

Millennial Employees Performance, Transformational Leadership And Organization Communication

Nugroho Dwi Priyohadi

Universitas Airlangga, Faculty of Psychology, Surabaya, Indonesia.
Sekolah Tinggi Ilmu Administrasi Dan Manajemen Kepelabuhan (Stiamak) Barunawati,
Surabaya, Indonesia

Nur Widyawati

Sekolah Tinggi Ilmu Administrasi Dan Manajemen Kepelabuhan (Stiamak) Barunawati,
Surabaya, Indonesia

Joko Suyono

Narotama University, Surabaya, Indonesia
Universitas Airlangga, Surabaya, Indonesia

Corresponding Author: Joko Suyono (joko.suyono@narotama.ac.id)
joko.suyono-2016@feb.unair.ac.id

Abstract

The era is now the era of the millennial generation which is theoretically those born in the period 1981 – 1993. In 2019, they are in the range of 26 – 38 years, which are generally in the key period brilliant careers and performance in organizations or companies. Individual performance in this age generation is very decisive towards organizational performance. This study took subject as many as 40 employees by transformational leadership and organizational communication with job satisfaction as a mediator variable. With the background of shipping and private industry organizations, the result of regression analysis shows that there is a significant influence between transformational leadership variables on individual performance and job satisfaction as a mediator variable. However, no significant effect was found between communication variables on performance through job satisfaction as a mediator variable. It is possible that the millennial generation's present communication has different characteristics compared to communication and the performance of the millennial generation so that more variables will be known that affect individual performance.

Keywords

Millennial Employees Performance, Transformational Leadership, Organization Communication

1. Introduction

Individual performance is the main concept that gets the attention of many work research and organizational psychology (Sonnetag and Frese, 2001). Armstrong (2009), Bono, Judge, Patton and Troesen (2001), Hogan and Coote (2013) and Simanjuntak (2011) said that in relation to performance that companies that understand performance including performance measurement can be ensured that the sustainability of the company will be better compared to companies that are not able to measure performance. These measurements can be at the level of individual performance, group performance or organizational performance.

Performance (job performance) is conceptually divided into two, namely task performance and contextual performance (Jankingthong and Rurkkhum, 2012). Task performance is related to how effectively an employee or official carries out his duties in the company. Whereas contextual performance is not formally related to the tasks of each position but rather how to shape the social and psychological context of an effective organization (Jankingthong and Rurkkhum, 2012).

In the perspective of industrial and organizational psychology, any change in the beginning will cause discomfort (storming) but can develop towards convenience in the next process (Baron and Branscombe, 2013). In other words, change can lead to negative or positive situations. Change can spur an increase in performance and satisfaction, but can also reduce it.

Jackson and Joshi (2001) say that in organizations related to the global words, multinational work teams need to understand how international diversity influences communication, decision making and leadership dynamics so that effective international organizations will be achieved. Effective organizations are organizations that have excellent performance.

Kraus and Wilson (2012) say that leadership development is closely related to organizational success, including the existence of organizational culture. For this reason, many research objects in organizational behavior are mostly related to humans, systems and groups, for example productivity problems, absenteeism, turnover or entry and exit of workers due to resignation or natural retirement, job satisfaction, deviant behavior, leadership, communication patterns and individual behavior in other organizations, which in turn is a representation of employee performance.

Gallagher (2008) conducted research throughout 1990 and 2007 on the results of research on 7600 small business units and companies and found the fact that indeed the performance of organizations will be sustained by individual performance, and this is influenced by the existence of a strong corporate culture. The variety of individual differences before entering the organization requires a common perception, value system and culture that will affect the achievement of the company's vision and mission.

Research on the performance of individuals and organizations in relation to organizational culture has long been studied by Forehand and Von Gilmer (1964), Hofstede (1980), Schein (1990), Kotter and Heskett (1992) Hodgettts and Luthans (2003), Dasanayaka and Mahakalanda (2008) and Shahzad et al. (2012), but have not specifically looked at how it relates to the fundamental differences in values and culture, even leadership and communication patterns within the company, if there are foreign and local elements, global and regional values, which physically appearing in a mixed managerial structure in a company dominated by the millennia.

The millennia itself refers to the identity of a generation that is relatively very open to change, always connected with networks and cyberspace and has a flexibility orientation in many ways (Paw ResearchCenter, 2010).

Performance issues, although research has often been done, but cultural differences, communication, leadership, which also influences job satisfaction, are still relevant to be followed up and developed with further research, especially when organizational performance is based on individual performance with millennial generation dominance.

This study will try to analyze whether there is a relationship or influence between leadership and communication on the individual performance of millennia generation, through job satisfaction as a mediator variable.

2. Literature Review and hypotheses

2.1 Job performance

Individual performance is the main concept that gets the attention of many work research and organizational psychology (Sonnentag and Frese, 2001). Armstrong (2009), Bono, Judge, Patton and Troresen (2001), Hogan and Coote (2013) and Simanjuntak (2011) said that in relation to performance that companies that understand performance including performance measurement can be ensured that the sustainability of the company will be better compared to companies that are not able to measure performance. These measurements can be at the level of individual performance, group performance or organizational performance.

Performance (job performance) is conceptually divided into two, namely task performance and contextual performance (Jankingthong and Rurkkhum, 2012). Task performance is related to how effectively an employee or official carries out his duties in the company. Whereas contextual performance is not formally related to the tasks of each position but rather how to shape the social and psychological context of an effective organization (Jankingthong and Rurkkhum, 2012).

In the perspective of industrial and organizational psychology, any change in the beginning will cause discomfort (storming) but can develop towards convenience in the next process (Baron and Branscombe, 2013). In other words,

change can lead to negative or positive situations. Change can spur an increase in performance and satisfaction, but can also reduce it.

Jackson and Joshi (2001) say that in organizations related to the global world, multinational work teams need to understand how international diversity influences communication, decision making and leadership dynamics so that effective international organizations will be achieved. Effective organizations are organizations that have excellent performance. Kraus and Wilson (2012) say that leadership development is closely related to organizational success, including the existence of organizational culture. For this reason, many research objects in organizational behavior are mostly related to humans, systems and groups, for example productivity problems, absenteeism, turnover or entry and exit of workers due to resignation or natural retirement, job satisfaction, deviant behavior, leadership, communication patterns and individual behavior in other organizations, which in turn is a representation of employee performance. Gallagher (2008) conducted research throughout 1990 and 2007 on the results of research on 7600 small business units and companies and found the fact that indeed the performance of organizations will be sustained by individual performance, and this is influenced by the existence of a strong corporate culture. The variety of individual differences before entering the organization requires a common perception, value system and culture that will affect the achievement of the company's vision and mission.

Research on the performance of individuals and organizations in relation to organizational culture has long been studied by Forehand and Von Gilmer (1964), Hofstede (1980), Schein (1990), Kotter and Heskett (1992) Hodgettts and Luthans (2003), Dasanayaka and Mahakalanda (2008) and Shahzad et al. (2012), but have not specifically looked at how it relates to the fundamental differences in values and culture, even leadership and communication patterns within the company, if there are foreign and local elements, global and regional values, which physically appearing in a mixed managerial structure in a company dominated by the millennial.

The millennial itself refers to the identity of a generation that is relatively very open to change, always connected with networks and cyberspace and has a flexibility orientation in many ways (PawResearchCenter, 2010).

Performance issues, although research has often been done, but cultural differences, communication, leadership, which also influences job satisfaction, are still relevant to be followed up and developed with further research, especially when organizational performance is based on individual performance with millennial generation dominance.

This study will try to analyze whether there is a relationship or influence between leadership and communication on the individual performance of millennial generation, through job satisfaction as a mediator variable.

3. Methods and Hypotheses

This study uses a quantitative statistical approach supported by primary and secondary data through questionnaires, interviews, literature studies and integrated group discussions involving research subjects and expert groups related to processed data. The research location is the STIAMAK Barunawati campus, located in the port and shipping industry area in Tanjung Perak Surabaya. The population and sample used in this study were private employees in shipping industry who were STIAMAK students total 40 people.

Hypotheses

H1 : There is a significant relationship between transformational leadership and individual performance of millennial employees through job satisfaction as a mediator variable.

H2 : There is a significant relationship between communication and individual performance of millennial employees through job satisfaction as a mediator variable.

3.1 Data Analysis

Test Validity

Table 1. Validity Test Results Transformational Leadership Variable (X₁)

Item	r	r Table	Description
X _{1.1}	0,365	0,3120	Valid
X _{1.2}	0,346	0,3120	Valid
X _{1.3}	0,641	0,3120	Valid
X _{1.4}	0,630	0,3120	Valid
X _{1.5}	0,721	0,3120	Valid
X _{1.6}	0,603	0,3120	Valid
X _{1.7}	0,647	0,3120	Valid
X _{1.8}	0,605	0,3120	Valid
X _{1.9}	0,510	0,3120	Valid
X _{1.10}	0,507	0,3120	Valid
X _{1.11}	0,343	0,3120	Valid
X _{1.12}	0,492	0,3120	Valid

X_{1.1} until X_{1.12} has a value of r is bigger than r table, so that the statement in the variable X₁ including a valid statement.

Table 2. Validity Test Results Communication Variable (X₂)

Item	r	r Table	Description
X _{2.1}	0,557	0,3120	Valid
X _{2.2}	0,446	0,3120	Valid
X _{2.3}	0,518	0,3120	Valid
X _{2.4}	0,571	0,3120	Valid
X _{2.5}	0,593	0,3120	Valid
X _{2.6}	0,483	0,3120	Valid
X _{2.7}	0,475	0,3120	Valid
X _{2.8}	0,420	0,3120	Valid
X _{2.9}	0,485	0,3120	Valid
X _{2.10}	0,418	0,3120	Valid

X_{2.1} until X_{2.10} has a value of r is bigger than r table, so that the statement in the variable X₂ including a valid statement.

Table 3. validity test result Job Satisfaction (Z)

Item	r	r Table	Description
Z ₁	0,608	0,3120	Valid
Z ₂	0,404	0,3120	Valid
Z ₃	0,676	0,3120	Valid
Z ₄	0,474	0,3120	Valid
Z ₅	0,514	0,3120	Valid
Z ₆	0,378	0,3120	Valid
Z ₇	0,358	0,3120	Valid
Z ₈	0,484	0,3120	Valid
Z ₉	0,326	0,3120	Valid
Z ₁₀	0,480	0,3120	Valid

Z₁ until Z₁₀ has a value of r is bigger than r table, so that the statement in the variable Z including a valid statement.

Table 4. validity test result individual performance (Y)

Item	r	r Table	Description
Y ₁	0,701	0,3120	Valid
Y ₂	0,552	0,3120	Valid
Y ₃	0,449	0,3120	Valid
Y ₄	0,357	0,3120	Valid
Y ₅	0,543	0,3120	Valid
Y ₆	0,419	0,3120	Valid
Y ₇	0,708	0,3120	Valid
Y ₈	0,697	0,3120	Valid
Y ₉	0,381	0,3120	Valid

Y₁ until Y₉ has a value of r is bigger than r table, so that the statement in the variable Y including a valid statement.

Table 5. Result of the Reliability Test Variable

Variable	value (Cronbach Alpha)	Limitation	Description
X ₁	0,764	0,6	Reliable
X ₂	0,627	0,6	Reliable
Z	0,622	0,6	Reliable
Y	0,681	0,6	Reliable

Cronbach Alpha value of variable transformational leadership, communication, job satisfaction and individual performance more than 0,6. So that, all statements on these variables are declared reliable.

Normality Test

Table 6. Output Results Normality Test

Variable	Significant	Description
X ₁	0,200	Normal
X ₂	0,200	Normal
Z	0,084	Normal
Y	0,200	Normal

Table 6 shows a significance value above 0,05. So that, all variables in this study are normally distributed.

Multicolinearity Test

Table 7. Result Test of Multicollinearity Output

Variable	VIF
X ₁	1,101
X ₂	1,007
Z	1,096

From the table 7 can be seen VIF is less than 5, so all independent variables in this study did not occur multicollinearity.

Heterocedasticity Test

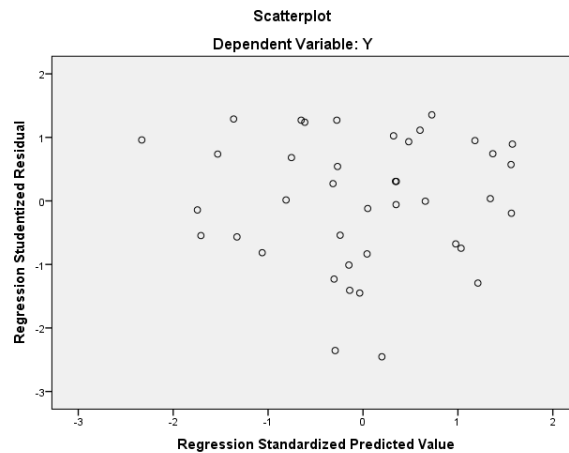


Figure 1. Heteroscedasticity Test Output

Based on the scatterplot, it can be seen that the points spread and did not form a wave pattern, the spread and narrowed. So that, it could be concluded that in this study there were no problems with heterocedasticity.

Transformational leadership influence individual performance with job satisfaction as a mediator variable

Transformational leadership on individual performance → Coefisien c

Table 8. Output X_1 on Y

Variable	Regression Coefficient	T	Sig.	Result
Constants	23.896	4,740	0,000	-
X_1	0,261	1,859	0,071	Significant

From the table above it can be seen that the coefficient value of c is 0,261 and the significance is less than 0,1. Thus, the value of X_1 significantly affects Y.

Transformational leadership on job satisfaction → Coefficient a

Table 9. Output X_1 on Z

Variable	Regression Coefficient	T	Sig.	Result
Constants	19,958	3,381	0,002	-
X_1	0,312	1,901	0,065	Significant

From the table above it can be seen that the coefficient value of a is 0,312 and the significance is less than 0,1. Thus, the value of X_1 significantly affects Z.

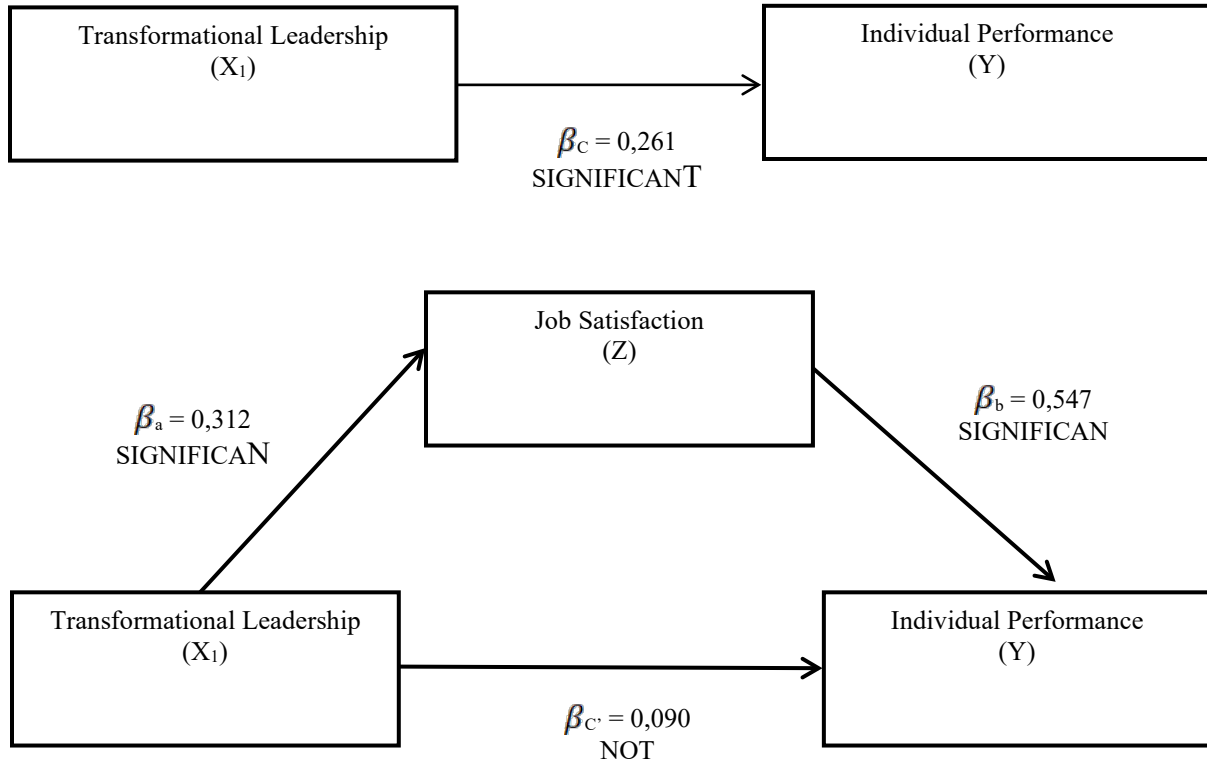
Transformational leadership and job satisfaction on individual performance → Coefficient b dan c'

Table 10. Output X_1 and Z on Y

Variable	Regression Coefficient	T	Sig.	Result
Constant	12,976	2,9	0,006	-
X_1	0,090	0,787	0,436	Not Significant
Z	0,547	5,075	0,000	Significant

From the table above it can be seen that the coefficient value of b is 0,547 and the coefficient c' is 0,090. While the significance value of X_1 is more than 0,1 and Z is less than 0,1. Thus, the value of X_1 significantly does not affects Y and the variable Z significantly affects Y.

In simple term, the results of the above analysis can be described as follows :



Transformational leadership variable has no significant effect on individual performance when job satisfaction as a mediator variable is included in the analysis. Then it can be concluded that job satisfaction is the mediator of the relationship between transformational leadership and individual performance.

Communication have an effect on individual performance with job satisfaction as a mediator variable

Communication on individual performance → Coefficient f

Table 11. Output X₂ on Y

Variable	Regression Coefficient	T	Sig.	Result
Constant	41,122	7,580	0,000	-
X ₂	-0,214	-1,470	0,150	Not Significant

From the table above it can be seen that the coefficient value of f is -0,214 and the significance is more than 0,1. Thus, the value of X₂ affects Y insignificantly.

Communication on job satisfaction → Coefficient d

Table 12. Output X₂ on Z

Variable	Regression Coefficient	T	Sig.	Result
Constant	32,852	5,026	0,000	-
X ₂	-0,047	-0,270	0,789	Not Significant

From the table above it can be seen that the coefficient value of d is -0,047 and the significance is more than 0,1. Thus, the value of X₂ affects Z insignificantly.

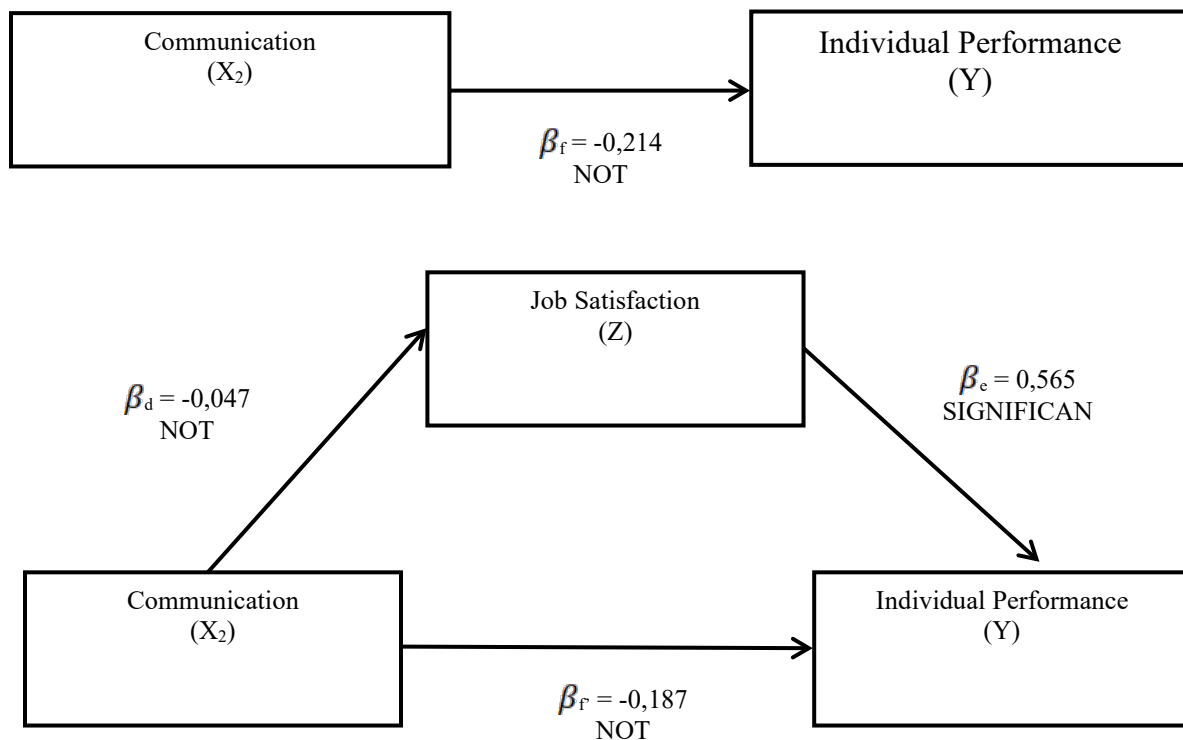
Communication and job satisfaction on individual performance → Coefficient e dan f'

Table 13. Output X₂ and Z on Y

Variable	Regression Coefficient	T	Sig.	Result
Constant	22,576	4,342	0,000	-
X ₂	-0,187	-1,730	0,092	Not Significant
Z	0,565	5,645	0,000	Significant

From the table above it can be seen that the coefficient value of e is 0,565 and coefficient f' is -0,187. While the significance value of X₂ is more than 0,05 and Z is less than 0,05. Thus, the value of X₂ significantly does not affects Y and Z significantly affects Y.

In simple terms, the results of the above analysis can be described as follows :



Communication have no significant effect on individual performance when the mediation variable is neither included nor entered in the analysis. Then it can be concluded that job satisfaction is not a mediator of the relationship between communication and individual performance.

3. Results and Discussion

Transformational leadership and individual performance

Leadership is a “secret” for successfully fulfilling demanding in society and organizations today (Khurana, 2002). Leadership style creates a consistent combination of individual behavior and attitudes towards other group members / teams in order to achieve common goals. Effective leadership can be a fundamental means of maximizing performance in a company. Variations in leadership style affect performance (Lewin et al, 1993). Lewin et al conducted a study of several types of leadership styles and their influence on individual performance in

organizations. The study concluded that leadership style affects the level of aggression and also the level of performance in the organization.

Leadership has an influence on followers performance (Chelladurai, 1978). In his multidimensional model of leadership, Chelladurai argues that the character and behavior of a leader can influence the satisfaction and performance of his followers. The character of a leader who influences performance is formed from : past experiences; temperament; personal quality; skills; expected standards and decision making skills.

Communication and individual performance

Theoretically, actually the pattern of communication in an organization affects individual performance. This is evidenced by research conducted by Balondi. According to Balondi, companies that have very good communication patterns are those who become effective listeners to their workers and who have good planning. (Balondi, 2006) suggests that good internal communication makes employees work directed and improve company performance.

Workers productivity increases when there is communication within the organization (Hellweg and Phillips, 1982). Besides many things, communication in organizations helps employees to carry out their jobs well, to get information about the tasks they have to carry out and about goals the purpose of the organization where they work. The existence of communication within the organization also supports the achievement of effective decision making (Hellweg and Phillips, 1982).

In one study it was found that communication between employees as a communication transaction (Smidts, et al, 2001). In the study it was concluded that employees who get adequate information about the activities of the organization will develop and obtain achievements that can form characteristics that distinguish it from other organizations.

Communication has a very strong relationship with organizational functions. Communication activities in organizations that consist of sharing knowledge and communication between organizational members are able to create new innovations in organization (Monge, et al, 1992). Monge et al also found that communication activities have a strong effect on performance outcomes in organizations. They state that participatory environments in organizations increase productivity and work outcomes in organizations.

The findings made by Dirks et al shows that communication that creates trust has a direct influence on various work outcomes in the organization (Dirks, et al, 2001). According to them, trust that emerges is an important element in the organization because it is positively related to the attitudes, perceptions, behaviors and work results of individuals in the organization.

This study found no significance of the relationship between communication and performance through job satisfaction, made possible due to the different millennia characteristics of other generations. According to Pew Research Center (2010), the millennia generation has communication that does not require physical interaction, but can be biased through cyberspace. This could be the reason that the conception of communication that is identical to sender, media, interaction and receiver, is understood differently by the millennia.

As a result, research found no effect of communication on performance through job satisfaction as a mediator variable.

4. Conclusion

1. Job satisfaction is the mediator of the relationship between transformational leadership and individual performance.
2. Job satisfaction is not a mediator of the relationship between communication and individual performance.

5. Recommendation for next research

1. Further research in order to add research samples to get better results
2. Further research in order to add more relevant independent variable such as compensation and organizational commitment.

References

- Armstrong, M., *Armstrong's Handbook of Performance Management, An evidence based guide to delivering high performance*, Kogan Page Limited, London, 2009.
- Asamoah. B., *The Role of Mental Toughness, Psychological Skills and team Cohesion in Soccer Performance*. Stellenbosch University: Thesis, 2013.
- Aydogdu, S., and Asikgil, B., The effect of Transformational Leadership Behavior on Organizational Culture: An application in Pharmaceutical Industry, *Journal of International Review of Management and Marketing*, Vol. 1 No. 4, 2011, pp. 65 – 73.
- Chang, R., *Measuring Organizational Performance*, PPM, Jakarta, 2011.
- Cladwell, David F., O'Reilly III, Charles., Task Perception and Job Satisfaction, *Journal of Applied Psychology*, 1982.
- Chlomoudis, C.I., and Pallis, A.A., The need for a new philosophy of port management and organization: Effective responses to contemporary challenges, *European Research Studies*, Volume 2 No. (2), pp 91 – 103, 2009.
- Christen. M, Iyer. G & Soberman, D., Job Satisfaction, Job Performance and Effort: A Reexamination Using Agency Theory. *Journal of Marketing*, Vol 70. 137-150, 2006.
- Clough. P and Strycharczyk. D., *Mental Toughness: Improving Performance, well being and Positive Behaviour in Others*. Great Britain: Kogan Page Limited, Great Britain, 2012.
- Creasy. J.W., An Analysis of The Components of Mental Toughness in Sport. *Virginia Polytechnic Institute and State University: A Dissertation*, 2005.
- Den Hartog, D.N., et al., *Journal of Occupational Psychology*, 70, pp 19 – 34, 1997.
- De Vries, R. E., et al., The Communication Styles Inventory (CSI): A six-dimensional behavioral model of communication styles and its relation with personality. *Communication Research*, 40(4), 506-532, 2013.
- Dionne, S.D., et al., Transformational Leadership and team Performance, *Journal of Organizational Change Management*, 17, pp 177 – 193, 2004.
- Gibson, J.L., et al., *Organizations, behavior, Structure, Processes, 14th Edition*, New York: McGraww Hill Irwin, 2012.
- Gibson, J.L., et al., *Organizations, behavior, Structure, Processes, 14th Edition*, McGraww Hill Irwin, New York, 2012.
- Goleman, D., *Working with Emotional Intelligence*, New York: Bantam Books, New York, 1998.
- Hofstede, G., Hofstede, G.J., Minkov, M., *Cultures and Organizations, Software of the Mind*, McGrawHill, New York, 2010.
- Hogan, S.J & Coote, L.V. Organizational Culture, Innovation, and Performance: A Test of Schein's Model. *Journal of Bussiness Research* 67 (2014), page: 1609-1621, 2013.
- Jankingthong, K & Rurkkhum, S., Factors Affecting Job Performance: A Review of Literature. *Silpakorn University Journal of Social Sciences, Humanity and Arts*, Vol: 12 (2), page: 115-127, 2012.
- Jarad, Ismael Younis., et al., A review paper on organizational culture and organizational performance, *International Journal of Business and Social Sciences* Vol. 1 No. 3 pp 26 - 35, December 2010. New York: Centre for Promoting Ideas, New York, USA, 2010.
- Sonnentag, S., Frese, M., *Performance Concepts & Performance Theory*, USA: John Wiley & Sons, Ltd., USA, 2002.

Biographies

Nugroho Dwi Priyohadi is a Doctoral Student at Universitas Airlangga Surabaya Indonesia. He is also a Rector of Sekolah Tinggi Ilmu Administrasi Dan Manajemen Kepelabuhan (Stiamak) Barunawati, Surabaya, Indonesia. Besides, he is also a Senior Manager at Pelindo III Surabaya, Indonesia.

Nur Widyawati is a lecturer at Sekolah Tinggi Ilmu Administrasi Dan Manajemen Kepelabuhan (Stiamak) Barunawati, Surabaya, Indonesia. She got Bachelor Degree from Universitas Airlangga, Surabaya, Indonesia and got Master Degree in Management Science from Universitas Airlangga, Surabaya, Indonesia.

Joko Suyono is a lecturer at Narotama University, Surabaya, Indonesia. He is also as Head of Master of Management at Narotama University, Surabaya, Indonesia. He got bachelor degree in business administration and also accounting, he got master degree in industrial management and also in marketing management, and he got doctoral degree in business administration. Prior becoming a lecturer, he is a practitioner as senior manager in some multinational corporation such as Stanley Works Indonesia (USA Company), Ericsson Indonesia (European Company) and Lotus Indah Textile Industries, a multinational company in the textile, spun yarns.