



A cross-cultural examination of the curvilinear relationship between perceived demands-abilities fit and risk-taking propensity



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ABSTRACT

We propose a U-shaped relationship between perceived demands-abilities (D-A) fit and risk-taking propensity that is contingent on individual-level uncertainty avoidance and test this relationship in the U.S., China, and Japan. We find a consistent cross-cultural support for the main curvilinear relationships, whereas the moderating role of individual-level uncertainty avoidance is supported in the U.S. and Japan, but not China. Our results challenge the conventional wisdom that relationships between fit and job outcomes are linear and open up new research avenues for person-environment research which should examine both 'bright' and 'dark' sides of fit.

1. Introduction

The congruence between job demands and employee knowledge, skills, and abilities (KSAs), labeled as demands-abilities (D-A) fit, has long been of interest to academicians and practitioners because of its importance for both individual and organizational success (Kristof, 1996; Kristof-Brown, Zimmerman, & Johnson, 2005). As a result, organizations make every effort to hire and retain employees with high D-A fit. Likewise, employees also strive for congruence, or fit, between their own perceived abilities and job demands.

Although fit researchers agree that perceived D-A fit is associated with positive work outcomes, a number of fit studies have failed to find empirical support for this relationship. Contrary to expectation, Cable and DeRue (2002) did not find support for a positive link between perceived D-A fit and occupational commitment, peer-rated employee performance, and future pay raises. Astakhova, Doty, and Hang (2014) found a non-significant association between perceived D-A fit and pay raises among employees in Russia or China and between D-A fit and occupational commitment among employees in China. One possible explanation for these non-significant findings may be that the proposed outcomes are not indeed related to D-A fit and other outcomes need to be considered within the nomological network of the D-A construct.

Using the primary and secondary control framework (Rothbaum, Weisz, & Snyder, 1982), this study examines a curvilinear relationship between D-A fit and risk-taking propensity, defined as an individual's "tendency to take or avoid risks" (Sitkin & Weingart, 1995, p. 1575). Because risk-taking is often preceded by an assessment of the likelihood of success and this assessment involves determining the appropriateness or adequateness of one's abilities for the situational demands (e.g.,

Chang, 2012), we believe that perceived D-A fit will likely be an important precursor to one's predisposition to take risk in the workplace. We test our hypotheses using a cross-cultural sample of employees from the world's three largest economies: the U.S., China, and Japan. These countries are distinct with respect to a number of different cultural dimensions, including uncertainty avoidance, a construct we believe has a significant impact on the relationship between perceived D-A fit and risk-taking propensity (Hofstede, Hofstede, & Minkov, 2010).

This study's contributions are at least four-fold. First, by introducing risk-taking propensity as an outcome of D-A fit, we extend the nomological framework of the D-A fit construct and redirect the attention from consistently non-significant outcomes to the outcomes that actually matter. Second, by calling attention to a more complex, U-shape, relationship between the constructs, we contribute to a more comprehensive and nuanced understanding of how fit perceptions influence work-related outcomes and suggest that avoiding extremes with respect to perceived D-A fit may be most optimal for the workplace. Third, we introduce individual-level uncertainty avoidance as an important boundary condition that impacts both the strength and shape of the relationship between perceived D-A fit and risk-taking propensity, and by doing so, we respond to repeated calls in fit research to identify possible fit-outcome contingencies (Lee & Ramaswami, 2013). Finally, our use of a cross-cultural sample in this study contributes to resolving concerns about fit being primarily "a Western tradition" (Schneider, 2001, p. 148).

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2. Theoretical framework and hypotheses

2.1. Perceived control

The scope of control-related phenomena in behavioral research is expansive; among others, control manifestations include direct action on the environment, justification of one's failures, or overestimating of one's capabilities (Heckhausen & Schultz, 1995). This variety of phenomena has spawned numerous theoretical frameworks that attempt to understand and classify control-motivated behavior (e.g., Holahan & Moos, 1987; Rothbaum et al., 1982). All control frameworks, despite their differences, assume that control is a natural human desire and individuals thrive when they perceive control over the environment. Traditionally, research has also assumed that perceived uncontrollability and decreased motivation for control “fuel one another in a downward spiral” (Rothbaum et al., 1982, p. 6). In other words, when faced with uncontrollable situations, individuals will experience a motivational deficit, which will preclude them from further attempts to regain control, resulting in “inward” behaviors of relinquished control, such as attributions to luck, passivity, and submissiveness (Rothbaum et al., 1982).

Rothbaum et al. (1982), however, have offered a different interpretation of “inward” behaviors, arguing that such behaviors, rather than serving as evidence of relinquished control, should be viewed as indications of a different type of control that had been previously overlooked. From their perspective, the desire for control remains constant regardless of perceived controllability or uncontrollability, although behavioral strategies differ and are *primary* in situations of perceived controllability and *secondary* in situations of perceived uncontrollability. Primary control involves “attempts to change the world so that it fits the self's needs,” whereas secondary control is exerted as “attempts to fit in with the world and ‘to flow with the current’” (Rothbaum et al., 1982, p. 8). Rothbaum et al. (1982) identified several manifestations of secondary control and two of them, predictive and illusory, are exerted when individuals face a mismatch between their own capabilities and demands of the situation, making these strategies suitable for understanding low D-A fit situations. Predictive control is exerted in situations of limited ability when individuals attempt to “predict” events and therefore avoid disappointment by setting low initial expectations of success. Illusory control relies on attributions to chance, when people view “luck” as the key ingredient of success and attempt to act upon it. Individuals with illusory control exhibit passivity and withdrawal in skill situations but become actively involved in “situations that allow them to capitalize on their perceived strength—that is, being lucky” (Rothbaum et al., 1982, p. 5). On the other hand, primary control will likely be used in situations of high D-A fit.

We believe that Rothbaum et al.'s (1982) two-process model of perceived control is an ideal framework for examining the relationships between perceived D-A fit and risk propensity. We argue that when D-A fit is high, individuals will likely view work contexts as controllable, that is perceive themselves capable of altering or manipulating their environment, thereby exerting primary control. When D-A fit is low, individuals will perceive their capabilities to be limited, making primary control impossible. To regain control, they will opt for secondary control. Because both primary and secondary control efforts satisfy the desire for control (Rothbaum et al., 1982), they can be viewed as functional equivalents with respect to objective and underlying motivation. In other words, individuals with either high or low perceived D-A fit, in their own way (via primary or secondary control, respectively), are able to satisfy their need for control. Furthermore, because perceptions of control are direct precursors of risk taking (e.g., Krueger & Dickson, 1994; March & Shapira, 1987), it is reasonable to assume that perceived D-A fit, to the degree that it parallels perceptions of control, will be associated with risk taking propensity.

2.2. Perceived D-A fit and risk-taking propensity

It is important to recognize that low D-A fit can manifest as under-qualification ($D > A$) or over-qualification ($A > D$) (Choi, 2004). Situations of under-qualification are characterized by the imposition of unattainable task goals (Livingstone, Nelson, & Barr, 1997) and are likely to lead to less efficient work processes and more negative outcomes, whereas situations characterized by over-qualification lead to complacency and loss of interest (Cable & DeRue, 2002). Therefore, both $D > A$ or $A > D$ situations tend to have a negative influence on performance (Edwards, 1996), and poor performance is known to result in reduced control over the work environment (Singh, 1986), likely prompting the need to resort to secondary control tactics.

When D-A fit is low due to underqualification ($D > A$), individuals will likely perceive a situation to be difficult or impossible to alter, and engaging in predictive control tactics may be an option to regain control. Individuals may thereby set low initial self-expectations and will then use their limited ability as an excuse for failure (Rothbaum et al., 1982). By providing ready-made excuses, predictive control efforts will mitigate disappointment of failure. When failure is easily justified, individuals will feel more control over their work and will be less likely to hesitate to take on challenging tasks or engage in unfamiliar situations, and their risk-taking propensity will likely increase.

When D-A fit is low due to overqualification ($A > D$), we argue that individuals will engage in illusory control, defined as an effort to align oneself with the “force of chance” (Rothbaum et al., 1982, p. 16). Extant research on overqualification posits that overqualified workers tend to experience disappointment, passivity and deprivation because they are less challenged and receive fewer rewards than other workers who possess merely adequate qualifications (e.g., Erdogan & Bauer, 2009; Johnson & Johnson, 2000). By observing greater success of others who are less qualified than themselves, overqualified individuals may no longer feel that their skills matter and will be more inclined to attribute success to luck rather than skill. Individuals may interpret outcomes as primarily determined by the forces of chance and will attempt to align themselves with those forces as the only way of enhancing their sense of controllability (Rothbaum et al., 1982). Perceived controllability, in turn, will make risk appear manageable and will contribute to the individual's proneness to risky behavior. In sum, we posit that low D-A fit, whether due to under- or over-qualification will be associated with increased risk-taking propensity.

Unlike those with low D-A fit, individuals with high D-A fit are accustomed to being able to exert their will on the work environment, as they operate in the domain of primary control (Rothbaum et al., 1982). Employees with KSAs that match job requirements know their jobs well (Edwards, 1996) and perform well (Cable & DeRue, 2002) and are therefore likely to attribute their success to their own efforts and skills. Because of past success, these individuals are more likely to believe that their skill and experience will allow them to successfully navigate unforeseen (and risky) circumstances (Krueger & Dickson, 1994). As a result, they are likely to view risk outcomes as manageable (i.e. as skill-determined), and will be more open to risk-taking. The above reasoning leads to the following hypothesis:

Hypothesis 1. Perceived demands-abilities fit and risk-taking propensity have a concave (or U-shaped) relationship, such that risk-taking propensity is highest at low and high levels of perceived demands-abilities fit.

2.3. The moderating role of individual-level uncertainty avoidance

As a societal level construct, uncertainty avoidance describes the extent to which a given society's members feel threatened by uncertain and/or ambiguous situations (Hofstede et al., 2010). In high uncertainty avoidance societies, people prefer higher levels of structure and

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