

Motivation and the Millennial Generation

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This fast changing world increases competition in the business world and is linked with the increase in technology. The modern company strives to find new sustainable alternatives so that it can sustain business, especially concerning its human resources. The purpose of this study is to see whether 3 variables, namely employer branding, compensation and flexible working hours, can increase employee motivation. Employee motivation is essential so that the company's vision can be achieved. As the workforce has begun to be filled with generations of millennials it is not easy to maintain employees. From the results of this study, it was found that compensation, employer branding and flexible working hours can increase employee motivation. Of the three variables, flexible working hours have the biggest loading factor, the second is compensation, and the last is employer branding. After we know that flexible working hours can motivate employees, it is hoped that the human resources department can consider whether this can be implemented in the modern company.

Key words: *Millenials, Motivation, Flexible Working Hour, Compensations, Employer Branding.*

Introduction

Employee turnover is a problem that is faced by most industries in Indonesia. This problem arises because of the cost of recruiting replacement employees; which is a significant company expense. In addition to the high recruitment costs, people who are recruited may not necessarily be able to work directly according to their job description. There must be training first to explain what their responsibilities are. Conducting development also requires ample time so that this substitute employee can complete his work properly without any mistake. In

this era of disruption, the majority of workers who are millennials must have a special retention program for their companies to retain them as employees. Employee retention is a program to encourage employees to remain in the company for a maximum period of time (Raminder, 2017).

Figure 1. Factors Affecting Employee Engagement for 3 Generations



Source: Mercer, 2019 – *Global Talent Trends 2019*

Figure 1 is the result of research released by Mercer (2019), which illustrates the employee retention program for 3 generations in the company. This matter is distinguished generationally because the desire of the three variables will undoubtedly be different in each generation. Mercer (2019), states that job security is the most dominant factor affecting employee engagement, while, states that making different things more dominant makes them stay afloat within the organisation. If we look at the comparison with the results of a survey in Indonesia conducted by Dale Carnegie Indonesia through a study titled "Employee Engagement Among Millennials" (2016) mention only 25 per cent of millennial workers (born 1986-2000) are fully engaged (fully engaged) with the company they work for.

Literature Review

Millenials Generations

Based on the book "Millennial Nusantara" written by Hasanudin Ali and Lilik Purwandi, it was stated that more than 35% of Indonesia's population are young people between 15-34 years old. The population group born around the 1980s to the 2000s, which we often call Millennials. The generation of millennials poses challenges for managers who are, on average, in generation X and the team leaders responsible for training these young employees so that they can become valuable assets for the company. The superior manager of Generation Millenials must also know that there will always be continuous adjustments in managing the new generation because with an increase in the number of employees from this generation, the company is expected to be more advanced. In order for the work process to go well, it is imperative for managers to understand, monitor and proactively discuss generational differences in full.

Currently, Resource-Based View (RBV) is considered as one of the most widely accepted theories related to the creation of competitive advantage by companies and industries such as works created by Barney (1991), Peteraf (1993), Grant (1991), Prahalad & Hamel (1990), Teece (1997) with related concepts that go back to Penrose (1958). Some empirical research shows that the effect of the RBV perspective shows a higher significance than the influence of industry on performance as in the Five Force of Porter Framework as research conducted by Rumelt (1991); McGahan & Porter (1998); and Hawawini et al., (2003) within an organisation (Wong & Chin, 2016)

Employee Motivation (EM)

Two motivational theories known today are Maslow's hierarchical theory and Herzberg's theory. In his 1943 paper entitled A Theory of Human Motivation, Abraham Maslow, presented a hierarchy of human needs divided into five different levels of individual needs that must be met, starting from low-level needs to high-level needs, the highest is self-actualisation, which means that everyone can actualise themselves. Maslow has the opinion that some basic needs are more important than others and must, therefore, be met before high-level needs can be reached. Maslow's Hierarchy of Needs is usually presented in the form of a pyramid with five levels, namely: physiological, security, ownership, self-esteem, and finally, self-actualisation (Renfors, 2017). In this era of disruption, where various generations have entered the workforce, of course, things that motivate employees are different. For generation X or baby boomers compensation may be the main thing, but not necessarily for the next generation, the generation of millennials. The employees will work with more efforts and efficiencies if they found that they have a great future within the company (Nabi et al., 2017).

Compensations

Compensation theory, according to Dessler (1997), states that compensation is one form of payment or compensation given to employees because the organisation employs the employee. Which includes the dimensions of compensation according to Dessler include 1). Financial compensation: Included in financial compensation, includes wages or incentives, commissions and bonuses, and 2). Non-financial compensation: those who enter the non-financial category include health benefits or health insurance, entertainment, and all that is given not in the form of money. The compensation dimension can also refer to the applicable laws and regulations in Indonesia, in this case, referring to Labour Law No. 13 of 2003.

Employer Branding

Employer Branding is the company's ability to promote the company (showing a positive corporate image) to prospective employee candidates so that they are interested in applying to work for the company. According to Berry & Martin (2019), employer branding is to emit a unique "scent" of a company. This is related to everything the company has that can make it different and stand out among hundreds of other companies.

Flexible Working Hours

The definition of flexible working hours tends to cover a broad field of various activities, including, practices such as remote work (from home, other company premises, etc.), reducing hours, different hours (well agreed, non-standard hours, or discretion on hours work on a day-to-day basis) and compressed work time where employees work their contracted hours less number of days than normal. While this practice represents a variety of ways of working, a general theme here is the choices offered to employees regarding the way they work. A number of other terms have also been used to describe this different work pattern. Frank & Lowe (2003), for example, use the term 'alternative work arrangements' to describe work patterns that offer temporal or spatial flexibility, including full-time hours of work at an appropriate time for individuals, compressed work weeks, and part-time and seasonal work. Fallon (1997) described work patterns similar to alternative work schedules' and the phrase 'distributed work arrangements' has been used to describe work in alternative locations (Belanger & Collins, 1998).

Hypothesis

The hypothesis in our study are :

H1: There is an effect of compensations on employee motivation

H2: There is an effect of employer branding on employee motivation

H3: There is an effect of flexible working hours on employee motivation

Research Methods

This study used a quantitative method with a survey to millennial respondents in Indonesia. This research was conducted in 2019, from March to December. The amount of data processed using statistics comes from 285 respondents. The data is then calculated using SEM-AMOS software.

Result

Measurement Model

Confirmatory Factor Analysis (CFA) is used to assess the measurement model. The incremental fit index (IFI), non-normed fit index (NNFI), and comparative fit index (CFI) ratios are the three measures used to estimate the fit measurement model. The goodness of model fit for the measurement model in this study is shown in Table 2, and they are within acceptable limits. Therefore, it can be suggested that the measurement model has a good match with the data collected.

Table 2: The Goodness of Fit Measurement Model and Structural Model

Goodness of Fit	Measurement Model	Structural Model	Value Received
NNFI	0.94	0.93	≥ 0.90 (Hair et al., 2006)
CFI	0.96	0.95	≥ 0.90 (Hair et al., 2006)
IFI	0.96	0.92	≥ 0.90 (Hair et al., 2006)

The validity of the measurement model is assessed empirically by examining its convergent validity while the internal reliability of the measurement model is examined by performing a Cronbach alpha analysis (Meng et al. 2011; Hair et al. 1998; Lai and Chen, 2010; Liu et al. 2005; Foutopolos and Psomas, 2009; 2010, Widyanty et al. 2020). The results are shown in Table 4. Convergent validity is confirmed because all loading factors are equal to or greater than 0.5 and statistically significant (Hair et al. 1998). The internal consistency of the construct in the measurement model or the reliability of the measurement model was tested using Cronbach alpha analysis. Most authors propose that alpha 0.60 or greater is considered reliable (Churchill, 1977; Hair et al. 1998). In this study, the Cronbach alpha value of the analysis results shows that all constructs are well above 0.60. In other words, the measurement scale of this study is stable and consistent in measuring construct or reliable.

Table 3: Construction Validity and Reliability

No.	Latent Variable	Dimension	Indicator	Standardised Factor Loading	Cronbach Alpha
1.	Safety Culture	Policy	Regulation	0.91	0.976
			Coordination	0.87	
			Commitment	0.89	
		Leadership	Example	0.92	
			Inspiration	0.91	
			Support	0.93	
			System	0.94	
			Evaluation	0.91	
		Participation	Voluntary	0.51	
			Assisting	0.78	
			Discussing	0.86	
			Inspecting	0.91	
			Correcting	0.89	
			Delivering	0.79	
		Communication	Meeting	0.65	
			Procedure	0.86	
			Information	0.93	
Manual Instruction	0.86				
2.	Human resource management practices	Recruitment	Suitability	0.71	0.976
			Potential	0.67	
			Internal Candidate	0.53	
		Performance Management	Objective	0.62	
			Development	0.72	
			Company progress	0.73	
		Compensation	Salary	0.54	
			Bonus	0.70	
			Incentive	0.80	
		Training & development	Training	0.75	
			Follow up	0.75	
			Planning	0.69	
			Periodic	0.79	
3.	Produktivitiy	Efectivity	Professionality	0.57	0.976

			Responsibility	0.63	
			According to the procedure	0.63	
		Efficiency	On-time	0.56	
			Organised	0.64	
			Cost	0.55	
		Quality	Knowledge	0.57	
			Ability	0.54	
			Outcome	0.74	
4.	Competitive advantage		Effective and Efficiency	0.69	0.977
			Rare	0.67	
			Unique	0.87	
			Irreplaceable	0.94	

Structural Model

Structural models differ from measurement models in terms of the relationship between latent constructs and measured variables (Hair et al. 2005). Figure 2 shows the results of the estimation of the structure of the model. According to the Chi-square index (χ^2 test statistics / df = 4.63) and other indices (NFI = 0.93, NNFI = 0.93, and IFI = 0.95), the structural model is suitable, as shown in Table 2. On picture. 2, it is shown that the six direct path coefficients are statistically significant.

Thus, hypotheses 1, 2, 3, and 5 were accepted. Two of the 6 hypothetical pathways, namely strategic human resource management to competitive advantage (H4) and productivity to competitive advantage (H6) are not significantly accepted in the path coefficient statistics. Table 4 explains the direct effects of various determinants of competitive advantage. In terms of direct relationships, safety culture (0.78) has the greatest effect. Whereas in indirect relationships, human resource management practices have the greatest effect (0.89) followed by productivity (0.65).

Figure 4. Structural Model

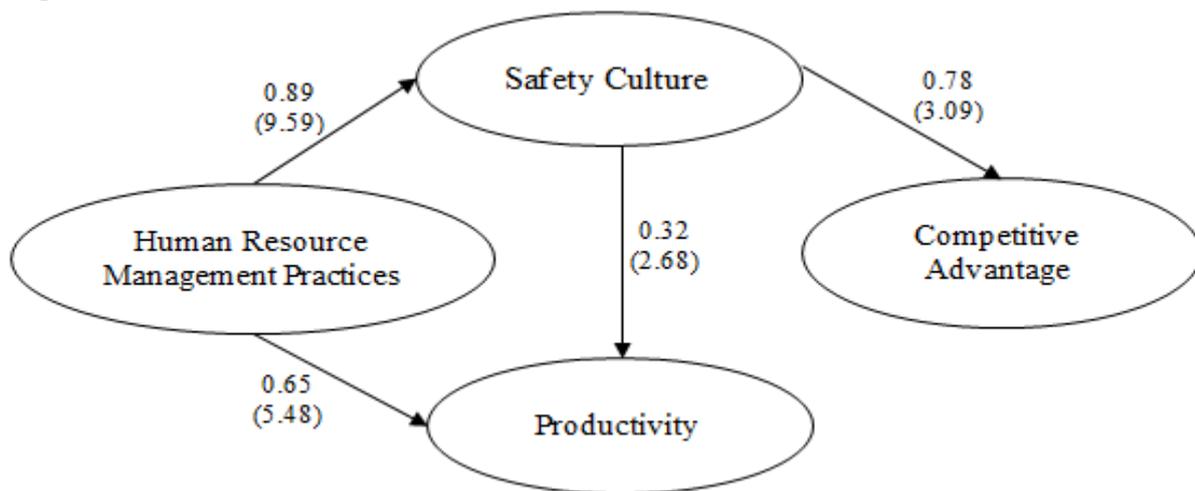


Table 4: Direct Effects of Competitive Advantage

Path	Estimates	T value
Human resource management practices → Safety culture	0.89	9.59
Human resource management practices → Productivity	0.65	5.48
Human resource management practices → Competitive advantage	0.53	1.81
Safety culture → Productivity	0.32	2.68
Safety culture → Competitive advantage	0.78	3.09
Productivity → Competitive advantage	-0.66	-2.11

Conclusions

This paper discusses the determinants of competitive advantage in the construction industry in Indonesia through structural equation modelling (SEM). 174 construction companies in Indonesia were surveyed to test the structural model. The results show that safety culture has a direct and positive effect on competitive advantage. Furthermore, this study also found that human resource management practices have an indirect effect on competitive advantage. These findings are supported by research findings (Rui, Zhang, & Shipman, 2017) and (Ellitan, 2004). Regarding the effect of safety culture, the findings are supported by Rechenthin (2004) and (Fernández-Muñiz, Montes-Peón, & Vázquez-Ordás, 2009). Meanwhile, the effect of human resource management practices on productivity was confirmed by (Pahos & Galanaki, 2018) and (Xiu, Liang, Chen, & Xu, 2017). Moreover, the effect of safety culture on productivity is confirmed by (Lamm, Massey, & Perry, 2007) and (Tappura, Sievänen, Heikkilä, Jussila, & Nenonen, 2015).



The results of this study suggest several important implications for competitive advantage in the construction industry in Indonesia. The significant direct effect of safety culture reflects the importance of culture in the company. In response to this finding, Fernández-Muñiz et al., (2009) suggested that the company has a clear policy regarding employee safety. Also, the leadership must hold firm commitments related to the policy and should be an example in the implementation of the policy. Sampson, DeArmond, & Chen (2014) confirm that employee participation and communication between management and workers are also important in safety culture concerning company competitive advantage.

Human resource management practices indirectly affect competitive advantage and directly influence safety culture and productivity. According to Chan & Mak (2012), the results of loading factors from the confirmatory factor analysis (CFA) provide useful information for construction companies to establish a safety culture through human resource management practices. The results revealed that the attributes that need to be considered are (1) recruitment and selection, (2) performance management, (3) compensation, and (4) training and development. Thus, this information can be utilised by managers to pay attention to the attributes of performance management as the highest factor in shaping safety culture (Zacharatos, Barling, & Iverson, 2005).

This study found some interesting findings, but this finding also has some limitations. First, this study uses cross-sectional data, and it is difficult to determine the link cross-time time series variables (Lee et al. 2010). Therefore, the results of the study may be different if done at a later time. Secondly, the limitations of sample size and convenience sampling methods implied that the findings could not be generalised to all construction companies in Indonesia. Therefore, researchers propose to conduct longitudinal research with more samples and improve sampling methods so that the results of the study can be generalised. Finally, researchers also suggest entering company performance variables in further research because company performance is a benchmark of competitive advantage as shown by research conducted in the manufacturing industry (Schroeder, RG, Bates, KA, & Junntila, MA, 2002) and in the mining industry (Tuck, J., Lowe, J., & McRae-Williams, P., 2005).

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