

HOW PERSON JOB-FIT AND PERSON ORGANIZATION FIT AFFECT INTENTION TO STAY IN GENERATION Z EMPLOYEES

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ABSTRACT

This research aims to examine the effect of Person-Organization Fit (P-O fit) and Person-Job Fit (P-J fit) on Intention to Stay (ITS) in Generation Z employees. Generation Z is known to have a tendency to leave the company more easily when they feel unsuitable. A good fit between the individual and the organization (P-O fit) is assumed as a potential contribution to an increase in intention to stay because it builds a stronger emotional bond with the company. Meanwhile, good individual-job fit (P-J fit) makes employee's feel they have opportunities to grow, thus encouraging them to continue contributing to the organization. This study uses a quantitative approach with regression methods to analyze data obtained from 149 Generation Z employee's (73 men and 76 women). All participants had a minimum of one year of work experience and a minimum education level of senior high school (SMA/SMK). The regression analysis results show that there is a significant impact of P-O fit and P-J fit towards ITS. The effect of P-O fit on ITS is 56%, while the effect of P-J fit on ITS is 61.9%. This research is expected to contribute to the understanding of the importance of the fit between individuals and organizations as well as jobs, so that companies can enhance the intention to stay of Generation Z employees in the company.

Keywords: *person-organization fit, person-job fit, intention to stay, generation z*

1. PREFACE

Globalization's rapid development has forced businesses to continuously improve employees' performance, which is essential for increasing revenue and preserving competitiveness. According to Emerson (1961), as cited by Sianturi and Prabawani (2021), the primary strength of a company lies in the human resources that drive its operations. Similarly, Pertiwi and Supartha (2020) assert that human resource performance significantly affects organizational performance.

The International Labour Organization (ILO) defines Indonesia's productive age range as 15-64 years, which includes individuals born between 1960 and 2009. This range covers Generations X, Y, and Z, with Generation Z dominating the productive age group in Indonesia, comprising approximately 74.93 million people, or 27.94% of the productive age population (Badan Pusat Statistik, 2023). Generation Z, born between 1997 and 2012 (Pew Research Center, 2019), has unique characteristics compared to previous generations, particularly in their digital proficiency, having grown up amid rapid internet and social media advancements (Gabrielova & Buchko, 2021). Bhakti and Safitri (2022) identify six defining characteristics of Generation Z: ambitious, practical, independent, confident, detail-oriented, and highly skilled in technology.

These characteristics create both positive and negative impacts in the workplace. While Generation Z's technological aptitude enables them to acquire information independently, they are often impatient and prefer quick solutions, which can lead them to frequently change jobs if they feel unsatisfied with their work environment. A LinkedIn study (2022), surveying 20,000 employees in the United States, found that 25% of Generation Z planned to leave their jobs within the next six months. Similarly, Deloitte (2022) revealed that only 47% of Generation Z participants intended to stay in their jobs over the next five years. A Jakpat survey (2024), involving 295 Generation Z respondents in Indonesia, reported that 8% planned to resign after

receiving their holiday bonus, 8% within the next year, 10% within six months, and 34% had an unspecified timeline for resignation. This high turnover trend is costly for organizations, making it essential to focus on employees' "Intention to Stay" (ITS).

Intention to Stay (ITS) is defined by Shalihah and Azzuhri (2019) as an employee's desire to remain in the organization. Yao and Huang (2019) describe ITS as an individual's work evaluation after entering the job and interacting with the environment, reflecting their commitment to organizational goals. Another definition was put forward by Aboobaker et al. (2019), which defines ITS as an employee's desire to continue working in the same organization, influenced by the level of employees' welfare. High ITS among employees can reduce turnover, retaining essential skills and knowledge within the organization, whereas low ITS can lead to a loss of these critical assets (Rahim & Nasution, 2020). Organizations need to maintain human resource stability to preserve organizational knowledge, which ultimately impacts performance. High employee turnover can disrupt the continuity of organizational knowledge, leading to performance declines and destabilization within the workforce (Handoko, 2019). Ensuring workforce stability is essential, as employees who feel secure and connected to their organization tend to stay longer (Saragih, 2021). Therefore, to prevent company losses, research on ITS, especially in relation to Generation Z, is essential to understand how to retain employees and prevent turnover that is detrimental to the organization. Factors influencing ITS include the employee's fit with the organization and the specific job requirements (Kristof-Brown et al., 2023).

Person-Organization Fit (P-O fit) and Person-Job Fit (P-J fit) significantly influence ITS. Kristof-Brown et al. (2023) outline four main indicators of P-O fit: (1) value congruence, which is the alignment between individual and organizational values; (2) goal congruence, or the alignment of individual and organizational goals; (3) employees' need fulfillment, which is the match between organizational systems and employees' needs; and (4) culture-personality congruence, or the alignment of individual characteristics with organizational culture. P-O fit plays a critical role in fostering a supportive work environment that enhances employees' satisfaction and retention. Schneider et al. (2018) define P-O fit as an individual's desire to conform to organizational values. The P-O fit dimension is described as consisting of company goals, compatibility with coworkers, and compatibility with leaders (Cable & Edwards, 2004).

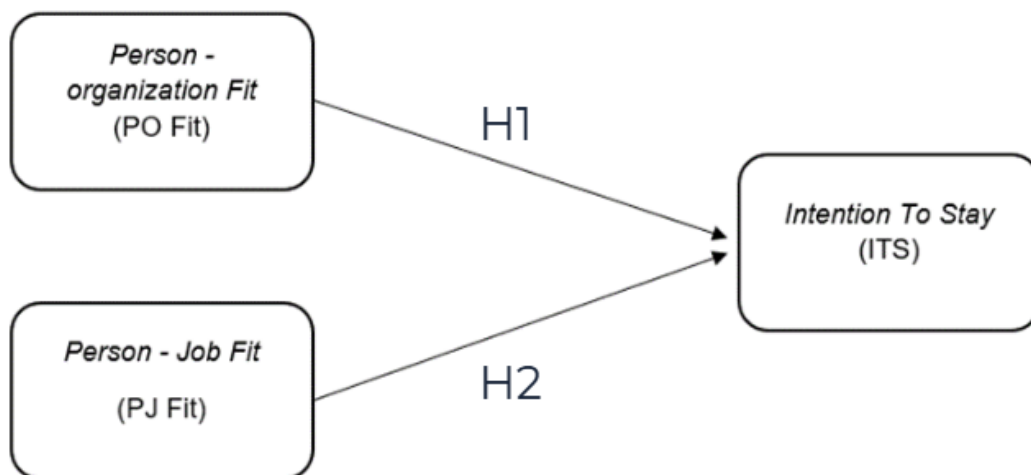
Kristof-Brown et al. (2023) define P-J fit as the compatibility between an individual's skills and the demands of the job. P-J fit includes two primary dimensions: (1) demand-abilities fit, which involves matching knowledge and skills with job demands, and (2) need-supplies fit, or the alignment of job resources (such as salary and benefits) with employees' needs (Kakar et al., 2019). Both P-O fit and P-J fit contribute to employees' ITS, with studies showing a positive correlation between these factors and the intention to stay across various industries (Silva et al., 2023). For instance, Silva et al. (2023) found a moderate positive correlation ($r = 0.48$) between P-O fit and ITS among multi-generational employees, while Kakar et al. (2019) reported a high positive correlation between P-O fit ($r = 0.67$) and P-J fit ($r = 0.66$) with ITS among academic staff in Pakistan.

While many previous studies have focused on "intention to leave" or "turnover intention," research specifically addressing ITS among Generation Z remains limited, especially in Indonesia. Recent trends in Indonesia show a rising concern as many Generation Z employees express a desire to leave their organizations in the near future. According to the Jakpat survey (2024), approximately 60% of Generation Z respondents in Indonesia plan to resign within the

next year. Generation Z in Indonesia has unique cultural and economic contexts that distinguish them from their counterparts in other countries. For instance, economic uncertainty and the evolving job market in Indonesia contribute to differing career expectations and job mobility trends among Generation Z. Additionally, Indonesian culture emphasizes collective values and familial ties, which may influence workplace preferences and retention strategies differently than in Western contexts (Putri & Santoso, 2023). Moreover, Generation Z in Indonesia is entering the workforce amid rapid digital transformation, making their job expectations and workplace behaviors distinct. Unlike previous generations, they seek environments that align with their personal values and provide opportunities for growth and innovation. This generational shift calls for tailored retention strategies that consider both P-O Fit and P-J Fit, as these factors are crucial in fostering ITS.

This study is particularly important because prior research, such as Kakar et al. (2019) study on academic staff professionals in Pakistan, does not capture the unique dynamics of Generation Z in Indonesia. The significant differences in work culture, generational expectations, and economic contexts suggest that findings from other countries cannot be directly applied to the Indonesian workforce. Therefore, this research aims to provide significant contributions to the field of industrial and organizational psychology and assist companies in Indonesia in developing more effective retention strategies tailored to the unique characteristics of Generation Z. The hypotheses in this study are: H1: P-O fit has a positive influence on Intention to Stay (ITS). And H2: P-J fit has a positive influence on Intention to Stay (ITS). The model of the study is described in the Figure 1 below:

Figure 1
Research Model



2. RESEARCH METHOD

Samples

This study involves 149 participants aged 18-27 years old, with an average participant age of 23.3 years. Who are currently working in roles such as staff, managerial, or supervisory positions. To maintain relevance in terms of work experience, all participants have been in their current positions for at least one year. Information of the demographics of participants are described in Table 1.

Table 1

Demographic characteristics of the participants

		Percentage (%)
Age	18	1.3%
	19	2.0%
	20	8.7%
	21	13.4%
	22	17.4%
	23	8.1%
	24	11.4%
	25	16.1%
	26	14.8%
	27	6.7%
Gender	Male	49.0%
	Female	51.0%
Working position	Director	1.3%
	Managerial	11.4%
	Staff	68.5%
	Supervisor	18.8%

Measurement

The measurements in this study focused on three primary variables: Intention to Stay (ITS), Person-Job Fit (P-J Fit), and Person-Organization Fit (P-O Fit). The Intention to Stay variable was measured using a 6-item scale that evaluates employees' commitment to remaining in their organization. Sample items include "*Terlepas dari situasi yang tidak dapat diprediksi, saya akan tetap bekerja di perusahaan ini*" ("Regardless of unpredictable situations, I will continue working in this company") and "*Saya tidak memiliki rencana untuk pindah kerja dari perusahaan ini*" ("I have no plans to leave this company") Saraswati et al (2023). Person-Job Fit (P-J Fit) was assessed using an 8-item scale that examines the alignment between an employee's skills, abilities, and educational background with their job. Example items include "*Kemampuan diri dan latar belakang pendidikan saya sesuai dengan pekerjaan saya*" ("My abilities and educational background align with my job") and "*Pekerjaan yang saat ini saya lakukan sesuai dengan keterampilan diri saya*" ("The work I currently do matches my skills"). Lastly, Person-Organization Fit (P-O Fit) was measured using an 8-item scale designed to evaluate the alignment between an employee's personal values and the values of their organization. Sample items include "*Saya merasa memiliki nilai-nilai yang sesuai dengan nilai organisasi*" ("I feel that my values align with the organization's values") and "*Saya benar-benar merasa cocok dengan tempat saya bekerja*" ("I truly feel I fit well in my workplace") Adiyanto (2022). Each variable was rated on a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), with higher scores indicating stronger alignment with the construct being measured. The reliability of the scales was confirmed, as shown in Table 2, with coefficient alpha values indicating that the instruments were appropriate for measuring the intended variables:

Table 2

Alpha Cronbach

Scale	Alpha Chronbach
Intention to Stay Scale	0.80
Person Organization Fit Scale	0.79
Person Job Fit Scale	0.80

Data collection and analysis

This research employed a convenience sampling technique, selecting participants based on their availability and ease of access. This method is often used in similar research to ensure that the sample is easily accessible and relevant to the study focus. Previous studies have shown that convenience sampling is effective in obtaining data from specific, homogeneous groups, especially in workplace psychology and well-being research contexts.

Data collected through questionnaires were processed using SPSS software (version 25). The initial data processing steps included inputting raw data into SPSS, followed by a thorough check to ensure no missing data or significant outliers. Once the data was prepared, instrument testing was conducted, including reliability and validity testing. Reliability was assessed using Cronbach's Alpha, where a value near or above 0.7 was deemed reliable. Validity testing was also performed to confirm that each item in the questionnaire correlated appropriately with the measured variable.

Following the instrument tests, assumption testing was conducted, beginning with a normality test to ensure a normal data distribution. Finally, hypothesis testing involved multiple linear regression analysis to understand the overall relationships between variables. The results of these tests ensured that the collected data were valid, reliable, and suitable for further analysis.

3. RESULT AND DISCUSSION

In this study, multiple regression analysis was conducted to examine the influence of independent variables, Person-Organization Fit (P-O fit) and Person-Job Fit (P-J fit), on the dependent variable, Intention to Stay (ITS). Based on data processed with SPSS 25, the regression test results for P-O fit and ITS showed an F-value of 174.580 with a significance level of 0.000 (less than 0.05), indicating that the regression model is significant and can be used to predict ITS. The regression (R) between P-O fit and ITS was 0.749, indicating a strong relationship. Furthermore, the coefficient of determination (R Square) was 0.560, which means that 56% of the variability in ITS can be explained by P-O fit. This supports Hypothesis 1, stating "P-O fit has a positive effect on Intention to Stay," thus confirming the role of P-O fit in influencing ITS.

The second regression analysis was conducted between P-J fit and ITS, with an F-value of 222.531 and a significance level of 0.000 (less than 0.05). This result also indicates that the regression model is significant and suitable for predicting ITS. The regression (R) value of 0.787 shows a stronger relationship between P-J fit and ITS compared to P-O fit. The coefficient of determination (R Square) was 0.619, indicating that 61.9% of the variability in ITS can be explained by P-J fit. Thus, Hypothesis 2, which states "P-J fit has a positive effect on Intention to Stay," is accepted, affirming the influence of P-J fit on ITS.

Table 3

Regression Test Results

Variabel Testing	F	Sig	R	R Square
P-O fit > ITS (H1)	174.58	0	0.75	0.56
P-J fit > ITS (H2)	222.531	0	0.79	0.62

These findings align with previous research that emphasizes the importance of alignment between employees and the organization (P-O fit) in enhancing Intention to Stay (ITS). For instance, Silva et al. (2023) found that Person-Organization Fit had a moderate positive correlation ($r = 0.475$) with ITS among multigenerational employees. This result reinforces the idea that value alignment through P-O fit significantly contributes to employees' desire to remain with the company, not limited to a specific generation but across various age groups. Silva et al. (2023) argued that P-O fit offers clarity in values for employees, fostering a stronger connection with the organization. Similarly, this study is consistent with the findings of Kakar et al. (2019) on academy staff in Pakistan, which demonstrated a significant positive influence of both P-O fit and P-J fit on ITS among professional staff in academia.

For Generation Z, the results emphasize that P-O fit and P-J fit play distinct yet complementary roles. Generation Z, known for their focus on ethical alignment and job satisfaction, finds that P-J fit—reflecting a match between their skills and job requirements—has a slightly stronger influence on ITS. This is consistent with Generation Z's preference for clear career progression and roles that utilize their competencies effectively. However, P-O fit also remains significant, highlighting that organizational values and culture matter to Gen Z when making long-term career decisions. According to the Affective Events Theory (AET), the sense of attachment from positive work experiences impacts employee performance and satisfaction, which in turn influences their intention to stay (Suhardi, 2019). Sayuga et al. (2024) also support this, indicating that strong P-O fit enhances employees' performance and engagement. In contrast, a mismatch between personal and organizational values can lead to negative effects, such as turnover intentions and emotional exhaustion (Saleem et al., 2021). Luthfiana (2024) adds that Generation Z employees who feel valued and supported show a higher intention to stay.

Despite these findings, there are several limitations to consider. One limitation is the sample size, as this study only involved 149 participants. This relatively small number of respondents limits the generalizability of the findings to broader populations. Additionally, the use of convenience sampling may introduce bias, as the sample may not fully represent the broader Generation Z workforce. Future research should consider larger, more diverse samples and explore different industries or cultural contexts to enhance the understanding of P-O fit, P-J fit, and ITS across various demographic groups.

4. CONCLUSIONS AND RECOMMENDATIONS

The results of hypothesis testing using multiple linear regression reveal a significant positive influence of both Person-Job Fit (P-J fit) and Person-Organization Fit (P-O fit) on Intention to Stay (ITS). These findings provide strong empirical support for the study's hypotheses: H1, which posits that P-O fit positively affects ITS, and H2, which posits that P-J fit positively affects ITS. The results indicate that higher levels of P-O fit and P-J fit are associated with a stronger intention to stay among employee's, whereas lower levels of these fits correspond to weaker intentions to remain with the organization.

These findings highlight the dual importance of P-O fit and P-J fit in retaining Generation Z employees in Indonesia. P-O fit fosters a sense of belonging by aligning employees' values with the organizational culture, while P-J fit, with its slightly stronger impact, ensures employees' skills match job requirements and offer growth opportunities. For Generation Z, who prioritize skill development and meaningful work, enhancing both fits is essential to boosting their intention to stay.

Recruitment strategies should be tailored to assess both P-O fit and P-J fit from the outset. During the hiring process, companies can utilize behavioral interviews and value-based assessments to evaluate a candidate's alignment with organizational culture. Tools like realistic job previews can help ensure candidates understand job expectations and assess their compatibility with the role. To further enhance P-O fit, organizations should invest in socialization programs that actively promote the company's culture. Onboarding initiatives could include immersive sessions on organizational values, team-building activities, and mentorship pairings to help new employees integrate quickly and feel aligned with the company's mission. For P-J fit, training and development programs can be key. Offering personalized career development plans and regular upskilling workshops can ensure that employees' skills evolve along with the needs of the job. These initiatives not only improve job performance, but also signal the organization's commitment to employee growth, which in turn can increase intention to stay in generation z employees.

Acknowledgement

First and foremost, I would like to express my deepest gratitude to God Almighty for His blessings and guidance throughout this journey, enabling me to complete this research. I would like to extend my heartfelt appreciation to Fakultas Psikologi Universitas Tarumanagara for providing me with the knowledge, resources, and support necessary for the completion of this study. The invaluable guidance and encouragement from the faculty members have played a significant role in shaping my academic journey.

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