



Employee Retention of The Millennial Generation (Research on Manpower Bpjs Ketenakerjaan Surabaya Raya Branch)

Tri Siwi Agustina^{1*}, Yudistira Adi Nugraha²

^{1,2} Airlangga University

Article Information

Article of History:

Received January 2022

Approved April 2022

Published April 2022

A B S T R A C T

Until mid-2020, the composition of the number of employees of the millennial generation, which reached 68.68% at BPJS Ketenagakerjaan Raya Surabaya Branch, had a major impact on the company's sustainability if not managed properly. The purpose of this study was to determine the effect of a supportive work environment on employee retention mediated by organizational engagement at BPJS Ketenagakerjaan, Surabaya Raya Branch. This research is a quantitative study using a questionnaire distributed to 86 millennial generations at BPJS Ketenagakerjaan Branch Surabaya Raya. Hypothesis testing is processed by PLS (Partial Least Square). The results showed that a supportive work environment had a positive effect on employee retention and organizational engagement could partially mediate the effect of a supportive work environment on employee retention at BPJS Ketenagakerjaan Surabaya.

Keywords: Employee Retention, Supportive Work Environment, Organizational Engagement, Millennial Generation.

JEL Classification Code: J01, R11, A13

INTRODUCTION

BPJS Ketenagakerjaan (Employment Social Security Organizing Agency) is a public legal entity that is directly appointed by the government and has responsibility for the president and has a function as an organizer of social security programs for workers in Indonesia. For this reason, in carrying out its functions, BPJS must be able to maximize its best potential. The potential that must always be developed by BPJS Employment is in the services provided to the community to program development in realizing the welfare of all workers in Indonesia. Human resources or employees of the millennial generation of BPJS Ketenagakerjaan are assets that must be maintained, therefore employee retention is important so that BPJS Ketenagakerjaan can always increase productivity and develop the potential for the better.

BPJS Ketenagakerjaan Raya Surabaya Branch consists of 4 branch offices, namely Karimunjawa, Rungkut, Darmo and Tanjung Perak branches. At this time, millennial generation employees dominate the composition of human resources who work at BPJS Ketenagakerjaan, Surabaya Raya Branch. The Surabaya Karimunjawa branch has 63.64 percent of the millennial generation, 63.64 percent of Surabaya Rungkut, 73.33 percent of Surabaya Darmo, and 65.22 percent of Tanjung Perak. The millennial generation was born during a time of rapid technological progress, so this generation is also known as the digital native generation (Nindyati, 2017). Therefore the ability to recognize technology is very high. Millennial generation employees are considered a great asset of an organization that must be maintained, without the millennial generation, an organization will not be able to keep up with technological developments that are currently developing so rapidly. Research from

Gichuhi (2018) on 81% of millennial employees working in an area specifically stated that 38% of working millennials said they were still actively looking for new opportunities and a further 43% said they were not actively seeking but would be open to opportunities. new job. This millennial generation employee will have the desire to change jobs when they are not satisfied with the career that has been started. When the organization does not pay attention to the characteristics and behavior patterns of the millennial generation, it is very vulnerable for the millennial generation workers to seek new opportunities in other companies and the level of loyalty is decreasing.

Given this, the phenomenon of the dominance of the millennial generation at BPJS Ketenagakerjaan Raya Surabaya Branch is very interesting to study further in relation to how to retain millennial generation employees by reviewing whether organizational engagement and the current work environment are able to retain millennial generation employees at BPJS Ketenagakerjaan Surabaya Branch. Raya.

A supportive work environment is a way to create a more productive organization because running a supportive work environment can have a good impact on employees, because employees feel supported and encouraged in their work (Ma Prieto and Pérez-Santana, 2014). Previous research on the topic of a supportive work environment has revealed that a supportive work environment increases employee retention (Eisenberger et al., 2002). Furthermore, it remains to the extent that employees feel that their contribution is valued by the organization that employs them and besides that their managers care for their well-being (Eisenberger et al., 2002).

A supportive work environment is expected in the perceived flexibility and a supportive life policy is the best interaction

and retention of engagement and retention (Juhdi et al., 2013). Engaged employees are seen to be more involved in the organization and bring good business results (Richman et al., 2008). A survey conducted by Lockwood (2007) on 50,000 employees in 27 countries found that engagement is directly related to business success and employee retention in the organization. In addition, there is also evidence showing that an engaged and committed workforce can reduce turnover intention and reduce employee absenteeism (Allen et al., 2003). Organizational involvement can improve employee performance as well as organizational performance (Richman et al., 2008). In Bhatnagar's research (2007), it is also stated that engagement has a significant influence on organizational results, employee efficiency, and employee retention. Saks's (2006) research found that organizational involvement mediates the effect of rewards and recognition, perceived supervisor support, perceived organizational support, procedural justice, distributive justice, and job characteristics, with outcomes (organizational commitment, intention to quit job satisfaction, and organizational citizenship behavior).) of the organization.

METHODOLOGY

This research is quantitative research. The data collection technique used was through the distribution of questionnaires conducted from July 2020 to August 2020 online. The definition of operational variables includes 1) A supportive work environment is a work environment that can be opened openly with managers and co-workers, as well as knowing and feeling that leaders and co-workers care about the problems faced by the new generation of employees of BPJS Employment Surabaya who also supports employees in work. do a good job. Indicators to measure a supportive work

environment use dimensions according to social exchange theory (Blau, 1964), and employee-employer relationship theory (Eisenberger et al., 1986). 2) Organizational engagement is a positive and satisfying state of mind related to the level of pride, commitment, and understanding of the role of BPJS Ketenagakerjaan employees in the company organization. Indicators to measure the variable of organizational involvement are adapted from the study of Palmer and Gignac (2012). 3) Employee Retention is the level of desire of BPJS Ketenagakerjaan employees to remain and stay at BPJS Ketenagakerjaan Surabaya Raya. Indicators to measure employee retention variables were adopted from Hytter's (2007) research. All indicators on this variable were measured and rated with a 5-point Likert scale ranging from 1 point = "strongly disagree" to 5 = "strongly agree"

The characteristics of the population in this study are: (1) Employees of BPJS Employment Surabaya, (2) Included in the category of the millennial generation who were born in 1981-1999 (referring to Park & Gursoy, 2012). (3) Indonesian Citizens (WNI) with details according to Table 1. This study uses 86 population members as research samples. After the data is obtained, then test the validity and reliability of the instrument. The data that has been tested is then analyzed descriptively and analyzed using SEM-PLS with the help of the SmartPLS 3.0 program. After that, the hypothesis test was carried out. The standard error used is 5%, two-tailed test, the critical value is 1.96.

RESULT AND DISCUSSION

The total number of millennials at BPJS Ketenagakerjaan in Surabaya is 86 people. After distributing the questionnaires online, 71 questionnaires were obtained which were eligible for processing because the other 11 questionnaires were declared unfit due to incomplete responses from respondents.

In this study using Partial Least Square (PLS) analysis, the following is a picture of the PLS model tested:

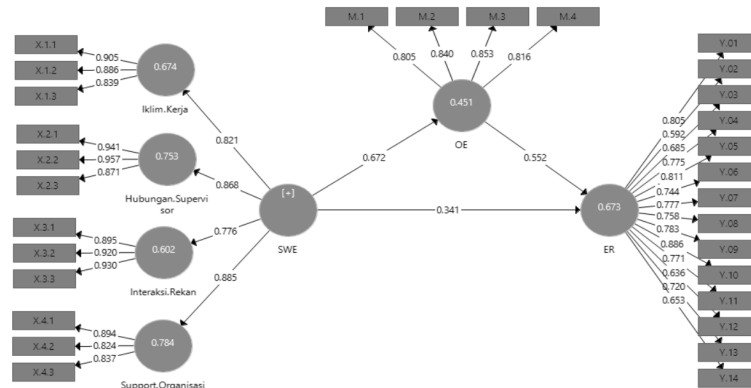


Figure 1
Algoritma Estimasi Smart PLS

Table 4 shows that the R-Square value for the employee retention variable is 0.673, which means that the percentage of the diversity of employee perceptions of the employee retention variable can be explained by the supportive work

environment and organizational engagement variables of 67.3%. Meanwhile, the R-Square value for organizational engagement variables can be explained by the supportive work environment variable of 45.1%.

Table 1
R-Square

| Variabel Endogen | Nilai R Square |
|---------------------------|----------------|
| Employee Retention | 0.673 |
| Organizational Engagement | 0.451 |

Testing the hypothesis of the effect between the variables supportive work environment, organizational engagement, and employee retention must meet the requirements that the influence of the independent variable and the dependent variable must be significant. The results of the estimation of direct and indirect effects use the partial least square method which is based on the t-statistic value which must be > 1.96.

Based on the estimation results, it can be seen that the coefficient of the influence of the supportive work environment variable with employee retention which is directly equal is 0.341 with a T-statistic of 3.403 which has a value greater than 1.64. So it can be concluded that there

is a significant positive direct effect. The coefficient of influence of the supportive work environment variable with organizational engagement has a value of 0.672 with a T-statistic value of 6.328 which has a value greater than 1.64. From these results, it can be concluded that there is a significant positive effect between the supportive work environment variables and organizational engagement on millennial employees of BPJS Ketenagakerjaan Surabaya. The coefficient of influence between organizational engagement and employee retention variables is 0.552 with a T-statistic of 6.380 greater than 1.64. From these results, it can be concluded that the variable organizational engagement

with employee retention on millennial employees of BPJS Ketenagakerjaan Surabaya has a significant positive effect.

Furthermore, the value of the indirect influence efficiency between supportive work environment variables on employee retention indirectly through organization engagement is 0.371. The T-statistic value in the hypothesis is 4.679 which is greater than 1.64. So from the comparison of the t-statistical values, it can be concluded that there is an indirect effect with a significant positive direction. The result of this indirect effect is due to the influence of the independent variable on the dependent variable which is still significant, from the mediation that occurs in the relationship between the supportive work environment variables on employee retention through organization engagement, which is partial mediation.

Research on employees of the millennial generation of BPJS Employment at the Surabaya Raya Office shows that there is a positive and significant effect of the Supportive Work Environment on Employee Retention in accordance with the results of the T-Statistic value of 6.380. This is also supported by the mean value of a supportive work environment of 4.11 which is classified as high and the mean value of employee retention is 4.25 which is classified as very high. This states that when the work environment supports employees to carry out their jobs well, millennial generation employees will remain and settle at BPJS Ketenagakerjaan Surabaya Raya. This proves that the first hypothesis is proven true. Thus, this study supports the research results of Ma Prieto and Pérez-Santana, (2014) which state that a supportive work environment has a positive impact on employees because employees feel supported in their work. This support is felt by employees as a form of appreciation or appreciation by the organization that employs them and besides that, it is also felt that their immediate

superiors care about their welfare (Eisenberger et al., 2002). This is believed to lead to employee retention. (Eisenberger et al., 2002).

Employee Retention at BPJS Ketenagakerjaan Surabaya Raya is influenced by the existence of a Supportive Work Environment based on partial least squares estimation, the coefficient value of the influence of a Supportive Work Environment on Employee Retention is 0.341, this indicates that the supportive work environment has a positive effect on employee retention. This positive value means that the higher the supportive work environment of BPJS Ketenagakerjaan, the higher the employee retention will be. From the results of descriptive calculations on the supportive work environment variable, the average value is 4.11 which is included in the high category, while the employee retention variable has an average of 4.25 which is included in the very high category. The results of this study are able to prove that currently, the millennial generation employees of BPJS Ketenagakerjaan Surabaya have high employee retention because they have a highly supportive work environment as well.

The millennial generation has very general characteristics where for them moving from one organization to another is not considered risky because they feel that they can accept a new job. However, in this study, it was found that millennial generation employees at BPJS Ketenagakerjaan Surabaya have high retention. The millennial generation employees of BPJS Ketenagakerjaan Surabaya stated that they will continue to survive for the next few years. This indicator shows an average value of up to 4.39 which is in the very high category. The characteristics of the millennial generation who have a strong determination to succeed are also owned by BPJS Ketenagakerjaan millennial generation

employees. The company has a big responsibility for employee retention, the size of employee retention shows how serious the company is in overcoming employee turnover.

The results of statistical tests show that there is a positive and significant effect of a supportive work environment on organizational engagement in the millennial generation of BPJS Ketenagakerjaan Surabaya. The effect of a supportive work environment on organizational engagement is stated to have a significant effect because it has a t-statistic value of 6,328. A supportive work environment can affect organizational engagement because if millennial generation employees feel that the company they work for currently has a comfortable work environment and supports their performance, psychologically they will stay in the company for a long time. This is in accordance with what was stated by Richman et al. (2008) which states that organizational engagement can be increased through the perception of organizational support. Richman et al., (2008). So it can be stated that if the company does not provide a good supportive work environment, it can have a negative effect on organizational engagement.

The coefficient of the influence of a supportive work environment on organizational engagement has a value of 0.672. From the value of the coefficient of influence, it means that the supportive work environment on organizational engagement has a positive influence, so from the results of this positive influence, it can be concluded that the higher the supportive work environment, the higher the organizational engagement, and vice versa. The results of descriptive calculations show that the average value of a supportive work environment is in the high category, which is 4.11 and organizational engagement is also

included in the high category, which is 4.17. This means that currently, the millennial generation employees of BPJS Ketenagakerjaan Surabaya Raya have a highly supportive work environment because they have high organizational engagement. This study states that in addition to having high pride in the company, millennial generation employees also feel that BPJS Ketenagakerjaan Surabaya feels that the company inspires employees in carrying out their work to do well and correctly. This is indicated by the mean value of 4.21 which is included in the very high category. It can be concluded that the millennial generation feels that the company has provided support for their work, so employees will be more involved in providing the best for the company.

Positive and significant effect of organizational engagement on employee retention of the millennial generation of BPJS Ketenagakerjaan Surabaya. This shows that more and more employees of the millennial generation BPJS Employment Surabaya. involved in the organization, the more the organization does not want to leave the company. To stay with the company. With high organizational engagement, employees are increasingly involved in the company so that work becomes more meaningful. The results of this study support the results of research by Bhatnagar (2007), which states that organizational engagement has a significant effect on employee retention.

These results are also supported by the results of descriptive calculations which show the average organizational engagement of BPJS Ketenagakerjaan millennials is 4.17 which is in the high category and employee retention which shows a value of 4.25 which is in the very high category. From these results it can be stated that BPJS Ketenagakerjaan millennial generation employees have high organizational engagement so they have higher retention rates for the company.

The results of this study, it was found that the millennial generation of BPJS Employment had a strong determination to succeed in work and had the highest influence coefficient value of 4.42 which was included in the very high category. This result is supported by the research of Cennamo & Gardner, 2008 which states that the millennial generation can be said to be the most adaptable generation in terms of technological skills. So when the millennial generation has a strong determination at work, then they will do their job well. The strong determination of the millennial generation also affects their higher engagement, this is supported by the results of research which states that the millennial generation has an enthusiasm when going to work. The millennial generation is a generation that wants a clear career path and a good promotion system, this is in accordance with the results of research which states that the millennial generation understands and is very satisfied with the career path provided by BPJS Ketenagakerjaan Surabaya.

Positive and significant effect of organizational engagement on employee retention of the millennial generation of BPJS Ketenagakerjaan Surabaya. This shows that more and more employees of the millennial generation BPJS Employment Surabaya. involved in the organization, the more the organization does not want to leave the company. To stay with the company. With high organizational engagement, employees are increasingly involved in the company so that work becomes more meaningful (Kristina, 2018). The results of this study support the results of research by Bhatnagar (2007), which states that organizational engagement has a significant effect on employee retention.

These results are also supported by the results of descriptive calculations which show the average organizational engagement of BPJS Ketenagakerjaan

millennials is 4.17 which is in the high category and employee retention which shows a value of 4.25 which is in the very high category. From these results it can be stated that BPJS Ketenagakerjaan millennial generation employees have high organizational engagement so they have higher retention rates for the company.

The results of this study, it was found that the millennial generation of BPJS Employment had a strong determination to succeed in work and had the highest influence coefficient value of 4.42 which was included in the very high category. This result is supported by the research of Cennamo & Gardner, 2008 which states that the millennial generation can be said to be the most adaptable generation in terms of technological skills. So when the millennial generation has a strong determination at work, then they will do their job well. The strong determination of the millennial generation also affects their higher engagement, this is supported by the results of research which states that the millennial generation has an enthusiasm when going to work (Malik & Kristina, 2020). The millennial generation is a generation that wants a clear career path and a good promotion system, this is in accordance with the results of research which states that the millennial generation understands and is very satisfied with the career path provided by BPJS Ketenagakerjaan Surabaya.

CONCLUSION

This study shows that a supportive work environment is needed in companies to support employee retention in the millennial generation employees of BPJS Ketenagakerjaan Surabaya Raya Branch. In particular, what needs to be considered are the following: The work climate of the organization must provide a sense of comfort to employees, this can be done regularly with millennial generation meetings to get input from the company and can communicate the organization's vision.

involvement in the organization. In addition, involving millennial employees in decision making can also be done to increase their involvement in the organization.

REFERENCE

- Adiguzel, O., Batur, H. Z., & Eksili, N. (2014). Generations changing side and the newly arisen work style after y generation: mobile colars. *Journal of Suleyman Demirel University Institute of Social Sciences*, 1(19), 166-182.
- Allen, D.G., Shore, L.M. and Griffeth, R.W. (2003), "The role of perceived organizational support and supportive human resource practices in the turnover process", *Journal of Management*, Vol. 29 No. 1, pp. 99-118.
- Bhatnagar, J. (2007), "Talent management strategy of employee engagement in Indian ITES employees: key to retention", *Employee Relations*, Vol. 29 No. 6, pp. 640-663.
- Blau, P.M. (1964), *Exchange and Power in Social Life*, Transaction Publishers, New York.
- Cennamo, L., & Gardner, D. (2008). Generation differences in work value, outcomes, and person-organization value fit. *Jurnal of Managerial Psychology*, 23(8), 891-906.
- Eisenberger, R., Huntington, R., Hutchison, S. and Sowa, D. (1986), "Perceived organizational support", *Journal of Applied Psychology*, Vol. 71 No. 3, pp. 500-507.
- Eisenberger, R., Stinglhamber, F., Vandenberghe, C., Sucharski, I.L. and Rhoades, L. (2002), "Perceived supervisor support: contributions to perceived organizational support and employee retention", *Journal of Applied Psychology*, Vol. 87 No. 3, pp. 565-573.
- Gichuhi, J. K., & Mbithuka, J. M. (2018). Influence of Work Engagement on Millennial Employees Retention among Insurance Industry in Kenya. *International Journal of Innovative Research & Development*, 7(2), 145–153. <https://doi.org/10.24940/ijird/2018/v7/i2/FEB18059>.
- Hytter, A. (2007), "Retention strategies in France and Sweden", *The Irish Journal of Management*, Vol. 28 No. 1, pp. 59-79.
- Juhdi, N., Pa'wan, F., & Hansaram, R. M. K. (2013). HR practices and turnover intention: The mediating roles of organizational commitment and organizational engagement in a selected region in Malaysia. *International Journal of Human Resource Management*, 24(15), 3002–3019. <https://doi.org/10.1080/09585192.2013.763841>.
- Kristina, Anita. (2018). Jaminan Sosial Bagi Tenaga Kerja Indonesia (Mencari Pelajaran Dari Implementasi Kebijakan di Berbagai Negara). *Media Trend*, 13(2) 2018 p. 167-177
- Ma Prieto, I. and Perez-Santana, M.P. (2014), "Managing innovative work behavior: the role of human resource practices", *Personnel Review*, Vol. 43 No. 2, pp. 184-208.
- Malik, Abdul, & Kristina, Anita. (2020). Kesesuaian Karakteristik Pekerja dan Pekerjaan Pada Lingkungan Kerja Industri Mebel Ukir di Desa Petekeyan, Jepara-Jawa Tengah. *Media Trend*, 15(2) 2020 p. 376-390
- Nindyati, A. D. (2017). Pemaknaan loyalitas karyawan pada generasi X dan generasi Y (Studi pada Karyawan di Indonesia). *Jurnal of Psychological Science and Profesion*, 1(1), 60-68.
- Park, J., & Gursoy, D. (2012). Generation Effect on the Relationship between Work Engagement, Satisfaction, and Turnover Intention among US Hotel Employees Jeongdoo. *International Journal of Hospitality*

- Management*, 31(4), 1195–1202.
- Palmer, R.B. and Gignac G. (2012), “The impact of emotionally intelligent leadership on talent retention, discretionary effort and employment brand”, *Industrial and Commercial Training*, Vol. 44 No. 1, pp. 9-18.
- Richman, A.L., Civian, J.T., Shannon, L.L., Jeffrey Hill, E. and Brennan, R.T. (2008), “The relationship of perceived flexibility, supportive work-life policies, and use of formal flexible arrangements and occasional flexibility to employee engagement and expected retention”, *Community, Work & Family*, Vol. 11 No. 2, pp.183-197.
- Saks, A.M. (2006), “Antecedents and consequences of employee engagement”, *Journal of Managerial Psychology*, Vol. 21 No. 7, pp. 600-619.
- Twenge, J. M., Konrath, S., Foster, J. D., Campbell, W. K., & Bushman, B. J. (2008). Egos inflating over time: A cross-temporal meta-analysis of the Narcissistic Personality Inventory. *Journal of Personality*, 76(4), 875–902.