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**THE IMPACT OF PERSON-ORGANIZATION VALUE FIT ON  
ORGANIZATIONAL COMMITMENT: A STUDY OF GENERATION Z  
EMPLOYEES WORKING IN SRI LANKAN SUPERMARKETS**

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**ABSTRACT**

Psychological characteristics essential to get the optimum contribution from employees are highly concerned in present management researches. Person-organization value fit and organizational commitment of employees are constantly reported as two significant psychological attributes to be further investigated. However, a contextual gap and inconsistencies about the underline relationships of the aforementioned constructs exist across various domains. Hence, the current study was initiated to assess the effect of person-organization value fit on organizational commitment, and to identify the significantly concerned dimensions of values in such a value-fit among generation Z employees working in Sri Lankan Supermarkets. The research was a cross-sectional, quantitative study among a randomly selected sample of 240 generation Z employees, who are predicted to be the dominants within next two decades. Primary data were collected through a valid & reliable, standard questionnaire via an offline survey. Correlation test and regression analysis were used with the aid of SPSS in analysis. Person-organization value fit has a significant positive association ( $r = 0.843$ , sig. 0.000) with the commitment of generation Z employees. The direct effect ( $r^2 = 0.710$ , sig. 0.000) of person-organization value fit on organizational commitment also statistically significant. Moreover, generation Z employees are identified as more technology-driven, brand-oriented, and independent. Findings of the current research are worthwhile for practitioners in formulating strategies to create, maintain and improve value-fit to obtain the optimum degree of organizational commitment from generation Z employees in Supermarkets and other similar organizations.

**Keywords:** *Generation Z, Organizational Commitment, Person-Organization Value Fit*

## 1 INTRODUCTION

Job performance of employees plays a crucial role in determining an organization's performance. Person organization job fit is a reasonable predictor of job performance because individuals with high person-job fit had found to have positive work outcomes (Edwards, 1991). According to Farooquia and Nagendrab (2014), the concept of person-organization value fit deals with the congruence between the employee's own personal values and the values of the organization, according to the employee's perception. Personal values are the things that are important and the characteristics and behaviors that motivate individuals and guide their decisions. Everyone has their own personal values and they can be quite different. Personal values are influenced by the education level, socio-economic background, political ideology and many other factors. Organizational values are the abstract ideas that guide actions and thinking of the organization. Organizational values represent the foundation on which the organization is formed. Based on the business strategy, organizational values also deviate. For a better output organizational values should be matched with the employee values. Different generations with different expectations and values cannot be satisfied through a same set of organizational values.

Entire economy of the country mainly depends on its existing work force. Generation Z is still fresh to the world of work, but after two decades they will be the prominent group. Work values and personal goals of generation Z are different. Research on thinking patterns and desires of this generation would be beneficial for future policy making processes. Hence, proactive measures are really good rather than the reactive measures. Organizations, policy makers can take new measures or change the existing procedures based on the results of the current study. This is an existing problem with related to human resource management. This is becoming a burning problem within next few decades with the entering of generation Z into the world of work.

Employee commitment is about attachment and loyalty of employees towards their organization. There is a significant difference between the output delivery of committed employee and non-committed employee. This can be heavily experienced by service sector rather than the manufacturing sector. Committed employee is an asset to the organization and behaving committed workforce is a challenging task to the management because committed employees are rare in present business world.

In service sector, customer satisfaction is the most important factor for business sustainability. Customer satisfaction depends on several conditions among them quality of the service should be perfect. To provide outstanding service with the ambition of satisfying the customer, service provider should be committed to his job role. To be committed for the job, there should be a

value fit between the employer and the employee. With respect to employee values, previous researchers have found that people belongs to same set of ages have same set of value perceptions. Thus, the problem of this study was raised as: what is the effect of person-organization value fit on organizational commitment of generation Z employees.

### **1.1 Objectives of the Study**

1. To assess the impact of person-organization value fit on organizational commitment of generation Z employees.
2. To determine the difference between organizational values and employee values.
3. To identify the work life needs of generation Z.
4. To make recommendations to strengthen the person-organization value fit in the said domain.

## **2 LITERATURE REVIEW**

Simply, commitment refers to the attachment and loyalty. It represents the strength of an individual's identification with, an involvement in, an organization. It is associated with the feelings of individuals about their organization (Armstrong, 2012). Committed employee feels that, he has a significant role to play in the organization. Because that significance, he devoted to remain in the organization.

Organizational commitment reinforces employees' positive attitude towards their organization. Alternatively, the committed attitude of employees has a significant impact on enhancement of organizational behavior (Rao, 2017). Committed employees look on organizations future in fairly approach. Their thoughts set on win-win situation. In human resource management knowledge, skills and attitudes are concerned as most important factors to be considered. Among those three factors, attitude is the most crucial factor, because it is difficult to predict. Organizational commitment is important as a tool of enforcing good attitudes in the employees.

Organizational commitment is a multidimensional construct that reflects a worker's identification with the organization (loyalty), attachment to the organization (intention to stay), and willingness to expend effort on the organization's behalf (discretionary effort) (Appelbaum, 2000). Employee loyalty is one of the core value should be in an employee. Employee turnover is one of the key problem is in organizations. Employees may not leave the organization if they are satisfied with the existing facilities and organizational culture. Which can simplify as, committed employees retain in the organizations.

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Employee as well as employer has set of values basically focused on wellbeing of them. Person -organization value fit was actually the difference between personal values and the perceived organizational values (Wijesinghe, 2018). For a healthy relationship, matching between the values of the relevant parties is utmost important.

Person-organization value fit is like hood between employee and the organization. Researchers have defined Fit as how attuned and like-minded the employees feel with the company, organization or the local community one belongs to (Cho & Son, 2012).

Person-organization fit is about looking beyond core technical skills and competencies. It looks into the competencies that complement the organizations' values and goals enabling to plan for strategic decisions such as leadership, succession planning, role change, job rotation etc. as and when the need arises while giving due importance to the work culture being provided to the incumbents (Kaushik & Girotra, 2017). Person-organization value fit contributes to enhance the satisfaction of the employees. Person-organization value fit has a significant effect on job satisfaction.

If the work values of the employee (ambition or flexibility) are met by job resources the organization offers (career advancement opportunities or flexibility), there is a person-job fit. This supplementary fit signals that the organization and the individual share similar fundamental values (Cennamo & Gardner, 2011).

The concept of person-organization value fit has two significant ends employee and the employer. Employees will like to work in organizations where they feel that the values of the organization are aligned with their own values and also organizations will try to recruit those employees whose values are consistent with the values of the organization match his abilities, he will perform the satisfactorily and shows the greater results or higher performance (Farooqui & Nagendra, 2014).

High degree of congruence between the individual values of the employees and the organizational values may create culture and values with which the employees will feel comfortable, and when the brand values that the management wishes to transfer to the customers reflect the organizational culture and values, the employees will perceive these values as congruent with the organization's values and will be more ready to transfer them to the customers. This readiness of employees is promoted by a high person-organization value fit, while a high Person-Organization value fit means a higher commitment and willingness to do extra work for the organization (Farooqui & Nagendra, 2014).

Person-environment fit may not be enough to get an employee committed to the organization. The person also has values that fit with the organization. This means that causal attribution moderates the relationship between personal characteristics and affective commitment (Meyer & Allen, 1991). Personal attributes has a great influence on relationship between employee commitment and the person-organization value fit.

Manimala and Bhati (2011) discussed a few novel strategies implemented by some social enterprises to provide a culture to attract and retain talent. Most of the strategies are based on providing 'partnership paradigm' to the employees. Few of these strategies are:

- On boarding people with a vision and value congruence.
- Participation in decision making, giving equity share to create a sense of ownership among employees.
- Providing lucrative fringe benefits to employees.
- Finding employees among beneficiaries.
- Creating entrepreneurial prospects within the organization.

Generation concept is defined a group that shares important vital events at the same birth year and critical developments within these events (Kupperschmidt, 2000). Because of that they have same set of life experiences and personality has built up with experiencing similar set social exposures. Individuals who were born after 2000 considered as Z generation. Generation Z comprises a small percentage of the existing workforce as of now but it is estimated that by 2019, 30 million will be employed (Jacoby, 2015).

Generation Z which will get in the business community recently and mostly was born after the year of 2000 on literature is known as mobile generation. They grow up with technology a fortiori and together with World Wide Web, mp3 players, short message, cell phones, PDAs, YouTube, IPADs, media technologies (Kapil & Roy, 2014). Not as millennial, generation Z has been grown with different socio-economic conditions. Their exposure to the technology is very high.

In a study conducted in Northeastern University of 1,015 Gen Zers in 2014, it was found that Gen Zers are:

- Self-starters with a strong desire to work for themselves, learn about entrepreneurship, and design their own programs of study in college;
- Self-directed and certain about the importance of higher education in achieving their goals;
- Concerned about their financial futures including the cost of higher education and accumulating student loan debt;

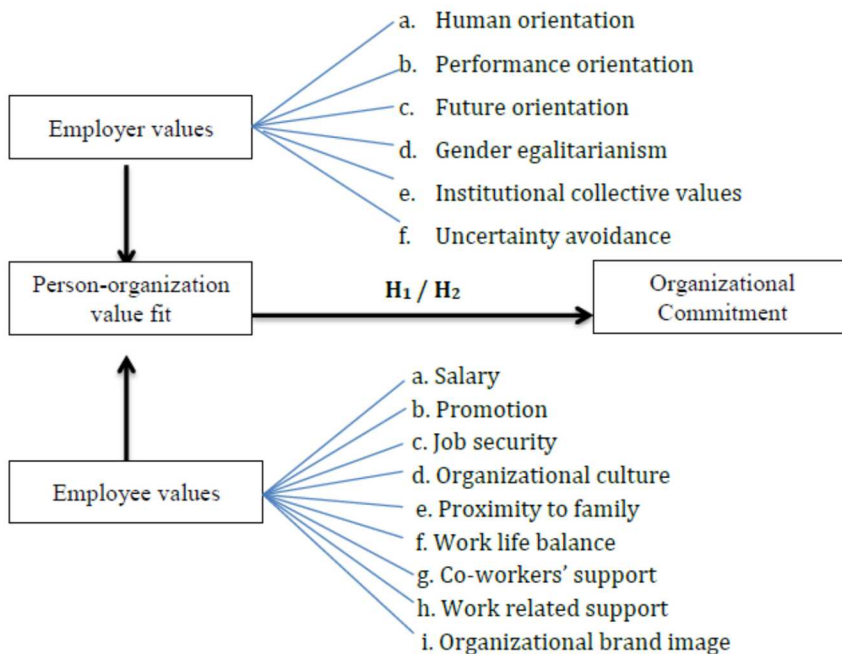
- Believe that university should provide some form of professional experience such as internships with employers;
- Have somewhat modest enthusiasm for technology, particularly with higher education - 52% of those surveyed indicating that they felt an online degree would be accepted the same as a traditional degree; an
- Highly progressive when it comes to social policy.

### 3 METHODOLOGY

Having considered the above reported empirical and theoretical evidence following two hypotheses were advanced for the relationship (and the impact) among two constructs under study which is depicted in (Figure 1).

**H<sub>1</sub>:** There is a significant relationship between person-organization value fit and organizational commitment of generation Z employees.

**H<sub>2</sub>:** There is a significant impact of person-organization value fit on organizational commitment of generation Z employees.



**Figure1: Conceptual Framework of the study**

This is a quantitative field study. The unit of analysis is at the individual level; the sales staff at supermarket branches. The population concerned for the current study includes all the employees of considered supermarket malls in Sri Lanka, which is unknown to the current researchers. The study is conducted among a sample of 240 employees those who are selected at the convenience of the researchers.

The survey method was used to collect primary data. The data were collected using a standard questionnaire that has met the acceptable standards of reliability and validity. The questionnaire was prepared based on the scales developed by Wijesinghe (2018) and House et al (2004). All the Likert scale items in the questionnaire were fixed on a five point scale ranging from 'strongly disagree' to 'strongly agree'. Data were analyzed using SPSS and Excel. Frequency analysis, correlation test and regression analysis were performed to analyze data, and to test the advanced hypotheses.

#### **4 DATA ANALYSIS & RESULTS**

The final sample of the current study consisted of 36% of males and 64% of females. Hence, this is quite a female dominant sample. Also, the majority in the sample were below A/Ls (89%) in their educational attainment.

Internal consistency statistics were used to ensure the reliability of measurement scales (for each dimension and for each construct) which was assessed through the Cronbach's alpha coefficient with the aid of SPSS. Table 1 depicts the reliability statistics of measurement scales of the constructs.

**Table 1: Reliability Statistics**

Construct	No. of Items	Cronbach's Alpha
Organizational Commitment	14	0.918
Person-organization Value Fit	39	0.906

Nunnally (1978) mentioned that the Cronbach's Alpha coefficient which is above 0.5 is considered sufficient for a social research (as cited in Wijesinghe, 2018). The accepted obtained coefficient values in the current context for those two scales were above the set standard. So that, the measurement scales are considered to be reliable.

#### **4.1 Correlation Analysis**

Having ensured the normality of the distribution of dependent variable, and the linearity of the association, Person correlation coefficient was used to test the strength of the association among two constructs as hypothesized. As

shown in table 2, correlation coefficient is 0.843. It shows there is a strong positive relationship between person-organization value fit and organizational commitment. Further, correlation coefficient is significant at the 0.01 level as sig (2-tailed) is less than 0.01; which is 0.000. Hence, based on the test result  $H_1$  can be accepted, and it can be statistically concluded that there is a significant positive-strong relationship between person-organization value fit and organizational commitment of generation Z employees.

**Table 2: Correlation Statistics**

Person Correlation between person-organization value fit and organizational commitment	Coefficient	.843**
	Sig. (2-tailed)	.000
	N	240

\*\*Correlation is significant at the 0.01 level (2-tailed).

Furthermore, to identify the significantly concerned dimensions of values in such a value-fit among generation Z employees working in Sri Lankan Supermarkets, a dimensional level correlation analysis was performed. Accordingly, it is found that performance orientation (sig. 0.092) and job security (sig. 0.204) are not significant for the selected sample.

#### 4.2 Regression Analysis

In the current research, linear regression analysis was used to test the research model and develop a regression equation. Consider the coefficient/s of partial determination to measure the marginal contribution of variables in the research model. Further, a residual analysis was done to test whether the model is fitted enough to predict the future scenarios of the same model. Table 3 depicts the regression statistics.

**Table 3: Regression Statistics**

Multiple R	0.843
R Square	0.710
Adjusted R Square	0.686
Standard Error	44.677
Observations	240
Model Significance	.000
Constant	-1.585 (sig. = .002)
Value-fit	1.526 (sig. = .000)

*Dependent variable: Organizational commitment*



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Following two hypotheses were formulated to test for the regression model.

$$H_0: \beta_0 = 0 \text{ Vs } H_1: \beta_0 \neq 0 \quad (1)$$

$$H_0: \beta_1 = 0 \text{ Vs } H_2: \beta_1 \neq 0 \quad (2)$$

Where,  $\beta_0$  and  $\beta_1$  stand for constant in the equation, coefficient value of person-organization value fit respectively.

According to Table 3, as sig. values are less than 0.05; it can be conclude that constant is significant and should include in the final model. Similarly,  $\beta_1$  also significant and must be included in the final regression model. Thus, an  $H_1$  hypothesis of the above is accepted.

Below mentioned is the constructed regression equation; where X stands for 'person-organization value fit' and Y stands for 'organizational commitment' of generation Z employees.

$$Y = -1.585 + 1.526 X \quad (3)$$

Having considered the above reported statistical evidence, two alternative hypotheses ( $H_1$  and  $H_2$ ) advanced in the present study were accepted. In conclusion, there is enough statistical evidence to claim that person-organization value fit has a significant relationship and impact on organizational commitment of generation Z employees.

## 5 DISCUSSION OF THE FINDINGS

It is found that person-organization value fit significantly positively related to organizational commitment of generation Z employees. Which means that employees be more committed to their work, if the individual values congruence with the organizations' value demand. Further, it was measured the relationship between constructs of person-organization value fit with person-organization value fit. It was found that, there is no relationship of person-organization value fit with performance orientation and job security. This means that generation Z employees are not much concern on their job security. It could be due to the fact they have no intention to retain for a long time at one place. Performance is one of the key factors in Human Resource Management. There are disciplinarians who devoted to performance such as performance management, performance based compensation etc. But it is questionable whether those topics would valid for next decade. It was found that generation Z employees are not relay on performance. Generation Z had grown up with technology. SMART work, automation, simplification are part of their lives. They are tending to be relying on machines. That could be the reason, why they not relay on performance. The regression analysis proved that, there is a significant impact of person-organization value fit on organizational commitment.

There were four open ended questions in the second section of the questionnaire. The first question was on rewards and benefits like to get, second question was on preferred work time, third question was on retirement life and finally was on why do you choose this organization to work?. For the first question there were main three answers obtained such as buffet meals, more leave, outings etc. For the second question most of the employees stated on flexi hours. 135 responded that they have a retirement plan, and continuing savings for retirement life. For the fourth question, entire sample has given one answer, which is the 'brand image' of the Supermarket.

## **6 CONCLUSION AND IMPLICATIONS**

Current study concludes declaring that keeping a proper fit / congruence between personal values of generation Z employees and organizational values will lead to acquire a higher degree of organizational commitment of Gen Z employees. Thus, the current research is distinctive in its clarification of the impact of person-organization value fit on organizational commitment of generation Z employees; specifically working in Sri Lankan Super markets with empirical findings. This would address the identified contextual gap and the inadequacy of the extant literature related to the organizational commitment of generation Z.

To obtain the expected outcomes of organizational commitment of employees, the organizational values should be matched with employee values. As a forecasting measure to face future human resource planning challenges, it is very much important to understand the values of generation Z, who are going to be the dominant in world of work in two decades ahead. It is identified, the constructs which build person-organization value fit of generation Z. Research findings depicts that performance orientation and job security will not formulate the person-organization value fit among generation Z. Because of those organizations should concern more on constructs such as organizational reputation, work life balance organizational culture etc. According to the findings, brand image of the organization is highly valued by the employees of generation Z. Organizations with extraordinary brand image, can attract super performing employees to their talent pool. Organizations should re-think on the training and development platform. Training would be beneficial if only the employees are remaining in the organization even after the training. Otherwise it would be an unnecessary cost and a time waste. If the employees are not retain in the organization training and development is not needed. The research found that generation Z needs more freedom at the work. They wish to make their own decisions rather than being under the supervision on a third party. To retain good talent as well to attract extra –ordinary talents from the competitors, employers should transform the existing typical working environment to a joyful enthusiastic place. Working period is another critical

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area touched in the research. Generation Z expects more freedom and has refused the rigid time bounds in work schedules.

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