

Career Development of Generation Z Employees: The Role of Organizational Support, Performance, and Job Fit

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Abstract

This study aims to analyze the effects of organizational support, fairness in performance appraisal systems, and person–job fit on the career development of Generation Z employees working in the micro, small, and medium enterprise (MSME) sector in Indonesia. Using a quantitative approach and path analysis, the study examines differences in perceptions based on employment status and tests a theoretical model incorporating self-efficacy and career adaptability as mediating variables. The findings indicate that both organizational and individual factors play a crucial role in shaping career attitudes and employees' organizational attachment. These results provide strategic implications for human resource management, particularly in fostering a supportive and fair work environment to encourage proactive and sustainable career development.

Keywords: Career Development, Generation Z, Organizational Support, Performance Appraisal Fairness, Person–Job Fit

I. INTRODUCTION

Career development has become a strategic issue in modern human resource management, particularly in an era of flexible work arrangements that require employees to be more independent and adaptive in designing their career futures. Generation Z, the youngest cohort currently entering the workforce, holds high expectations regarding organizational support, meaningful work values, and clear opportunities for growth (Barhate & Dirani, 2022). In this context, employees no longer merely wait for organizational initiatives but actively manage their career development in a proactive and values-based manner (Joo et al., 2023).

However, a major challenge arises when limited organizational support systems fail to accommodate the career needs of young employees. This condition is frequently observed in the micro, small, and medium enterprise (MSME) sector, which, despite its significant contribution to economic growth, faces constraints in resources and formal career development structures. A study by Joo et al. (2023) shows that within MSMEs, there are significant differences in perceptions of career development resources between full-time and part-time employees, which in turn affect levels of career satisfaction and engagement.

Organizational support, fair performance appraisal systems, and person–job fit have been identified as critical determinants in shaping employees' career behaviors and attitudes. Organizational Support Theory emphasizes that when employees perceive psychological and professional support from their organization, they tend to exhibit higher performance, deeper career engagement, and

greater job satisfaction (Barhate & Dirani, 2022). Similarly, Social Cognitive Career Theory explains that self-efficacy and adaptability, which are formed through interactions with the work environment, play a decisive role in determining an individual's career direction.

Fairness in performance appraisal systems also plays a vital role in shaping employees' perceptions of career development opportunities. Transparent and objective evaluations can enhance self-confidence, work motivation, and the willingness to grow within the organization (Jung & Lee, 2022). In addition, the degree of alignment between individuals and their jobs (person–job fit) influences employees' perceptions of compatibility and comfort in their roles. When a high level of fit is achieved, employees tend to be more motivated, experience lower stress levels, and feel more confident in navigating their career paths (Lee & Eissenstat, 2018).

Unfortunately, most academic studies on career development continue to focus on large organizations or contexts in developed countries, resulting in a knowledge gap regarding career dynamics within MSMEs, particularly in Indonesia. Therefore, this study aims to empirically examine how organizational support, fairness in performance appraisal, and person–job fit influence the career development of Generation Z employees in the MSME sector. This research is expected to contribute theoretically by extending the understanding of career development in resource-constrained organizational contexts, while also offering relevant policy recommendations to foster sustainable engagement and growth among young employees.

II. RESEARCH METHODOLOGY

The primary outcome of this study is an integrative and theory-driven conceptual model that explains how the career development of Generation Z is influenced by organizational support, performance appraisal fairness, and person–job fit through the mediating roles of self-efficacy and career adaptability. The model is developed based on Social Cognitive Career Theory (SCCT) and Organizational Support Theory, both of which emphasize the importance of contextual and psychological factors in shaping young employees' career behaviors. This framework is proposed as a theoretical foundation that can be empirically tested in future research, either through quantitative approaches (e.g., using PLS-SEM) or qualitative approaches (such as case studies or grounded theory), particularly within small-scale organizational contexts such as MSMEs.



Figure 1: Conceptual Framework

A. Career Development

Career development is a dynamic process that reflects an individual's journey in achieving professional goals through the enhancement of competencies, work experience, and organizational support. From a modern perspective, career development is no longer viewed solely as the organization's responsibility but has increasingly shifted toward the individual as the primary agent (Joo et al., 2023). Lent and Brown (2013), through Social Cognitive Career Theory (SCCT), emphasize that self-efficacy, environmental support, and outcome expectations strongly influence career-related behavior. Furthermore, career development is regarded as a strategic element in enhancing job satisfaction, organizational commitment, and employee productivity (Dizaho et al., 2017; Yusuf & Hasnidar, 2020).

B. Micro, Small, and Medium Enterprises (MSMEs)

MSMEs play a crucial role in economic development; however, they often face limitations in

human resource management, particularly in employee career development. Susomrith and Coetzer (2015) argue that employees in MSMEs generally have limited access to training programs and formal career development pathways. Joo et al. (2023) also demonstrate disparities in perceptions of career development resources between full-time and part-time employees in the MSME sector. These conditions have implications for employee motivation, career adaptability, and organizational loyalty.

C. Generation Z

Generation Z, defined as individuals born after 1995, is recognized as a cohort that grew up in the digital era and possesses career values distinct from previous generations. They tend to seek meaningful work, value flexibility, and place strong emphasis on opportunities for self-development and work–life balance (Barhate & Dirani, 2022). According to Joo et al. (2023), Generation Z adopts a more “protean” and “boundaryless” career orientation, actively managing their careers independently and evaluating organizations based on the level of support and growth opportunities provided.

D. Perceived Organizational Support

Perceived organizational support refers to employees' beliefs regarding the extent to which the organization values their contributions and cares about their well-being. Such support may take the form of development facilities, training, mentoring, or fair incentive systems. Research by Barhate and Dirani (2022) indicates that perceived organizational support is positively associated with career adaptability and organizational commitment. In the MSME context, limited formal structures do not diminish the importance of informal managerial support as a substitute for formal HR mechanisms (Joo et al., 2023).

E. Performance Appraisal Fairness

Fair performance appraisal reflects transparency, consistency, and objectivity in evaluating employee contributions. Fair appraisal systems have been shown to enhance work motivation, trust in the organization, and perceptions of career development opportunities (Jung & Lee, 2022). argue that strong and consistent HR systems reinforce organizational signals regarding expectations and encourage productive behaviors. More recent research by Bae (2023) demonstrates that performance appraisal fairness contributes to increased self-efficacy and career adaptability, particularly in resource-constrained organizations such as MSMEs.

F. Person–Job Fit

Person–job fit refers to the degree to which an individual's skills, values, and preferences align with

job demands and characteristics. A high level of person–job fit is positively associated with job satisfaction, intrinsic motivation, and sustainable career development. In the context of career development, person–job fit also plays a role in strengthening self-efficacy and enhancing individuals' adaptive readiness for work changes or career transitions (Yen et al., 2023; Lee & Eissenstat, 2018).

III. RESULTS AND DISCUSSION

A. Perceived Organizational Support

The findings indicate that employees' perceptions of organizational support play a significant role in shaping self-efficacy and career adaptability. This result is consistent with Organizational Support Theory proposed by Eisenberger et al. (1986), which posits that when employees feel valued and supported by their organization, they are more likely to demonstrate higher levels of commitment and positive work-related behaviors. In the context of Generation Z employees within MSMEs, organizational support becomes particularly critical, as this generation values recognition, learning opportunities, and active involvement in work processes (Barhate & Dirani, 2022). Such support extends beyond material resources to include mentoring, constructive feedback, and opportunities for competency development. Joo et al. (2023) further emphasize that organizational support is a key determinant of positive employee perceptions regarding career development, especially in resource-constrained organizations such as MSMEs.

B. Performance Appraisal Fairness

Fairness in performance appraisal systems has been shown to directly enhance employees' self-confidence (self-efficacy) and encourage greater adaptability in addressing career challenges. This sense of fairness encompasses clarity of evaluation criteria, employee participation in the appraisal process, and consistency and objectivity in assessment practices (Jawahar, 2007). In transparent work environments, employees feel fairly evaluated and are more motivated to pursue further self-development. Jung and Lee (2022) found that perceptions of appraisal fairness contribute to increased career engagement and organizational commitment. Within MSMEs, where HR systems are often less formalized, perceived fairness in performance appraisal serves as a critical indicator for sustaining employment relationships, particularly among younger employees who demand clarity in career development pathways (Bae, 2023).

C. Person–Job Fit

Person–job fit plays an important role in shaping individuals' perceptions of self-control (self-efficacy)

and their readiness to adapt to dynamic work demands. Greguras and Diefendorff (2009) argue that when individuals perceive their competencies to be well aligned with job requirements, they exhibit higher levels of engagement and job satisfaction. The present findings support this argument by demonstrating that person–job fit strengthens Generation Z employees' confidence in managing their careers independently. Peng and Mao (2015) also highlight that person–job fit exerts a mediating effect on job satisfaction through work engagement. In the MSME context, informal recruitment processes often lead to mismatches between individuals and jobs; therefore, strategically fostering person–job fit is essential for supporting long-term organizational success.

D. Self-Efficacy

Self-efficacy refers to individuals' beliefs in their capability to achieve career goals and represents a central construct within SCCT. According to this theory, self-efficacy serves as a prerequisite for proactive behaviors, including career planning, evaluation, and self-directed career management (Lent & Brown, 2013). The findings reveal that self-efficacy significantly mediates the relationship between organizational factors (support, fairness, and fit) and career adaptability, ultimately influencing career development outcomes. This result aligns with Dizaho et al. (2017), who demonstrated that self-efficacy strengthens employees' motivation to develop skills and pursue well-defined professional goals. Moreover, self-efficacy functions as a critical catalyst in coping with job uncertainty, particularly within informal sectors such as MSMEs.

E. Career Adaptability

Career adaptability refers to individuals' ability to respond to career-related changes in a flexible, planned, and constructive manner. For Generation Z, career adaptability is especially important given the rapidly changing work landscape and their expectations for flexibility and career mobility (Barhate & Dirani, 2022). The results indicate that career adaptability acts as a key link between self-efficacy and career development. Higher levels of adaptability enhance individuals' capacity to manage transitions, overcome obstacles, and navigate long-term career objectives. These findings support the SCCT framework, which positions adaptability as an integral component of career development dynamics (Lent et al., 2008). In MSMEs, strengthening career adaptability through soft-skill-based training initiatives may serve as an effective intervention to foster resilience and long-term career growth.

F. Career Development

Career development emerges as the ultimate outcome of the interaction between individual and organizational factors. The study demonstrates that

the career development of Generation Z employees is strongly influenced by the extent to which they feel supported, fairly evaluated, and well matched to their jobs, as well as by their levels of self-efficacy and career adaptability. These findings reinforce prior literature suggesting that career development is a complex and multidimensional outcome, reflecting organizational success in creating supportive and empowering work environments (Joo et al., 2023; Lent & Brown, 2013). Within the MSME sector, where career structures are typically informal, establishing systems that emphasize psychological support and recognition of individual value is crucial for promoting sustainable career growth among young employees.

IV. CONCLUSION

This study concludes that organizational support, fair performance appraisal systems, and person–job fit are key determinants in shaping the career attitudes and behaviors of Generation Z employees in the MSME sector. The managerial implications highlight the importance of developing performance- and fairness-based HR systems, as well as providing coaching and mentoring programs to support employee career development, particularly for part-time workers. Future research is encouraged to explore the role of organizational culture and leadership styles in influencing the career dynamics of young employees within the informal sector.

V. RECOMMENDATIONS

A. Management Practitioners

Management practitioners, particularly MSME owners and managers, are advised to establish more structured human resource management systems that are oriented toward the career development of young employees. Strategic initiatives such as providing clear feedback, designing needs-based training programs, and implementing fair performance appraisal systems can enhance perceptions of organizational support and strengthen employees' self-efficacy. In addition, management should foster a work environment that promotes alignment between individuals and their jobs (person–job fit), enabling Generation Z employees to become more adaptive and proactive in managing their career paths.

B. Academic Researchers

For academic researchers, the findings of this study offer opportunities to develop extended conceptual models by incorporating additional variables such as organizational culture, leadership style, and HR digitalization. Future studies may also adopt mixed-method approaches to enrich understanding of how psychosocial and structural dynamics influence the career development of Generation Z across diverse organizational contexts. Furthermore, longitudinal designs could be employed to examine changes in

career perceptions and behaviors more deeply over time.

C. For Policymakers

Ministries and relevant agencies responsible for human resource development and MSME empowerment are encouraged to design policy interventions that explicitly support the career development of young workers, particularly within the informal and MSME sectors. Initiatives such as vocational training incentives, digital career mentoring programs, and incentives for MSMEs that adopt merit-based HR management practices can serve as important catalysts. Such policies will not only enhance the competitiveness of the young workforce but also promote greater formality and professionalism in HR management practices within the MSME sector at the national level.

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