

## THE EFFECT OF GENERATION X AND GENERATION Y BEHAVIOR ON EMPLOYEE LOYALTY THROUGH JOB SATISFACTION

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### ***Abstract***

*This study aims to determine the effect of Generation X and Generation Y behavior on employee loyalty through job satisfaction. The method utilized survey method using quantitative approach with 78 respondents from Generation X and 55 respondents from Generation Y. Chi Square method was used to test the hypothesis of this research. The results of this study have found that there are differences in behavior between Generation X and Generation Y employees in assessing job satisfaction and employee loyalty. The differences in the behavior of Generation X and Generation Y in assessing job satisfaction and loyalty should be put into a serious concern so that the company's regeneration process can proceed without hindrance for the continuation of a sustainable company life..*

**Keywords:** *Generation X, Generation Y, Job satisfaction, Employee Loyalty.*

### **Abstrak**

Penelitian ini bertujuan untuk mengetahui pengaruh perilaku generasi X maupun generasi Y terhadap loyalitas karyawan melalui kepuasan kerja. Metode yang digunakan adalah metode survey dengan pendekatan kuantitatif dengan komposisi 78 dari generasi X dan 55 dari generasi Y. Pengujian hipotesa menggunakan metoda Chi Square atau Chi Kuadrat. Hasil penelitian ini bahwa terdapat perbedaan perilaku antara karyawan generasi X dan generasi Y dalam menilai kepuasan kerja maupun loyalitas karyawan. Perbedaan perilaku generasi X dan generasi Y dalam menilai kepuasan kerja maupun loyalitas harus menjadi perhatian yang serius agar proses regenerasi perusahaan bisa berjalan tanpa halangan untuk kelanjutan kehidupan perusahaan yang berkesinambungan.

**Kata Kunci:** *Indonesia, Ordered Probit, Lembaga Pemeringkat, Peringkat Kredit Negara.*

## INTRODUCTION

Employee loyalty is necessarily expected for any manufacturing company's regeneration continuity and transfer of expertise. One way for such company to maintain its employee loyalty is to know the behavior of its human resources very well. Without knowing the behavior of its human resources in detail, it is impossible for any company to manage its regeneration properly, especially, for the companies that engage in manufacturing industry, which main expertise is not yet **available** at the existing polytechnic or Job Training Center (BLK) prepared by the government. A manufacturing company with a high level of risk and process diversity might only leave with its human resources who are less loyal to the company if it is not serious in managing its human resource well. Employee disloyalty is not only indicated by one's resigning or leaving the company. However, disloyalty can also be seen from how much the company spends on the *hidden cost* caused by several issues that should have been avoided if the employees are caring and loyal to the company. Employees with high loyalty will never let the company spend a little more if they find a way to spend less. Additionally, it is also deemed to be important to maintain the employee's comfort zone. Yet, it is also worth noted that it might be necessary to put the employees from their comfort zone as the last resort. To achieve the success of retaining employees so that they keep working and generating more profits for the company, companies must pay attention to the factors that make employees feel comfortable and feel satisfied

at work and with the company. The efforts to keep employees stay have become a major problem in many companies for several reasons. For instance, corporate companies that have a higher level of job satisfaction tend to have employees with high loyalty as well. However, it is worth questioning whether, with the changing of generation nowadays, the aforementioned statement is still relevant. Therefore, the writer of this research article thought it was necessary and important to write a research article that focuses on loyalty through job satisfaction on the behavior of employees from Generation X and Generation Y based on the grand theory of researchers who shared generation theory in several periods, namely Lancaster & Still in 2002 at the company.

Generation X as much as 80% dominates the composition of employees in the company, while Generation Y by 20%. Gargiulo (2012) argues that some of Generations X employees may leave work and Generation Y may occupy the largest proportion of labor in the next few years.

The shifting of employee behavior does require serious handling. Like it or not, the older generation X will shift to the younger generation. The number of Generation X will quickly decrease in the manufacturing company, in which the average of working age or retirement of 55 years could not provide a workplace for them. Therefore, it is not exaggerating to put the effect of Generation X and Generation Y employee's behavior on job loyalty through job satisfaction in company as the title as it is very precise and interesting to study.

In carrying out their work activities, employees cannot not be separated from the loyalty and work attitude, so that they can always carry out their work properly and so that they can feel a deep sense of pleasure in the work that they do. Employee loyalty will automatically come into play when employees work happily and they feel satisfied. In other words, employee loyalty will grow in line with work satisfaction. To add, loyalty is a relationship that makes someone believe in someone else. Additionally, loyalty is reflected in the willingness of employees to maintain and defend organizations both inside and outside of work from undermining irresponsible people (Hasibuan, Malayu.S.P. 2011).

Moreover, according to Sudimin (2003) loyalty is the willingness of employees with all abilities, skills, thoughts and time to participate in achieving company goals, keeping company secrets, and not taking actions that harm the company as long as the person is still an employee. Barsky & Nash in the journal Anwar Basalamah (2012), in addition, suggest that loyalty significantly strengthens employee intent to stay in the same brand and their willingness recommends a brand to other.

The aforementioned aspects of loyalty are individual psychological processes that will often influence to form loyalty, which is a strong drive to remain as a member of the company, to have a definite trust, to accept the values of the company's company fully, and to obey the rules that apply a sense of responsibility high and positive work attitude. If these aspects can be fulfilled and owned

by employees, then surely the employee will have high loyalty in accordance with the expectations of the company. Based on the experts' opinions mentioned earlier, it can be concluded that employee loyalty is any action taken sincerely from the heart of an employee by doing anything for the good of the company without any negative intention towards the company. Wilson (*missing year*) states that job satisfaction includes how an employee can feel whether the work is fun or unpleasant to do.

Meanwhile according to Ryder, N. B (1965) Generation is a group consisting of individuals of the same age range who have experienced the same historical event in the same period. This statement is in line with the that of Kupperschmidt (2000), who states that a generation is an identifiable group that shares birth years and significant life events at critical developmental stages. Additionally, it does not contradict with Strauss & Howe (1991) statement who divide generations based on the similarity of birth spans and similarities in historical events. The distribution of these generations is expressed by other researchers with different labels as well, but they generally have similar or even the same meaning. For example, according to Martin & Tulgan (2002) Generation Y is a generation born in the range of 1978, while, according to Howe & Strauss (2000) generation Y is a generation born in 1982. This insignificant difference occurred because of the different schemes used to classify generations as the researchers came from different countries.

## RESEARCH METHOD

The design of this study utilized survey methods where the objects between variables were hypothesized. The hypothesis itself describes the influence between two variables or more variables to find out whether or not a variable is associated with other variables, or whether a variable is influenced by the other variables. Thus, this study is aimed to examine the behavior of Generation X and Generation Y, and job satisfaction toward Employee Loyalty. It is also aimed to determine whether there is any influence between the four variables and to what extent these variables influence each other.

This research is considered as quantitative research with a goal to obtain the picture of influence. Based on the characteristics of the problem under study, the research is considered as causal research as it may detect variations in a factor related to variations in one or more other factors, such as the influence of the Generation X employee behavior and Generation Y

employee behavior (X2) towards loyalty (X4) through job satisfaction (X3). It is necessary to note that X3 and X4 are dependent variables with X1 and X2 as independent variables.

## RESULT AND DISCUSSION

This study consisted of four variables, two exogenous variables consisting of Generation X employees, Generation Y employees, and two endogenous variables job satisfaction and employee loyalty. Presentation of descriptive data in a row is arranged based on the score distribution of each variable in the form of a range of statements of absolute frequency distribution or relative frequency. The frequency distribution is arranged based on Sturges rules, and its absolute frequency distribution is illustrated in the histogram. It is then continued with portrayal of the size of the distribution of standard intersections equipped with calculations, mean, mode, and median values, as a measure of the central symptom for each variable. For more details, it will be described with the acquisition of data as specified in the following table:

**Table 1. Population and Sample Distribution**

Generation Population	Population	Sample
X	118	78
Y	82	55
TOTAL	200	133

**Table 2. Questionnaire instrument**

Variable	Dimension	Indicator	Items
Job Satisfaction	5	19	25
Employee Loyalty	5	18	35
TOTAL	10	37	60

The data for job satisfaction variable is measured by the Likert method (5 scales). For one statement, it has a scale of 1 to 5, which is illustrated in 5 options, namely: SS with a score of 5, S with a score of 4, N with

a score of 3, TS with a score of 2, and STS with a score of 1. It is also equipped with 25 statement items taken from all instrument respondents to Job satisfaction of 133 employees.

The results is based on screening of 124, the lowest score of 39, the average through a questionnaire consisting of 25 score ( $\bar{x}$ ) of 93.06, median (me) of 93.83, statements of respondents with the answer mode (Mo) of 86, standard intersection (s) category using a Likert scale model. Based of 13,671, and variance of 186,905. The on the results of data analysis, a total score of frequency distribution of job satisfaction 12,377 was obtained, with the highest score data is presented in the table below.

**Table 3. Frequency Distribution of Job Satisfaction**

No	Interval	Class Sign	Lower limit	Upper limit	Frequency	
					Absolute	Relative (%)
1	62 - 69	65	61,5	69,5	1	0.8
2	70 - 77	73	69,5	77,5	1	0.8
3	78 - 85	81	77,5	85,5	8	6.0
4	86 - 93	89	85,5	93,5	35	26.3
5	94 - 101	97	93,5	101,5	43	32.3
6	102 - 109	105	101,5	109,5	31	23.3
7	110 - 117	113	109,5	117,5	13	9.8
8	118 - 125	121	117,5	125,5	1	0.8
$\Sigma$					133	100

The data from employee loyalty variable of respondents with the answer category is measured using Likert method (5 scales). using a Likert scale model. Based on the For one statement, it has a scale of 1 to 5, in results of data analysis, a total score of five options, namely: SS with a score of 5, 18,941 was obtained with the highest score S with a score of 4, N with a score of 3, TS of 175, the lowest score 83, the average score with a score of 2, and STS with a score of 1. ( ) 142.41, median (me) 142.20, mode (Mo) It is also equipped with 35 statement items 140 standard intersections (s) 1,348, and taken from all instrument respondents to Job variance 241,729, the frequency distribution satisfaction of 133 employees. of employee loyalty data is presented in the

The results is based on screening through table below.  
 a questionnaire consisting of 25 statements

**Table 4. Frequency Distribution of Employee Loyalty**

No	Interval	Class Sign	Lower limit	Upper limit	Frequency	
					Absolute	Relative (%)
1	83 – 94	88	82,5	94,5	2	1,5
2	95 – 106	100	94,5	106,5	2	1,5
3	107 – 118	112	106,5	118,5	3	2,3
4	119 – 130	124	118,5	130,5	14	10,5
5	131 – 142	136	130,5	142,5	46	34,6
6	143 – 154	148	142,5	154,5	38	28,6
7	155 – 166	160	154,5	166,5	21	15,8
8	167 – 178	172	166,5	178,5	7	5,3
$\Sigma$					133	100,0

Based on the results of the conclusions of the hypothesis provided above, it can be concluded that the findings of this study inform that the behavior of employees of generation X and generation Y affects their satisfaction towards the company. In this case, the behavior between generation X and generation Y is different in assessing each job satisfaction, as indicated by the results of the comparison between Chi table and Chi count, where the results of Chi count are greater than the Chi table.

Overall, the loyalty independence is influenced by both generations X and generation Y. Therefore, what needs to be considered is that different treatments are needed in addressing different generations to anticipate regeneration from generation X to generation Y that will absolutely occur in every company.

## CONCLUSION

Based on the results of the overall data analysis, the findings yield the following information. First, the results processed using Chi Square or chi squared method produce the fact that the chi square value of the job satisfaction variable is a standard 0.05 critical limit value compared to the Chi square value calculated for the Job satisfaction that gets 42,620 results. Meanwhile, the Chi table value is set at 5,991, so that in this study there was an influence of the behavior of generation X and generation Y toward Job Satisfaction. The calculated results for work loyalty variables get the results of 16,525 while the chi table set is 5,991. Thus, this indicates the behavior of generation X and Generation Y employees are not independence or, in the other word, it

influences job loyalty.

Moreover, there are differences in behavior between generation X and generation Y in viewing job satisfaction and loyalty. However, the awareness towards the behavior of generation X and generation is not a scourge that must be avoided. Yet, it has to be an issue that all stakeholders and authorities must be aware of and concern about. If employees' bad behavior cannot be detected, it is not impossible that the regeneration process in a company will fail. This will lead to a new problem that could have been prevented earlier. Generational changes are strongly influenced by the changes in the climate of life and existing technology. This findings are in line with the narrowing of age or the range of technological differences that have been studied previously. It is not impossible for companies to have trouble in regulating the regeneration of their employees if they are not aware. Changes in future generations will be faster in line with increasingly rapid technological movements, the behavior of future generations will be more difficult to plan.

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