WORK ENGAGEMENT EFFECTS ON JOB SATISFACTION AND TURNOVER INTENTION WITH GENERATION AS MODERATING VARIABLE

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ABSTRACT

Introduction: The focus of this study is to see how work engagement affects employees’ job satisfaction and turnover intention within Generation X and Millennials.

Methods: This study uses quantitative methods and data were collected by giving questionnaires to employees from different generations.

Results: The results of this study are expected to give insight and solutions for the organization on how to understand work engagement for increasing job satisfaction and decreasing turnover intention among their employees.

Conclusion and suggestion: Generation also does not provide a moderating effect on the relationship between work engagement and turnover intention. The existence of a non-significant relationship can be caused by a characteristic similarity between Generation X and Millennials.

INTRODUCTION

Statistics Indonesia, known in Indonesia as BPS (Badan Pusat Statistik) is a non-departmental government institute of Indonesia that is responsible for conducting statistical surveys. One of their surveys showed that the total of Millennials employees in Indonesia almost exceeds the amount of Generation X employees. For the last few years, Generation Y or known as Millennial Generation has been one of the biggest numbers filling in the workforce. In one of the research that has been done by Deloitte, Millennials predicted will be filled in 75% of the global workforce in 2025 (Manuwu, 2018). Even though Millennials as the next generation will be dominating the workforce, Millennials
reportedly have less loyalty and work engagement than the older generation to the organization (Hill, 2002; Myers & Sadaghiani, 2010; Parry & Urwin, 2011). Dale Carnegie Indonesia, one of the marketing companies in Indonesia, did some research on 1,200 employees and the result is only 25% of Millennials are fully engaged with their work (Triwijanarko, 2017).

Park & Gursoy (2012) previously conducted a study by examining different work engagements in a group of individuals called generation and its effect on job satisfaction and turnover intention among hotel employees in the United States. L. Lu et al., (2016) also conducted research on work engagement, job satisfaction, and turnover intention by making comparisons between employers and staff at a hotel in North America. In connection with the things described above, the researchers decided to conduct research on the socialization of “Work Engagement Effect on Job Satisfaction and Turnover Intention with Generations as Moderating Variables” at a telecommunication company in Indonesia which is focused on Generation X and Millennials.

There are some significant differences from previous research (Park & Gursoy, 2012) that influenced the results of the study. First, researchers did not include the Generation of Baby Boomers in the study due to too few employees being included in the Generation of Baby Boomers at PT. X Indonesia. Another difference is that previous research was conducted in the United States and this research was conducted in Indonesia. The diversity of values and cultures between the two countries can also influence the results of research. The next difference is in the demographics of respondents where the previous study it was dominated by 440 female respondents and 225 male respondents (Park & Gursoy, 2012), while in this study more men were dominant than women.

Based on the background described above, this study was conducted with the aim of knowing the effect of work engagement on intention, and job satisfaction, and the effect of moderating generations in the work environment on work engagement, job satisfaction, and turnover intention in employees.

LITERATURE REVIEW

Work Engagement

Kahn (1990) was one of the first to speculate on work engagement. He portrays engaged employees as being sufficiently physically, cognitively, and emotionally adjunct to their duty roles. Engagement point to the centralized spirit that is addressed toward organizational goals (Macey, Schneider, Barbera, & Young, 2009). Engaged employees are more probable to perform harder through increased levels of discretionary exertion than those who are disengaged.
Engagement is explained as a confident, fulfilling, business-related condition of will that is characterized by vigor, dedication, and absorption (Schaufeli & Bakker, 2004; Schaufeli, Salanova, Gon Alez-ro, & Bakker, 2002). Vigor advert to high levels of power and emotional resilience while working, the willingness to give an attempt in one’s work, and continuance in the presence of difficulties. Dedication advert to recognition of importance, enthusiasm, inspiration, haughtiness, and challenge. The third measurement of work engagement is name absorption. Absorption is characterized by being completely intensified and happily absorb in one’s duty, whereby time elapses rapidly and one has difficulties with separating oneself from work.

Several types of research have shown that work engagement has dogmatic consequences at the personal and organizational levels. Work engagement among Finnish educational personnel was dogmatically associated with identical-rated healthfulness and working skills (Hakanen, Bakker, & Demerouti, 2005). Moreover, in an occupation context, Harter, Schmidt, and Hayes (2002) explain that levels of employee engagement were dogmatically related to business-unit achievement (i.e., customer gratification and loyalty, profitability, productiveness, turnover, and safety). Harter et al. determine that engagement is “related to meaningful profession outcomes at a greatness that is essential to many organizations” (Harter, Schmidt, & Hayes, 2002). Results from in-depth interviews allude to that engaged employees work extensive hours but they deficiency the obsession to work that is typical for workaholics (Schaufeli et al., 2002).

**Job Satisfaction**

Job satisfaction can be defined as a condition where work needs have been fulfilled and accepted by employees. It can also be said as an assessment of both positively and negatively made by someone towards work situations or another people's work (Rayton & Yalabik, 2014). In other definitions, job satisfaction is defined as a pleasant emotional condition that results from an appreciation of the achievement of one's work or facilitates the value of achievement in one's work (L. Lu, Lu, Gursoy, & Neale, 2016). Job satisfaction is very important because it has a positive relationship to work performance, organization performance, customer service quality, employee satisfaction and retention.

An individual who has high job satisfaction will have positive feelings towards work, while an individual who has low job satisfaction will have negative feelings towards work (Robbins & Judge, 2017). The results of previous studies indicate that employees who have engagement will have higher job satisfaction than employees who do not have engagement (Radosevich, Radosevich, Riddle, & Hughes, 2008). Some studies also consistently conclude that work engagement acts as a key determinant of job satisfaction (L. Lu et al., 2016).
Turnover Intention

The theory of the most well-known and widely used turnover intention in previous studies is the theory revealed by Mobley (1978) where the turnover intention is in the form of an intention, desire, or intention of an individual to stop working or leave the company. According to Mobley (1978) turnover intention is also said to be the main predictor that has a positive relationship with the occurrence of turnover, which is a situation where employees separate themselves or quit the organization where they are part of the organization and get wages from the organization. Turnover intention can also be defined as a manifestation of probability or the possibility that an individual will replace his work in a certain period of time (Sousa-Poza & Henneberger, 2004).

According to Karatepe and Ngeche (2012), employees who have turnover intention usually provide low performance resulting in a decrease in organizational effectiveness. Previous research has shown that the intention or desire to leave or leave the organization is one indicator of turnover (Bothma & Roodt, 2013). Based on the organization's point of view, employee turnover can result in increased costs for the recruitment, selection, training or hiring of non-permanent staff (Takawira, Coetzee, & Schreuder, 2014).

Generation

Generation can be defined as a group of individuals of the same age who share the same historical experience in the same time period (Ryder, 1965). In another definition, generation can also be said as a group of individuals who share years of birth, age, location, and life experience at the critical stage of development (Kupperschmidt, 2000). Life experiences in this stage of development can take the form of when they start school, enter the work environment, and retire age (Kowske, Rasch, & Wiley, 2010).

Generation X is currently more dominant in the work environment after many Baby Boomers enter retirement age. The characteristics of this generation are formed by political events that occurred during their time such as the end of the Cold War and the economic recession that occurred in the late 1970s and early 1980s. This generation is a witness to many dismissals and family relocations due to economic instability at the time (Twenge et al., 2010). As a result, Generation X tends to be more independent and individualistic where they place more importance on their careers than are loyal to the organization (Beutell & Wittig-Berman, 2008) and salary increases or other forms of rewards (Twenge et al., 2010). They are more interested in pursuing challenging jobs and having opportunities to develop their careers compared to job stability (Kupperschmidt, 2000). They also tend to want to be given independence and freedom from their supervisors in the work environment (Jurkiewicz, 2000).
Generation Y or more commonly known as Millennials is the youngest generation of a group of generations who have entered the work environment to replace Baby Boomers. The Millennials are characterized by living in economic prosperity, technological advancements, and communication with the internet, social networks, and globalization. Similar to Generation X, Millennials value freedom and balance of life more than Baby Boomers (Cennamo & Gardner, 2008; Smola & Sutton, 2002; Twenge, 2010). They also consider high convenience in work and prefer jobs that provide a lot of vacation time compared to older generations (Twenge et al., 2010). Even though they are not too work centers, Millennials have high expectations regarding promotions and wage increases in the work environment (Ng, Schweitzer, & Lyons, 2010). Previous research has shown a striking difference between what Millennial hopes for and what they can achieve (Hill, 2002).

In contrast to Generation X, Millennial tends to like crowded atmosphere and conditions, be optimistic about the future, and trust centralized authority. Millennials are very good at teamwork, but they are also very independent, confident, and expressive. Millennials like it when they are recognized and respected because they believe that they have done a lot of their work. Supervisors and managers are expected to at least know their names and acknowledge that they have worked well. Millennial believes that every manager must know all his employees and give personal attention to each employee (Gursoy, Maier, & Chi, 2008).

**Previous Study and Hypothesis**

*Relationship Between Work Engagement, Job Satisfaction, and Turnover Intention*

Many academic practitioners who pay attention to work engagement make this topic very interesting to discuss. Work engagement has been shown to show a significant influence on work behavior such as job satisfaction, turnover intention, and work performance (Park & Gursoy, 2012). This is also supported by Takawira, Coetzee, and Schreuder (2014) that work engagement has positive results on job satisfaction, a motivating work environment, employee well-being, and the small possibility of leaving the organization. Engagement is also said to be an effective predictor of job satisfaction and turnover intention (Alarcon & Edwards, 2011).

The relationship between work engagement and turnover intention can be seen in several previous studies that have reported that employees who have a low level of engagement can lead to high employee turnover, while employees who are engaged have lower intentions or desires to leave the organization (L Lu et al., 2016; Park & Gursoy, 2012b; Schaufeli & Bakker, 2004). Therefore, company management needs to understand the effect or impact of work engagement on employee turnover.
Job satisfaction is very important because it has a positive relationship with work performance, organization performance, customer service quality, employee satisfaction, and retention. The results of previous studies indicate that employees who have engaged will have higher job satisfaction than employees who do not have engagement (Radosevich, Radosevich, Riddle, & Hughes, 2008). Some studies also consistently conclude that employee engagement work acts as a key determinant of job satisfaction (L. Lu et al., 2016).

RESEARCH METHODS
Sample and Procedure
This study focuses on employees of X company which is grouped based on their generation, Gen X and Millennial. Employees voluntarily fill out questionnaires during their working hours and return the completed questionnaire to the researcher. Of the 463 questionnaires distributed based on the number of employees of X company, there are 274 questionnaires that have been returned and can be used in this study. Respondents consisted of 224 Millennials (81.8%) and 50 Gen X (18.2%) with 183 men (66.8%) and 91 women (33.2%). Most respondents have a Bachelor education level of 178 people (65%) and have worked between 2-5 years 119 people (43.4%).

Measures
The measures used in this study have been well-validated in previous studies. Work engagement was assessed using the Utrecht Work Engagement Scale (Schaufeli et al., 2002), which has three dimension: vigor ($\alpha = 0.77$), dedication ($\alpha = 0.85$), and absorption ($\alpha = 0.67$). Examples of the items of each dimension include “When I get up in the morning, I feel like going to work”, “I am enthusiastic about my job”, and “When I am working, I forget everything else around me.” Job satisfaction was measured using an eight-item scale ($\alpha = 0.83$) from the work of Hartline and Ferrell (1996). Turnover intention was measured with a six-item scale ($\alpha = 0.70$) that was slightly modified from the work of Roodt (2004). All items were measured on a five-point Likert-type scale ranging from 1 = strongly disagree to 5 = strongly agree.

Analysis of Data
Composite scores of each dimension of work engagement, job satisfaction, and turnover intention by averaging the items of the constructs were used for analyses. Correlation analyses were conducted to examine the relationships between work engagement, job satisfaction, and turnover intention. One-way ANOVA and regression analysis were employed to assess generational differences in work engagement. Moderated regression analyses were performed to test the moderating effects of generation on work engagement–satisfaction and work engagement–turnover intention relationships. The nature of interactions was further illustrated by interaction plots. Two
generation variables were created and dummy-coded for analyses: 1 = Millennials and 0 = Gen X-ers.

RESULT AND ANALYSIS

Respondents' responses will be divided into three categories, low, medium, and high. To divide the three categories, it is necessary to define the class boundary values based on the Levine, Stephan, Krehbiel, and Berenson (2011) formula so that the categories can be arranged as follows:

<table>
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<tr>
<th>Table 1. Descriptive Statistics</th>
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<tr>
<td></td>
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<tr>
<td>1 Vigor</td>
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<td>2 Dedication</td>
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<td>3 Absorption</td>
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<td>4 Job Satisfaction</td>
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<td>5 Turnover Intention</td>
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After being seen as a whole, the work engagement variable has an average total value of 3.74 which is included in the high category. This shows that respondents have a high attachment to their work. Dedication has the highest average value where it shows that employees have enthusiasm and proud of their work. Job satisfaction has an average total value of 3.57 which is included in the medium category. Turnover intention has an average total value of 2.75 which is included in the medium category. This shows that respondents still have the desire to find better jobs that can meet their personal needs.

<table>
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<tr>
<th>Table 2. One-Way Anova</th>
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<td>Variables</td>
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<td>Turnover Intention</td>
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Based on the results of the ANOVA test presented in the table above, it can be seen that there are significant differences generated by generation of vigor, dedication, absorption, and turnover intention seen from the sig value. $\leq 0.05$. Meanwhile, for job satisfaction variables can be said not have a significant difference that can be seen from the value of sig. $\geq 0.05$.

An independent variable can partially be stated to have a significant effect on the dependent variable if it has a sig value. $< 0.05$, whereas the independent variables partially can be stated to have no significant effect on the dependent variable if it has a sig value. $> 0.05$. Based on the results of the T test in the table above, it can be seen that the value of sig. for stage 1 is 0.000 which is $< 0.05$ and beta coefficient is 0.578. This states that work engagement partially has a positive effect on job satisfaction. The higher the value of work engagement, the higher the job satisfaction, and vice versa.

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<th>Table 3. Moderated Regression Analysis</th>
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<tr>
<td>Standardized Coefficients Beta</td>
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<td>$R^2$</td>
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<td>Step 1 Engageent Variables</td>
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<td>0.578</td>
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<td>Step 2 Engageent Variables</td>
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<td>0.523</td>
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<td>Generation Variables</td>
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<td>-0.222</td>
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<td>Engagement x Generation</td>
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<td>0.216</td>
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Based on the results of the T test in the table above, it can be seen that for stage 2 the value of sig. for Engagement × Generation is 0.607 which is $> 0.05$. This states that generation does not moderate the relationship between work engagement and job satisfaction.

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<th>Table 4. Moderated Regression Analysis</th>
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<tr>
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<tr>
<td>Standardized Coefficients Beta</td>
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<td>Step 1 Engageent Variables</td>
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<td>Step 2 Engageent Variables</td>
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<td>Generation Variables</td>
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<td>Engagement x Generation</td>
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<td>0.005</td>
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Based on the results of the T test in the table above, it can be seen that the value of sig. for stage 1 is 0.000 which is $< 0.05$ and beta coefficient is -0.464. This states that partial work engagement has a negative effect on turnover intention. The higher the value
of work engagement, the lower the value of turnover intention, and vice versa. For stage 2 the value of sig. for Engagement × Generation is 0.991 which is > 0.05. This states that the generation does not moderate the relationship between work engagement and turnover intention.

DISCUSSION

The results of this study are in line with the research conducted by Park and Gursoy (2012), which shows that work engagement has a significant positive effect on job satisfaction. In addition, it has also been proven that employees who have high engagement will have higher job satisfaction compared to employees who have low engagement (Radosevich et al., 2008). The positive effect between these two variables has also been proven through research in the United States (Park & Gursoy, 2012a), Taiwan (Yeh, 2013), and South Africa (Rothmann, 2008).

Dedication is the most influential dimension in shaping work engagement within X company. Employees who have a high level of dedication, are active in work because they really like their jobs. The existence of positive thoughts and support from superiors, mentors, or other role models can enhance one's engagement through dedication (A. B. Bakker & Leiter, 2010). The love of the work that is owned and the support that is given well from the boss of course will also directly influence the job satisfaction.

As explained in the results, work engagement has a significant negative effect on turnover intention. This indicates that the higher the value of work engagement displayed by employees, the employee turnover intention will also decrease. Employee involvement that can be indicated by commitment and dedication can be used to predict turnover intention (A. Bakker, Demerouti, & Schaufeli, 2003). This supports the results of this study where dedication as one of the dimensions of work engagement has the highest value and low value turnover intention.

Based on the results, generation does not provide a moderating effect on the relationship between work engagement and job satisfaction. The existence of a non-significant relationship can be caused by the fact that the concept of work engagement is closely related and even has similarities with job satisfaction (Macey et al., 2009). This is also indicated by the insignificant results of the ANOVA test between generations with job satisfaction.

Generation also does not provide a moderating effect on the relationship between work engagement and turnover intention. The existence of a non-significant relationship can be caused by a characteristic similarity between Generation X and Millennial. Based on the results of previous studies, Generation X and Millennial have similarities related to
work such as low work centrality, low loyalty to the company, and respect for the balance between work and personal life (A. C. C. Lu & Gursoy, 2016).

CONCLUSION

The results of this study are expected to give insight and solutions for the organization on how to understand work engagement for increasing job satisfaction and decreasing turnover intention among their employees. Generation also does not provide a moderating effect on the relationship between work engagement and turnover intention. The existence of a non-significant relationship can be caused by a characteristic similarity between Generation X and Millennial.

Based on the results of the research on work engagement effect on job satisfaction and turnover intention with generation as a moderating variable, the suggestions that can be submitted for further research are as follows:

- Give more attention to the questionnaire with negative questions or reverse questions, especially in the preparation of sentences and use of vocabulary so that it will be more easily understood by respondents.
- Add qualitative data that can be obtained through deep interviews with the relevant experts or focus group discussions to support the results.
- Consider using a sampling method that can cover more generally, for example, randomized sampling.
- Consider using other measuring devices that have a higher level of compatibility between each other to produce results that might be different from this study.

REFERENCES


