Employee Engagement of Bank Mandiri Dumai Area (Comparative Analysis between Generation X and Y of Employees)

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Abstract

This research is to analyze the effect of career development on employee engagement, the effect of employee engagement on turnover intentions, and the level of employee engagement between Generation X and Generation Y, and the level of employee engagement between male and female employees. The sampling technique used was census with 191 employees as the size of respondents, while the data analysis technique used was a simple regression analysis. This research found several premises, there were: career development had a positive effect on employee engagement; employee engagement had a negative effect on turnover intentions; there was a significant difference in the level of employee engagement between generation X and generation Y employees where the level of engagement of generation X employees was higher when compared to the level of engagement of generation Y employees; there was no significant difference in the level of employee engagement between male employees and female employees even though the level of engagement of male employees was higher when compared to the level of engagement of female employees. Thus, turnover intention can be minimized by enhancing employee career development and employee engagement with the company. It turns out that employee engagement can also be explained by the different level of engagement that exists based on the generation of employees belonging to generation X and generation Y. These results figure out Bank Mandiri Dumai turnover employee model condition, so this research model is expected can be applied to minimize the turnover employees of Bank Mandiri Dumai.

Keywords: Career Development, Employee Engagement, Turnover Intentions.

1. Introduction

Employees are the most valuable assets in a company because employees can be said to be the cogs for the company in achieving its stated vision and mission. Employees are also the most important element in a company, without the presence of employees a company certainly will not operate as it should be. Therefore, it is important for Bank Mandiri to manage its employees well, so that employees are going to have a good engagement with the company, and in the end, the employees with a good engagement will provide the best contribution to the company.

Bank Mandiri internally conducted four surveys related to employee engagement between 2010 and 2016. Based on the result of the surveys it can be concluded that Bank Mandiri employees have a good level of engagement with the company, even in 2016 Bank Mandiri obtained two awards related to employee engagement, namely "Best 2016 Employee Engagement" and "2016 Indonesia Engagement Award" (Bank Mandiri, 2017).
One of the factors that can increase employee engagement in a company is career development. Sumadhinata and Murtisari explained that one of the ways to maintain employee engagement is to provide appreciation, one of the forms of appreciation is career development (Sumadhinata & Murtisari, 2017). Career development is very important for employees in a company, with good career development, management in the company will make employees mentally and emotionally have an engagement to the company.

A good employee engagement in a company will have a positive impact on the company. One of the positive impacts is that it can reduce employee turnover because employees who have a good engagement with the company do not think to leave the company and will not leave the company easily (Mishra, Boynton, & Mishra, 2014).

Conceptually, employee engagement is negatively related to turnover intentions, meaning that the higher the level of employee engagement with the company, the lower the employee turnover rate within the company. However, the fact is that the turnover rate of Bank Mandiri employees from 2016 to 2017 increased, it was known that the turnover rate of Bank Mandiri employees in 2016 was 4.84% while in 2017 it was 5.92% so it can be said that the turnover rate of Bank Mandiri employees from 2016 to 2017 increased by 1.08% (Bank Mandiri, 2017). The same situation has also happened in Bank Mandiri Dumai Area, the employee turnover rate which in the last three years has also increased as shown in the following table.

### Table 1. Bank Mandiri Dumai Area Employee Turnover Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Generation</th>
<th>Gender</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>X</td>
<td>Y</td>
<td>Male</td>
</tr>
<tr>
<td>2018</td>
<td>2</td>
<td>27</td>
<td>21</td>
</tr>
<tr>
<td>2017</td>
<td>4</td>
<td>22</td>
<td>17</td>
</tr>
<tr>
<td>2016</td>
<td>2</td>
<td>22</td>
<td>17</td>
</tr>
</tbody>
</table>

Based on Table 1, it is assumed that there were differences in the level of employee engagement between generation X and generation Y as well as between male and female gender. It is seen from the number of generation Y employees leaving the company when compared to the number of generation X employees, and the number of male employees leaving the company is greater than the number of female employees.

Based on the description explained, it is necessary to do further research to determine the effect of career development on employee engagement and also the effect of employee engagement on turnover intentions. It is also necessary to analyze the comparison of employee engagement between Generation X and Generation Y employees and the comparison of employee engagement between male and female employees.

### 2. Literature Review

**Definition of Variables**

(Shanmugam & Krishnaveni, 2012) defined employee engagement as the level of loyalty an employee towards a company and the efforts made to assist in achieving company goals. Then, (Zeffane & Melhem, 2018) defined turnover intentions as the desire of an employee to leave and look for another job and evaluate the possibility of finding a better job elsewhere. Furthermore (Basuki, 2018) defined career development as the process of gaining skills,
experience, and education or the provision of long-term knowledge and talents or personal improvement to achieve career goals.

**Relationship between Variables**

According to (Wulandari & Yuniawan, 2017), an employee will have an engagement with a company if the company can provide support to employees through a good career development system. (Sumadhinata & Murtisari, 2017) explained that career development is very important for employees in a company, with good career development management in the company, which will make employees mentally and emotionally have an engagement with the company.

According to (Gubman, 2004), an employee who has no engagement to a company is likely to quit his job and look for another job. (Ngoben & Bezuidenhout, 2011) suggested that the higher the level of employee engagement with a company, the longer the employee will remain committed and remain with the company.

The results of research conducted by (Hlongwane & Ledimo, 2015) concluded that the generation of employee Y engagement levels was higher when compared to the generation X employee engagement levels, while the results of research conducted by (Mohsen, 2016) concluded that the generation of employee X engagement levels was higher when compared to the generation Y employee engagement levels.

The results of research conducted by (Kimberly & Utoyo, 2013) concluded that the level of engagement of female employees is higher when compared to the level of engagement of male employees, while results of research conducted by (Pri & Zamralita, 2017) concluded that the level of engagement of male employees is higher when compared to the level of engagement female employees.

Based on the above review of literature, the research hypothesis is determined as follows:
1) Career development had a positive effect on employee engagement.
2) Employee engagement had a negative effect on turnover intentions.
3) There was a significant difference in the level of employee engagement between Generation X and Generation Y employees.
4) There was a significant difference in the level of employee engagement between male and female employees.

**3. Method**

Respondents in this research were all employees of Bank Mandiri Area in Dumai totaling 191 selected by the census. The research data are obtained through the dissemination of questionnaires and analyzed by simple regression analysis techniques using SPSS software. Before testing the hypothesis, the validity and reliability tests as well as the normality and heteroscedasticity tests were first performed.

**4. Results and Discussion**

**Validity and Reliability Test**

Before the questionnaire is used to collect overall data, the level of validity and reliability must be tested by distributing 30 copies of the questionnaire to Bank Mandiri Dumai Area employees, and to be tested for eligibility. The results of the validity and reliability tests in this research are listed in the following table:
Based on Table 2, it is known that all indicators of the variables of career development, employee engagement, and turnover intentions have a calculated value greater than $r_{\text{table}}$ so that it can be said that all indicators of these variables have proven to be valid. Then, the cronbach alpha value obtained is career development (0.812), employee engagement (0.952), and turnover intention (0.938) where these variables have a cronbach alpha value $\geq 0.70$ so it can be said that all indicators variables of career development, employee engagement, and turnover intention can be said to be reliable for measuring these variables.

### Normality and Heteroscedasticity Test

Before testing the hypothesis, the data obtained from the results of the questionnaire distribution must first be free from the assumption of normality and heteroskedasticity. The results of normality and heteroskedasticity tests in this research can be seen in the following figure:
Based on Figure 1, it can be seen that the points contained in the normal probability plot are around the diagonal line, this indicates that the data used in this research proved to be normally distributed and can also be seen that the points contained on the scatterplot graph do not form patterns certain orderly and spread above and below the number 0 on the Y axis, it indicates that the variance of the residuals of one observation to another is not the same so that it can be said that the assumption of heteroskedasticity is well fulfilled.

**Hypothesis Testing**

Hypothesis testing in this research consists of verification hypothesis testing and comparative hypothesis testing. Verification hypothesis testing in this research was carried out in two stages, namely: the first stage was carried out to find out whether career development affected employee engagement, and the second stage was conducted to find out whether employee engagement affected turnover intention. Comparative hypothesis testing in this research was also carried out in two stages, namely: the first stage was conducted to find out whether there were differences in the level of employee engagement between generation X employees and generation Y employees and the second stage was carried out to find out whether there were differences in the level of employee engagement between male employees and female employees. The results of testing the hypothesis can be seen in the following table.

**Table 3. Verification of Hypothesis Testing Results**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>17.565</td>
<td>1.910</td>
<td>9.195</td>
</tr>
<tr>
<td></td>
<td>Career Development</td>
<td>1.909</td>
<td>.113</td>
<td>.776</td>
</tr>
</tbody>
</table>

  

a. Dependent Variable: Employee Engagement

**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>.776*</td>
<td>.602</td>
<td>.600</td>
<td>4.191</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Career Development
Based on Table 3, the results of the regression analysis of the effect of career development on employee engagement obtained a constant value of 17.565 and a regression coefficient of 1.909, and a significant value of 0.000. This means that employee engagement will have a value of 17.565 if career development has zero value. Based on these results, due to the significant value obtained <0.05, it can be concluded that career development had a positive and significant effect on employee engagement. Furthermore, the value of "Adjusted R Square" obtained is equal to 0.600, this indicates that the ability of career development variable in explaining their effect on employee engagement variables was 60.0%, while the remaining 40.0% was influenced by other variables such as leadership, work environment, compensation, and so on that were not used in this research.

Based on Table 3, the results of the regression analysis of the effect of employee engagement on turnover intention obtained a constant value of 23.178 and a regression coefficient of -0.200, and a significant value of 0.000. This means that turnover intention will have a value of 23.178 if employee engagement has zero value. Based on these results, due to the significant value obtained <0.05, it can be concluded that employee engagement had a negative and significant effect on turnover intention. Furthermore, the value of "Adjusted R Square" obtained at 0.071 shows that the ability of employee engagement variable in explaining their effect on turnover intention was 7.1%, while the remaining 92.9% was influenced by other variables such as organizational culture, job satisfaction, organizational commitment, and so on that were not used in this research.

Table 4. Comparative Hypothesis Testing Results
Level of Employee Engagement between Generation X and Y

<table>
<thead>
<tr>
<th>Descriptives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement</td>
</tr>
<tr>
<td>N</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>----------------</td>
</tr>
</tbody>
</table>
Based on Table 4, it is known that the average value of the generation X employee engagement level is 51.76 and the average value of the generation Y employee engagement level is 48.97 and the significant value is 0.025. Based on these results, due to the significant value obtained <0.05, it can be concluded that there was a significant difference in the level of employee engagement between Generation X and Generation Y employees.

**Table 5. Comparative Hypothesis Testing Results**

**Level of Employee Engagement between Male and Female**

<table>
<thead>
<tr>
<th>Descriptives</th>
<th>Lower Bound</th>
<th>Upper Bound</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>48.90</td>
<td>51.33</td>
</tr>
<tr>
<td>Female</td>
<td>47.37</td>
<td>50.28</td>
</tr>
<tr>
<td>Total</td>
<td>48.52</td>
<td>50.41</td>
</tr>
</tbody>
</table>

Based on Table 5, it is known that the average value of engagement of male employees is 50.12 and the average value of engagement of female employees is 48.82 and the significant value is 0.178. Based on these results, because the significant value obtained > 0.05, it can be concluded that there was no significant difference in the level of employee engagement between male employees and female employees.
Based on the research results obtained, the discussion of the effect of career development on employee engagement and the effect of employee engagement on turnover intention and differences in the level of employee engagement between X and Y generation employees and differences in the level of employee engagement between male and female employees will be further discussed as follows:

**H1: Effect of Career Development on Employee Engagement?**
Based on the results, it is known that career development had a positive and significant effect on employee engagement. These results indicate that career development owned by employees of the Bank Mandiri Dumai Area is something that can determine employee engagement to the company, meaning that the higher the career development opportunities owned by employees of Bank Mandiri in Dumai Area will also increase the level of employee engagement in the company.

Career development can be said as one of the benchmarks for employees of the Bank Mandiri Dumai to stay afloat in the company, when employees have the opportunity for career development, then the employee will make the best contribution to achieve company goals which show that the employee has an engagement which is high on the company. This result is also by the research by (Dayona & Rinawati, 2016), (Semwal & Dhyan, 2017), and (Montori, Adolfin, & Dotulong, 2019) which also found that career development has a positive and significant effect on employee engagement.

**H2: Effect of Employee Engagement on Turnover Intention?**
Based on the results, it is known that employee engagement had a negative and significant effect on turnover intentions. These results indicate that employee engagement in Bank Mandiri Dumai Area is something that can determine employee turnover intentions, meaning that the higher the level of employee engagement in the Bank Mandiri Dumai Area will lower the turnover intentions of employees.

Employee engagement can be said as one of the important aspects for the Bank Mandiri Dumai Area because employees who have a high engagement to the company will have a positive impact on the company's sustainability and will improve the company's performance. On the other hand, things that are also considered important for the company are employees who have a high engagement to the company will tend to survive in the company and have a low intensity to plan to leave the company. This result is also by the research by (Wesley & Krishnan, 2013), (Biswakarma, 2015), and (Oliveira & Rocha, 2017) which also found that employee engagement has a negative and significant effect on turnover intentions.

**H3: Significant Difference Between Employee Engagement Between Generation X and Generation Y?**
Based on the results, it is known that there was a significant difference in the level of employee engagement between Generation X and Generation Y employees with an average value of Generation X employee engagement levels of 51.76 and the average value of Generation Y employee engagement levels of 48.97. These results indicate that the level of engagement of employees of Bank Mandiri Dumai Area which was included in the category of generation X was higher than the level of engagement of employees of Bank Mandiri Dumai Area which was included in the category of generation Y.
This result is also by the research by (Mohsen, 2016) which found that the level of employee X generation engagement was higher when compared to the level of employee Y generation engagement. However, the result does not match with the research result by (Hlongwane & Ledimo, 2015) which found that the level of employee Y generation engagement was higher when compared to the level of employee X generation engagement.

**H4 : Significant Difference Between Employee Engagement Between Male and Female?**

Based on the results, it is known that there was no significant difference in the level of employee engagement between male and female employees with an average value of male employee engagement of 50.12 and the average value of female employee engagement level of 48.82. These results indicate that the level of engagement of employees of Bank Mandiri Dumai Area who were male and female did not have a significant difference, even though the statistical figures obtained can be said that the level of engagement of male employees was higher than the level of engagement of female employees.

Several studies that also have analyzed the significant differences in engagement levels between male and female were the research by (Pri & Zamralita, 2017) which found that the level of engagement of male employees was higher when compared to the level of engagement of female employees, and the research by (Kimberly & Utoyo, 2013) which found that the level of engagement of female employees was higher when compared to the level of engagement of male employees.

**5. Conclusion**

This research found several premises, there were: career development had a positive effect on employee engagement; employee engagement had a negative effect on turnover intentions; there was a significant difference in the level of employee engagement between generation X and generation Y employees where the level of engagement of generation X employees was higher when compared to the level of engagement of generation Y employees; there was no significant difference in the level of employee engagement between male employees and female employees even though the level of engagement of male employees was higher when compared to the level of engagement of female employees. Thus, turnover intention can be minimized by enhancing employee career development and employee engagement with the company. It turns out that employee engagement can also be explained by the different levels of engagement that exist based on the generation of employees belonging to generation X and generation Y.

These results figure out the Bank Mandiri Dumai turnover employee model condition, so this research model is expected can be applied to minimize the turnover of employees of Bank Mandiri Dumai. Some recommendations are provided based on descriptions of research variables and indicators. Bank Mandiri Dumai needs to provide higher opportunities for employees to develop their careers. It is also necessary to pay attention to employees so that they have a high concern for the company. Bank Mandiri Dumai Area must also embrace and protect employees belonging to the Y generation category where the level of employee engagement with the company is lower when compared to employees belonging to the X generation category.

**References**


