Strengthening Indonesia’s Millennial Generation Organizational Commitment and Loyalty: The Role of Religiosity

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ABSTRACT

The millennial generation is the key to Indonesia’s future success, but there are still profound misunderstandings, especially regarding the millennial generation’s organizational commitment and loyalty. Rather than focusing on these misunderstandings, this article invites researchers especially on Indonesia’s generational cohort to look up another factor to strengthen the millennial generation’s organizational commitment and loyalty, and one of those factors is religiosity. This article provided a grounded theory approach by providing an in-depth analysis of several topics especially organizational commitment and religiosity among the Indonesia millennial generation. This in-depth analysis resulted in three conceptual proposals, that proposed how religiosity as a variable could be utilized, in organizational commitment and loyalty study among the millennial generation. These proposals could help future researchers create a basis for theoretical development or conduct an empirical research on this subject.

Keywords:
Loyalty
Millennial Generation
Organizational Commitment
Religiosity

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1. INTRODUCTION

With the emergence of the millennial generation as the driving force behind Indonesia’s workforce, academic studies regarding millennials as a generation started to appear [1], [2]. Experts believe the millennial generation from the size and background alone, can become a driving force in the economic success of a country [3]. As good as that might be, there are several issues needed to resolve, especially in understanding the millennial generation in the workplace [4]. Some of these issues are regarding the millennial generation’s organizational commitment and loyalty in the workplace.

Scholars believe that the millennial generation did not hold the same values as the previous generation regarding organizational commitment. They can easily be lured with more lucrative opportunities [5] whereas their technological savviness made them easy to access a plethora of information, including better opportunities [6]. The most important part of this problem about the millennial generation’s organizational commitment is their point of view. Millennials viewed a completely different set of values in the workplace [1] and this in the end gave them
the impression that this generation did not hold organizational commitment whatsoever [4] and could easily leave the organization with the slightest inconvenience such as boss phubbing [7] and “lack of actualization” which resulted from differing point of views [1], [8].

The same can be said regarding loyalty. Even though several studies proved that in marketing studies, millennial consumers could have a certain loyalty toward a product [9], [10]. Which in return makes them a very potential market. But in human resources studies, millennial loyalty is closely affected by organizational commitment is still completely unknown[11]. Their loyalty toward the organization is simply affected by many factors, such as leadership[12]company attitude toward technology [1], [6] and other factors regarding their general comfortability at work, such as work-life balance [8] and self-actualization [13].

With Indonesia’s demographic profile, understanding and mitigating the millennial generation become an important issue. Indonesia is in an important phase, whether this young demographic becomes beneficial for the country or not [14]. With more than 50% of the workforce coming from the millennial generation, understanding them become one of the many important keys for Indonesia’s future [15].

One of these efforts to understand the millennial generation in Indonesia is to launch several studies, especially in human resources where the millennial generation is highly misunderstood, the organizational commitment and loyalty. It is found that on this basis, Indonesia’s millennial generation still holds some values in organizational commitment and loyalty [11], [16]. But what factor could strengthen this basic value of organizational commitment and loyalty remains as an interesting topic.

One of these factors to strengthen organizational commitment and loyalty is religiosity. Even though religiosity is somewhat a hard-to-define subject [17] experts believe that religiosity could provide a much desired work-related behaviour such as organizational commitment and loyalty [18]. Whereas in a broader scope, religiosity already played an important role in marketing studies in understanding consumer behaviour [19], [20] in human resources especially organizational commitment studies, the effect of religiosity is still relatively unknown [21].

This study aimed to propose a conceptual use of religiosity in organizational commitment study. The use of religiosity could bring a better understanding of how to utilize personal beliefs to better organizational commitment. In some cases, it is even possible to use religiosity to strengthen the effect of organizational commitment and in this paper, toward loyalty. It is become more apparent, especially considering Indonesia is a somewhat religious nation [15], [22].

2. LITERATURE REVIEW

This study did an extensive literature review to understand every concept presented in this article. This literature comes from resources coming from studies in Indonesia or international studies. The literature review started with an understanding of the millennial generation, the concept of organizational commitment, loyalty, and an in-depth look at religiosity.

2.1 The Millennial Generation

The concept of the millennial generation is one of the many generational cohorts, such as baby boomers, generation X, and Generation that come after the millennials [23]. Descriptively, experts defined the millennial generation differently depending on their year of birth, for example, Pew Research Center defined a millennial as a person that was born between 1980-1994 [3] whereas other sources like Indonesia’s National Bureau of Statistics define millennial as a person that was born between the year 1980-2000 [11]. There are several arguments
regarding how to define a millennial generation. But as far as this study is concerned, the viable option within Indonesia’s boundaries that is advertised by the governing body, is this definition. It is important to note that, it is possible to use different definitions provided by another scholar. But within Indonesia’s boundaries, it is safe to assume that, defining millennials according to the definition provided by government officials is the best way to portray the condition of millennial study in Indonesia. Therefore, this article will use this definition to define the millennial generation in Indonesia.

Coincidentally, millennial emergence is in line with the technological advancement of humans, which started with computerization [24] and later resulted in digitalization [25]. Technological savviness is one of the key attributes that differentiate the millennial from the previous generations and in organizational studies become one of the main focuses because technological advancement highly impacted the way organizations operate [26]. This event resulted in the importance of adapting this generation into the organizational culture in the best way possible [2], [6].

Millennials also get better access to education which makes them highly educated [23], and this also runs true in Indonesia. Regardless of educational hardship, Indonesia’s millennial generation still had a considerable opportunity in education [27]. With the combination of higher education and technological savviness, it is safe to assume that information accessibility is one of the millennial generation’s strengths, and it did play an important role in millennial behaviour in the workplace [6], [28], [29].

As mentioned before, millennials could easily access better opportunities that make them harder to stay in a workplace [5]. This in turn also makes them easier to compare the work condition between organizations [7]. While they did not find their current organization could provide their needs, job hopping [4] turnover, and absenteeism which is closely related to organizational commitment become more and more apparent [30], [31].

These definitions, backgrounds, and organizational perspectives create a proper concrete academic background on why understanding and strengthening the millennial generation’s organizational commitment, especially in Indonesia so important. The millennial generation holds all possible tools to succeed in the current organizational climate, only a simple understanding could make that happen.

2.2 Organizational Commitment

As one of the many organization theories, organizational commitment become a concept that continues to grow. Defined as an affective connection between a person with the organization [32], organizational commitment is believed to be one of the better predictors for turnover and absenteeism and could help companies manage their human resources [33]. Even though the debate is still going on whether only the affective component played a role in building the organizational commitment, or if there are other factors [34] the importance of organizational commitment in human resources and organization studies is still prevalent until this day.

Organizational commitment is strongly related to job-related behaviour. No direct connection but job performance mediating with foci based approach could explain the effect of organizational commitment toward performance [33]. Organizational commitment also predicts turnover [16], [30] whereas several studies also provided empirical evidence on the effect of organizational commitment toward loyalty [11], [35], [36].
With the importance of organizational commitment, it is even more important to make sure how this concept is viewed by the millennial generation. If the millennial generation did not view organizational commitment as an important aspect of their organizational life, there is no doubt that turnover, absenteeism, and disloyalty will plague organizations in the future. Because millennials will eventually become the most dominant generational cohort in the workplace.

2.3 Loyalty

Loyalty is a concept that is ingrained in marketing studies, but become a common concept in human resources studies. Defined as a tendency to stay and act to use a certain product [37] becoming a way to express an individual cognition and action toward an organization. A loyal individual will provide behaviour such as intention to stay [38] and in some cases will devoutly use their company products [39], [40]. This cognition and action, tend to positively affect the organization.

This becomes even more prevalent when looking at either conceptual or empirical evidence of loyalty. Loyalty has two main forms, attitudinal and behavioural, attitudinal loyalty strongly affects behavioural loyalty [41]. This means that the cognition process of loyalty will result in action, such as staying in the organization [42]. Loyalty also means the employee will reflect positively toward the organization [43] which in turn could result in a better overall performance of an organization.

Organizational commitment and loyalty become an inseparable concept, because several experts even categorize organizational commitment as loyalty [32], [39], [44]. But the fact is the slightest difference in how loyalty as a concept also put an emphasis on action [37] is a worthy reminder of how both of these concepts could interact. Employees that have a strong organizational commitment, will affect their loyalty toward the organization, the only problem now is how to strengthen the effect between organizational commitment and loyalty.

2.4 Religiosity

Defining religiosity is not an easy task. Experts tried to provide several definitions, even though the commonly accepted definition has nothing to do with religion [45]. Religiosity is defined in two main ways, first is how a person views their relation with God [17] and second is how their cognitive understanding of the “rules” in their beliefs. This study defines religiosity as somewhat closer to that matter. Religiosity is about the relationship between individual and God and their understanding of their believed rules.

A religious person will see themselves having a connection with God, the supreme being, or something in this matter. Whereas if that person followed a religion, they will observe the religious rules [20]. Scholars argued that these rules build a person, either from their psychology [46], their worldview [19], [47] that resulted in them doing a certain act that was in line with the religious rules. These acts are the thing observed in organizational behaviour.

Religious background is found to have an effect on building workplace behaviour. The work ethic that is based on religion is empirically found to strengthen individual organizational commitment [18]. Several studies also found that religiosity could strengthen the effect of organizational commitment toward life satisfaction [21]. There is also a piece of evidence that shower how organizational commitment’s effect on job performance could be strengthened with religiosity in organizations with religious backgrounds, such as Sharia Bank [48].
Previous studies mainly dealt with treating religiosity in the moderating position. Whether a certain variable could greatly be increased or decreased the magnitude of the effect between two variables [49]. This happened because if we look at the definition of religiosity, these beliefs and cognitive understandings could provide a way in which people act a certain way. Religiosity is also something that can be built or conditioned, where a religious environment is proposed to have an impact on a person's religiosity [50]. These facts make religiosity become an important part, especially in Indonesia's context.

Indonesia as a country viewed itself as religious, with 86% of the population believing that they are a religious person [15]. It is also important to note that, there are several institutions and organizations in Indonesia that are strongly affiliated with religion and religious practices, such as Pondok Pesantren [51]. This means that Indonesia's millennial generation will definitely be in contact with or even become a part of said institution, and how religiosity is described and empirically tested, there is a chance that religiosity in a religious nation could provide countless possibilities. And, one of these possibilities is to use that to strengthen the effect of organizational commitment and loyalty among Indonesia's millennial generation, the generation that plays an important role in the future of Indonesia.

3. A CONCEPTUAL PROPOSAL: RELIGIOSITY AS A MODERATING VARIABLE

Although religion has existed for thousands of years, religiosity is still a contested subject. Even though this concept did not always deal with traditional religion, in many ways, religiosity reflected on how a person identified and acted for themselves [17], and those factors have something to do with what they believe and their understanding of that matter. Scholars believed that something such as personal preferences, or what many would call that alternative religiosity [21] could affect how people act, and how a traditional religion with a rigid set of rules could do to a religious person.

In this chapter, we would like to explore the possibilities of how to utilize religiosity. The utilization will start with how religiosity could be used as a moderation variable in various research fields. Then the discussion will progress on how religiosity could benefit the human resource field and end with how religiosity could be an important moderating variable on the effect of organizational commitment toward loyalty.

In this article, we utilize the evidence-based grounded theory, with an emphasis on how religiosity as a variable has been used in scientific research related to this subject. We use a qualitative approach, whilst providing necessary sources for each conceptual proposal, that provide necessary background on each topic. These conceptual proposals are categorized into different topics, the first topic is regarding how religiosity is used as a moderating variable in multiple researches. This provided the reader with the use of religiosity in previous research, especially as a moderating variable.

After this topic, this article will provide an in-depth analysis of how religiosity has been utilized as a moderating variable in human resources study, this topic provides the reader on how far religiosity is used in human resource study, especially as a moderating variable. With this analysis, readers can get a concrete understanding of how religiosity has been used throughout the years of human resource study. This topic is then closed by the last conceptual proposal, on how religiosity, as concluded from previous research is a viable option in organizational commitment study, especially, as proposed by this article as a moderating variable between organizational commitment.
and loyalty. The explanation provided in this conceptual proposal is constructed by how the religiosity as a variable has been used in organizational commitment study. According to that research, religiosity is a widely used variable in organizational commitment studies and this is becoming an important variable, especially to understand how organizational commitment could shape employee loyalty, and is religiosity will strengthen that effect, or not, especially among Indonesia's millennial generation.

3.1 Religiosity as a Moderating Variable

The fact that religiosity is still one of the least understood and underutilized variables is a shocking fact. Religiosity literally translated into how people acted in their daily lives. A religious person who follows a certain religion will follow the rules and even eat according to what the religious rules stipulate. That is the reason why halal and kosher are a thing [19], [52] in a product. To better sum up what religiosity could do, religiosity helps shape a person's worldview in a certain way that will affect their daily lives, from all factors, either psychological or physical [46], [53]. The more a person is related to a religion, the more likely he will make a decision according to the teachings of that religion, either traditional or alternative religion.

A person's religiosity could offer a predictor of how likely that person will act in a certain way in a certain condition. If there is a choice, a Muslim will definitely choose a halal product, from consumption to invitation [52], [54]. The same can be said in other objects, like intention to stay, organizational commitment, and loyalty to name a few topics in organizational behaviour studies. A person's likelihood of doing something strongly can be traced back to how he views things, and religiosity offers a tremendous framework for doing so [55].

The magnitude offered by religiosity makes it a suitable variable to be treated as a moderating variable. A moderating variable is a variable that makes an effect between two variables become stronger, by moderating the effect between the independent and dependent variables [56]. Many variables could become a moderating variable, regarding the theory behind said variable or interactions among variables, such as how emotional intelligence moderates the effect of emotional and behavioural reactions to job security [57] or how sports involvement is used as a moderating variable in leadership studies [58]. Considering how religiosity acted as a variable, it is possible to utilize this variable as a moderating variable in different fields of study.

This assessment is mainly based on the fact that, although the world has become more and more secular, in countries like Indonesia religion still played a paramount role either socially or politically [15]. Understanding religiosity could help to answer a phenomenon that is hard to explain, and this directly tapped into one of the many important social factors in Indonesian society. Considering and using religiosity as a moderating variable could serve as a much-needed start to understanding this topic.

3.2 Religiosity as a Moderating Variable in Human Resources Study

Study in human resources is a field of study that needed many explanations on how individuals acted. Topics like motivation, beliefs, and expectancy to name a few, mainly dealt with how an individual perceived their worldview [59]. Even though not many, several studies started to utilize religiosity, and as explained in the previous part, religiosity holds a pristine position as a moderating variable. Either on the effect between organizational commitment and performance [48] or
organizational commitment and life satisfaction [21].

The property that religiosity has on its impact on shaping a person’s worldview is an impeccable tool to unearth better understanding in human resources study. Many studies cited social and cultural background as a key aspect in many studies, such as understanding the organizational commitment concept [39], [60]. Several studies in organizational commitment alone even dig deeper and determined that cultural background could shape and form a completely different concept of commitment [61] and cultural background still played an important role to test a theory’s validities [62].

It is becoming more and more apparent because simply put, some cultural background in Indonesia is shaped by religion and to some extent, people’s religiosity. With more than 200 million people, it is important to look at religiosity as a major part of understanding Indonesia’s human resources. Which in turn could provide bountiful insight into the human resource study, and leap the field of study forward. And, no better start than to use religiosity in its strength, as a moderating variable.

3.3 Religiosity as a Moderating Variable on the Effect of Organizational Commitment toward Loyalty

This conceptual proposal is the main reason for this article. With these compelling arguments is not farfetched if we argue that religiosity could benefit the organizational commitment study, by looking at its moderation effect on the effect between organizational commitment and loyalty. Some previous studies already proved the usability of religiosity on organizational commitment studies as a moderating variable [18], [21], [48]. The same could be the same in the effect of organizational commitment toward loyalty.

Even though there are still a few studies available, organizational commitment and loyalty have been researched for a plethora of reasons. One of the said reasons is that employees have the same potential to become a customer, which is evident in the industry such as hotels [39], casinos [43], airports [63], and in education sector [11]. It is stipulated that a committed employee will likely use the product offered by the company, such as staying in their hotel and enrolling their children in the same school as they work.

But the main issues are still the same. Organizational commitment as a concept still holds a great deal of exploration left, It is supported by the fact once the organizational commitment concept is challenged by differing cultural backgrounds, some of them did not provide the desired validity [60] and in several cases even force scholar to dig deep to understand how organizational commitment is shaped in a certain country [61], [64].

Even though the effect of organizational commitment toward loyalty is supported in Indonesia, there is still a phenomenological gap that needed an explanation. Affective commitment is one of the organizational commitment concepts that is widely accepted and has a well know acceptable validity [60] but even that did not clearly convey why people are so eager to stay and even use a company product that basically did not provide enough reason to do any of that [11]. Especially if the employees are the millennial generation, and they worked in a religion-based educational institution in the 21st century. Their organizational commitment and even somewhat devout loyalty are unexplained.

This phenomenon is exactly what we encountered. Considering that the said institution is highly regulated with both government regulations and
Religion-based regulation, it is hard to imagine that religiosity did not have anything to do with the organizational commitment and loyalty observed by the millennial generation working in that institution. This article is a prerequisite for our follow-up study in 2021 [11] as we mentioned multiple times in this article. It will provide on how organizational commitment's effect on loyalty could be moderated by religiosity. Because the phenomenon that occurred and was supported by empirical studies needed a further explanation because it simply differs from the previous research.

Researchers on the millennial generation still strongly believed that the millennial generation is not “a committed” generational cohort [4], [5], [8], [28]. Even though that is not always the case, this point of view is widely accepted by the masses and made the phenomenon encountered in our study worth to be explored. And the first step that we will take is to look at the interaction between the variables, and in this case, we believe and propose that religiosity is a moderating variable in the effect between organizational commitment and loyalty, and in this case, it tested among Indonesia’s millennial generation.

4. CONCLUSION

This article aims to raise the concept of religiosity and its potential as a variable that can contribute to the development of science, especially in the study of human resources. In the case of Indonesia, this theme becomes even more important because Indonesia is in a transitional period, where the Indonesian millennial generation is starting to enter the workforce and will become the dominant part of the workforce in the future.

With the uniqueness of the millennial generation, especially in their views on organizational commitment and loyalty, as well as the need for a deeper understanding of these two topics, the conceptual proposal of religiosity as a moderating variable is one way that can be used to photograph phenomena, as well as explore the topic of organizational commitment and loyalty of the Indonesian millennial generation. Where this concept proposal can further explore the factors that can shape organizational commitment and millennial generation loyalty in the workplace. In addition, the proposed concept is in line with the conditions in Indonesia, where religion and religiosity are inseparable cultural and social components.

Thus, if this concept can be supported by empirical evidence, in general, the organizational commitment and loyalty of the Indonesian millennial generation at work can be strengthened by religiosity. Then this religiosity can be further explored as possible in a qualitative research design to see how far the interactions, impacts, and forming factors and their influence in the workplace.

Making the religiosity variable a moderating variable is the first step to optimizing and exploring these extraordinary things, and the conceptualization in this article is expected to provide insight to readers to be able to explore these themes. It is hoped that the understanding of the academic world towards the millennial generation, organizational commitment, loyalty, and religiosity will become clearer.

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