THE EFFECT OF TRENDS IN LEADERSHIP STYLES ON ORGANIZATIONAL COMMITMENT WITH JOB SATISFACTION AS A MEDIATING VARIABLE IN MILLENNIAL GENERATION EMPLOYEE AT THE MINISTRY OF MANPOWER: A CONCEPTUAL MODEL

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ABSTRACT
The Ministry of Manpower has the functions of formulation, determination and implementation of policies in the area of increasing labour competitiveness and productivity. Hence, it pays special attention to the millennial generation, including the Ministry of Labor employees. The Ministry of Labor continues to reform the organization, which certainly involves structural officials and staff of the Ministry of Labor. The organizational commitment of the employees partly determines the success of a change. Leadership style greatly influences employee job satisfaction and organizational commitment, which in turn also affects employee performance. This quantitative study aims to examine the effect of leadership style on organizational commitment with job satisfaction as a mediating variable for the millennial generation employees of the Ministry of Labor. A sample of 90 people was taken by random sampling. The data collection method is done by using a questionnaire. Data analysis is conducted using the path research method. The measurement model is used to test the validity and reliability, while the structural model is used to test causality (hypothesis testing with predictive models).

KeyWords
Leadership, Commitment, Job Satisfaction, Millennial, Conceptual Model
INTRODUCTION

There is no specific demographic for Millennial Generation or Generation Y in determining this one generation group. However, experts classify it based on the beginning and end of the year. The generation Y classification was formed for those born in 1980 - 1990, or in early 2000. This generation uses a lot of instant communication technologies such as email, SMS, instant messaging and social media such as Facebook and Twitter, in other words, the Y generation is the generation that grew on the internet era is booming (Lyons, 2004).

According to Lyons (2004), the characteristics of the Y generation are: the characteristics of each individual are different, depending on where he was raised, the economic strata, and social status of the family, the pattern of communication is very open compared to previous generations, users of social media are fanatical and their lives are very influenced by technological developments, more open to political and economic views, so they look very reactive to environmental changes that occur around them, have more attention to wealth.

According to data from the Central Statistics Agency (BPS) in February 2018, the number of productive ages in Indonesia (15-60 years) reached 166.06 million. This means that 50% of Indonesia's population is of productive age. This age is the age that can still actively work and do productive activities. Of the population of productive age, the age group that dominates is the age of 15-39 years with a number of around 84.75 million of Indonesia's total population of 258 million. This means that around 32% of Indonesia's population is of productive age, which is generation Y, or millennial generation.

The existence of Millennials who dominate the population in Indonesia is new hope for the progress of Indonesia, especially in economic growth. Millennials have their characteristics, different ways of working, view problems differently, and of course, produce works in different ways.

The Ministry of Labor has the functions of formulation, determination and implementation of policies in the area of increasing labour competitiveness and productivity; hence it pays special attention to the existence of millennial generation, including the Ministry of Labor employees. The Ministry of Labor continues to reform the organisation, which certainly involves structural officials and staff of the Ministry of Labor. The organisational commitment of the employees partly determines the success of a change. Leadership is a determinant of organisational success and effectiveness, especially when it is changing because leaders have the authority in managing existing resources to achieve organisational goals (Yukl, 2010).

Leadership style greatly influences employee job satisfaction and organisational commitment, which in turn also affects employee performance. Transformational and transactional leadership styles that are applied in the Ministry of Labor organisations that have transformed changes in the organisation. Transformational and transactional leadership styles affect employee job satisfaction and organisational commitment of employees.

Based on this background, this conceptual paper was made. This conceptual paper aims to examine the effect of leadership style on organisational commitment with job satisfaction as a mediating variable for the millennial generation employees of the ministry of labour. This paper consists of Introduction, Literature Review, Hypotheses Development and Research Methodology.

LITERATURE REVIEW

According to Henry Pratt Faiechild in KartiniKartono (1994: 33), a leader is someone who by initiating social behavior by regulating, directing, organizing or controlling the efforts of others or through prestige, power and position. According to the Modern Dictionary of Sociology (1996), a leader is a person who occupies a central role or position of dominance and influence in a group.

According to Robbins and Judge (2008: 91) and Cavazotte (2012), there are four components of transformational leadership, namely;

1. Idealized Influence, is the behavior of leaders who provide vision and mission, generate pride, and gain respect and trust from subordinates. Idealized influence is also called a charismatic leader, where followers have a deep belief in their leaders, feel proud to work with their leaders, and trust the capacity of their leaders in overcoming every problem.

2. Inspirational Motivation is the behavior of leaders who are able to communicate high expectations, convey shared visions in an interesting manner by using symbols to focus the efforts of subordinates, and inspire subordinates to achieve goals that produce important progress for the organization.

3. Intellectual Stimulation is the behavior of leaders who are able to increase the intelligence of subordinates to enhance their creativity and innovation, increase rationality, and solve problematically.

4. Individualized Consideration is the behavior of leaders who give personal attention, treat each subordinate individually as an individual with different needs, abilities, and aspirations, and to train and give advice. Individualized consideration of transformational leadership treats each subordinate as an individual and accompanies them, monitors and grows opportunities.
Transactional leadership emphasizes transactions or exchanges that occur between leaders, colleagues and subordinates. This exchange is based on leaders' discussions with related parties to determine what is needed and how the conditions and reward specifications if subordinates meet the specified conditions. The three transactional leadership behaviors are:

1. **Contingent Reward**: If subordinates do work for the benefit of the organization, then they are promised of being rewarded.
2. **Management by Exception - Active**: The leader actively and closely monitors the implementation of the work tasks of his subordinates so as not to make mistakes or failures. Or so that errors and failures can be immediately be corrected.
3. **Management by Exception - Passive**: A new leader acts after a failure in the process of achieving goals or after a truly serious problem arises. A transactional leader will give warnings and sanctions to his subordinates if there is an error in the process carried out by the subordinate concerned. However, if the work process carried out is still running according to standards and procedures, the transactional leader does not provide any evaluation to subordinates (Harahap, 2010).

Job satisfaction is a pleasant or unpleasant emotional state towards work; job satisfaction reflects a person's feelings towards his work (Dadang, 2013: 15). Richard, Robert and Gordon (2012: 312,337) assert that job satisfaction is related to one's feelings or attitudes about the job itself, salary, promotion or education opportunities, supervision, work colleagues, workloads and others. An employee can feel the work whether it is fun or not pleasant to do (Wilson Bangun, 2012: 327).

Schleicher et al. (2004); Luthans (2006: 243); Robbins and Judge (2008: 108); Azeem (2010) revealed that there are six components of job satisfaction, namely: payment, employment, promotional opportunities, superiors, coworkers, and working conditions. EdySutrisno (2014: 79) also cites the opinion expressed by Brown & Ghiselli (1950) that four factors cause job satisfaction, namely: position, rank, and financial and social security.

Bateman and Strasser (1984) in Herminingsih (2011) stated that organisational commitment is defined as a concept that has a multidimensional nature, including employee loyalty, the desire to make efforts for the organisation, and the desire to remain a member of the organisation. According to Robbin (2003: 94) commitment to the organisation is a work attitude, defined as a condition where employees associate themselves with certain organisations and their goals and hope to maintain membership in the organisation. Minner (in Sopiah, 2008) suggests four factors that affect employee commitment, including:

1. **Personal factors**, such as age, sex, level of education, work experience and personality
2. **Job characteristics**, for example, the scope of the job, challenges in work, role conflict, level of difficulty in work;
3. **Characteristics of the structure**, for example, the size of the organisation, the shape of the organisation, the presence of work unions, and the level of control exercised by the organisation of employees;
4. **Work experience**. Work experience of an employee is very influential on the level of employee commitment to the organisation. Employees who have only been working for several years and employees who have worked in organisations for decades have different levels of commitment.

**CONCEPTUAL MODEL**

The general objective of this study is to determine the effect of leadership style on organizational commitment with job satisfaction as a mediating variable for millennial generation employees of the Ministry of Labor. This goal is then divided into several specific objectives namely to find out; (1) the effect of transformational leadership style on job satisfaction; (2) the influence of transactional leadership style on job satisfaction; (3) the influence of transformational leadership on organizational commitment; (4) the influence of the transactional leadership style on organisational commitment; and (5) the effect of job satisfaction on organizational commitment. Based on these objectives and the literature review that has been done, the conceptual model that can be generated in this study is as shown below.
The hypotheses in this study are as follows:
H1: Transformational leadership has a significant effect on job satisfaction
H2: Transactional leadership has a significant effect on job satisfaction
H3: Transformational leadership has a significant effect on organizational commitment
H4: Transactional leadership has a significant effect on organizational commitment
H5: Job satisfaction has a significant effect on organizational commitment

This research is a quantitative study that will be carried out at the Ministry of Manpower. The population in this study is the staff of the Ministry of Manpower. Sampling is done by simple random sampling method. The results of calculations using the Slovin formula resulted in a total sample of 90 people. The data collection method is done by using a questionnaire. The questionnaire to be used contains a Likert scale (1-5). This research uses the data analysis method using the path research method. The measurement model is used to test the validity and reliability, while the structural model is used to test causality (hypothesis testing with predictive models).

This paper has discussed the background of issues related to productive age and its relation to the employment of the Ministry of Manpower; Literature Review on leadership styles, organizational commitment, and job satisfaction, and the relationships between them; conceptual model; hypotheses development, and methodology. The implementation of this research will provide information about the relationship between these variables.

REFERENCES


