

**INDICATORS TO MEASURE EMPLOYEE FITNESS WITH SMALL
COMPANY OWNERS**

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Abstract

The dimensions of conformity in the theory of Person Environment Fit are generally applied in medium and large companies but have not been applied to small companies. Differences in characteristics, especially in small companies, are characterized by business activities dominated by owners who also act as leaders. From these differences it is multidimensional in the theory of Person Fit which includes dimensions: Person Vocation Fit (PV Fit), Person Job Fit (PJ Fit), Person Organization Fit (PO Fit), Person Group Fit (PG Fit), Person Supervisor Fit (PS Fit), and Individual Fit (PI Fit) needs to be developed to measure conformity between employees and owners who also act as leaders in small companies called the Person Owner Fit (P-Own Fit) dimension. The development of indicators to measure P-Own Fit dimensions is done by using Content validity, Face Validity and Pilot Test in testing questionnaires. Measurement of Content validity from the dimensions of P-Own Fit indicators and testing through the Pilot Test obtained valid and reliable results. Thus, the Person Owner Fit indicator can be used to measure the compatibility between employees and owners and leaders in Micro, Small and Medium Enterprises (SMEs)

Keywords: Person Owner Fit, Person Environment Fit, SME's

INTRODUCTION

Aspects of conformity have attracted the attention of researchers, by comparing the conformity aspects of one's internal (eg, values, personality, goals, abilities) with elements related to the external environment (for example, values, culture, climate, goals, demands). Employees who do not have conformity with their jobs are predicted to have low work performance and employees who work in accordance with their jobs can be predictors for high work performance. Individuals who have high suitability with work are proven to have positive work results (Edwards, 1991). Conformity between one's values and organizational values is also a very important aspect to support the organization's success in achieving its goals (Kristof-Brown et al., 2005b, Verquer et al., 2003).

Developments in conformity research are often associated with an environment that supports the formation of a Person-Environment Fit (P-E Fit) theory that refers to the level of compatibility between individuals and several aspects of the work environment such as the compatibility between personal interests and vocational characteristics/interests/careers; compatibility between individual values and organizational culture; suitability of individual preferences with

organizational systems; compatibility between knowledge, skills and abilities of individuals with the demands of work; conformity of individual needs with those provided / prepared by the organization; or the suitability of goals and personalities between individuals and their supervisors and colleagues (Dawis and Lofquist, 1984, Kristof-Brown et al., 2005b).

Multidimensional Person Vocation Fit (PV Fit), Person Job Fit (PJ Fit), Person Organization Fit (PO Fit), Person Group Fit (PG Fit), Person Supervisor Fit (PS Fit), and Person Individual Fit (PI Fit) or Person-Person Fit (PP Fit) is then integrated into the Person-Environment Fit which explains behavior as a function of "the totality of interrelated facts" with the PE Fit = PV + PJ + PO + PG + PS + PP formulations (Lewin, 1951). The same view also states that Fit is a combined value of the suitability of individual attributes with environmental attributes (Harrison, 2007). Conformity that refers to the level of individuals, groups and organizations, by experts hereinafter referred to as Person-Environment Fit or suitability between individuals and their environment (Kristof-Brown and Guay, 2011). Multidimensional conformity developed by experts up to now is widely applied in medium and large organizations, which manage their business activities without direct intervention from the owner. This is different from the management of businesses in small companies, in general, are still dominated by owners who also act as leaders in the organization. Therefore, it is necessary to develop the dimensions of conformity used in small companies.

LITERATURE REVIEW

Person-Environment Fit

The foundation used in organizational suitability research is the person-environment fit theory (Caplan, 1983, French, 1974). To assess the dimensions of conformity relating to one's career path called the Person-Vocation Fit (Holland, 1997, Moos, 1987, Parsons, 1909, Super, 1953), which is based on work adjustment theory by emphasizing that adjustments and job satisfaction are the result of employee needs that are met by their work environment (Dawis and Lofquist, 1984, Lofquist and Dawis, 1969). Conformity between the desires of someone with work attributes is assessed in the dimensions of Person-Job Fit (Edwards, 1991), which emphasizes work as a task that is expected to be achieved by someone with certain rewards. Suitability between an individual and his organization is called Person-Organization Fit, the dimension of conformity at the group level is called Person-Group Fit which focuses on the suitability between individuals and their colleagues or work teams (Kristof-Brown and Stevens, 2001, Kristof-Brown et al., 2005a, Werbel and Gilliland, 1999). Individual suitability with co-workers (Antonioni and Park, 2001), applicants with recruiters (Graves and Powell, 1995), mentor to protégé (Turban and Dougherty, 1994), superiors and subordinates (Adkins et al., 1994, Kristof-Brown et al., 2005b, Vianen, 2000) is the dimension of Individual Fit.

In small companies, employees tend to develop long-term relationships with business owners based on shared values and mutual trust (Filotheos Ntalianis, 2015). In small companies, employees tend to develop long-term relationships with business owners based on shared values and mutual trust (Matlay, 1999). However, small companies with loose structures, high levels of informality, frequent interactions can actually lead to "weak situations" (Bam and Funder, 1978). Small business owners generally want to have control over their environment (Cardoon and

Stevens, 2004, Jack et al., 2006) and ensure that their employees will share the same values and beliefs (Williamson, 1981). Thus, business owners will become dominant and have an impact on the relationship between employees and their owners, so that the suitability between employees and owners is an important factor to consider in supporting activities in small companies.

Social exchange theory (SET), psychological contract (PC)

Conformity between employees and owners is called the Person Owner Fit developed based on social exchange theory (SET) which explains that employees are motivated to improve their work when working relationships are built on fair social exchange (Blau, 1964). SET is the root of psychological contracts (PC) that test the fundamental aspects of organizational life, as well as owner-employee relations (Aggarwal and Bhargava, 2010). PC represent both parties to show their promises and commitments in work relations, as well as contain subjective beliefs regarding the agreement of exchanges between individuals and organizations (Stoner et al., 2011). Psychological contracts consist of transactional contracts and relational contracts (Robinson, 1995). Transactional contracts refer to the expectation of establishing relationships relating to economic exchange, while relational contracts involve loyalty and stability, for example: employees have the desire to work more, help other employees at work, and support changes in the organization (Lee and Liu, 2009). Thus, relational contracts will foster employee affective attitudes such as feelings of psychological ownership that create a feeling of attachment to the organization which is then expected to support conformity between employees and business owners in small companies.

Attraction-Selection-Attrition (ASA) Framework

The Attraction-Selection-Attrition (ASA) framework model also supports the development of dimensions of conformity. Individuals will choose organizations that are considered to fit their goals and values, so that they are committed to the company, feel very satisfied, and intend to stay longer at the company (Schneider, 1987). Individuals are drawn and chosen by the organization, so that they can be attracted to each other based on similarities (Farooqui and Nagendra, 2014). So, the ASA model can also be used to develop conformity between employees and owners and leaders in small companies.

Agency theory and Stewardship theory

To distinguish the dimensions of Person Owner Fit and the dimensions of Individual Individual Fit, the agency theory approach and stewardship theory are used. Agency theory places more emphasis on extrinsic motivation, which describes the relationship between shareholders as principals and management as an agent in a contract when one or more people (principals) govern another person (agent) to do a service on behalf of the principal and authorize to the agent in making the best decision for the principal (Jensen and Meckling, 1976). So agency theory is used more towards the Person Individual Fit dimension while Stewardship theory is used to build a dimension of conformity that emphasizes intrinsic rewards, explaining the perspective of the relationship between ownership and company management. Employees are motivated to behave collectively for the benefit of the organization (Donaldson and Davis,

1991), placing greater value on uniting goals between the parties involved in managing the company than the agent's personal interests (Van Slyke, 2006). Thus, the Stewardship theory can be used to support the conformity model in developing the Person Owner Fit dimension.

Conceptual Framework

The dimensions of suitability between owners and employees need to be added in the multidimensional conformity that already exists in the PE Fit theory. This is because the Individual Fit Person dimension only measures the compatibility between individuals and other individuals besides the business owner. The Individual Fit dimension in the PE Fit theory explains the suitability of the characteristics of each individual, making it possible to predict the behaviour of other individuals in an environment. It can facilitate the communication of individuals, including small business owners, so as to increase effectiveness in interaction and form better interpersonal relationships. Increased cooperation and mutual trust will provide satisfaction to both employees and owners. The high job satisfaction of employees causes them to like the job, tend to do more work, try to improve their performance, or be altruistic towards a better work environment (Sousa-Poza and Sousa-Poza, 2000, Smith et al., 1983, Petty et al., 1984). Job satisfaction is also often related to the intention to leave (Dailey and Kirk, 1992, Herndon et al., 2001, Hom and Griffeth, 1995, Koh and Boo, 2001). The flow of thought in developing the Person Owner Fit dimension can be seen in figure 1.

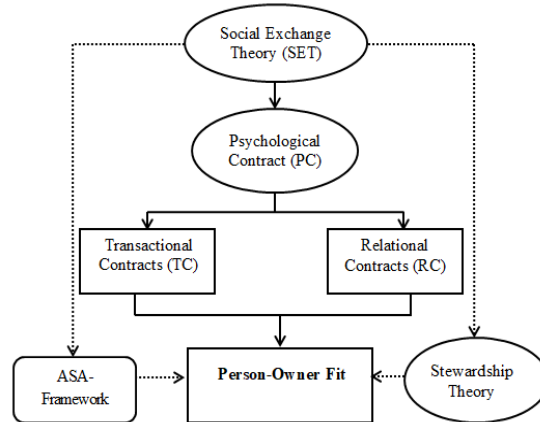


Figure 1: Theoretical model

Test Results for Development of the Person–Owner Fit Dimension Indicator

The development of the Person Owner Fit indicator is done using Content validity. The data are collected from the answers and opinions of experts in the field of human resources in Banyu as Regency, Central Java Province, Indonesia, who are interested in developing Micro small and Medium Enterprises (SME's) and have conducted research on SME's. They were asked to provide an assessment using the Aiken's V index (Aiken, 1985), with the range of values given being: 1 (useless), 2 (not important), 3 (appropriate), 4 (important). The results of measurement of Content validity obtained values as in table 1:

Table 1: Measurement of Content validity for the Person-Owner Fit indicator

Assessors	Item 1		Item 2		Item 3		Item 4		Item 5	
	Score	S	Score	S	Score	S	Score	S	Score	S
A	4	3	4	3	4	3	4	3	4	3
B	4	3	4	3	3	2	3	2	3	2
C	4	3	4	3	4	3	3	2	4	3
D	4	3	4	3	4	3	4	3	4	3
E	4	3	4	3	3	2	3	2	3	2
F	4	3	4	3	3	2	4	3	4	3
G	4	3	4	3	4	3	3	2	4	3
H	4	3	4	3	4	3	4	3	4	3
I	3	2	3	2	4	3	3	2	4	3
ΣS	26		26		24		22		25	
V	0.962962963		0.962962963		0.888888889		0.814814815		0.925925926	

Source: Processed and summarized for this study

$$V = \sum S / [n(c - 1)]$$

S = r - lo

r = the number given by the assessors

lo = lowest validity rating

n = number of assessors

c = angkapenilaianvaliditastertinggi

Item 1: Conformity between things valued in the life of an employee and things valued by the owner; Item 2: Conformity between employee's personality and owner's personality; Item 3: Conformity between employee work style and owner's work style; Item 4: Compatibility between employee lifestyle and owner's lifestyle; Item 5: Suitability of leadership style desired by employees with owner's leadership style.

The coefficient of 0.9629 (item 1), 0.9629 (item 2), 0.8888, (item 3), 0.8148 (item4) and 0.9259 (item 5) can be considered to have adequate content validity because of its value greater than V table = 0.74 (minimum V value received with an error rate of 5%). Face validity is done by asking the respondent to do an evaluation such as giving a comment, trying to fill in and measure the time needed. By modifying the 'Face Validity' and 'Content Validity' Tests, a "Pilot Test" was then carried out by testing questionnaires on 30 respondents, namely employees working in SME's, Banyu as District, Central Java Province, Indonesia using Bipolar Adjective interval measurement scale techniques with the value range (score) 1 to 10, which has two extreme points, that is, strongly agree and strongly disagree(Ferdinand, 2006). The results of testing the validity and reliability of the data and processed using SPSS 22 as in table 2:

Table 2: The results of the validity and reliability test for the Person-Owner Fit indicator

Variable	Question Item Number (Indicator)	r (count)	r (table)	Information
Person Owner Fit	X 1	0,736	0,361	Valid
	2	0,712	0,361	Valid
	3	0,741	0,361	Valid
	4	0,739	0,361	Valid
	5	0,727	0,361	Valid
Reliability		0,778	0,700	Reliable

Source: Data is processed and summarized for this study

From table 2 shows the value of r count for all items in question items is greater than the criterion number table (0.361), meaning that the questions as indicators of the Person Owner Fit variable can be said to be valid. Reliability testing using Cronbach Alpha obtained a value of $0.778 > 0.70$ (Ghozali, 2008), so that the construct reliability Person Owner Fit can be said to be reliable. Thus five indicators include: Conformity between things valued in the life of an employee and things valued by the owner; Conformity between employee's personality and owner's personality; Conformity between employee work style and owner's work style; Compatibility between employee lifestyle and owner's lifestyle; Suitability of leadership style desired by employees with owner's leadership style, can be used to measure the dimensions of the Person Owner Fit.

Discussion

In short, this article was created to illustrate the need for the development of the Person Owner Fit dimension in supporting the PE Fit theory that is used to assess the suitability of SME's. From the development of the dimensions of the Person-Owner Fit there are five indicators that can be used to measure the suitability between employees and the owner while acting as leaders in SME's.

The main limitations of this study only use a cross-sectional design, so that further testing is needed in replicating the findings with longitudinal data. Suitability assessment is only carried out using subjective assessment, because it is considered to have more economic benefits than other types of data collection (Cable and Judge, 1996, Cable and Judge, 1997, Kristof-Brown, 1996). Therefore, further research needs to be done by considering a more objective assessment. Other limitations related to the sample used in this study are limited to SME's respondents in Banyu as Indonesia, so it needs to be expanded so that more varied results can be obtained in making indicators to assess aspects of employee suitability with their owners. The dimension of person owner fit also needs to be further examined with regard to the level of job satisfaction of employees in small companies.

Conclusion

From the results of testing in developing the dimensions of Person Owner Fit through measurement Content validity obtained values greater than the value of the V table, and from the "Pilot Test" the results of testing all indicators obtained calculated r value greater than the table

criterion, Cronbach Alpha obtained values $0.778 > 0.700$ so that the results of the indicators formed have met the requirements of validity and reliability. Thus, it can be concluded that the five indicators developed are indicators that can be used to measure the dimensions of conformity used in SME's. The Person Owner Fit dimension was developed to add multidimensional suitability in the Person Environment Fit theory so that the theory can be applied to large, medium and small scale organizations, with formulations initially as proposed by Lewin (1951) $PE\ Fit = PV + PJ + PO + PG + PS + PP$ will develop into $PE\ Fit = PV + PJ + PO + PG + PS + PP + P\ Own\ Fit$.

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