

The Relationship Between Person-Organizational Values Fit and Employee Performance in China's Sci-Tech Enterprises: The Mediating Role of Psychological Capital

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ABSTRACT

China's science and technology sector operates under rapid technological advancement, intense innovation-driven competition, and increasingly demanding working conditions, all of which impact employee performance. This study examines the relationship between person-organization (P-O) values fit and employee performance, with a focus on the mediating role of psychological capital. Grounded in Social Exchange Theory, Conservation of Resources Theory, and the Broaden-and-Build Theory of Positive Emotions, a quantitative research design was employed. Data were collected from 350 employees of science and technology companies in Shenzhen, China, using stratified random sampling, with 315 valid responses analyzed via SPSS 26.0. The findings reveal that P-O values fit has significant positive effects on employee performance ($\beta = 0.794$, $p < 0.01$) and psychological capital ($\beta = 0.730$, $p < 0.01$). Psychological capital also exerts a significant positive influence on employee performance ($\beta = 0.723$, $p < 0.01$). Furthermore, psychological capital partially mediates the relationship, accounting for 50.57% of the total effect. Theoretically, this study integrates P-O fit theory with psychological capital research by demonstrating that value congruence facilitates the development of psychological resources that enhance employee performance. Practically, the findings suggest that organizations should strengthen value-based human resource practices, cultivate supportive work environments, and implement psychological capital development programs to foster innovation and sustain organizational competitiveness. Though the study has these merits, the research only covers firms in Shenzhen and adopts cross-sectional design. These two factors limit causal reasoning and generalisation. This also points out directions for follow-up studies.

Keywords: Person-Organization Values Fit, Psychological Capital, Employee Performance, Sci-Tech Enterprises, China

INTRODUCTION

China's science and technology sector faces unprecedented challenges characterized by rapid technological advancement, intense innovation-driven competition, and high-pressure working environments. These conditions significantly impact employee well-being and work performance. Industry reports indicate that long-term stress rates among Chinese tech workers are 42% higher than those in traditional industries, while annual turnover rates among core talents reach approximately 18% due to job burnout (Balasubramanian & Soumya, 2024). These practical challenges highlight the urgent need to understand the factors that enhance employee performance in this context.

Research in positive organizational behavior has demonstrated that employees' psychological states—referred to as psychological capital—significantly affect organizational and individual outcomes, including work efficiency, job satisfaction, and organizational loyalty (Riyanto et al., 2021). When employees perceive that their employer cares about their mental health, they develop stronger organizational belonging, increased work enthusiasm, and improved performance (Liu & Han, 2023). Companies that prioritize employee psychological well-being tend to have higher reputations and strategic advantages, enabling them to attract and retain top talent in the high-tech industry (Moore, 2022).



Concurrently, a growing body of research has confirmed the relationship between organizational values and positive organizational outcomes, including job satisfaction, affective commitment, task performance, and organizational citizenship behavior (Zhang & Li, 2023; Jackson et al., 2021; Padamata & Vangapandu, 2023). Person-organization (P-O) values fit—defined as the compatibility between employees' personal values and organizational values (Kristof, 1996)—has emerged as a critical factor influencing employee attitudes and behaviors. When employees perceive alignment between their own values and those of their organization, they are more likely to experience job satisfaction, organizational commitment, and psychological well-being (Hoffman & Woehr, 2006).

Despite the established positive relationship between P-O values fit and employee performance, limited attention has been given to the psychological mechanisms explaining this relationship, particularly in Chinese science and technology enterprises

(Liu, He & Cao, 2023). Existing research has primarily focused on general organizational contexts and direct outcomes such as job satisfaction and organizational commitment (Kristof, 1996; Kristof-Brown, Schneider & Su, 2023), while the mediating role of psychological capital remains insufficiently explored. Given the innovation-driven and highly competitive nature of technology enterprises, employees' psychological resources

—hope, resilience, optimism, and self-efficacy—may play a crucial role in translating value congruence into improved performance.

This study addresses this gap by examining psychological capital as a mediator in the relationship between P-O values fit and employee performance among employees in Chinese science and technology enterprises. The research is guided by three questions:

(1) What is the effect of P-O values fit on employee performance? (2) What is the effect of psychological capital on employee performance? (3) Does psychological capital mediate the relationship between P-O values fit and employee performance?

LITERATURE REVIEW

Person-Organization Values Fit

Person-organization (P-O) values fit refers to the compatibility between an individual's personal values and the values of the organization in which they work (Kristof, 1996). Organizational values represent a system of value judgments formed through long-term operations, embodying the beliefs, spirit, and behavioral norms advocated by organizational leaders and internalized by employees (Schein, 1985; Hofstede, 2016; Wang et al., 2023). Substantial research has established that P-O values fit serves as a significant predictor of positive employee outcomes. O'Reilly et al.'s (1991) seminal work demonstrated that employees who perceive strong congruence between personal and organizational values exhibit higher normative commitment, better interpersonal relationships, and greater job satisfaction. In the Chinese context, Li et al.'s (2024) empirical research on technology enterprises found that P-O values fit explains 27% of the variance in employees' job satisfaction. Wang et al. (2023) further demonstrated that for every standard deviation increase in P-O values congruence, voluntary turnover rates decrease by 18 percentage points.

Psychological Capital

Psychological capital is defined as an individual's positive psychological state of development, characterized by four components: self-efficacy, hope, optimism, and resilience (Luthans, Youssef, & Avolio, 2007). Unlike human capital ("what you know") and social capital ("who you know"), psychological capital represents "who you are" in terms of psychological resources that can be developed and managed. Psychological capital has been shown to influence employee outcomes through direct effects, buffering effects, and mediating effects. Directly, psychological capital positively affects work attitudes, behavioral outcomes, and job performance (Luthans et al., 2007; Avey et al., 2011). In technology enterprises specifically, employees with strong psychological capital demonstrate greater creativity and innovation, resulting in better job performance (Li, Liu,



& Wang, 2023).

1.1 Theoretical Framework and Hypotheses

This study is grounded in three complementary theoretical frameworks: Social Exchange Theory (SET) (Blau, 1964) posits that organizational interactions are built on trust and long-term mutual exchange (Cropanzano et al., 2017). Conservation of Resources (COR) Theory (Hobfoll, 1989) holds that individuals are motivated to conserve existing resources and acquire new ones; P-O values fit serves as an organizational resource that helps employees accumulate psychological capital (Halbesleben et al., 2014). The Broaden-and-Build Theory of Positive Emotions (Fredrickson, 2001) suggests that positive emotions broaden individuals' thought-action repertoires and build lasting personal resources.

Based on these foundations, the following hypotheses are proposed:

H1: P-O values fit is positively related to employee performance in science and technology enterprises.

H2: P-O values fit is positively related to psychological capital in science and technology enterprises.

H3: Psychological capital is positively related to employee performance in science and technology enterprises.

H4: Psychological capital mediates the relationship between P-O values fit and employee performance.

METHODS

Research Design and Sample

This study adopted a quantitative research design with a cross-sectional time horizon. Data were collected from employees of science and technology enterprises in Shenzhen, Guangdong Province, China—a region that hosts over 12,000 high-tech enterprises (Shenzhen Municipal Bureau of Statistics, 2024). A stratified random sampling technique was employed based on enterprise size, job level, and business scope. Sample enterprises included Huawei, BYD, Tencent, DJI, and ZTE. G*Power analysis indicated a minimum sample size of 110. A total of 350 questionnaires were distributed, with 315 valid responses retained (effective response rate = 90%).

Cross-sectional designs provide valuable preliminary evidence. But these designs restrict causal inference among variables. Longitudinal or multi-wave designs are necessary for future research. They help establish more robust causal relationships. In addition, the sample is geographically concentrated in Shenzhen. Shenzhen is a distinctive and dynamic technological hub. This feature may limit the generalizability of findings. The results cannot be easily extended to other regions or industries within China.

Measures

All scales were measured using a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree). **Person-Organization Values Fit** was measured using the 25-item scale developed by Mu and Gao (2012), comprising five dimensions (Cronbach's $\alpha = 0.948$). **Psychological Capital** was measured using the PCQ-24 scale (Luthans et al., 2005), comprising four dimensions (Cronbach's $\alpha = 0.963$). **Employee Performance** was measured using the 20-item scale developed by Huang et al. (2022), comprising four dimensions (Cronbach's $\alpha = 0.956$). Common method bias was assessed using Harman's single-factor test; the first factor explained below 40% of variance, indicating it was not a serious concern.

Several procedures and statistical remedies are carried out. These steps aim to lower the possible common method bias within self-reported data. On the procedural side, anonymity is guaranteed for all respondents in the survey. The survey also stresses that there are no right or wrong answers. In terms of layout order, predictor variables and criterion variables are placed separately in the questionnaire. Statistically, Harman's single-factor test is conducted. The first extracted factor accounts for less than 40 percent of total variance. This result shows that common method bias does not pose a severe threat.

Data Collection and Analysis

Data were collected from February to March 2026 using online platforms and offline paper questionnaires. Data were analyzed using SPSS 26.0, including descriptive statistics, correlation analysis, hierarchical regression, and Bootstrap method (5,000 resamples) for mediation testing.

RESULTS AND DISCUSSION

Descriptive Statistics and Correlations

Table 1 presents the demographic characteristics. Gender distribution was balanced (male: 43.2%). Age concentrated in the 26-35 range (57.2%). Employees with bachelor's degrees or above constituted 69.6%.

Table 1. Demographic Characteristics of Respondents (N=315)

Variable	Category	Frequency	Percentage (%)
Gender	Male	136	43.2
	Female	179	56.8
Age	< 26 years	73	23.2
	26-30 years	125	39.7
	31-35 years	55	17.5
	36-40 years	31	9.8
	> 40 years	31	9.8
Education	High school or below	96	30.5
	Bachelor's degree	192	61.0
	Master's or above	27	8.6

Table 2 presents correlations. P-O values fit showed significant positive correlations with employee performance ($r = 0.800$, $p < 0.01$) and psychological capital ($r = 0.735$, $p < 0.01$). Psychological capital correlated with employee performance ($r = 0.839$, $p < 0.01$). VIF values were below 2.18, indicating no multicollinearity.

Table 2. Means, Standard Deviations, and Correlations (N=315)

Variable	Mean	SD	1	2	3
1. P-O Values Fit	3.92	0.64	1		
2. Psychological Capital	3.90	0.60	0.735**	1	
3. Employee Performance	3.96	0.59	0.800**	0.839**	1

Hypothesis Testing

H1 proposed that P-O values fit is positively related to employee performance. Regression analysis showed a significant positive effect ($\beta = 0.794$, $p < 0.01$), explaining 63.0% variance. **H1 supported.**



H2 proposed that P-O values fit is positively related to psychological capital. Results showed a significant positive effect ($\beta = 0.730$, $p < 0.01$), explaining 53.0% variance. **H2 supported.**

H3 proposed that psychological capital is positively related to employee performance. Results showed a significant positive effect ($\beta = 0.723$, $p < 0.01$), explaining 51.4% variance. **H3 supported.**

H4 proposed mediation. Following Baron and Kenny's approach, after entering both variables, the direct effect of P-O fit on performance decreased from $\beta = 0.794$ to $\beta =$

0.393 ($p < 0.01$), while remaining significant. The Sobel test confirmed mediation ($Z = 9.63$, $p < 0.001$). The mediation effect accounted for 50.57% of the total effect. **H4 supported.**

Table 3. Mediation Analysis Results

Variable	Model 1 (β)	Model 2 (β)
P-O Values Fit	0.794**	0.393**
Psychological Capital	-	0.550**
R ²	0.642	0.751

DISCUSSION

Strong support is provided by the research results for all four hypotheses. P-O value fit is proved to significantly improve psychological capital and employee performance within Chinese technology enterprises. Psychological capital serves as a partial mediator in this relationship. These findings align with previous studies in several key respects. They also extend the existing research literature.

A significant direct effect exists between P-O value fit and employee performance. The value of this effect is $\beta = 0.794$ with $p < 0.01$. This result confirms the stable relationships recorded in earlier studies (Kristof-Brown et al., 2023; Hoffman & Woehr, 2006; Liu et al., 2023). This effect explains 63.0% of the total variance. Its magnitude is remarkably large. It may reflect the special importance of value congruence in China's technology industry. This situation comes from the widespread collectivist cultural orientation in China. Organizational values act as powerful social norms to guide employee behavior in such a cultural context (Wang et al., 2023; Li et al., 2024).

The mediating effect of psychological capital accounts for 50.57 % of the total effect. This outcome creates a new contribution to existing literature. This finding reveals two paths of value congruence. Value congruence works through direct mechanisms such as improved motivation and organizational commitment. It also takes effect via the growth of individual psychological resources. Higher self-efficacy, hope, optimism and resilience are felt by employees with matched personal and organizational values. These positive mental qualities help staff achieve better work efficiency in demanding technology work environments. This result is consistent with the conservation of resources theory (Hobfoll, 1989). The theory holds that organizational resources facilitate the accumulation of personal psychological resources.

By contrast, the mediating effect found in this research is stronger than the results reported in several recent international studies. A study carried out by Avey et al. (2022) serves as an example. This study is set in Western cultural contexts. It finds psychological capital produces a mediating effect of around 35 % between organizational support and performance outcomes. A larger mediating percentage is observed in the present study. This feature may show a special demand for psychological resources within China's technology industry. Psychological capital carries exceptional importance for employees in this industry.

Several contextual factors deserve consideration. These factors may shape the above relationships. Organizational culture can moderate the link between P-O fit and employee performance. Organizational



culture can be hierarchical or egalitarian, innovative or conservative. A study from Jackson et al. (2021) supports this view. Value fit exerts a stronger positive influence on performance in organizations with innovative culture. Leadership style also carries vital weight. Transformational leadership strengthens shared values and supplies psychological resources. It enlarges the positive influence of value congruence (Zhang & Li, 2023). Employee engagement and innovative climate act as extra moderators. They may strengthen or weaken the proposed variable relationships. The examination of these factors falls outside the scope of this study. These factors offer valuable directions for future research.

Despite the robust findings, several limitations must be acknowledged. First, the cross-sectional design precludes causal inference; although the theoretical framework posits directional relationships, alternative explanations cannot be ruled out. Second, the sample's confinement to Shenzhen technology enterprises limits generalizability to other industries or regions within China, where cultural and economic conditions may differ. Third, reliance on self-reported performance measures, while common in organizational research, introduces the potential for response bias. Supervisor-rated or objective performance measures would provide more robust evidence.

CONCLUSION

This study examined the relationship between P-O values fit and employee performance in Chinese science and technology enterprises, focusing on the mediating role of psychological capital. The findings confirm that P-O values fit significantly and positively affects both psychological capital and employee performance, and that psychological capital partially mediates this relationship. Theoretically, the study integrates P-O fit theory with psychological capital research in a knowledge-intensive context. Practically, it suggests that organizations should clearly define core values, develop targeted psychological capital training, and establish synergistic management systems. Limitations include the cross-sectional design and geographic focus; future research should employ longitudinal methods and expand to other regions.

The practical implications for human resource management are substantial. Organizations in the technology sector should invest in value-based recruitment and socialization practices to ensure strong P-O fit from the outset. Additionally, psychological capital development programs—focusing on self-efficacy, hope, optimism, and resilience—represent a strategic investment that can enhance employee performance and organizational competitiveness. These interventions are particularly relevant given the high-stress, innovation-driven nature of the Chinese technology sector.

Future research should address the limitations of the present study through several avenues. Longitudinal or multi-wave research designs would establish stronger causal relationships among P-O values fit, psychological capital, and employee performance. Expanding the sample to different industries (e.g., manufacturing, finance, service) and geographical regions (e.g., Beijing, Shanghai, Chengdu) would improve external validity. Incorporating supervisor-rated or objective performance measures alongside employee self-assessments would reduce potential response bias. Furthermore, examining additional moderators such as organizational culture, leadership style, employee engagement, or innovation climate would enrich the theoretical framework and provide more nuanced practical guidance. Cross-cultural comparisons between Chinese and Western contexts would also illuminate the cultural specificity of these relationships.

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