

# Predicting Employee Engagement:

## A study among millennials

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**Abstract**—This research aims to confirm a model of factors than influencing employee engagement, that is the work itself, working environment, leadership, opportunity for personal growth, and opportunity to contribute. Using survey, the sample is taken from the list of millennial employees of one of the oldest private company in Indonesia. This research uses Structural Equation Modeling (SEM) as a tool to analyze the data. The hypothesis of this research is that all the latent variable influences the employee engagement with significant goodness of fit, with the strongest loading factors by work itself and working environment. Result shows that work itself as the strongest driver factor of engagement. The second position is work environment. That means millennial generation wanted to work happily in good environment.

**Keywords**—employee engagement; millennial generation

### I. INTRODUCTION

Employee Engagement defined as concept to connecting the hands, heads, and hearts of the employees with the vision and mission of their organizations [1]. Oehler and Adair [2] argue that employee engagement as psychological investment by employee to the organization that will diving work performance.

This concept become important because engagement will make the employees act in ways that further the achievement of the objectives of both the organization and themselves [3]. Furthermore, it will increase the quality of work, productivity, customer’s satisfaction, and organization performance, and sustainability [4,5].

Nowadays employee engagement is facing some challenge. Global survey conduct by Gallup shows that 14% employee in this world is actively disengaged [6]. Another global survey by AON survey around 17% employee are highly disengaged [2]. New threat is coming from millennial generation. This generation is loyalty-rite [7], and 38% of millennials will be will leave the organization within 2 years [8].

The question is, why millennials generation become a threat? This is because this generation will be dominating labor market in 2020. PricewaterhouseCoopers [7] predict that 50% global worker in 2020 will be filled by millennial generation. In Indonesia, Ali and Purwadi [9], predicting that 34% of Indonesian labor market are millennials.

The importance of employee engagement and the threat from millennials become an anomaly. Therefore, objective of this research is to predict a new model that driving employee engagement in millennials generation.

### II. METHOD

This research aims to predict a new model that driving employee engagement in millennials generation. Population of the study is employee of PT Samudera Indonesia as one of the oldest logistics company in Indonesia.

This Research is quantitative research that using structural equation modeling (SEM) with SmartPLS 3.2 software as analytical tools. This research has 30 employees as sample that minimum for PLS SEM.

### III. RESULTS

PLS SEM shows that work itself, work environment, leadership, opportunity for personal growth and opportunity to contribute has positive correlation to employee engagement. Work itself has most significant direct effect to employee engagement with P value 0.000. In second position to effect employee engagement is work environment with P Value 0.064, and another variable presented in table 1.

TABLE I. PLS BOOTSTRAPING TABLE

	Original Sample	Sample Mean	Standard Deviation	T Statistics
Leadership => employee engagement	0.036	0.182	0.171	0.210
Leadership => opportunities for personal growth	0.620	0.694	0.091	6.831
Leadership => opportunities to contribute	0.733	0.679	0.188	3.897
Leadership => work environment	0.778	0.802	0.106	7.321
Opportunities for personal growth => employee engagement	0.049	0.121	0.093	0.526
Opportunities to contribute => employee engagement	0.149	0.182	0.118	1.255
Work environment => employee engagement	0.262	0.268	0.170	1.537
Work itself => employee engagement	0.586	0.534	0.166	3.536

By using SmartPLS this research can predict the model of engagement (see Fig. 1). Work itself, working environment, and opportunities to personal growth has direct impact to employee engagement. Leadership has indirect impact to employee engagement. Leadership has significant impact to work environment, opportunities for personal growth and opportunities to contribute. But, opportunities to contribute doesn't have a positive impact to employee engagement.



Fig. 1. Employee engagement model.

#### IV. DISCUSSION

This research shows that work itself, working environment, leadership, opportunity for personal growth, and opportunity to contribute has impact to employee engagement in millennial generation. The strongest impact is work itself and work environment in the second place.

This research also has limitation such as, the sample is small. But this research can show the new model of employee engagement in millennial generation. Hopefully, organization can create some program to reduce the threat from millennial generation and increase the level of engagement.

#### V. CONCLUSION

The most significant impact is work itself. Work itself is about feeling happy and joy at work [3]. It means millennial generation is willing to work happily. It is match with the value of millennial generation that working happily, work/life balance, life styles, career development and overseas travel [10].

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