THE INFLUENCE OF WORK VALUES AND ORGANIZATIONAL CULTURE ON MILLENNIAL GENERATION EMPLOYEE ENGAGEMENT

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ABSTRACT

In the coming years, there will be a generation that dominates workplaces around the world, called millennial. This research was conducted to find out how intrinsic work values, extrinsic work values and organizational culture as independent variables can affect employee engagement of millennial workers. The sample of this study was 110 workers in Cikarang. This research uses a quantitative design using multiple linear regression methodology. The analysis shows that organizational culture and extrinsic work value have a significant influence on employee engagement. intrinsic work values provide insignificant influence on employee engagement in millennial workers.

Keywords: Millennial, intrinsic work values, extrinsic work values, organizational culture and employee engagement.

1. INTRODUCTION

Almost all companies today are filled by workers of three generations - Baby Boomers, Generation X and Millennials (Schawbel, 2013). Each generation has characteristics with unique abilities and competencies, so using them will be the key to the company's success (Birkman, 2016).

In 2015 until 2016 there was a decline in employee engagement in the Asia Pacific region by 3% and a decrease in Indonesia by 1% (AON Hewitt, 2017).
Based on a survey conducted by Gallup (2016) that millennials is a generation that has a small level of employee engagement. Only 29% of millennials are involved in work and business, both emotionally and behaviorally. Then as many as 16% of millennials are not involved at all and tend to ignore or create problems for the company. Man Power Group projections show that by 2020 the percentage of the workforce is dominated by Millennial Generation 35% and Generation X 35% then followed by Generation Z 24% and Baby Boomers 6%. Globally the projection in 2025 the percentage of the workforce dominated by millennial generation increases to 75% of the global workplace while 25% is dominated by other generations (Schawbel, 2013).

Even this increase in the number of millennial workers brings its own problems for companies due to changes in the characteristics of millennials from previous generations (Deloitte University Press, 2015). Surveys and data from the Society for Human Resources Management (2016) show that the two elements that most influence employee engagement are relationships with colleagues and opportunities to use skills and abilities. Since 2011, research shows relationships with colleagues are the number one element that most makes employees feel satisfied and have an attachment to the company.

Based on the explanation above regarding the decrease in the level of employee engagement in workers globally, especially millennial generation (AON Hewitt, 2017; Gallup, 2016), as well as the elements that influence employee engagement relationships with colleagues are found in the extrinsic work values variable (Super et al., In Pryce, 2016) and organizational culture (Cameron & Quinn in Njuguna, 2016). While other elements, namely the opportunity to use individual skills and abilities, are
in intrinsic work values (Knoop; Page in A.N. 2014). For this reason, this study was conducted to determine the effect of intrinsic work values, extrinsic work values and organizational culture on employee engagement of millennial workers in Cikarang.

Problem Identification

Based on the background description above, the problems faced by the company due to employee engagement are:

1. Decreased employee engagement due to lack of employee involvement in the dimensions of organizational culture
2. Decreased employee engagement due to weak interpersonal relationships and supervision (extrinsic work values) in the company
3. Decreased employee engagement due to weak reasons given by the company why millennials must continue to work at the company (intrinsic work values)
4. Increasing the number of millennials in the world of work in the coming years, as well as differences in millennial characteristics with their predecessor generation.

Research Questions:

Based on the background that has been stated, a number of research questions can be made, namely:

1. How does intrinsic work values influence employee engagement?
2. How does extrinsic work values influence employee engagement?
3. How does the influence of organizational culture on employee engagement?
4. How do the intrinsic work values, extrinsic work values and organizational culture simultaneously influence employee engagement?

Objectives:

The purpose of this study is to answer the research questions:

1. To determine the influence of intrinsic work values on employee engagement
2. To determine the influence of extrinsic work values and employee engagement
3. To determine the influence of organizational culture and employee engagement
4. To determine the influence of intrinsic work values, extrinsic work values and organizational culture on employee engagement.

2. LITERATURE REVIEW

Work Values

Values (values) are personal views of what is good and bad, right or wrong. Values act as a compass for the morale of each individual who guides and motivates them (McShane, et al. In Bissett, 2014). Schwartz (in Rani & Samuel, 2016) defines value as an expected thing, object, purpose, or behavior beyond a specific situation and is applied as a normative standard for assessing and choosing among several behavioral alternatives. Employee Personal Value is very important for the organization, as something that has an influence on several factors in organization. These things need to be considered in evaluating work values (work values) in person, in terms of preferences, targets and strategies for achieving company goals, showing that values
play a significant role in the factors and determinants of the situation in organizing (Mumford, et al. in Bissett, 2014).

Sverko (in Bissett, 2014) defines work values as values that specifically become an individual's handle in relation to work and work environment. Values that affect how workers behave towards work in their lives. Lyon in Kuron (2014) defines work values as general beliefs about the relationship of desires from various aspects of work (compensation, authority and conditions of work), and results related to work (achievement, fulfillment of needs and reputation). Super (in Rani & Samuel, 2016) defines work values as final values such as quality satisfaction or appreciation that individuals see from their work. Understanding values is fundamental to understanding the meaning that is believed by individuals at work (Connor & Becker in Pryce, 2014).

Kinds of Work Values

a. Intrinsic Work Values

Intrinsic Work Values related to the search for meaning and interest in a variety of work discussions documenting significant differences between generations in terms of intrinsic work values. Specifically, Generation X and Generation Y place learning and pride in expertise and knowledge at work more important than what their predecessor Baby Boomers felt (Smola & Šuton in Rani & Samuel, 2016). Intrinsic or cognitive work values are applied in the relationship of psychological satisfaction at work, such as interests, challenges and / or diversity of work and intellectual stimulation (Super et al. In Pryce, 2016).

b. Extrinsic Work Value

In several discussions of generational differences, Generation X and Y values extrinsic work values such as economic returns, status, prestige, achievement and progress opportunities significantly higher than what Baby Boomers want (Wong et al. In Rani & Samuel, 2016). Extrinsic or instrumental work values refer more to aspects that are seen in work such as payment, benefits, authority and security as well as work in and out. Other types of work values include social conditions, the level of concern or a sense of humanity and pride in work (Super et al. In Pryce, 2016).

Organizational Culture

Robbins (in A.N., 2014) states that organizational culture is explained as a system where members recognize the meaning that makes one organization different from other organizations. The meaning that is jointly recognized by members of the organization, in deeper examination is a package of key characteristics that give value to the company.

Employee Engagement

Employee Engagement is a feeling of employees' emotional commitment to the organization and the actions they take to ensure the organization is successful; employees who are bound to the company show concern, dedication, a spirit of accountability and focus on results (Allen, 2014). When employees care - when they feel attached - they will try voluntarily. They will always be behind the company to complete the company's tasks. Because they are committed and feel open and truly want (Allen, 2014). Job attachment is described as a positive antithesis of fatigue, (Maslach et al. In Incumar & Renugadevi, 2013)
Research Hypothesis:
H1: There is an influence of intrinsic work values on employee engagement
H2: There is an influence of extrinsic work values on employee engagement
H3: There is an influence of organizational culture on employee engagement
H4: There is an influence of intrinsic work values, extrinsic work values and organizational culture simultaneously on the level of employee engagement

3. RESEARCH METHOD
This study uses a quantitative method which means the information provided is the result of data analysis carefully collected in general, collected through structured questions (Sekaran & Bougie in A.N., 2014). To ensure that the tools to measure certain concepts are indeed accurate, to measure variables, averages and correlations between variables, therefore, validity and reliability tests are used to measure what must be measured accurately (Sekaran & Bougie in A. N., 2014).

Before conducting the actual study, researchers conducted a pretest on 30 respondents. This pretest aims to find out the reliability and validity of the statements in the questionnaire and also to find out the respondent's understanding in responding to the questionnaire. The questionnaire used in the study was distributed to President University students who had worked from various divisions and positions in their respective companies that were in the millennial age category.

The questionnaire was arranged based on four dimensions of discussion. The first variable is intrinsic work values (10 statements), followed by the second variable to find out extrinsic work values (8 statements). The third variable is about organizational culture (12 statements) and the dependent variable is the level of employee engagement (10 statements).

This study used a non-probability sampling method with the purposive sampling approach. To determine the number of samples in this study, it used the Lemeshow Formula in which the number of samples from unknown populations in accordance with the needs of the level of accuracy by determining the error margin of 10% with a sample size of 110 respondents.

4. RESULT AND DISCUSSION
The results of the validity test in the study are 40 measuring instruments that have valid values, because the value of \( r \) count > \( r \) table with a value of \( r \) equal to 0.311 which means that all statements are valid and deserve to be used as a measurement tool.

Reliability test is a test used to the extent that measurements indicate relative consistency when measurements are repeated twice or more. The reliability test results of this study are as follows:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Total Item</th>
<th>Cronbach’s Alpha</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intrinsic Work</td>
<td>10</td>
<td>0.892</td>
<td>Reliable</td>
</tr>
</tbody>
</table>
The Reliability Test Results Table shows that all Cronbach’s alpha scores of all variables are higher than the requirement of 0.7 for all statements with reliable results. Normality Test uses three instruments such as P-P plot, histogram and Kolmogorov-Smirnov. Histogram and Kolmogorov-Smirnov approaches were used to avoid misinterpretation when reading graphs of the P-Plot visualization results.

<table>
<thead>
<tr>
<th>Values</th>
<th>Items</th>
<th>Alpha</th>
<th>Reliable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extrinsic Work Values</td>
<td>8</td>
<td>0.867</td>
<td>Reliable</td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>12</td>
<td>0.896</td>
<td>Reliable</td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>10</td>
<td>0.865</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Source: Primary data

Normal P-P Plot of Regression Standardized Residual

![P-P Plot](source: Primary Data)

The plot diagram above shows that the plot in the graph is close to and around the diagonal line which shows normally distributed data.
The histogram graph shows the curve is forming a normal pattern. The curve has a proportional shape that shows normally distributed data.

Table 2 *One-Sample* Kolmogorov – Smirnov (*K*-S) Test

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>110</td>
</tr>
<tr>
<td>Normal Parameters(^a)</td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>.0000000</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>3.75156548</td>
</tr>
<tr>
<td>Most Extreme Differences</td>
<td></td>
</tr>
<tr>
<td>Absolute</td>
<td>.070</td>
</tr>
<tr>
<td>Positive</td>
<td>.051</td>
</tr>
<tr>
<td>Negative</td>
<td>-.070</td>
</tr>
<tr>
<td>Kolmogorov-Smirnov Z</td>
<td>.738</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>.647</td>
</tr>
</tbody>
</table>

Source: Primary Data
The result of the Kolmogorov-Smirnov test in the table shows data of all normally distributed variables. This can be seen from the Asymp. Sig. of 0.647 (2-tailed), data distribution is considered normal if the results are more than 0.1 (> 0.1). The results of this test reinforce the results of the graph analysis described earlier.

Table 3 Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tolerance</td>
<td>VIF</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.575</td>
<td>1.740</td>
</tr>
<tr>
<td>IWV</td>
<td>.626</td>
<td>1.598</td>
</tr>
<tr>
<td>EWV</td>
<td>.539</td>
<td>1.854</td>
</tr>
<tr>
<td>OCL</td>
<td>.639</td>
<td>1.598</td>
</tr>
</tbody>
</table>

Source: Primary Data

Multicollinearity test result from this study can be seen from the coefficients table which shows that there is no multicollinearity in this research data. All independent variables have a tolerance value of more than 0.1 and the results of the Variance Inflation Factor are less than 10, which means there is no correlation between independent variables whose values are more than 90%, thus it can be concluded that there are no symptoms of multicollinearity between the independent variables in the regression model.

The autocorrelation test seen from the Durbin-Watson column in the Summary Model Table can be used to analyze autocorrelation aimed at testing to determine if there is a relationship between variables in one period and the previous period, known as autocorrelation.

Table 4 Model Summary

<table>
<thead>
<tr>
<th>Durbin-Watson</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.807</td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary Data

The results show the Durbin-Watson value is 1.807 which means there is no autocorrelation in this study and there is no relationship of a variable in a certain period and other periods. This happened because the Durbin-Watson value in this study was categorized between -2 and 2 (-2≤DW≤2).

Heteroscedasticity occurs when the data in this study is distributed abnormally or abnormally. In this study, a scatter plot diagram used as a supporting diagram of the Heteroscedasticity Test.
From the scatter-plot diagram there can be seen that the points are scattered randomly and do not form certain patterns that are clear and regular (such as wavy, widened then narrowed and so on). The points that spread randomly became an indication that there was no heteroscedasticity in this regression model, so that the regression model could be used in research.

The multiple linear regression model is used to decide whether there is an influence of the independent variable on the dependent variable. The regression model is built through the equation described in chapter 3. This equation is built on the value of $\beta$ as the coefficient of determination of the independent variable that has a correlation with the dependent variable. The researcher decides to use the Coefficient Table. The values of Beta are shown in the table:

### Table 5 Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>5.928</td>
<td>3.120</td>
</tr>
<tr>
<td>IWV</td>
<td>.016</td>
<td>.099</td>
</tr>
<tr>
<td>EWV</td>
<td>.380</td>
<td>.079</td>
</tr>
<tr>
<td>OCL</td>
<td>.460</td>
<td>.065</td>
</tr>
</tbody>
</table>

Source: Primary Data
The table shows that the regression model can be built in the form of standard coefficients of the equation, the regressions are as follows:

\[ Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e \]

\[ Y = 5,928 + 0.012X_1 + 0.347X_2 + 0.551X_3 + e \]

Based on the multiple linear regression model result in this study, the interpretation is as follows.

Intrinsic Work Values (X1) to Employee Engagement (Y): Each one unit increase of the value of Intrinsic Work Values will increase Employee Engagement by 0.012 assuming that the other independent variables of this regression model are fixed. This value shows the small influence of Intrinsic Work Values on Employee Engagement.

Extrinsic Work Values (X2) against Employee Engagement (Y): The coefficient value of the Extrinsic Work Value as X2 is 0.347 in a positive sign. This means that every one unit increase in the Extrinsic Work Values variable gives an increase in the impact of Employee Engagement (Y) of 0.347 assuming that the other independent variables in this regression model are fixed.

Organizational Culture (X3) on Employee Engagement (Y): The coefficient value of Organizational Culture is 0.551. This gives the interpretation that each increase of one unit of the Organizational Culture variable (X3) is proportional to the increase in the Employee Engagement variable by 0.551 in a positive sign. Assuming that other independent variables have a fixed value.

Table 6 Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.809*</td>
<td>.654</td>
<td>.644</td>
<td>3.804</td>
</tr>
</tbody>
</table>

Source: Primary Data

Table 6 Model Summary shows the correlation coefficient (R) from the existing data of 0.809, meaning that the correlation between Intrinsic Work Values, Extrinsic Work Values and Organizational Culture has partially a very strong correlation to the dependent variable in this case Employee Engagement because the coefficient results enter into the interval between 0.800 to 1.000.

The coefficient of determination in this study is seen from the Adjusted R2 column in the Summary Model Table showing the coefficient of determination. Adjusted R2 value of 0.644, or 64.4% Employee Engagement Millennial generation workers in Cikarang are influenced by variables such as Intrinsic Work Values, Extrinsic Work Values and Organizational Culture. While the rest is influenced by other factors not tested in this study.
The F test aims to determine whether the independent variables that exist can affect
the dependent variable simultaneously. This test is done by comparing the table F value
and the calculated F value.

Table 7 ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>2903.326</td>
<td>3</td>
<td>967.775</td>
<td>66.870</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>1534.093</td>
<td>106</td>
<td>14.473</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4437.418</td>
<td>109</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary data

After calculating, the F value obtained was 66.870 while the F table value was 2.136
(df1 = 3; df2 = 106).

T test in the study used the hypothesis of significance and t table with df = 106 and α
= 0.1 (table value t = 1.659).

Table 8 Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.900</td>
<td>.060</td>
</tr>
<tr>
<td>IWV</td>
<td>.165</td>
<td>.869</td>
</tr>
<tr>
<td>EWV</td>
<td>4.803</td>
<td>.000</td>
</tr>
<tr>
<td>OCL</td>
<td>7.085</td>
<td>.000</td>
</tr>
</tbody>
</table>

Source: Primary Data

The data in the table above shows that the intrinsic work values (X1) have a
significance value of 0.869 which is greater than the α requirement of 0.1. While the
value of t intrinsic work values is 0.165 which is smaller than the t table value of 1.659.
Thus it can be concluded that the hypothesis is rejected, which there is no significant
influence between intrinsic work values on employee engagement.

Extrinsic work values (X2) have a significance value of 0.000 or less than the 0.1
requirement. Then the t value of extrinsic work values of 4.803 is greater than the value
of table t of 1.659. From the results of these calculations, this means that the hypothesis
is accepted, which there is a significant influence between extrinsic work values on employee engagement.

This is also the same as the calculation of the influence of organizational culture (X3) which has a significance value of 0.000 less than the requirement of 0.1. The t value of organizational culture is 7.085 or greater than the t table value of 1.659. Then the hypothesis is accepted and organizational culture provides a significant influence on employee engagement.

Discussion

Intrinsic Work Values on Employee Engagement

Based on the T test results, intrinsic work values do not have a significant effect on employee engagement. It shows the t value of intrinsic work values is 0.012 and the significance value is 0.869. T table value obtained is 1.659. Hence, intrinsic work values have an insignificant influence on employee engagement. In descriptive analysis, even element X1 shows positive results on each question, but the perception of intrinsic work values of millennial generation workers in Cikarang and surrounding areas has no significant influence on employee engagement. Another Research by A. N. (2014) shows that intrinsic work values produce negative t values. So intrinsic work values in this study did not have a significant influence on employee engagement (A. N., 2014). Furthermore, AON (2017) states that employee value proposition ranks second as a factor that influences employee engagement.

Extrinsic Work Values on Employee Engagement

The test results show the significance value is 0.0000 and the value of t is 4.803 and the table value is 1.659. This means extrinsic work values have a significant impact on employee engagement. Descriptive analysis also proves that most respondents believe that they will get a decent profit based on the results of the work given to the company, this element gives a strong influence on the extrinsic work values variable.

AON (2017) argued that awards and recognition have become the first place in the 5 biggest factors that influence employee engagement. In research A. N. (2014) extrinsic work values provide a significant influence on employee engagement. Extrinsic work values in this study are the variables that most influence employee engagement.

Organizational Culture on Employee Engagement

Based on the t table, the t value of the organizational culture variable in the study was 7.085 while the t table value was 1.659 and it had a significance value of 0,000 which was lower than 0.1. This means that organizational culture has a significant influence on employee engagement. In this study, Organizational culture has mostly influences employee engagement.

According to AON in A. N.’s research (2014) organizational culture provides a significant influence on employee engagement. Contrary to this study, in A.N. research (2014) organizational culture is not the variable that most influences employee engagement. Furthermore, AON (2017) explains that senior leadership and coworkers rank third of the top 5 factors that influence employee engagement.
Intrinsic Work Values, Extrinsic Work Values and Organizational Culture on Employee Engagement

Based on the results of multiple linear regression using the Correlation Coefficient (R) and the Determination Coefficient (R2), the three independent variables consisting of intrinsic work values, extrinsic work values and organizational culture if in one unit have sufficient (R) relationships strong in influencing employee engagement with a percentage of (R2) 64.4% (sixty four point four percent) where the rest is influenced by other factors that have not been tested in this study. Data has also been tested using the F test to find out the condition of the independent variables that have an impact on the dependent variable. The results show, three independent variables significantly influence the dependent variable.

5. CONCLUSION

Based on research that has been done on millennial generation workers in Cikarang and surrounding areas regarding the influence of intrinsic work values, extrinsic work values and organizational culture on employee engagement, conclusions can be drawn:

1. There is no significant influence between intrinsic work values and employee engagement.
2. There is a significant influence between Extrinsic work values and employee engagement.
3. Organizational culture has a significant influence on employee engagement.
4. There is a significant simultaneous influence between intrinsic work values, extrinsic work values and organizational culture on employee engagement.

6. REFERENCES


