Proceedings of ICFTBA 2026 Symposium: Driving Organizational Strategic Change for Financial Gains
DOI: 10.54254/2754-1169/2026.BH39101

A Study of How P-O Fit Cause Difference of Recruitment Between For-Profit-Organization and Non-Profit-Organization

Linyu Zhao

Division of Undergraduate Studies, The Pennsylvania State University, State College, USA
jerryzhao26my@gmail.com

Abstract. For-profit organizations (FPOs) and nonprofit organizations (NPOs) have different recruitment strategies. With theories such as P-O fit and ASA model, individuals can find organizations that fit them the most, while organizations can recruit target employees. By evaluating personal values and characteristics, individuals can possess a deeper understanding about themselves and make better choices between entering FPO or NPO. This paper aims to identify differences in recruitment between FPOs and NPOs by analyzing relevant theories and research. P-O fit and profit-driven orientation and social mission orientation are key concepts when analyzing what influences individuals' and organizations' decisions. This study distinguishes the supplementary fit emphasized by NPOs and the complementary fit prioritized by FPOs, and illustrates how value congruence and capability-demand matching shape talent screening under these two distinct organizational logics. It also interprets the attraction-selection-attrition mechanism with practical industry cases, and puts forward relevant directions for future research considering emerging technological progress and shifting demographic conditions.

Keywords: P-O fit, Value Congruence, NPO, FPO, Profit-driven Orientation & Social Mission Orientation

1. Introduction

With the development of technology, more and more jobs have appeared in society. Based on different purposes, two kinds of organizations have formed; FPO and NPO. Gradually, choosing a job becomes complex and difficult for both individuals and organizations. Individuals face the problem of choosing an organization whose culture and values are difficult to engage with or conflict with their own, while organizations risk recruiting individuals who perform poorly because their goals differ from those of the organization. Both situations have a negative effect on each other, forming a problem in human resources management. Several researchers have studied those problems by observing human behavior on job selecting and analyzing individuals motivation when selecting an organization. With more and more research released, most problems have been solved. Furthermore, plenty of industries, companies, and organizations have applied these recruitment strategies in order to increase employees' performance and total efficiency, gaining more profit for

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the industries, companies, and organizations. This article will focus on how P-O fit causes the difference of recruitment between FPO and NPO and what strategies that individuals apply to find fit organizations and vice versa.

2. P-O fit

According to Kristof, P-O fit, or personal organization fit, is defined as the compatibility between people and organizations that occurs when: at least one entity provides what the other needs, or they share similar fundamental characteristics, or both [1]. This definition recognizes the multiple conceptualizations of P-O fit and allows for both the supplementary and complementary perspectives to be considered concurrently. Supplemental fit and complementary fit are two fits from P-O fit.

2.1. Supplementary & complementary fit

Supplementary fit happens when a person's characters and organization's characters match. In other words, the person and the organization share the same values and goals. It occurs when a person's personality, values, attitudes, and goals are congruent with an organization's culture, values, goals, and norms. Therefore, similarity and value congruence are considered the core elements of supplementary fit.

Complementary fit occurs when one's supplies match the other's demands. First, needs-supply fit is defined as organizations' supplies that fulfill a person's demands. For example, a person who seeks a high income and career advancement opportunities is likely to join an organization that offers high pay and career development. Moreover, demand-abilities fit is a person's supplies, including time, effort, commitment, experiences, and KSAs (knowledge, skills, abilities), to meet organizations' demands. Together, supplementary and complementary fit provide a comprehensive framework for understanding the compatibility between individuals and organizations. Figure 1 shows the difference between supplemental fit and complementary fit.

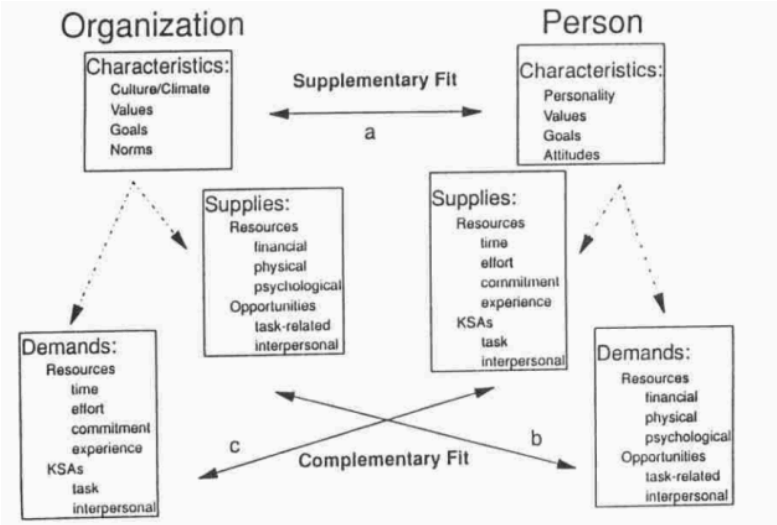


Figure 1. Supplemental fit and complementary fit

Person–organization (P-O) fit serves a critical function in employee–organization dynamics. It enables individuals to gain self-awareness and identify suitable occupational roles. For instance,

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when candidates select an employer, they evaluate multiple dimensions including goal alignment, value consistency, needs-supplies fit, and personality-organization compatibility. Scholars have noted that vocational psychologists typically guide job applicants to pursue careers consistent with their personal interests and accept positions that allow them to apply their existing capabilities. If selecting an enterprise whose culture aligns with personal values can also improve long-term work satisfaction, vocational guidance practice may be expanded to remind job hunters to assess organizational values during career decision-making. Job seekers who prioritize P-O fit when evaluating employment options tend to achieve higher levels of P-O fit compared with peers who place less weight on this factor throughout the recruitment process. In consequence, workers whose personal values are consistent with organizational norms demonstrate stronger organizational commitment, higher job satisfaction, and lower turnover intention. On the contrary, employees can recognize whether their values match those of the organization; when they perceive such incompatibility, they are more likely to depart from the company.

2.2. Value congruence

Value congruence represents one of the most impactful dimensions of person–organization (P-O) fit. As a core component for both people and firms, values allow direct and meaningful comparative evaluation. By definition, values refer to stable beliefs that shape people's attitudes, judgments, and behavioral tendencies [2]. To begin with, the alignment between applicants' perceptions of organizational values and their self-perceived personal values exerts a positive effect on their subjective P-O fit. Perceived P-O fit, in turn, directly shapes organizational attractiveness and further affects candidates' job pursuit intentions. Accordingly, a distinctive advantage of employment interviews lies in the chance for job seekers to gain deeper insights into an organization's culture and values, after they have obtained basic information about the vacant position.

2.3. ASA model

P-O fit is considered as one of the most common methods for recruitment; however, it varies from organizations [3]. Different organizations possess different characteristics, such as standards, goals, and values. FPOs pursue profit maximization and high performance, while NPOs emphasize value congruence and mission fulfillment. Consequently, recruitment logic differs between FPOs and NPOs: for example, FPOs emphasize complementary fit, whereas NPOs emphasize supplementary fit. Moreover, the Attraction–Selection–Attrition (ASA) model shows value congruence. Individuals are attracted to organizations that share similar characteristics, organizations select applicants who fit their culture and values, and those who do not fit are more likely to leave. Applying this model, an organization's primary goal is not to find people who have strong KSAs for the position, but to find people who have the same values that fit with the organization. Individuals who stay share similar characteristics, values, goals, or demands that fit with the organization. Consequently, employees will be satisfied and productive and have a small chance to quit, bringing more benefits for the organization.

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3. FPO & NPO

3.1. FPO

FPO, for-profit organization, has four key characteristics: Profit Maximization, Shareholder Orientation, Performance Orientation, and Competitive Orientation. Profit maximization is focusing on revue, profit, and return on investment; shareholder orientation is usually about the question whether the decision can enhance shareholder value and organizational profitability; performance orientation is toward employees' abilities, such as Key Performance Indicators (KPIs), sales performance, productivity, and performance appraisal outcome; and Competitive Orientation emphasizes on efficiency, market competitiveness, performance excellence, and achievement of strategic objectives. FPO has two main recruitment strategies: focusing on recruiting individuals who create a sustainable competitive advantage and not merely hiring employees, but 'investing' employees [4].

FPO aims for employees who can add value to the organization. To be specific, FPO pursues profit maximization, so it will tend to recruit employees who can add more value to the organization. In turn, employees who have higher performance, productivity, and contribution are more likely to stay, since they can bring more profit to the organization. Second, FPO tends to hire employees who are rare and inimitable. Employees with rare abilities can help an organization respond to urgent risks or bring unexpected benefits to it. Due to special experiences and abilities to manage, employees who work for a long time in a certain position or known for handling group projects are preferred. In conclusion, FPO usually recruit individuals who possess valuable, rare, inimitable, and non-substitutable competencies, which enable them to create a sustainable competitive advantage.

The other recruit logic of FPO is effective human resource management practices enhance firm performance. Extensive recruitment, selection, and training procedures; formal information sharing, attitude assessment, job design, grievance procedures, and labor-management participation programs; and performance appraisal, promotion, and incentive compensation systems are aspects of High Performance Work Practices (HPWP). In other words, in FPOs with HPWP systems, recruitment is the first step; further training enhances employees' capabilities, job design tailored to individuals helps develop their abilities, and promotions increase employees' willingness to work, reducing turnover while increasing productivity. The application of HPWP can improve employees' ability and efficiency; in turn, organization performance will increase as individuals become more productive, creating a sustainable competitive advantage eventually. It is a demand-ability fit: organizations recruit high-performing individuals to maximize profit. In conclusion, the logic of FPO is to seek individuals who possess valuable, rare, inimitable, and non-substitutable competencies, which can increase productivity and enhance organization performance, bringing competitive advantages to itself.

3.2. NPO

Nonprofit organization (NPO) research primarily adopts the perspective of supplementary fit: NPOs seek out individuals holding values consistent with organizational principles. Nonprofit organizations are not banned from generating surpluses. Instead, only the payout of these surpluses is restricted. All net gains must be reserved and fully utilized to sustain continued delivery of the services for which the organization was established. In fact, both for-profit organizations (FPOs) and NPOs are capable of producing surpluses. Unlike FPOs, which target profit maximization and distribute earnings to shareholders, NPOs retain any surplus revenue internally to support their long-

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term missions. Values, including Altruism, Service, Social Justice, Equity, Integrity, and etc., are another important aspect in NPO. When interviewing for a position, FPOs tend to ask candidates how much profit they can generate, while NPOs tend to ask whether candidates agree with their values [5].

Different from the complementary fit in which either the employees fulfill the organizations' demands or the organizations supply resources and opportunities for the employees, supplementary fit focuses on similar characteristics like cultures, goals, or values. NPO emphasizes supplementary fit on recruitment. In mission-driven NPO, value congruence plays a crucial role in reducing cultural conflict and fostering stronger organizational commitment and a greater sense of belonging among employees. First, the ASA model helps an organization select individuals who fit its values. Individuals who hold similar values, pursue same goals, and possess similar concepts and ideas enter in an organization by attraction; after a period of time of selection, individuals who do not fit the organization will quit, leaving the rest who possess values and goals congruence. This process reduces cultural conflict and fosters stronger organizational commitment and a greater sense of belonging among employees.

4. Motivation

The factor causing the difference between NPO and FPO is different motivation. The goals that two kinds of organizations pursue vary from each other. FPO applies profit-driven orientation, which aims for profit maximization and high performance; whereas NPO applies social mission orientation, which focuses on value congruence and mission fulfillment. Following paragraphs will illustrate how different motivations form these two different kinds of organizations.

4.1. Profit-driven orientation

The individual difference approach proposes that a person's behavior can best be predicted by measuring his or her personality traits, values, motives, abilities, and affect because such elements are both stable and reflected in behavior. In contrast, the situationist approach proposes that a person's behavior can best be predicted by assessing the characteristics of his or her situation. NPO and FPO recruitment decisions will influence a person's behavior.

FPO pursues profit maximization and sustainable competitive advantage, so this kind of organization focuses on efficiency, performance, and result. Under this condition, organizations not only build a system to evaluate employees' performance, but also select candidates who possess high KSAs and feel comfortable with a competitive environment. In other words, profit-driven orientation influences both the goals of NPO and the standard of recruitment, including features and characteristics of employees.

For employees, organization-person fit also functions as a selection. FPO usually attracts individuals who have a motivation of gaining more achievements and strong aim for career advances. These individuals focus on career advanced opportunities, high payment, and personal improvement; they are willing to attend organizations where they can prove their abilities and values. Therefore, while FPO selects high performance employees, the candidates pick the organizations that offer opportunities that enhance their abilities, and this is the process of complementary fit.

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4.2. Social mission orientation

Different from FPO whose primary goal is profit maximization, NPO emphasizes mission fulfillment and brings values to the society as goals. Social mission orientation leads the development of the organization and forms a different system of recruitment. Against this background, organizations focus on whether candidates identify with the organization's mission, values, and target beneficiaries, rather than on professional skills and abilities [6].

Social mission orientation organizations tend to deliver value to themselves. For example, some organizations aim to protect and improve the environment, while others help children in remote, poor areas by providing education. This process attracts individuals whose values are congruent with those of the organization. For most individuals, selecting an NPO is not merely a career selection, but a value selection. These individuals seek to fulfill their personal values through work and devote themselves to mission fulfillment. Consequently, when seeking for a position, the candidate has a proactive attitude to evaluate whether their values and goals are similar to the organizations' values and goals; on the other hand, NPO will evaluate value congruence from the candidate through several methods including interviews or presenting the organization culture [7].

Value congruence plays a crucial function during this process. When individuals identify with an organization's core values and social mission, they are more likely to develop a strong sense of organizational identification and belonging, and are therefore more willing to make a long-term commitment to the organization's development. As more individuals with similar values enter, they strengthen the organizational culture through daily work, influencing new employees and forming a stable cultural cycle [8, 9].

5. Discussion

Although more and more researches about P-O fit and human resources management are released, and indeed, they have provided convenience to both individuals and organizations, more research should be studied due to growing population and technology development. First, with the development of AI, plenty of job positions can be replaced by AI, especially in FPO which aim for more profit as AI is more productive and costs less than humans in most positions. Moreover, with an increasing population, the unemployment rate becomes a problem. Individuals find it hard to find an organization that fits their characteristics and demand and usually quit the organization. Organizations seek high-performing individuals and set requirements too high for many to meet. These issues require further research. Last, this article merely focuses on the problem of how P-O fits influence FPO and NPO's recruiting strategies; it does not mention the development of technology, to be specific, the development of AI, and increasing population. Therefore, future research on human resources should incorporate these two issues.

6. Conclusion

P-O fit has an important function for NPO and FPO when recruiting employees; it also helps individuals to learn more about themselves and lower the risk for them to enroll in an organization that does not fit them, making the individuals feel frustrated. Employees perceiving more P-O fit with their organization will: experience greater organizational commitment, experience greater job satisfaction, report lower intentions to quit, and be more likely to recommend their organization as a good place to work. As research on human resources accumulates, the field becomes more

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comprehensive, supporting advances in technology, the economy, and society and creating a better living environment.

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