

The Influence of Job Satisfaction on Person-Organization Fit Among Millennial Employees

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Abstract

According to data from Badan Pusat Statistik (Central Bureau of Statistics, 2018), more than 50% of the Indonesian workforce consists of millennials. This figure indicates that the world of work is increasingly being dominated by the millennial generation. Based on organizational psychology literature, person–organization fit is considered a key predictor of employee attitudes, including job satisfaction. In order to develop human resources capable of adapting to rapid changes, organizations must pay attention to the concept of person–organization fit, which refers to the alignment between employees’ abilities and job demands. When there is a good fit between the individual and the organization, employee job satisfaction tends to increase. Therefore, this study aims to examine the effect of person–organization fit on job satisfaction among millennial employees. A total of 324 millennial employees participated in this study, selected through purposive sampling. The instruments used were the job satisfaction scale ($r = 0.921$) and the person–organization fit scale ($r = 0.870$). Data were analyzed using simple linear regression, revealing a correlation coefficient (r) of 0.458 and an effect size of 20.9%, with a significance value of 0.000. The results confirm the research hypothesis and indicate that person–organization fit has a significant effect on job satisfaction among millennial employees. These findings suggest that organizations should foster alignment between individual values and organizational culture to enhance millennial employees’ satisfaction at work.

Keywords: job satisfaction; millennial generation; person organization fit

1. Introduction

Human resources are currently a new challenge for the world of work, one of which is the high number of millennial generations (Generation Y) who are entering the world of work with privileges that tend to be different from previous generations. Different generations in the workplace often cause several problems faced by management in companies (Setyawan & Tobing, 2022). In the world of work, the millennial generation values various aspects of flexibility at work, such as having fun with the work environment, listening to music while working, flexible working hours, and so on (Rahmawati & Gunawan, 2019).

Based on data analyzed by the Central Statistics Agency or BPS (2021), of the total workforce in Indonesia, namely 131,064,305 million, 49,411,897 million or 37.71% belong to the millennial generation who are active workers and the backbone of the Indonesian economy. This data is important because according to Fleetwood (2017), in 2025 millennial generation workers are projected to be the generation that will dominate the world of work with up to 75% of the global workforce. The unique characteristics of the millennial generation and the need for flexibility at work is a challenge for companies (Hidayat, Aulia, Abdi, & Syah, 2020).

Effective employee management plays a crucial role in enhancing the quality of the workforce, particularly among millennial employees. The entry of millennial employees into the workforce presents a significant challenge for organizations, as companies must understand how to increase job satisfaction, reduce turnover, and improve the overall happiness of this generation at work, while simultaneously boosting productivity (Adiawaty, 2019). According to Sunarta (2019), job satisfaction is an attitude, a feeling of contentment, or the discrepancy between what has been attained and what was expected. The positive attitude displayed by individuals at work reflects their sense of responsibility and satisfaction with their performance and the outcomes of their efforts.

In research, Martoyo (2018) said that employees will feel satisfied if there is a match between abilities, skills and expectations with the job at hand. If employee job satisfaction is not met, it can cause negative impacts such as absenteeism from work, changing jobs, low productivity, declining physical health, and work accidents (Ekaningtyas, 2019). On the other hand, the impact of employee job satisfaction is the progress seen in the organization such as the growth of the company, the optimality of the work carried out, the consequences of employees for the company (Rumangkit & Haholongan, 2019).

In addition to ensuring employee job satisfaction, organizations must also pay close attention to the alignment between individual and organizational values, which is commonly referred to as Person-Organization Fit (PO-Fit), when hiring employees. PO-Fit is a match between an individual and his organization, starting from thoughts to vision and mission, because the organization plays an important role in the values held by each individual which influence the level of performance of that individual. Thus, supporting factors are needed for good adjustment between individuals and organizations (Astutik, Kartika, Ayu, & Ratnaningtyas, 2022). This is in accordance with research by Kristof, 1996, which also states that the organization's fulfillment of employee needs, such as compensation, physical work environment, and opportunities for advancement are very necessary for employees.

One of the key challenges faced by modern organizations is the inability to effectively develop employees, particularly in terms of motivation and compensation. To address this, it is crucial for companies to have a comprehensive understanding of the Person-Organization Fit (PO-Fit) concept, as it plays an important role in both employee selection and evaluation processes. According to Astuti (2010), the most significant challenge for companies lies in recruiting, retaining, and developing their employees. One strategic approach to overcoming this challenge is by ensuring the alignment between individual employee values and the core values of the organization—commonly referred to as PO-Fit. A strong understanding of PO-Fit enables organizations to recruit individuals whose values align with those of the company, while also fostering experiences that reinforce and sustain that alignment over time.

According to Tepeci (2001), understanding the compatibility between individual values and organizational values, or Person-Organization Fit (PO-Fit), can significantly assist organizations in addressing challenges related to human resource management. The degree of alignment between individual values and organizational values, or PO-Fit, largely depends on how well the organization is able to meet employee needs (Cable & Judge, 1994). The presence of compatibility between individuals and the organization fosters work success, allowing employees to thrive within the organization. This compatibility contributes to a positive work environment, including comfort with co-workers, alignment with organizational characteristics, and adherence to work rules in their respective units, all of which culminate in job satisfaction (Noviardy, Trisninawati, & Anggraini, 2022).

Research conducted by Sugianto, Thoyib, and Noermijati (2012) found that Person-Organization Fit (PO-Fit) had a positive and significant influence on job satisfaction. These findings are consistent with the study by Kodarisman and Margaretha (2022), which also concluded that PO-Fit significantly positively influences job satisfaction. Similarly, research by Abdurachman and Siswati (2017) identified a positive and significant relationship between PO-Fit and job satisfaction. Understanding PO-Fit can assist organizations in selecting employees whose values and beliefs align with those of the organization, thereby shaping positive work experiences. Consequently, it can be concluded that PO-Fit is closely related to job satisfaction; when employees experience a high level of PO-Fit, it positively impacts both the individual and the organization, contributing to higher job satisfaction (Sudarmono, Suptiyono, & Edris, 2022).

2. Methodology

This research uses quantitative methods with a survey design to examine the influence of organizational suitability on job satisfaction among millennial generation employees. In this study, the population used was all millennial generation employees, while the sample used a purposive sampling technique, a technique that involves selecting participants based on specific criteria aligned with the research objectives. The consideration for this selection sample is that those born in 1980 - 2000, employees who have work experience of one year or more have experienced a relatively stable adjustment to the organization. The consideration for this selection sample is that employees who have work experience of one year or more have experienced a relatively stable adjustment to organizational values. The total participants used in this research were 324 participants, consisting of 150 men and 174 women.

Data obtained through a questionnaire in the form of a Google form will then be processed using a simple regression test. The data results from the scale trial were then tested for validity (item discrimination power test) using the corrected item-total correlation technique with a limit of ≥ 0.25 . The reliability of the scale in this study was tested using the Cronbach's Alpha formula, with a coefficient value > 0.70 declared reliable. To test the hypothesis that has been determined using simple regression techniques. Before testing the hypothesis, a conditional test is carried out in the form of a normality test with a Kolmogorov Smirnov significance value > 0.05 and a linearity test with a Deviation from Linearity significance value > 0.05 .

2.1 Job Satisfaction

In this study, job satisfaction was measured using the Job Satisfaction Survey (JSS) developed by Spector (1997). This scale includes 9 dimensions of job satisfaction, which are: pay, promotion, supervision, fringe benefits, contingent rewards, operating procedures, co-workers, nature of work, and communication. The JSS consists of 36 items, such as "I am satisfied with the amount of compensation I receive for my work. The respondents answered this questionnaire based on a 5 point scale (1=strongly disagree to 5=strongly agree.).

2.2 Person-Organization Fit

In this study, Person-Organization Fit was measured using the scale developed by Abdalla et al. (2018), which is based on two dimensions: value congruence and goal congruence. The scale consists of 10 items, such as "I feel that my values are aligned with the values of my organization". The respondents answered this questionnaire based on a 5point scale (1=strongly disagree to 5 =strongly agree.).

2.3 Analysis Technique

This study examines the effects of job satisfaction (x) on the Person-Organization-Fit by using the regression data analysis technique

3. Result and Discussion

The data collection process was conducted by distributing questionnaires via through a google form to employees from the millennial generation. A total of 324 responses were successfully collected.

Based on the respondent's data, the researcher compiled demographic data, which included age and gender. The demographic characteristics of the respondents are presented in table 1:

Table 1. Demographic Data of Millennials Generations

No	Demographic Data	Amount	%
1	Gender:		
	Male	150	46,3
	Female	174	53,7
2	Age:		
	23 - 27 years	87	26.9
	28 – 32 years	53	16.4
	33 – 37 years	52	16.0
	38 – 43 years	132	40.7

The data obtained from the questionnaire responses revealed that there were more female respondents than male respondents. The age of the respondents ranged from 23 to 44 years. Based on Table 1, the demographic characteristics show that the majority of participants were aged between 38 and 43 years (40.7%) and identified as female (53.7%). The empirical mean of age (23–43 years) for the job satisfaction variable fell within the moderate category. Meanwhile, the empirical mean scores for both male and female respondents on the job satisfaction variable were categorized as very high.

In the item discrimination power test for the person-organization fit variable, it was found that 1 out of the 10 items used were excluded. The correlation range for the items with strong discrimination power varied from 0.415 to 0.814 with a reliability value of 0.870.

Similarly, for the job satisfaction variable, the item discrimination power test showed that 3 items out of the 36 used were excluded. The correlation range for the remaining items with good discriminatory power ranged from 0.260 to 0.720 with a reliability value of 0.921

Furthermore, the relationship between job satisfaction and person-organization fit in the study results is further described in Tables 2. Table 2 shows the regression analysis results, indicating the effect of job satisfaction on person-organization fit. The simple regression analysis yielded an F value of 85.241 and a significance coefficient of 0.000 ($p \leq 0.050$), leading to the acceptance of the hypothesis that "job satisfaction has an effect on person-organization fit." Additionally, the R-squared value of 0.209 suggests that job satisfaction accounts for 20.9% of the variance in person-organization fit, with the remaining variance explained by other factors outside the scope of this study.

Table 2. Results of the Job Satisfaction Regression Test in Person-Organizational Fit

F	Sig	R	R Square
85.241	0,000	0,458	0,209

This research aims to examine the effect of job satisfaction on Person-Organization Fit (PO-Fit) in millennial generation employees. Based on the results of hypothesis testing, a significant value of 0.000 ($p < 0.05$) was obtained with an R value of 0.458, indicating a significant relationship. These results confirm that the proposed hypothesis is supported, suggesting that job satisfaction significantly influences Person-Organization Fit in millennial generation employees.

Based on the results of hypothesis testing, it is evident that job satisfaction significantly influences Person-Organization Fit ($p < 0.05$). The correlation coefficient ($R = 0.458$) indicates a moderate-to-strong relationship between the variables. Additionally, job satisfaction has a significant effect on the development of Person-Organization Fit among millennial generation employees. The research results also show that the coefficient of determination (R^2) is 0, 209 or 20.9%, which shows that person-organization fit contributes 20.9% to job satisfaction while the remaining 79.1% is influenced by other factors.

Based on the f test (partial), the equation shows a calculated f value of 85.24, $p < 0.05$ and has a significant value of 0.000. P-O Fit has a significant effect on job satisfaction. This indicates that the stronger the P-O Fit that employees feel towards the company, the more influence it will have on employee job satisfaction. This means that in this research the better the person-organization fit will have an impact on increasing the job satisfaction of millennial generation employees. Based on the description above, it can be concluded that H1 states that person-organization fit has a positive and significant effect on job satisfaction.

The results of the processed data above are in accordance with what has been researched (Khalida & Safitri, 2018) which shows that person-organization fit has a positive influence on job satisfaction. Data produced by (Astuti, 2010) shows that person-organization fit has a significant positive influence on job satisfaction. This shows that an increase in person-organization fit will have an influence on job satisfaction. This is in accordance with research by Chadwell and O' Reilly (1990) which examined the congruency of individuals and organizations with performance. They found that P-O fit was positively related to employee job satisfaction.

Person-organization fit is the suitability or match between an individual and an organization and the extent to which a person and organization have the same characteristics in meeting their respective needs (Sekiguchi, 2004). This suitability or compatibility between employees and the company is what makes millennial generation employees feel comfortable working. From the results of the descriptive percentage analysis, the person-organization fit variable is measured through two dimensions, namely a). value congruence, individual personality according to the company's work environment, and b). goal congruence, employee goals are in line with the company's ideals and want to develop their careers and improve the quality of the company. From these two dimensions, the respondents' answers were in the very high category.

The results of the research above show that the direct influence of person-organization fit on job satisfaction is 0.196, while the indirect influence of person-organization fit on job satisfaction is 0.463, so that job satisfaction can mediate the relationship between person-organization fit and organizational commitment. The results of this research are in line with previous research conducted by (Sugianto et al. 2012) which stated that person-organization fit has a significant and positive influence on job satisfaction. From the description above, it can be concluded that high person-organization fit can play a role in increasing job satisfaction in millennial generation employees.

4. Closing Statement

The results of this study indicate that person-organization fit has a significant positive effect, both simultaneously and partially, on the formation of job satisfaction. This suggests that the greater the alignment between an employee and the organization, the higher the level of job satisfaction. The effective contribution

of 20.9% implies that person-organization fit can be further developed as an intervention to enhance job satisfaction.

These findings underscore the importance for organizations to ensure alignment between individual values and organizational culture, especially for millennial employees who tend to seek meaning, flexibility, and cultural compatibility in their workplace. A strong person-organization fit not only supports satisfaction but can also encourage engagement, retention, and overall organizational harmony.

Future research is encouraged to explore other potential predictors of job satisfaction, beyond person-organization fit. Given that the current model accounts for only 20.9% of the variance in job satisfaction, future studies could examine variables such as leadership style, organizational support, work-life balance, or psychological empowerment to provide a more comprehensive understanding of the factors influencing employee satisfaction in contemporary organizational settings.

Additionally, the limitation in the sample size of this study should be addressed in future research to include a larger and more diverse group of respondents. Organizations can enhance employee job satisfaction by ensuring that the values of individual employees align with the organization's values (P-O Fit). This alignment helps prevent dissatisfaction with the work employees are doing. Future researchers are encouraged to expand the variables examined in this study, considering other factors that may influence job satisfaction, to provide a more comprehensive understanding of the determinants of employee satisfaction.

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