“Making Generation Y Stay”: The Mediating Role of Organizational Commitment

Sellya Putri, Bertina Sjabadhyni, Martina Dwi Mustika

Abstract: Job turnover in Generation Y has become a common phenomenon in industry in large cities. They tend to believe that it is not difficult to leave their jobs and not important to immediately settle in an organization. The study aimed to understand the mediating role of organizational commitment (OC) between perceived organizational support (POS) and turnover intention (TO). A purposive sampling technique was used in this study with 284 generation Y employees living in large cities (19-37 years old) as participants. There were three questionnaires used in this study namely Turnover Intention Scale, Organizational Commitment Scale and Survey of Perceived Organizational Support. The investigation discovered that POS positively affected OC and negatively TO. Employing mediation analysis showed that OC was a significant mediator from the relationship of POS and TO. The findings of this research provide organizations with information about how to effectively manage and retain Generation Y employees through POS and OC.

Keywords: Generation Y; organizational commitment; perceived organizational support; turnover intention; urban


Kata Kunci: Generasi Y; komitmen organisasi; persepsi dukungan organisasi; keinginan berpindah pekerjaan; perkotaan

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Introduction

Economy development and employment opportunities predominantly occur in large cities (Gao, Lu, & Sato, 2015). This attracts people, particularly Generation Y (people born between 1980 and 1999), to reside in those cities including major cities in Indonesia (Mustari, Sulistyowati, Lanny, & Nugroho, 2015; Nielsen, 2015). Interestingly, Generation Y is more likely to keep looking for new work experiences and searching for a better opportunity or occupation (Ali & Purwandi, 2016). This then creates a high level of job turnover and it becomes a problem for the company (Ali & Purwandi, 2016; Fadzilah, Yusoff, Queiri, Zakaria, & Hisham, 2013). This generation viewed as unruly, difficult to obey the rules, energetic, technology savvy, actively to build social network, and they want to work with cooperative person in nurturing surroundings such as empathetic supervisor, equitable company policies, which emphasize work-life balance (Catano & Hines, 2016; Saxena & Jain, 2012). Therefore, it becomes a great challenge for the organization to accommodate and manage Generation Y employees.

The turnover phenomenon, which recently surged in popularity, has become a large problem faced by companies. The high turnover rate has negative associations with company profit and performance especially when employees leaving the company are those with outstanding capacity and this condition could have an impact on the morale and workload of the remaining employees (Akgunduz & Sanli, 2017; Hussain & Asif, 2012; Park & Jung, 2015). Stanimir (2015) estimated that Generation Y will represent 40–60% of the workforce by 2025. Given the issue of a high turnover rate with Generation Y employees, 61% of managers are challenged to retain and has forced to re-strategize how to attract the talented workforce as their competitive advantage in the labor market (Fadzilah et al., 2013). At the workplace, this generation is portrayed by a strong curiosity as well as an eagerness to learn and find new, promising, strenuous occupations, team-focused oriented, collaborative, need clear direction, want immediate feedback about their performance (Ng, Schweitzer, & Lyons, 2010; Saxena & Jain, 2012). They rely on a meaningful work environment instead of high in income and status (Aruna & Anitha, 2015). Furthermore, a study shows that employees in this generation need job autonomy so that they do not feel quickly bored with their jobs which in turn can make them more engaged in their jobs (Forastero, Sjabadhyni, & Mustika, 2018).

The exit of employees begins with their intention to quit the organization, often called Turnover intention (TO) (Tuzun & Kalemci, 2012; Wong, Wong, & Woon, 2015) — a conscious and planned desire to quit the workplace (Tett & Meyer, 1993). This intention or desire consists of a desire to search, search behavior and desire to quit which ultimately has an impact on turnover (Mobley, Griffeth, Hand, & Meglino, 1979; Wong et al., 2015). TO is known as a cognitive and strongest predictor of actual turnover; therefore companies need to be more concern to this (Tett & Meyer, 1993; Wong et al., 2015). Previous research has identified the antecedents of turnover intention such as reward, social or organizational support, job satisfaction, job autonomy, organizational commitment, working period, and demographic variables (Chang, Wang, & Huang, 2013; Hussain & Asif, 2012; Iqbal, Ehsan, Rizwan, & Noreen, 2014; Islam, Aamir, Khan, & Ungku Ahmad, 2013). Based on these antecedents company may develop various ways to retain employees such as providing them supportive environment. Therefore it becomes important to know how employees Perceived...
Organizational Support (POS) which will affect their commitment to their workplace and their desire to leave the company.

POS can be defined as an employee’s beliefs that organizations appreciate their beneficence and have attention for their weal (Rhoades & Eisenberger, 2002; Islam et al., 2013). There are two facets of POS based on the definition namely valuation of employee’s contribution and emphasis employees’ well-being (Rhoades & Eisenberger, 2002). This concept about employee attitudes was pioneered by Eisenberger, Huntington, Hutchison, and Sowa (1986) that convey employees are likely to show positive attitudes when they feel supported by their employer. Generation Y employees value the importance of organizational support from both supervisors and subordinates (Myers & Sadaghiani, 2010). The social approach within a company increases employee loyalty to colleagues or superiors rather than the company (Ng et al., 2010). Previous research suggested that POS has various impacts or consequences, including on organizational commitment, desire to quit the company and negatively correlated with TO (Rhoades & Eisenberger, 2002; Muneer, Iqbal, Khan, & Long 2014; Akgunduz & Sanli, 2017). Employees who have high POS are potential to show OC, satisfied with their job as well as reduce their intention to quit (Kalidass & Bahron, 2015). Organizational support may lead to higher employee commitment due to the unspoken rule of reciprocity held by employees, hence a reduction in TO (Rhoades & Eisenberger, 2002; Tumwesigye, 2010).

Organizational Commitment (OC) generally interpreted as an attachment to the workplace in that employees will remain in the company regardless of the circumstances (Bartlett, 2001). This construct describes an employee’s feeling about their work in general (Alkahtani, 2015). OC has three dimensions (Meyer & Allen, 1991): 1) affective commitment – feeling affection on your job at the organization, 2) continuance commitment – fear of loss if leaving their employer, and 3) normative commitment – having a sense of responsibility to abide with their employer. However, this study will discuss OC as a unidimensional construct. OC suggested become one of the antecedent factors that can predict organizational performance such as turnover intentions (Islam, Khan, et al., 2013; Tumwesigye, 2010). Employees increase their affective commitment after they perceived high POS (Allen, Shore, & Griffith, 2003; Shore & Wayne, 1993) and become motivated to contribute to work (Rhoades & Eisenberger, 2002; Allen et al., 2003; Shore & Wayne, 1993), which in turn will make them remain in the company as long as the POS is still provided by the company (Rhoades & Eisenberger, 2002; Islam et al., 2013). This agrees with previous research which shows that OC and TO has a negative correlation (Alkahtani, 2015; Hussain & Asif, 2012). Based on previous research, we can see the indirect relationship of POS to TO through the role of mediating several dimensions of OC. Therefore, we hypothesize that POS affects TO through the mediation role of OC.

We examine the function of OC in the correlation with POS and TO for urban employees as there are more opportunities in urban areas compared to rural areas for Generation Y to continue searching for better employment. Companies in these areas may not have high OC. The limited studies on OC led us to explore the mediation function of OC on the correlation between POS and TO in Generation Y employees who live in large cities. Most previous studies were conducted in the educational sector rather than the organizational sector. This study aims to prove the research model and proposed a hypothesis and clarify previous findings on the function of OC as the mediator between POS and
TO (Tumwesigye, 2010; Islam et al., 2013). This research may enrich the study of POS, OC and TO and, additionally, help research institutions identify factors that can reduce TO in Generation Y employees. Thus, organizations or companies which reside in the major cities can take anticipatory steps to minimize the occurrence of turnover. Figure 1 shows the research model utilized in this study.

Method

The study participants were employees who worked in Jakarta, Bandung, and Tangerang (both in national or multinational private companies or government agencies). This research aims to see the correlation between the three variables on Generation Y employees in the urban area and it doesn’t measure the differences between the organizations or companies. The respondents were aged 19–37 years old (i.e., generally were born between 1980 and 2000) (Robyn & Du Preez, 2013). A purposive sampling technique was used in this quantitative study.

The researcher used the survey method in the form of an online questionnaire to obtain data. The questionnaire aimed to describe information regarding a particular group in large numbers (Gravetter & Forzano, 2012). The first part of the questionnaire provided information about the research purpose and asked for the respondent's willingness to participate in the study. Confidentiality of the participants was guaranteed. Employees willing to fill out the questionnaire were rewarded in the form of electronic pulses or go-pay pulses. The questionnaires were distributed by posting a survey link in several social media platforms such as WhatsApp and Line to prospective respondents. From 307 respondents who were willing to participate, 284 respondents satisfied the eligibility criteria.

PROCESS version 3.0 developed by Hayes, (2018) in SPSS was used to evaluate the data to develop a simple mediation model. We minimized the common method bias by 1) randomizing the order of items in the questionnaire, 2) maintaining the anonymity of the respondents, 3) minimizing ambiguity through adaptation of the measuring tools, and 4) adjusting scales on each part of the questionnaire (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

The investigation utilizes three measurements—TO, POS, and OC scale. All measuring tools have been through the process of adaptation such as translation into Indonesian language and expert review. Measurement of TO in this study was based on Mobley, Horner and...
Hollingsworth’s (1978) theory. We employed questionnaires adapted by Yin-Fah, Foon, Chee-Leong, and Osman (2010) with $\alpha = 0.90$. The questionnaire consisted of three-point statements using a Likert scale from 1–6 (Strongly Disagree - Strongly Agree). One example of items from this gauge included “I am actively searching for an alternative to the organization.”

We employed a survey from Eisenberger et al. (1986) to gauge POS which consisted of eight-point statements and measuring three components —procedural justice, supervisor support, and organizational reward-job condition. All points are valid and reliable with $\alpha = 0.89$. The survey used a Likert scale from 1 – 6 (Strongly Disagree - Strongly Agree). The following are an example of some items of this scale; “The organization values my contribution to its well-being” and “The organization takes pride in my accomplishments at work.”

We utilized the OC scale from Meyer, Allen, and Smith (1993) to gauge OC. We used a measuring tool adapted by Lee, Allen, Meyer, and Rhee (2001) consisting of 18-item statements with $\alpha > 0.60$. This used a Likert scale 1 – 6 (Strongly Disagree - Strongly Agree). The following are example of some items of this measurement; “I would be very happy to spend the rest of my career with this organization,” “Right now, staying with my job at this organization is a matter of necessity as much as desire,” and “I do not feel any obligation to remain with my current employer.” An adjustment was made to two items “If I had not already put so much of myself into this organization, I might consider working elsewhere” and “One of the few negative consequences of leaving this organization would be the scarcity of available alternatives”. It reverses from positive item to negative item because it has the negative impression when translated to Bahasa Indonesia.

**Results**

Based on demographic data of 284 Generation Y employees, the sample was predominantly working in the private sector (190 respondents, 66.9%) and had been working for less than three years (166 respondents, 58%). Additionally, the majority of respondents were employed at a staff level (197 respondents, 69.4%), 64.4% of whom had an undergraduate educational background.

Table 1 describes the means, standard deviations, coefficients correlations, and coefficients reliabilities of the measuring tool of each variable. The reliability results of POS, OC, and TO variables are $\alpha = 0.909$, .832, and .846, respectively. The correlation result of all variables shows a negative intercorrelation ($r = -.590, -.595, p <.01$).

<table>
<thead>
<tr>
<th>Mean</th>
<th>SD</th>
<th>POS</th>
<th>OC</th>
<th>TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>POS</td>
<td>31.099</td>
<td>7.479</td>
<td><strong>.909</strong></td>
<td></td>
</tr>
<tr>
<td>OC</td>
<td>70.342</td>
<td>11.442</td>
<td>.490**</td>
<td><strong>.832</strong></td>
</tr>
<tr>
<td>TO</td>
<td>10.102</td>
<td>3.782</td>
<td>-.590**</td>
<td>-.595**</td>
</tr>
</tbody>
</table>

Note: Cronbach alpha on the diagonal
POS = Perceived Organizational Support; OC = Organizational Commitment; TO = Turnover Intention.
** indicate two-tailed significant at the 0.01 level.
Table 2 shows the coefficients of the mediation model of this study. The data show that POS has a negative effect on TO ($c = -0.298$, $SE = 0.243$, $t = -12.255$, $p = 0.000$, $LLCI = -0.346$, $ULCI = -0.250$). The results also demonstrate the positive relationship between POS and OC ($a = 0.750$, $SE = 0.079$, $t = 9.446$, $p = 0.000$, $LLCI = 0.594$, $ULCI = 0.906$) and between OC and TO ($b = -0.133$, $SE = 0.016$, $t = -8.093$, $p = 0.000$, $LLCI = -0.166$, $ULCI = -0.101$). The indirect effect of POS and TO through OC is significant ($\beta = -0.099$, $SE = 0.019$, $BootLLCI = -0.140$, $BootULCI = -0.064$). It demonstrates OC mediates the relationship between POS and TO. Furthermore, the direct effect of the research model shows a significant relationship between POS and TO ($c' = -0.198$, $SE = 0.025$, $t = -7.873$, $p = 0.000$, $LLCI = -0.248$, $ULCI = -0.149$), indicating that the research model is a partial mediation model.

**Discussion**

This paper aimed to look further several variables that can affect the employee's intention to leave the company. Furthermore, this investigation present to extend current knowledge of POS, OC and TO along with verified previous studies’ findings regarding the negative effect of POS on TO through the mediation role of OC. We investigated how the perceptions of employees of a company can affect their commitment to the company and then their commitment will affect their intention to leave the company. As shown in Table 2, the findings support the hypothesis proposed in this investigation. The mediation test shows that there was the significant negative effect of POS on the level of TO of Generation Y employees. The results also show a significant direct effect POS to TO. Furthermore, our results supported the hypothesis which is in line with previous findings that OC significant indirectly affect the relationship between POS and TO.

Hence it can be inferred that OC mediates the relationship between POS and TO in Generation Y employees through partial mediation.

The results of this study also support various findings in prior research. First, the research shows that POS has a negative correlation with TO (Wong et al., 2015; Kalidass & Bahron, 2015; Akgunduz & Sanli, 2017). In accordance with organizational support theory, workers who receive support from their workplace, it will lead them to assume that the organization respects their role(s) in and contributions to the company. They value the importance of organizational support from both supervisors and subordinates as part of the nearest social environment (Myers & Sadaghiani, 2010). This social approach will
affect employee loyalty especially to their colleagues and supervisors (Ng et al., 2010). Moreover, this organizational support can make employees show positive attitudes, they tend to feel more valued, lead to higher commitment and most likely will rethink their decision to resign (Rhoades & Eisenberger, 2002; Islam et al., 2013; Akgunduz & Sanli, 2017; Tumwesigye, 2010). POS is very important for Generation Y employees especially since this generation prioritizes family values (Solnet & Hood, 2008; Kralj & Solnet, 2011). They have expectations about their work environment that enhancing social environment, boundaryless and fun atmosphere (Aruna & Anitha, 2015).

Second, this research shows a positive correlation between POS and OC. This implies that when workers feel supported by the company, the greater the chance of increasing their organizational commitment (Tumwesigye, 2010). In line with social exchange theory, employee’s OC is highly determined by their opinion about how the organization also show commitment to them (Eisenberger et al., 1986). The support and favorable treatment that they were obtained from the company arouse their feeling of obligation to care and to aid for the organization, which in turn increase affective commitment (Eisenberger, Armeli, Rexwinkel, Lynch, & Rhoades, 2001; Rhoades & Eisenberger, 2002). The results of the study verify previous research about the unspoken rule of reciprocity (Rhoades & Eisenberger, 2002; Allen, et al., 2003; Shore & Wayne, 1993). When an employee feels they are taken care of by the company, they will feel indebted to that company. Further, the findings show a negative relationship between OC and TO, which is in line with findings from previous research (Alkahtani, 2015; Rhoades & Eisenberger, 2002).

Further, the primary result of the study also supports the proposed hypothesis that OC acts as a mediator of POS relationship to TO. This result is consistent with previous research (Tumwesigye, 2010; Islam et al., 2013), which showed that OC mediates the significant relationship between POS and TO. Employees expect their company could give them support in the form of attention, respect, allow them to utilize their skills and fulfill their needs. When the employer dependable to provide it, employees would feel more affiliate to their companies and lead them to stay in the company (Rhoades & Eisenberger, 2002; Steers, 1977). Furthermore, if workers recognize assistance given by the company and further make them more committed to the company then they tend to remain in their workplace (Hussain & Asif, 2012). Previous research conducted by Tumwesigye (2010) on employees in Uganda, found that when employees didn’t get enough support from their company will have a lower sense of commitment to the organization and in this condition arouse their willingness leave the organization. Rhoades and Eisenberger (2002) stated that employees with POS will have lower TO, and are not interested in finding other employment (Tuzun & Kalemci, 2012). The greater the commitment of Generation Y employees, the less likely they are to quit their jobs (Fadzilah et al., 2013). Thus, organizational support and employee’s commitment are positively correlated with TO. The company should carefully be watched upon these factors that to reduce turnover intentions employees needed positive perception through support given by the organization and commitment towards their job in the organization.

We hope that this study able to add insight for companies on how to ensure employees feel valued, especially for Generation Y employees. Organizations can then develop new strategies to retain this young worker. It is important, considering that this generation employees who reside in urban areas dominate the workforce.
and will eventually contribute to organizational success and sustainability.

**Conclusion**

One of the issues that often arise in recent organizational problems is employees' turnover. The rate of this turnover issues increasingly diverse from time to time. The results of this investigation support our hypothesis, thus confirming the theory and findings of previous studies so that organizations are aware of the factors that might lead to turnover. Our results indicate that OC has a negative role and mediates the relationship between POS and TO on Generation Y employees in urban cities in Indonesia. POS can also directly have a significant, negative effect on TO without the influence of OC. These findings support a variety of pre-existing theoretical studies. Organizations can use these findings to improve their employees' organizational commitment by developing appropriate programs to retain Generation Y employees. Both POS and OC have to be managed by the organization to assure it can retain their potential employee.

**Suggestion**

Although this study has been successful in examining the role of OC on mediating the relationship between POS and TO, there were some limitations encountered during the research period. Firstly, this study is a cross-sectional and self-report questionnaire study in which questionnaires of predictor variables and criteria are measured together—this may increase the possibility of common method refraction. Therefore, it is advisable that future studies use data from different time periods and resources (Podsakoff et al., 2003). Additionally, to minimize the common method of bias and get a more comprehensive understanding of OC, alternative statistical remedies could be utilized (Podsakoff et al., 2003).

Regardless of the limitation, this investigation shows the mediating role of organizational commitment in the relationship between perceived organizational support and employees' turnover. Furthermore, the findings show that companies can reduce the Generation Y employees' turnover by creating a working atmosphere that can increase the feeling that companies value their contribution and their welfare. This needs should be considered especially for companies that are dominated by Generation Y employees who also prioritize support systems in their work environment.

**References**


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