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Rizal Nangoy

*Bina Nusantara University, Jakarta, Indonesia*

Muhammad Hamsal

*Bina Nusantara University, Jakarta, Indonesia*

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# **An Interaction between Employee Psychological Capital, Perceived Organizational Fit, and Work Well-Being on Organizational Commitment: An Empirical Study on E-Commerce Industry in Indonesia**

**Rizal Nangoy<sup>1</sup>, Muhammad Hamsal<sup>2</sup>**

<sup>1</sup> Bina Nusantara University, Jakarta, Indonesia

<sup>2</sup> Bina Nusantara University, Jakarta, Indonesia

## **ABSTRACT**

The joining of the Millennial generation with their different characteristics and values in the workforce has brought new challenges to human capital management. However, research related to employee well-being and organizational commitment of the Millennial generation is still difficult to find in Indonesia. This study aims to investigate the role of psychological capital and perceived organizational fit to employee well-being and organizational commitment of the Millennial employees in e-commerce industry in Indonesia. Data were collected through a survey of 288 Millennial employees who work in e-commerce industry in Jakarta. We found that employee well-being and organizational commitment are positively associated with both psychological capital and organizational fit, while employee well-being also mediates the relationship between psychological capital and perceived organizational fit toward organizational commitment. The results contribute to better understanding of attitude of the Millennial generation and specifically to the predictors of employee well-being and commitment at work, especially in the e-commerce industry.

**Keywords:** Millennial Generation; Organizational Commitment; Perceived Organizational Fit; Psychological Capital; Work Well-being.

## **1. Introduction**

In today's world, competitive dynamics are not only happening in commercial market but also in the human capital market. In digital business industry (e-commerce), creativity and innovative behavior of an individual are needed to achieve maximum performance (Chaffey, 2015; Moore, 2017). Human capital management is challenged by the joining of the Millennial generations in the workforce that have different values, preferences, and aspirations about how, where, and when they will work and collaborate (Deal & Levenson, 2016). Meanwhile, according to National Statistics Agency data (2017), by 2030 70% of the productive age in Indonesia will be the majority of the Millennial. However, the Tower-Watson (2014) survey shows more than 70% of companies in Indonesia have difficulty in maintaining and retaining the competent workforce.

This is supported by Aravindan and Nangoy (2016) as well as Moore (2017) who conducted research on the development of e-commerce in Indonesia.

Therefore, looking for answers to the question "how to make employees, especially the Millennial generation in the digital business industry, want to keep working in a company and give their maximum contribution to the company?" becomes very important and relevant to a further investigation. Moreover, coupled with the fact that the knowledge and skills possessed by employees, just can really contribute to the performance, if the employees themselves are willing and able to realize it (Luthans, Youssef-Morgan, and Avolio, 2015). One of the attitudes toward the organization that has proven to support organizational performance and reduces turnover intention is employee organizational commitment (Wei, Lee, & Kwan, 2016; Mathieu, Fabi, Lacoursiere, & Raymond, 2015; Schulz, Luthans, & Messersmith, 2014).

Nevertheless, there is still very little research to discuss comprehensively the role of psychological capital and perceived organizational fit to employee organizational commitment either directly, or through improving employee well-being as mediator. This study aims to further investigate the influence of employee psychological capital and perceived organizational fit to employee organizational commitment. In addition, it also examines the role of employee well-being as a mediating variable between psychological capital and perceived organizational fit to employee organizational commitment.

## **2. Literature Review**

### *2.1 Organizational Commitment*

According to Meyer and Allen (1997) and subsequently cited by many studies in organizational commitment (Fu, Deshpande, 2014; Meyer, Stanley, & Parfyonova, 2012; Meyer, Stanley, & Vandenberg, 2013; Tsoumbri&Xenikou, 2010), the construction of organizational commitment was divided into three dimensions. First, affective commitment or emotional feeling based commitment. Employees who have an affective commitment simply can be said to have retained in the company because of their willingness to do so. Second, a continuance commitment or a commitment based on economic considerations. The employee still keeps working in the company because he/she needs the job. Third, normative commitment or commitment based on normative considerations. Employee wants to keep working in the organization because of a sense of imperative. Then, based on the synthesis of previous studies, as well as the results of qualitative analysis of prospective respondents in this study, the employee organizational commitment can be

defined as an employee's attitude toward the organization, which is marked by the willingness to remain a member of the organization, with active contribution to support organizational performance, and showing a high level of dedication as well as responsibility.

## 2.2 *Employee Well-Being*

Scientific research on well-being has been driven by two major philosophical perspectives, namely the views of hedonism or happiness, as well as the view of eudaimonism or self-actualization. These two perspectives have shaped two prominent concepts of well-being: subjective well-being and psychological well-being. Subjective well-being affirms on the evaluation of positive affection, negative affection, and overall life satisfaction (Diener, 1984). Meanwhile, psychological well-being discusses how individuals possess a high degree of self-acceptance, experience positive relationship with their environment, holding autonomy in determining attitudes and behavior, as well as have a clear purpose in life (Ryff & Keyes, 1995). In addition to these two perspectives, research on well-being is often associated with the ability of individuals in managing stress, including coping stress mechanisms (Greenberg, 2013, Quick, Wright, Adkins, Nelson, & Quick, 2013). Then, based on the synthesis of previous studies, as well as the results of qualitative analysis of prospective respondents in this study, we concluded the definition of well-being in this study as the psychological condition of individuals who feel satisfied with their life, more often experience positive affections compare to negative affections, possess high degree of self-acceptance, and able to do good coping stress.

## 2.3 *Psychological Capital*

Luthans, Youssef, Avolio (2015) defines psychological capital as an individual's positive psychological state of development that is characterized by having the confidence to take on and put in the necessary effort to succeed at challenging tasks (efficacy); making a positive attribution about succeeding now and in the future (optimism); persevering toward goals and, when necessary, redirecting path to goals in order to succeed (hope); and when beset by problems and adversity, sustaining and bouncing back and even beyond to attain success (resilience).

Psychological capital as a higher-level construct that integrates the various criteria in positive organizational behaviour not only works additive but also in synergy. Thus, if the organization invests in developing the psychological capital of the employee, the performance improvement can be expected to be higher than the sum of the components of the psychological capital itself. In other words, psychological capital overall will have greater influence than just

summing the constituent elements (Avey, Luthans, Smith, Palmer, 2010). According to Luthans (2012), Psychological capital can augment other tangible (e.g., economic and financial capital) and intangible (e.g., human and social capital) in contributing to an understanding of how to best create sustainable and human-based competitive advantage.

Through experimental (Luthans, Luthans, & Avey, 2014; Luthans, Avey, Avolio, & Peterson, 2010) and longitudinal (Peterson, Luthans, Avolio, Walumbwa, & Zhang, 2011) studies, Psychological capital has been empirically demonstrated to be open to development and support performance improvement. In Avey, Reichard, Luthans, & Mhatre (2011) meta-analysis found that psychological capital was indeed strongly related to desired employee attitudes, behaviors, and performance. Psychological capital was also related to employee creativity (Huang & Luthans, 2014), problem-solving and innovation (Luthans, Youssef, & Rawski, 2011), and well-being (Baron, Franklin, & Hmiesleski, 2013; Luthans, Youssef, Sweetman, & Harms, 2013). Other studies also have found that Psychological Capital has a positive impact on work-family conflict (Karatepe & Karadas, 2014), and at the collective level, Psychological Capital related with increasing on service quality, customer satisfaction, and business revenues (Mathe-Soulek, Scott-Halsell, Kim, & Krawczyk, 2014).

Understanding psychological capital in work can be synthesized into the psychological capacity underlying the motivation and cognitive processes of individuals in the face of work challenges. Such capacities include the belief in self-confidence to attempt to accomplish challenging tasks; have positive energy in viewing difficult situations, consider unpleasant events as a result of external influences, inconsistencies, and related to specific factors, and always seek alternative ways to achieve goals; and able to bounce back from adversity and failure, persistent in the face of conflict and uncertainty, even stress caused by something positive such as increased responsibility (Avey, Luthans, Smith, & Palmer, 2010; Culbertson, Fullagar, & Mills, 2010; Jung & Yoon, 2015; Pillay, Buitendach, & Kanegoni, 2014; Ziyae, Mobaraki, & Saediyoun, 2015).

#### 2.4 *Perceived Organizational Fit*

Human behavior is closely related to the function of individuals and the environment, as well as the environment is a function of the behavior of individuals in it (Mete, Sokmen, Biyik, 2016). Various studies describe perceived organizational fit (POF) as the compatibility between individuals and organizations that occur when at least one of them can provide for the needs of others, or they have congruence in characteristics and values required in the relationship (Chhabra,

2016, Mete, Sokmen, & Biyik, 2016; Yu, 2016). POF was agreed as a multi-dimensional construct, consisting of supplementary fit, needs-supplies fit, and demands-abilities fit, and these three dimensions are interdependent (Chhabra, 2016; Choi, Tran, & Kang, 2016; Yu, 2016).

POF has been shown to influence employees' motivation, job satisfaction, organizational commitment, tenure, and performance (Arthur et al., 2006; Kristof-Brown et al., 2005), however, it remains questionably defined and often misunderstood. It has been suggested that there are as many ways to conceptualize and measure POF as there are scholars who study fit. When we review the literature we see two dominants, and increasingly distinct, portrayals of POF. The divide is between those researchers who focus on fit as an internal feeling, usually referred to as a perceived fit, and those who view fit as the interaction between internal and external factors usually referred to as objective or actual fit (Kristof-Brown & Billsberry, 2013). POF is arguably most proximal to individuals' decision making and has been shown to offer the strongest relationships to expected outcomes such as job satisfaction and organizational commitment (Kristof-Brown et al., 2005), it has attracted comparatively little research (Harrison, 2007). Very little is known, then, about how these perceptions are formed, or why they influence attitudes and behaviors as strongly as they do.

According to Yu (2016), POF is a multi-dimensional construct consisting of complementary fit and congruence among the supplementary entities. The complementary fit is differentiated into the demands-abilities fit (D-A), and needs-supplies fit (N-S). D-A occurs when what the organization demands can be fulfilled by the employee through its capabilities. Organizational demands can be objective (project deadline, quality standards) or demand due to social constructions (role expectations, behavior norms) charged to employees. Employee skills include knowledge, skills, energy, and all the personal resources that employee can use to meet organizational demands. N-S occurs when the needs of the employee can be met by the organization. The needs of the employee as an individual are all desires that are consciously experienced by the individual. While the organization can meet these needs through various ways such as salary, work authority, and a sense of security in work. In addition to D-A and N-S, this study also describes POF with the similarity of employee characteristics and values with the organization in relation to work (supplementary fit).

### 3. Hypothesis Development

#### 3.1 *The Role of Employee Well-being to Organizational Commitment*

In accordance with the affective event theory (Weiss & Cropanzano, 1996), work can be a stimulus of individual affective reactions, which in turn will affect attitude and behavior. Events that trigger positive affection will increase job satisfaction, which is an important part of well-being. Positive affection will also stimulate the emergence of positive emotions, where according to positivity theory (Fredrickson, 2009), positive emotions will arouse the ability of individuals to build broad reasoning and even create the psychological resources needed to face the next challenge of work life. These resources are likely to be retained by individuals, as loss of resources causes stress and strain, a condition that is not favorable both physically and mentally (Hobfoll, 2002).

This is also reinforced by self-determination theory (Deci & Ryan, 2008) which explains that there are three individual psychological needs that need to be satisfied, namely the need for competence, the need for autonomy, and the need for relationships with others. The needs in this theory of self-determination are in line with the concept of Psychological well-being (Ryff & Keyes, 1995) which explains that individual well-being depends on the capability to develop competencies (competence), have a good relationship with others (relatedness), and have sufficient autonomy (autonomy).

Therefore, based on the above description, it can be concluded that the employee will tend to retain the job that is able to give him well-being. Well-being will encourage the formation of psychological ties between employees and the company (affective commitment). In addition, research also showed that satisfied employees tend to feel obliged to remain members of the organization (Cooper-Hakim & Viswesvaran, 2005; Harrison, Newman, & Roth, 2006) and feel the need to repay the services of the organization which has. This obviously increases the employee's normative commitment. Thus can be proposed hypothesis:

H1: *Employee Organizational Commitment is positively associated with the level of Employee Well-being*

#### 3.2 *The Role of Employee Psychological Capital to Employee Well-being*

Psychological capital can act as a resource of personal characteristics that can improve well-being if individuals have it at a high enough level (Avey, Luthans, Smith, & Palmer, 2010; Culbertson, Fullagar, & Mills, 2010). Wright and Hobfoll (2004) stated that individuals perform a

cognitive evaluation of the availability of resources as an indicator of their well-being. According to the conservation of resources theory (Hobfoll, 1989; 2002; 2011), individual's ability to acquire and maintain resources is both a means and an end, a means for achieving success and an end that include adaptation, coping stress, and well-being.

Furthermore, psychological capital can affect the mechanisms of individual coping stress, which then affects the level of well-being. Research has shown that individual coping strategies depend heavily on the type and level of resources it has (Folkman&Moskowitz, 2007). While Lazarus (2003) identifies that self-efficacy, optimism, expectations, and resilience as concepts that are important to understanding how individuals coping with stress. Avey, Luthans, and Jensen (2009) found a positive relationship between employee Psychological Capital and employee Well-being. Therefore, a hypothesis can be proposed:

*H2: Employee Well-being is positively associated with Psychological Capital.*

### *3.3 The Role of Employee Perceived Organizational Fit to Employee Well-being*

Various studies have succeeded in explaining the relationship between the organizational fit with employee well-being (Chhabra, 2016; Lin, Yu, & Yi, 2014; Yu, 2016). According to Chhabra (2016) the greater the importance of an employee's needs that can be met by the organization, then the employee will feel more satisfied. Thus, the degree of fit between needs and supplies is clearly related to the degree of individual satisfaction as an individual's affective response to his organization (Choi, Tran, & Kang, 2016; Yu, 2016). The existence of shared personal values with the organization can serve as a supply for individual social and affiliated needs (Yu, 2014; 2016). Values that are considered important to employees will affect what the employee wants from his/her job.

While the values that are considered important to the organization will also affect how the organization will reward its employees. So that fit in the form of value congruence obviously will affect the fit between the needs of employees and the supplies from the organization, which will further improve employee satisfaction and well-being (Yu, 2016). Furthermore, organizational fit will also encourage good communication and coordination within the organization, which can help employees meet organizational demands. Thus, such alignment will improve employee performance, then the organization will reward the performance, and the employee will be satisfied (Lin, Yu, & Yi, 2014). Stress will occur if the supply from the organization (environment) cannot meet the individual needs (Deniz, Noyan, & Ertosun, 2015). Stress will be higher if it happens to



the needs that are considered important by the individual concerned (Brandstatter, Job, & Schulze, 2016). Therefore, a hypothesis can be proposed:

*H3: Employee Well-being is positively associated with Employee Perceived Organizational Fit*

### *3.4 The Role of Employee Psychological Capital to Organizational Commitment*

Conservation of resources theory (Hobfoll, 1989, 2002) says that individuals are always trying to gain and retain resources. In addition, Wright and Hobfoll (2004) describe how employees acquire, maintain, and retain the necessary resources, both to meet employment demands and to maintain the sustainability of ownership of those resources. Thus, individuals with high psychological capital, as psychological resources, will experience positive emotions, in which positive emotions can be directed to their work so that it will increase the affective commitment. Various studies have shown a positive and significant influence between the psychological capital on organizational commitment (Larson & Luthans, 2006; Luthans, Avolio, Walumbwa, & Li, 2005; Luthans, Norman, Avolio, & Avey, 2008). Employees who are optimistic about their future with the organization will remain loyal to their work, confident in their ability, and believe that they can take control of their lives and contribute to their organizations (Larson & Luthans, 2006). Likewise with persistent employees in the pursuit of their goals, will have high motivation in completing the tasks of the organization (Luthans, 2012). As a result, employees will remain loyal and develop a high commitment to the organization (Aminikhah, Khaneghah, & Naghdian, 2016; Pillay, Buitendach, & Kanegoni, 2014; Simon & Buitendach, 2013). Therefore, a hypothesis can be proposed:

*H4: Employee Organizational Commitment is positively associated with Psychological Capital.*

### *3.5 The Role of Employee Perceived Organizational Fit to Organizational Commitment*

Employee perceived organizational fit (POF) relates to organizational commitment through fit between the needs of employees and the supplies that the organization can provide to employees (Oh, Guay, Kim, Harold, Lee, Heo, & Shin, 2014). Affective commitment can be created if the outcome of the job can meet the needs and desires of employees (Astakhova, 2016; Mete, Sokmen, & Biyik, 2016; Sengupta, Yavas, & Babakus, 2014). With the fulfillment of needs and desires, employees will feel satisfied and finally created positive emotions to the organization. The fit between supply and demand will also result in continuance commitment since the rewards that have been received by employees are considered to be lost when the employee leaves the

organization. And finally, a normative commitment that is identical to the norm of loyalty, will be fulfilled if the employee remains in the company.

When this norm has been internalized in the employee, then the norm will turn into a personal psychological needs. By remaining members of the organization, these needs will be met, resulting in a match between need and supply. Therefore, it can be said that the needs-supplies fit can lead to the creation of normative commitment because the need for loyalty is fulfilled by remaining members of the organization (Edwards & Billsberry, 2010). The existence of value congruence between individuals and the organization will create social support for the individual concerned (Lu, Bonfrer, & Voola, 2015; Yu, 2014). Then this social support can help the employee in completing his/her duties, making the employee get a reward that serves as the fulfillment of the needs. The result is that employees will feel satisfied, creating a positive emotion towards the organization, which means helping to create affective commitment (Memon, Salleh, Baharom, & Harun, 2014). Therefore, a hypothesis can be proposed:

*H5: Employee Organizational Commitment is positively associated with Perceived Organizational Fit.*

#### **4. Research Method**

The sample in this study consisted of 288 Millennial employees from three companies in the digital business industry in Jakarta. These three companies had been selected was based on their size and growth that was remarkable among the others. We contacted human resource managers from these companies to ask for participation in our data collection. We explained to them that the purpose of this study is to examine the role of employee psychological capital, perceived organizational fit, and employee well-being to employee organizational commitment. We explicitly noted that the study is purely academic and that there is no material compensation for participation. By using simple random sampling method, 350 questionnaires were distributed to the targeted respondents, and finally, 288 questionnaires were coded and analyzed. The demographic characteristics of participants in this study consisted of 173 men and 115 women, ranging in age from 25-35 years with an average of 29.76 (SD = 2.69), and 33% were married.

This study is based on the objective of applied research, since the development of knowledge in human capital and organizational behavior management is based on how to obtain

the required data, descriptive and correlational, which is the purpose of this study analysis is based on the relationship between the variables.

A pilot test was conducted to ensure the scales' reliability. Some terms that had become indigestible as going through the translation process were modified on the basis of the results of the pilot test. The final questionnaire has Cronbach's alpha as shown in table 1.

Psychological capital we used the PCQ scale develop by Luthans, Youssef, and Avolio (2007). Sample items from the scale include: "I feel confident helping to set targets in my work area"; "There are lots of ways around many problems"; and "I usually take stressful things at work in stride". Responses were given on 6-point Likert scale ranging from 1 (strongly disagree) to 6 (strongly agree), after that we created scale scores by averaging across items.

Perceived organizational Fit was measured with items adapted from Cable and DeRue (2002). Sample items from the scale include: "The things that I value in life are very similar to the things that my organization value"; "There is a good fit between what my job offers me and what I am looking for in a job"; and "My abilities and training are good fit with the requirements of my job". Responses were given on 6-point Likert scale ranging from 1 (strongly disagree) to 6 (strongly agree), after that we created scale scores by averaging across items.

Employee work well-being was measured with items adapted from Diener, Inglehart, and Tay (2013), Life Satisfaction Scale, and we did minor adjustment to match with our research context in work setting and Indonesian culture. Sample items from the scale include: "I feel satisfied with my life"; "The work that I have been working for made me satisfied"; and "The income I earn from the company I work for has satisfied me". Responses were given on 6-point Likert scale ranging from 1 (strongly disagree) to 6 (strongly agree), after that we created scale scores by averaging across items.

Table 1. Reliability Test Results

Variables and Dimensions	Cronbach's Alpha
Psychological Capital	
Hope	.883
Efficacy	.709
Resilience	.799
Optimism	.739

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Perceived Organizational Fit	
Value Congruence	.792
Needs-supplies Fit	.748
Demands-Abilities Fit	.759
Employee Work Well-being	.762
Employee Organizational	
Commitment	.743
Affective Commitment	.744
Continuance Commitment	.767
Normative Commitment	

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Organizational commitment was measured with items adapted from Meyer and Herscovitch (2001). Sample items from the scale include: "I would very happy to spend the rest of my career with this organization"; "Right now, staying with this organization is a matter of necessity"; and "I would feel guilty if I left this organization now". Responses were given on 6-point Likert scale ranging from 1 (strongly disagree) to 6 (strongly agree), after that we created scale scores by averaging across items.

Besides that, we also include some demographic variables as control variables in the questionnaire such as gender, age, level of education, and marital status.

## 5. Results

Means, standard deviations, and correlations between variable were presented in Table 2. The results showed that employee well-being and organizational commitment was positively correlated ( $r=0.501$ ,  $p<0.05$ ), Psychological capital and employee well-being was positively correlated ( $r=0.276$ ,  $p<0.05$ ), Employee perceived organizational fit and employee well-being was positively correlated ( $r=0.442$ ,  $p<0.01$ ), psychological capital and organizational commitment was positively correlated ( $r=0.188$ ,  $p<0.05$ ), and employee perceived organizational fit was positively correlated with organizational commitment ( $r=0.427$ ,  $p<0.01$ ). The two independent variables were not significantly correlated each other.

Table 2. Descriptive Statistics and Correlation Matrix

	Mean	SD	1	2	3	4
1. PsyCap	4.4357	0.3786	1.000			
2. POF	4.3133	0.5127	0.095	1.000		
3. WWB	4.0074	0.6326	0.276*	0.442**	1.000	
4. OrCom	4.1451	0.3178	0.188*	0.427**	0.501*	1.000
3. Age	29.76	2.69	-	-	-	-

Notes: N=288. \* $p < 0.05$ , \*\* $p < 0.01$

Confirmatory factor analysis (CFA) was adopted to assess whether the research model fit the sample data adequately or not. The test of the research model came into being a satisfactory fit to the data ( $\chi^2 = 92.51$   $df = 46$ ,  $\chi^2/df = 2.011$ ,  $RMSEA = 0.059$ ,  $GFI = 0.95$ ,  $CFI = 0.96$ ,  $NFI = 0.93$ ). All the factor loading for the indicators on the latent variables were well represented by their indicators.

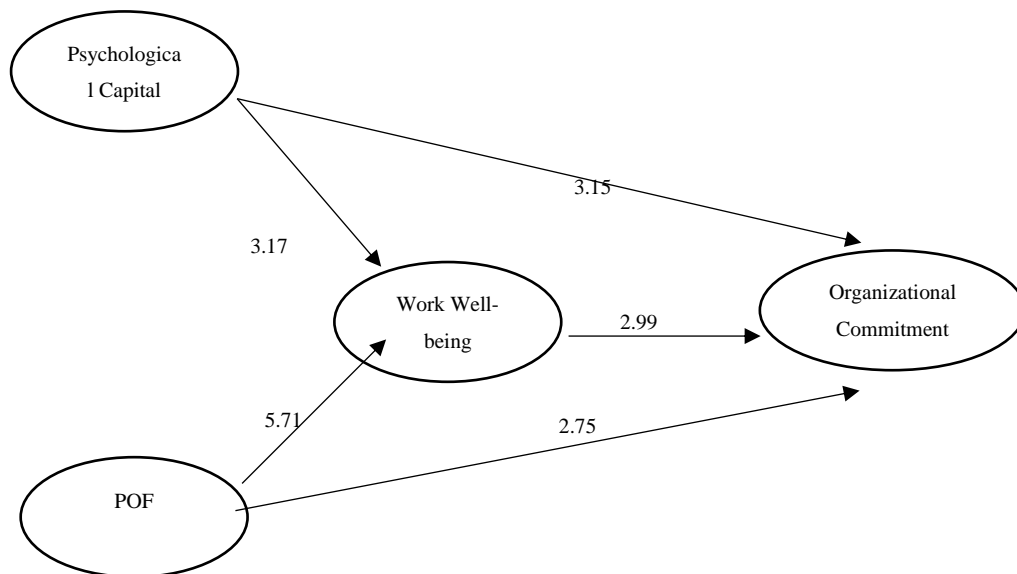


Figure 1. Research model with t-values ( $p < 0.05$ )

As shown in Figure 1, the relationship between psychological capital and work well-being results in a higher t-value ( $t = 3.17$ ) than the relationship between psychological capital with organizational commitment ( $t = 3.15$ ) although both showed significant effects. Likewise, the

relationship between perceived organizational fit and work well-being also yielded a higher t-value ( $t=5.71$ ) than the relationship between perceived organizational fit with organizational commitment ( $t=2.75$ ), while work well-being also has a positive and significant effect on organizational commitment ( $t=2.99$ ). These results show that construct work well-being being partially mediates the relationship between psychological capital and perceived organizational fit with organizational commitment.

## **6. Discussion and Conclusion**

The positive relationship between capital psychological capital and work well being confirmed the findings of Siu (2013), Avey, Luthans, Smith, and Palmer (2010), Culbertson, Fullagar, and Mills (2010), psychological capital can act as cognitive resources that help employee to achieve success include adaptation, coping stress, and well being.

Next, the study also confirms previous research findings that explain the positive and significant relationship between POF with work well being (Chhabra, 2016; Lin, Yu, & Yi, 2014; Yu, 2016). Organizations that can meet the needs of employees, the ability of employees to meet organizational demands, and the value congruence between employees with the organization, can make employees more enjoy their work and able to cope with stress arising from work.

This research also showed the positive relationship between psychological capital and POF to organizational commitment. The results of this study are in accordance with previous research (Larson & Luthans, 2006; Luthans, Avolio, Walumbwa, & Li, 2005; Luthans, Norman, Avolio, & Avey, 2008) showing a positive and significant relationship between psychological capital and employee organizational commitment. Psychological capital as cognitive resources will help employees overcome any problems on the job, build an emotional relationship with employees with the company, which keeps employees to stay and give the maximum contribution to the company. Then, the high POF, making employees feel the company can meet their needs, and he/she is also able to meet the demands of work, coupled with the congruence between individual values and organizational values. This increases employee job satisfaction, stimulates the emergence of positive emotions towards the organization, which ultimately can increase organizational commitment.

This result confirms previous research findings that showed affective commitment can be created if the outcome of the job can meet the needs and desires of employees (Astakhova, 2016;

Mete, Sokmen, & Biyik, 2016; Sengupta, Yavas, & Babakus, 2014). The existence of value congruence between individuals and the environment will create social support for the individual concerned (Lu, Bonfrer, & Voola, 2015; Yu, 2014). Then this social support can help the employee in completing her duties, making the employee get a reward that serves as the fulfillment of the needs of employees. The result is that employees will feel satisfied, creating a positive emotion towards the organization, which means helping to create affective commitment (Memon, Salleh, Baharom, & Harun, 2014).

Finally, this study shows a strong positive and significant relationship between work well being and organizational commitment in line with previous research (Cooper-Hakim & Viswesvaran, 2005; Harrison, Newman, & Roth, 2006). As explained through affective event theory (Weiss & Cropanzano, 1996) and positivity theory (Fredrickson, 2009), positive emotions will arouse the ability of individuals to build the next challenge of life (work). These resources are likely to be retained by individuals, as loss of resources causes stress and strain, a condition that is not favorable both physically and mentally. Therefore, the results of this study provide implications for companies, especially for human capital management. Retaining highly effective employees is important for an organization to create competitive advantage (Joshi & Agarwal, 2011) and long-term organizational success regardless of the sector in which an organization operates (Groves, 2011). We believe that with an understanding of millennial employees psychological capital and how they interact with the environment, senior management can develop recruitment and management approaches that appeal to the workplace expectations of millennial employees. The study indicates that management should ensure work is structured to positively affect their employees' attitudes and behaviors.

Practical implications of the study include the importance of organizational fit and psychological capital concept for improving employee commitment at work in order to attain superior performance. Organizational fit becomes essential for attracting and retaining the talented workforce, utilizing their skills effectively and, in general, leveraging human potential most critically. It will be useful for the organizations to develop fit scales that can be used to assess the fit of the candidates which can be matched with the organizational fit standards, resulting in high person-organization fit. The concept of organizational fit can be further applied after organizational entry, that is, during training and socialization. In addition, this study also showed that employee work well-being increasingly plays an important role in increasing employee organizational commitment. Therefore, in line with Cameron and Spreitzer (2012), the company

can consider a positive approach to building sustainable competitive advantage. Positivity is concerned with understanding the best of the human condition, such as flourishing, thriving, optimal functioning, excellence, virtuousness, forgiveness, compassion, goodness, and other life-giving dynamics for their own sake, rather than just as means towards other ends.

In conclusion, the organizational pendulum between the individual factors and contextual factors should oscillate in a way to create dynamic effects on organizational commitment, then to convert human capital become a source of sustainable competitive advantage to achieve companies superior performance. This study contributes by demonstrating those relationships also proven empirically in the context of millennial employees in the digital business industry in Indonesia today.

## **7. Limitations and Future Research**

As the design of this study was cross-sectional, causal conclusions concerning the impact of psychological capital, organizational fit, and employee work well-being toward employee organizational commitment cannot be drawn. A longitudinal study where the impact of psychological capital and organizational fit are related to employee work well-being and employee organizational commitment at a later point in time would provide a more rigorous test of relationships.

This study uses self-report measures to assess organizational fit between employee and the organization, although the measures used were reliable, using self-report measures could lead to the problems of common method variance. Furthermore, using self-report measures, social desirability biases become a cause of concern. Future studies can also use qualitative methods to investigate emergent themes in this area.

The sample of this study was only limited to the Indonesian employees from digital business industry in Jakarta. There might be some culture-specific issues which were overlooked. Future research may benefit from an exploration of a wider range of employees at different organizational levels, cultures, and sectors.



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