruence. On the other hand, if person has higher value congruence his relationship with leader will be better. Also correlation of VC-CSE (0.536) is higher than VC-LMX (0.413) relation. It suggests that even there is low LMX, but employee has high self-esteem, he can have value congruence with organization.

5.2 Managerial Implications

Literature has reiterated that value congruence with organization leads to job performance and job attitudes. For example Kalliath, Bluedorn, and Strube (1999); O'Reilly et al. (1991) found relationship between value congruence and job satisfaction, which leads to job performance. Only hiring employee with congruent values will not always increase performance. There has to be minimum level of leader support and self – esteem in employee for value congruence to show desired positive effects on job performance.

Managers may think to recruit employees with high value congruence to increase performance. This causes increase in homogeneity accompanied by lack of creativity. So how does organization promote creativity without damaging job performance? Our results suggest ways in which organization can mitigate this negative effect of value incongruence. By providing support from leaders or/and hiring people with higher self-esteem, organization can mitigate the effects on negative effects of low value congruence.

If the management is hiring people with high self-efficacy and value congruence, then management can decide to give less support from leadership, as higher support at one point can be detrimental to employee job performance.

5.3 Conclusion

Given the importance of job performance, executives should understand the predictors of job performance. According to this study value congruence is positively effecting job performance, LMX from organization can buffer and improve this relationship. Moreover, if management hire people with high self-esteem they would likely to have more value congruence with organization.

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Appendix

Job Performance

1. She/He comes up with ideas to improve core tasks
2. She/He applies innovative ideas
3. She/He exhibits a willingness to go beyond what the situation requires
4. She/He adapts readily to changing rules
5. She/He presents a positive image of the organization to others
6. She/He participates in meetings
7. She/He applies his job knowledge
8. She/He has knowledge required to get the job done
9. She/He expresses himself and understand others in writing
10. She/He gathers and transmits information appropriately in oral form
11. She/He maintains smooth and effective working relationship
12. She/He produces quality work, even under time pressures
13. She/He manages his time effectively
14. She/He responds flexibly to overall changes in the work unit and organization
15. On his/her own initiative, she/he starts new tasks when his old tasks were completed.

Value Congruence

1. My organization's values provide a good fit with the things I value.
2. Since starting this job, my personal values and those of this organization have become more similar.
3. If the values of this organization were different, I would not be as attached to this organization.
4. My personal values are generally compatible with the values of the organization.

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