

Analysis of Factor Affecting Milenial Generation Employee

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Abstract

Millennial Generation Engagement, Organizational Commitment, and Job Satisfaction are significant elements in the industrial work area. This study aims to investigate the influence of different motivational factors on the collaboration and communication bonds between leaders and employees, and the effects of non-financial incentives and Millennial Generation engagement on Organizational Commitment and employee job satisfaction at PT. Kahatex Indonesia. This study used a purposive sampling method to select 87 respondents from employees of the electronics manufacturing industry in Indonesia. The collected information was analyzed using Structural Equation Modeling with the support of SmartPLS 3.0 analysis tools. The results of the study show that non-financial incentives have a significant effect on employee work motivation. That is, the provision of non-financial incentives by industry leaders contributes to increasing employee Organizational Commitment. However, the findings of the study also show that Millennial Generation engagement does not have a significant effect on employee work motivation. This means that the Millennial Generation engagement between leaders and employees and between employees does not directly affect their level of Organizational Commitment. Furthermore, this study also found that Organizational Commitment has a significant effect on employee job satisfaction.

Keywords: Relationship between Millennial Generation, Organizational Commitment, Job Satisfaction

Introduction

The business world continues to grow rapidly and increasingly tight competition demands that industries have the skills to survive and compete with other industries. The bond of the Millennial Generation in the electronics manufacturing industry employees is currently a significant concern for achieving industry goals (Yusuf, 2022). Insufficient Millennial Generation Bonds refer to the failure or lack of close intimacy between 2 or more people (Yusuf et al., 2022). In particular, interaction between individuals is considered an important factor because it can facilitate or limit the achievement of economic and social goals (Yusuf et al., 2022). Skilled and competent human resources are essential for the success of regional economic development, as emphasized in the research paper. The study underlines the

importance of human capital in the context of digital transformation, highlighting its combination with health, competence, government intervention, and management issues (Ilhami, 2022). They emphasize the importance of human resources in occupying a profitable position in market competition and improving overall human resource management during regional economic development (Ilhami, 2022). In addition, the COVID-19 pandemic has led to increased federal investment in regional economic development, drawing attention to addressing historical inequalities, labor shortages, and the fragility of global supply chains, highlighting the critical role of skilled human resources in navigating these challenges (Ilhami, 2022). The interaction between human resource development and regional economic growth is critical to achieving high-quality development (Ilhami, 2021). Human resource management is critical for balanced innovative development, with human resources being a key component of balanced economic growth and regional development (Yusuf, 2023). In addition, investment in human resources, migration patterns, and the quality of local government affect economic growth and require regional structural changes (I. S. Bukina, 2023). Evaluation of the potential for human resource development in regions, such as Slovakia, emphasizes the importance of human resources in socio-economic development and competitiveness (Yusuf, 2023). In addition, strategies that focus on education, health, governance, infrastructure, and sector productivity are critical to regional economic growth and community welfare, as seen in the Bengkayang Regency development initiative (Yusuf, 2022). According to Ilhami (2022), investment in education and training can increase workforce productivity and competitiveness. This study will review the literature on HR development to understand the level of workforce readiness in Subang City and strategies that can be applied to improve their skills and competencies according to industry needs.

In Indonesia, the productive age of workers in the textile industry is currently dominated by the millennial generation. A survey conducted in Indonesia said that there was only 10.1% employee engagement in the industry in the country. This means that only two out of 10 employees give full donations and are very concerned about the growth and progress of the industry. If this condition continues, it will have a negative impact on the growth of the Indonesian manufacturing business in the future (Yusuf, 2023). Many manufacturers do not realize that the level of employee engagement with the industry has a significant impact on their level of loyalty. Data shows that as many as 42% of employees would not recommend their current workplace to others. Some field research identifies factors that lead to low levels of employee engagement, including the position of the leader or superior. Interestingly, a survey conducted by Officevibe showed that 72% of the textile industry wrongly assumed that

employees left their jobs to seek higher wages, while in reality only 11% of workers actually changed jobs for that reason. Conversely, 82% of employees left the industry not because of their jobs, but because of problems related to their superiors. From this finding, it is important for the industry to better understand the important role of leaders or managers in increasing employee engagement in order to achieve the industry's common goals (Yusuf, 2023).

This study aims to analyze the extent to which different motivational factors can strengthen the relationship of cooperation and communication between leaders and employees with non-financial incentives and good Millennial Generation relationships can increase work motivation in employees, in addition to knowing that work motivation can increase job satisfaction in employees in the electronics manufacturing industry (Yusuf et al., 2023).

Methods

The collection of research information uses the Survey method by distributing questionnaires online via social media by filling in the Google Form link which is shared via social media such as Whatsapp, Facebook, Instagram and Telegram. Information was collected for approximately 6 months. Illustrations were obtained from employees in the electronics manufacturing industry, the respondent criteria are employees who have positions as creation operators, in this study including name, gender, age, minimum work for 1 year and seen from the respondent's last learning.

The method of collecting research information was tried by distributing early questionnaires (pre-test) to 53 respondents. This research is a quantitative research that uses the Structural Equation Modeling (SEM) method with SmartPLS (Suprayogi et al., 2022) as an analysis tool. To measure validity and reliability, researchers practiced aspect analysis using SPSS. Meanwhile, reliability was measured using Cronbach's Alpha, and the closer it is to a value of 1, the better the reliability. In the SEM analysis method, the number of research illustrations is recommended to be at least 5 times the number of statements. Therefore, in this study, the number of illustrations used was 87 respondents.

Results and Discussion

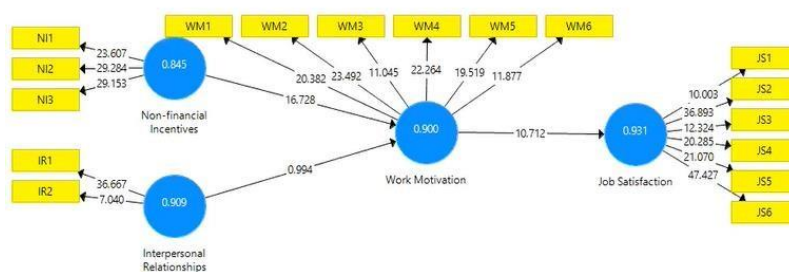
Results

The formation model in this study was also declared valid because it had a significant weight and there was no multicollinearity between indicators (see Tables 10, 11 and 12 in Appendix 5D). The discriminant validity test was also declared valid because the AVE root of each latent variable was higher than the correlation with other latent variables (Fornell-Larcker

Criterion), and the indicators were also correlated with each latent variable compared to other latent variables. higher correlation (cross loading) as explained by (Yudiani et al., 2022) (see Tables 8 and 9 in Appendix 5C).

In addition, the results of the analysis showed that the job satisfaction (JS) variable was jointly influenced by the work motivation (WM) variable, with an R^2 value of 0.683. This shows that 68.3% of the variability in job satisfaction (JS) can be explained by the Organizational Commitment (WM) variable, while the remaining 31.7% can be explained by other factors that are not the focus of this study.

Figure 2. Path Diagram T-Value



The results of the Quality Model test show a good fit. The explanation can be seen from the R Square, Q Square Redundancy, and SRMR values. For complete data, see Appendix 5E tables 14, 15, and 16. Meanwhile, the results of the Structural Model test in the form of Path Coefficients can be seen in Appendix 5E table 13.

Discussion

The research observed and empirically tested the influence of

The Millennial Generation's Bond on Organizational Commitment with Job Satisfaction. In the initial hypothesis (H1) there is a positive bond that significantly influences Non-Financial Incentives with Organizational Commitment which is discussed further in this research. To protect a strong bond, a strong spirit of cooperation, good communication between employees and leaders, employee career development must be supported. This development is related to intrinsic motivation factors by providing opportunities for employees to improve individual development through recognition of their efforts and efforts. In this case, it is in line with

research conducted by (Yusuf et al., 2022) which found that non-financial incentives given by organizational leaders are positively correlated with employee motivation.

Next, the second hypothesis (H2) proves that there is no positive and significant influence between the Millennial Generation bond variable and Organizational Commitment. In creating a good and safe working atmosphere to achieve industry goals, the Millennial Generation bond established between employees and leaders is very much needed. Employees and their leaders must maintain a good bond so that they can exchange ideas, share experiences, and work together in carrying out good activities. This good bond can increase employee motivation to do what they must do. The results of this study are not in line with (Kotler & Armstrong, 2010) for their research, a mixture of incentives based on the development of Millennial Generation bonds between team members who value teamwork builds a positive work atmosphere that can influence employee work motivation and encourage employee performance. This is also not in line with research from (Yusuf et al., 2022) which shows that developing good communication between coworkers, which is related to increasing good Millennial Generation ties between employees and leaders, is positively correlated with employee motivation within a team.

Conclusion

Based on the results of the research and the dialogue that has been tried, the researcher successfully created relevant findings to achieve the objectives of this research. The hypotheses proposed in this research successfully convinced that non-financial incentives have a positive and significant influence on employee Organizational Commitment. However, there was no evidence that the Millennial Generation bond had a positive and significant influence on work motivation. Not only that, work motivation was tested to have a positive and significant influence on employee job satisfaction. However, this research still has some limitations that need to be improved in further research. Initially, the respondents in this research were limited to employees who worked as production operators in the electronics manufacturing industry. For further research, it is recommended to expand the scope by involving employees from various positions and different manufacturing industry zones, so that the research objects become more specific and representative. Second, this research uses a questionnaire as a measurement tool to shorten the time and energy resources of the research. However, the use of questionnaires has limitations, such as respondents may not provide honest and accurate answers, or fill out the questionnaire based on perfect expectations rather than actual conditions. This can affect the accuracy of the research results. Therefore, in further research, it is necessary

to consider the use of more diverse information collection procedures to obtain richer and more valid data.

Third, this research may have limitations in the alteration of the variables studied and their relationships with each other. In further research, it is possible to try to accumulate more diverse and relevant variables to develop more meaningful indicators. This aims to obtain a more comprehensive description empirically. By correcting and overcoming these limitations, it is hoped that further research can create more complete and valid findings to better understand the influence of non-financial incentives and the Millennial Generation's ties to work motivation, and the ties between work motivation and employee job satisfaction more comprehensively.

This research has significant managerial implications and can be applied to real-life industries. First, it is related to non-financial incentives given by leaders to employees. Non-financial incentives can be used as a reference for the industry because non-financial incentives are one aspect that can encourage employee motivation to work more diligently, make employees more disciplined and active in carrying out their work, and non-financial incentives received by workers can also encourage their respect for their superiors because it is because leaders appear to appreciate the performance of their subordinates which ultimately gives rise to respect. Giving awards or recognition of work and training to employees is one form of non-financial incentive that leaders need to give to employees. Because the training provided by the industry is useful for improving employee knowledge and skills. After that, if the industry has good employees, they must be given awards or recognition. Awards or recognition will motivate employees to always provide the best for the industry. Therefore, this compensation is Second, related to the Millennial Generation bond, it is hoped that the industry can further improve the Millennial Generation bond that is established between leaders and employees or also with fellow employees. The Millennial Generation bond refers to a strong bond connection between people who work together in the same entity. Employees who work together in the same area must have a special bond for them to be able to work as well as possible. To build a healthy bond and get a positive work environment atmosphere, it is very important for everyone to be honest with each other. The Millennial Generation bond helps to build bonds with coworkers, for example through the exchange of inspiration, knowledge and expertise. People can also build a sense of mutual respect and learn to think about the comments and contributions of others. The role of the Millennial Generation bond can increase employee Organizational Commitment because motivation is the drive that exists within a person to fulfill their needs and achieve certain goals and can do their work better and then provide benefits to the continuity

of industrial progress. The third is related to work motivation, practicing the right motivation can increase employee motivation to help in starting, maintaining, and is very useful for efforts to achieve industrial goals. With good motivation, employees will maintain their behavior to achieve industry goals. Organizational commitment to employees can create a sense of volunteerism in an employee and increase enthusiasm for work, so that employees can maintain their good performance in the industry. The fourth is related to job satisfaction, employee job satisfaction will encourage them to contribute more to the industry, help reduce conflicts or problems and help in the development of the industry's business. Not only that, job satisfaction also has positive effects such as increased industry profits, increased employee efficiency and productivity, reduced turnover, and increased employee retention leading to increased work engagement. If employees are satisfied with their jobs, they will display positive behavior or effects on their jobs. One of the positive effects and behaviors shown by employees towards their job satisfaction is increased performance, loyalty and commitment to the company

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