CHAPTER I

INTRODUCTION

1.1 Background of the Study

Tourism in Indonesia has great potential and has a steady growth over the years, supported by the diverse range of tourist attractions, natural beauty, and abundance of cultural and arts richness. The steady growth of tourism has impacted the hospitality industries in experiencing significant development that also contributes to the country's economic growth (Irwansyah Rezeki et al., 2024).

Figure 1. 1 The Growth of Indonesia Tourism April 2024
Source: Prepared by Writer from Badan Pusat Statistik

The growth of tourism in Indonesia can be seen through the data above that are provided by Badan Pusat Statistik which indicates the tourism in Indonesia is

experiencing growth. According to BPS, in April 2024, the number of international tourists visiting Indonesia reached 1.07 million, increase 2.41 percent from March 2024 (month-to-month) and 23.23 percent from April the previous year (year-on-year). The majority of visitors that visited Indonesia that month came from Malaysia, Australia, and China. Overall, foreign visitor arrivals rise by 24.85 percent between January and April 2024 compared to the same period in 2023. This surge was most noticeable at Ngurah Rai-Bali and Soekarno Hatta-Banten airports, which saw increases of 28.92 percent and 38.31 percent, respectively (BPS, 2024).

The growth of tourism industry has also created competitiveness, changes, challenges, and opportunities for the subject in the industry as well as the hospitality industry. According to Wijaya (2020) cited in Sayuga et al. (2023), due to the competitiveness and changes in hospitality industry, an organization needs to adjust the conditions for organizational survival, so that it continues to survive. According to Samsir Rudy (2019) in Sayuga et al. (2023), in order to face the competitiveness and changes, human resources are required to be competitive and must prepare themselves to be skilled and fulfill the expectations of the work market.

According to Belhassen et al. (2020) as cited in Lestari (2022), the rapid growth of the tourism industry in various countries, including Indonesia, has also encouraged the emergence of tourism schools which aim to produce skilled workers in this field. Over the past few decades, the number of students choosing to pursue academic degrees in this field has steadily increased, indicating optimism. According to Bhalla

& Dawra (2020) as cited in Lestari (2022), the hospitality industry is growing quickly and consistently needs skilled and competent staff. Graduates from hospitality educational institutions are well-suited to fulfill this demand. Furthermore, some colleges require students to complete internship programs in hotels as part of their graduation requirements. This ensures that students receive practical experience and get familiar with the working environment in the hotel business. As a result, they are better prepared to give greater performance than individuals without a background in hospitality education, as they have more hands-on experience in the field.
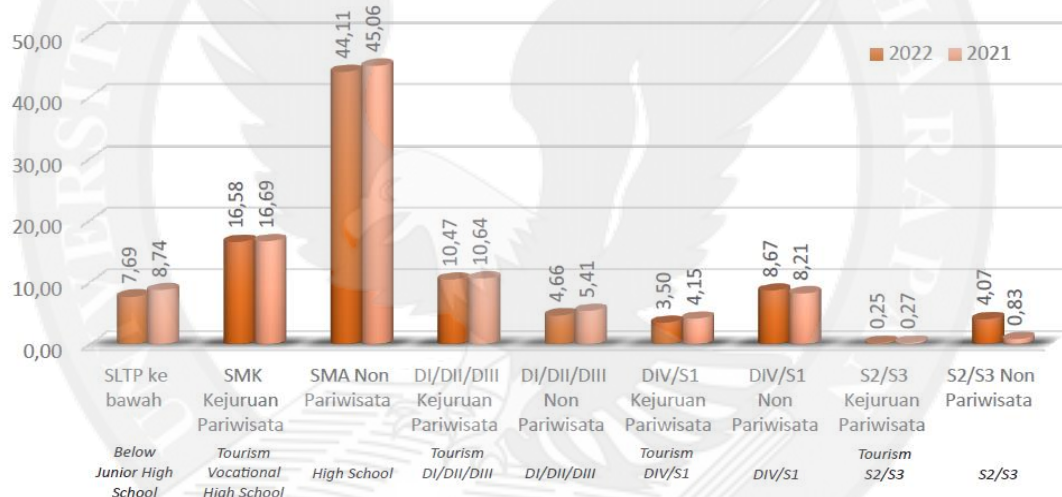

Figure 1. 2 Proportion of Accommodation Services Workers by Level of Education, 2021-2022
Source: Badan Pusat Statistik 2023

However, based on the statistical data provided by (BPS, 2023) that can be seen from Figure 1.2, the hospitality industry was dominated by non-tourism high school graduates in 2022 and the previous year. The data shows that 70% of workers in the hospitality industry have only attended junior high school, non-tourism high school, technical school, and graduates from non-tourism education institutions. Therefore, it

indicates that only about 30% of tourism students end up working in the hospitality industry. It shows that the job pursuit intention of hospitality students in hospitality industry are quite low.

According to Jolly et al. (2020), it was also well stated in the previous research that hiring competent and talented employees has become a pressing problem in hospitality industry. To remain competitive, the hospitality industry must constantly recruit due to its high turnover rate, which approaches 70% annually. However, as stated by Song & Chathoth (2008) in Zhang & Eringa (2022), it is clearly recognized that attraction and retention of skilled, driven, and competent employees has been proven as one of the toughest challenges in the hospitality industry compared to another sectors. According to Story et al. (2016) as cited in Tarigan et al. (2020), the scarcity of skilled and motivated employees is a major challenge for human resource management. In fact, many hospitality management students do not pursue their job in the hospitality industry after graduation. Instead, they pursue careers in allied industries like luxury retailing, banking, fashion, leisure, and travel (Hsu & Hiltebrand, 2019 cited in Zhang & Eringa, 2022).

Table 1. 1 Preliminary Survey of UPH Medan Hospitality Students Job Pursuit Intention

Intention to work in hotel	Number of Respondents	Percentage
Yes	23	28.7
No	57	71.3
Total	**80**	**100%**

Source: Prepared by writer; processed with Excel (2024)

Furthermore, a preliminary survey has conducted among Universitas Pelita Harapan (UPH) Medan Hospitality Management students revealed that approximately 71,3% of the respondents do not intend to pursue a career in the hotel industry. This shows that UPH Medan hospitality students' job pursuit intention is quite low. Concurrently, according to Chang & Tse (2015) cited in Yunn Ying (2021), the researchers discovered that just about half of hospitality study program graduates were able get their first job in this industry. To gain insight into why most hospitality management students tend not to pursue their job in the hospitality industry, researchers in the field have investigated various factors that might influence these students' career intentions. This research expands on the previous research by exploring factors that may influence UPH Medan hospitality students' job pursuit intention in the hospitality industry.

The writer adopts the person-environment fit theory by Edwards (1991) and Kristof-brown et al. (2005) as cited in Zhang & Eringa (2022) as the grand theory. Person-environment fit is centered to the compatibility between an individual characteristic and the work environment where the individual works. According to Kristof-brown et al. (2005) as cited in Lee et al. (2021), there are 5 sub dimensions of person-environment such as person-organization fit, person-job fit, person-vocation fit, person-group fit, and person-supervisor fit. This research will focus on two key areas such as person-job fit, and person-organization fit that is believed to have the influence of job pursuit intention of hospitality students in hospitality industry.

According to Pratama et al. (2022), person-organization fit refers to the similarity between individuals and organizations include shared beliefs, culture, and goals, as well as balancing employee requirements with organizational support. It also considers how individual traits complement those of the company. According to Cable & Judge (1996) as cited in Rani et al.(2022), P-O fit theory describes job seekers tend to choose organizations when their personal qualities match organizational attributes (person-organization fit), because certain aspects of businesses have the ability to meet workers' desires. According to the result of the research that has been done by Rani et al. (2022), person-organization fit was found significantly influence job pursuit intention of an individual. Person-organization fit was also found to be positively related with job pursuit intention (Chapman et al., 2005 in Dutta et al., 2021).

The other variable that may influence the job pursuit intention of hospitality students in the scope of person-environment fit is the person-job fit. According to Dewi et al. (2024), person-job fit refers to crucial types of fit for ensuring individuals have the requisite skills and competence to accomplish tasks and create a meaningful contribution. According to Boon et al. (2011) as cited in Elsawy & Radwan (2022), person-job fit approach assumes that employee abilities are critical to accomplishing job objectives. P-J fit is crucial since it guarantees that personnel have the abilities required for fulfilling given tasks. People who believe they have the necessary abilities to handle the demands of their professions perform better and are more likely to enter and stay in the current industry.

Concurrently, according to Cable & Judge (1996) and Chaurasia & Shukla (2014) as cited in Dhir & Dutta (2020), person-job fit influences job seekers' decision to choose some organizations over others. When people believe that their skills, abilities, and interests match the demands and obligations of a specific job, they are more likely to pursue it. In other word, job pursuit intention has been driven by the person-job fit (Phillips et al., 2014 in Stich, 2020).

The other important factor that also contributes to hospitality of a student's job pursuit intention is the work environment. According to Gintings & Setiawan (2022), the work environment is the circumstances that created by the entire equipment and supplies used, the surroundings in which an individual operates, the work processes, and the work arrangements, both individually and collectively. In accordance with signaling theory stated by Spence (1973) in Ahamad et al. (2023), when a business provides a favorable work environment, it sends a clear signal to prospective employees about its values and culture. This increases the organization's attractiveness and can have a direct impact on applicants' willingness to pursue job opportunities. In contrast, a poor work environment may indicate adverse conditions, lowering applicants' interest. Thus, the work environment has a significant influence on job seekers' intents, particularly when applicants evaluate how well they fit into the organization and the job.

Concurrently, according to Budiandru (2021), the work environment significantly influences students' desire to pursue a particular career. Various factors

such as the conditions, resources, and overall atmosphere within a workplace play a crucial role in shaping students' career aspirations and choices. As previously explained regarding person-organization fit and person-job fit, the core concept of PE fit is the idea that high levels of compatibility between individuals and their work environment led to beneficial outcomes for both employees and organizations (De Cooman & Vleugels, 2022). The relationship between person fit and the work environment has motivated the writer to research the PE fit of UPH Medan hospitality students, which influences their job pursuit intentions in the hospitality industry, moderated by the work environment.

In addition, work environment in hospitality industry has become a historical issue among the employees and the organization. According to Jarkovská & Jarkovská (2022), employees often have a pre-conceived notion that positions in hospitality industry tend to be seen as low-paying jobs with little opportunity for self-development and self-actualization. As a result, jobs in hospitality are often labeled as jobs with low social status; additionally, the nature of hospitality work is seasonal, heavy, time-demanding, monotonous and stressful. Long working hours, shift work, and dealing with tough and demanding guests are common hospitality industry workplace issues that are problematic since they contribute to employee burnout and create a poor work-life balance (Shu & Ronny Edward, 2023). According to Chang & Tse (2015) in Yunn Ying (2021), the unfavorable image of the hospitality industry has prevented many hospitality graduates from pursuing careers in this industry.

The originality of this research can be seen from past studies which often focused on POF and PJF separately. There is only limited research that examines their combined effect, especially for students entering the hospitality industry. Additionally, in this research, there is work environment as the moderator between person-organization fit, person-job fit and job pursuit intention which is still rare to be studied. By including the work environment, this study adds a new perspective on how factors like workplace conditions can influence students' job decisions, filling a gap in the existing research.

Based on the previous explanation, the writer is motivated to identify the factors that influence UPH Medan hospitality students' job pursuit intention in hospitality industry such as the person-organization fit, and person-job fit with the moderation role of work environment. Therefore, the title of this research is "**The Influence of Person-Organization Fit and Person-Job Fit on UPH Medan Hospitality Students' Job Pursuit Intention in Hospitality Industry Moderated by Work Environment**"

1.2   Problem Limitation

Due to the limitation of time and budget, this research consists of certain limitations. There are only four variables used in this research: two independent variables (person-organization fit and person-job fit), one dependent variable (job pursuit intention), and one moderating variable (work environment). The respondents in this research are UPH Medan hospitality student's intake 2020 and 2021 who have

completed their internships in the past year and those who have just finished their internship. This research will not discuss specific hotel's work environment. Additionally, the research period is relatively short, which constrains the ability to observe long-term trends and effects. Despite these limitations, the study aims to provide valuable insights into the factors influencing job pursuit intention among future hospitality students.

1.3   Problem Formulation

Based on the prior background study, the writer is positioned to ascertain the problem identification as follows:

1.   Does person-organization fit positively influence UPH Medan hospitality students' job pursuit intention in hospitality industry?

2.   Does person-job fit positively influence UPH Medan hospitality students' job pursuit intention in hospitality industry?

3.   Does work environment positively act as moderator between person-organization fit and UPH Medan hospitality students' job pursuit intention in hospitality industry?

4.   Does work environment positively act as moderator between person-job fit and UPH Medan hospitality students' job pursuit intention in hospitality industry?

**1.4	Objective of the Research**

The objectives of this research are as follow:

1.	To identify whether person-organization fit positively influences UPH Medan hospitality students' job pursuit intention in hospitality industry.

2.	To identify whether person-job fit positively influences UPH Medan hospitality students' job pursuit intention in hospitality industry.

3.	To identify whether work environment positively acts as moderator between person-organization fit and UPH Medan hospitality students' job pursuit intention in hospitality industry.

4.	To identify whether work environment positively acts as moderator between person-job fit and UPH Medan hospitality students' job pursuit intention in hospitality industry.

**1.5	Benefit of the Research**

The research conducted offers two main benefits which are as follows:

**1.5.1	Theoretical Benefit**

This research can provide theoretical benefits such as theory, insights, and various sources about person-job fit, person-organization fit, work environment, job pursuit intention, and others relevant information for the researcher and reader.

1.5.2 Practical Benefit

The practical benefit of this research includes:

1. For the Writer

   The research process will enhance the writer's understanding and expertise in the field of hospitality and human resources, particularly in the context of person-organization fit, person-job fit, work environment, and job pursuit intention.

2. For Hotel Management

   This research provides practical benefits that can help hotel management to improve their human resources, create a non-toxic work environment, and attract competent and talented employees especially that have the hospitality background.

3. For UPH Medan Hospitality Management Department

   This research can help the department produce high-quality hospitality graduates that are not only competent but also capable of driving meaningful change in the hospitality industry.

4. For Future Researcher

   The findings can serve as a foundation for further studies, providing a basis for future research on the interplay between person-job fit, person-organization fit, work environment, and job pursuit intention in the hospitality industry.