

## ENHANCING EMPLOYEE ENGAGEMENT IN JAKARTA: THE INFLUENCE OF TRANSFORMATIONAL LEADERSHIP ON GENERATION Y

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### Abstract

Leaders as the driver of change have important presence in an organization to guide their followers and become more engaged with the organization. The level of engagement level of employees in Indonesia is quite low. Thus, leaders need to find the most effective way to improve this engagement level. The purpose of this study is to examine the influence of transformational leadership behaviors; idealized influence, intellectual stimulation, inspirational motivation and individual consideration, toward employee engagement of Generation Y in Jakarta, Indonesia. This study uses quantitative approach by using primary data and distributed questionnaires to 162 respondents. The data was analyzed through regression analysis. The result of this study shows that intellectual stimulation and inspirational motivation have a significant influence on employee engagement. Conversely, idealized influence and individual consideration show insignificant influence on employee engagement among Generation Y in Jakarta. Implications are provided to assist organizations to understand the importance of employee engagement.

**Keywords:** transformational leadership, employee engagement, millennials, idealized influence, intellectual stimulation, inspirational motivation, individual consideration.

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### Introduction

Human resources is no longer seen as a supporting function, but rather a key or asset for organizational success (Handayani, 2017). The days of a human resources leader being a people person with soft skills have long passed. According to Rachmawati (2010), organizations need more human resources or employees with professional knowledge and skill. These employees cannot be managed with just old management techniques, as modern and new generation of employees hope for greater work autonomy, better status, and higher satisfaction (Rachmawati, 2010). It cannot be separated from the role of leaders and human resource in the organizations. Leaders who are able to be a driver of change will improve the sense of missions to encourage optimism and enthusiasm among the employees (Datche & Mukulu, 2015). Thus, it is important for a leader to show confidence in emphasizing important values and goals of an organization, accomplished only when they are communicated (Oei, 2015).

As the presence of it is significant, the leader should understand how they can increase employee's productivity and efficiency (Rachmawati, 2010). Therefore, the concept of employee engagement is essential to increase the development of each employee's, accompanied by a sense of commitment and attachment to the organization. However, some employees are found to leave their work because of disconnection between them and their leaders, not the organization (Swathi, 2013). Verawati and Maulana (2014) stated that the level of engagement and loyalty of employees in Indonesia is low. In addition, 38% employees who have less engagement and loyalty to the organization tend to leave their job after two years of working. Meanwhile, only 36% of employees were reported to be highly engaged with the organizations, with the rest of employees remain unknown (Verawati & Maulana, 2014). It is clear that the role of a leader is essential in every organization to engage all the employees. Employee engagement has become an important factor for an organization to improve organizational performance, thus a high level of employee engagement is required (Zhang et al., 2014). Numerous studies reported that there is a positive correlation between employee engagement and organizational performance, which means that when an employee is highly engaged, they usually cooperate more for positive results in regards of the organization (Verawati & Maulana, 2014).

Corporate Leadership Council (2004) showed that organization with above average of employee engagement positively impact organizational commitment, which increase the revenue growth than those with low employee engagement level. The research found how the impact of employee engagement decreases the probability of employee's departure to 87%. It means that the more engaged an employee, the less turnover rate would be (Corporate Leadership Council, 2004). With this in mind, corporate leaders should be adapted to changes in the working environment and able to react accordingly. According to Evelyn and Hazel (2015), transformational leadership focuses on motivating and enhancing follower's involvement to perform according to the organization goals which in the long run would improve employee engagement. It basically helps employee to be more expressive and values their works as the leader use transformational leadership to clear understanding between the organization's and followers' needs (Bass, 1999). Within transformational leadership, four

leadership behaviors of transformational leadership are used to measure the leadership performance for the followers: idealized influence, intellectual stimulation, inspirational motivation, and individual consideration (Savovic, 2017; Bass, 1999). These behaviors effectively influence followers to improve their working performance and help them to be more open minded and accomplish organizational goals (Mansor et al., 2017).

Moreover, as the dynamic workforce requires older generations to retire and progressively change to younger generations, the greater concern relies on how the new preferred generations able to influence organization needs, e.g. employee engagement, turnover, motivation and productivity (Mansor et al., 2017). With this in mind, organizations need to pay more attentions to the new generations, whether their characteristics and behaviors as well as their preferences in leadership style may affect the organizations. Leaders should be aware of generation characteristics in order to adapt with the changes. It was proven that employees with diverse characteristics are working effectively and more productive if the leaders implement proper leadership styles (Yu & Miller 2015).

Leaders should be more adaptive with the current employee situation. Thereby, this research is intended to find out how transformational leadership influences employee engagement. An examination in the current leadership behavior is required to know how this affects employee engagement among Generation Y. In doing so, four dimensions of transformational leadership, i.e. idealized influence, intellectual stimulation, inspirational motivation, and individual consideration, are identified.

### **Research problems**

The research questions of this research are:

1. Does idealized influence in transformational leadership influence employee engagement perceived by Generation Y?
2. Does intellectual stimulation in transformational leadership influence employee engagement perceived by Generation Y?
3. Does inspirational motivation in transformational leadership influence employee engagement perceived by Generation Y?
4. Does individual consideration in transformational leadership influence employee engagement perceived by Generation Y?

## **Literature Review**

### **Employee engagement**

Employee engagement was defined as utilizing employee's role in the organization, seeing that employees sometimes express their role emotionally and physically (Kahn, 1990). This role performance of employee considered as self-expression and self-employment toward the organization, which encourage individual involvement to work. Saks (2006) added that the more engaged an employee is, the more possible it is for an employee to spend extra effort for the organization. A highly engaged employee can even increase organization's performance in terms of profitability and productivity (Saks & Gruman, 2011). Saks and Gruman (2011) also mentioned that organizations often neglect the importance of employee engagement and given that, organizations need to find a way to promote employee engagement.

### **Generation Y**

Generation Y, also known as millennials, born between 1980 and 2000, is characterized as a generation who is comfortable with technology and familiar with social media or any digital technology as a media for communicating (Harber, 2011). As the current youngest generation at the workplace, this generation enters the workforce to challenge the previous organizational leadership with new ideas (Hu et al., 2004). Obviously, they will try to alter different culture at the organization in order to meet their needs (Zeist, 2011). They tend to scrutinize the working standard and policies so that they can challenge the working environment as they are inflexible employees who are not comfortable working in a restricted environment (Gursoy, Maier & Chi 2008).

This generation will always raise questions as a sign of ambition and optimism, not even afraid to question their supervisor's authority at the workplace (Berkup, 2014). According to a previous study, Generation Y employees are quick to learn new things and value questioning about their job or supervisors (Gursoy et al., 2008). This is related with their sense of loyalty to the work which is nearly zero but they expect to go up for their careers and want to be recognized and appreciated by their colleagues and superiors (Zeist, 2011). Thus, the probability of Generation Y to be led by leaders who utilize transformational leadership is high, as this leadership behavior is said to help career advancement and empowerment among employees, especially when improving engagement among Generation Y employees (Gursoy et al., 2008).

### **Transformational Leadership**

Conveying the link between leaders and followers to build certain level of relationship and motivation for both, transformational leadership raise followers' consciousness of valuing company's objectives and goals, as well as getting followers to precede organizational interest above self-interest (Northouse, 2010). Transformational leadership goes beyond from satisfying follower's needs to higher-level of needs for self-actualization and self-esteem, while allowing both leader and followers to conduct a mutual motivation and empowering each other (Hackman & Johnson, 2009). Meanwhile, Ivancevich (2011) defines transformational leadership as expressing vision to the followers, where they work for long-term goals and achieve self-actualization rather than achieving short-term goals to get security.

There are four dimensions of transformational leadership; first, idealized influence is attribute element for leaders to be a role model for their followers with a sense of missions, trusts, beliefs and respects to the followers (Agbim, 2013). Second, intellectual stimulation requires the leaders to be creative in order to stimulate new solutions with new way of thinking to overcome old problems (Bass & Riggio, 2006). Third, inspirational motivation is the third element of transformational leadership, in which leaders communicate high expectations and encourage employees to focus their efforts on achieving established goals. To do this, transformational leaders tend to use effective communication techniques, such as symbols and simple language, to ensure that employees understand the main purposes of the assigned tasks (Choi et al, 2016). Lastly, individual consideration requires a leader to pay special attention at individual level of followers with the intention to monitor the growth of each follower and provides opportunities by delegating assignments (Ahmad et al, 2014).

### **Hypothesis development**

Idealized influence provides leaders with sense of mission, trust, beliefs and respects to the followers (Agbim, 2013). Bass and Riggio (2006) said that leaders who have high level of idealized influence tend to take more risks and more consistent than those with low idealized influence, which is a sign of high standard in doing the right thing based on ethical and moral conduct. Ghadi, Fernando and Caputi's (2010) study found an evidence that there is a relationship between the transformational leadership factor of idealized influence with the components of workplace engagement (vigor, dedication and absorption). Thus, we can hypothesize:

#### **H1: Idealized influence positively influences employee engagement of Generation Y**

Intellectual stimulation requires a leader to be creative in order to stimulate innovation in problem solving and decision making among follower (Hackman & Johnson, 2009). Bass and Riggio (2006) stated that leaders use intellectual stimulation to approach old problems that often arise with new and innovative solutions. It is supported by Northouse (2010) that the leader often encourages the followers to think with their own to stimulate follower's individual efforts toward problems. Bass (1999) claimed that intellectual stimulation help both leaders and followers to see from different angles. Agbim (2013) also stated that intellectual stimulation emphasizes leaders and followers awareness of problems, stimulate new point of view and help them to try new things. Thus, it can be hypothesized:

#### **H2: Intellectual stimulation positively influences employee engagement of Generation Y**

Leaders with inspirational motivation inspire and motivate their followers to provides meaning in every works the followers do (Bass & Riggio, 2006). Inspiration express leader's high expectations to followers by motivating them to be more committed with works and vision of the organization (Hackman & Johnson, 2009). Northouse (2010) stated that leaders use emotional appeal to enhance follower's spirit and so that they can achieve more than could by themselves. Inspirational motivation also increase enthusiasm and optimism among employees, as well as develop employee commitment and engagement with the intention to get attractive goals and visions (Bass & Riggio, 2006). Northouse (2010) also mentioned that leader can attract and encourage employees by establishing missions and visions of each individuals and organization. Based on a past study, there is a significant relationship between inspirational motivation and employee engagement among Generation Y (Mansor et al., 2017). Thus, we can hypothesized:

#### **H3: Inspirational motivation positively influences employee engagement of Generation Y**

Transformational leaders consider followers' individual development and achievement by giving them special attention and act as a mentor and a working-life supporter (Bass & Riggio, 2006). Individual consideration factors provide a leader to possess a supportive behavior and being considerate to the followers as a way to satisfy followers' needs (Pierce & Newstrom, 2011). The leaders delegate special tasks and assignments to their followers as an opportunity for them to growth and the leader monitors the task being delegated, to see whether the followers need further directions and supports (Bass, 1999). The potential of growing is bigger when leaders and followers practice a supportive working environment with new learning opportunities (Bass & Riggio, 2006). Leaders able to recognize followers' needs and desire, in which two way communications is built to

allow the interaction of individual concerns (Hackman & Johnson, 2009). Hayati, Charkhabi and Naami (2014) found that individualized consideration positively influenced work engagement of governmental hospital nurses in Iran. Thus, it can be hypothesized:

**H4: Individual consideration positively influences employee engagement of Generation Y**

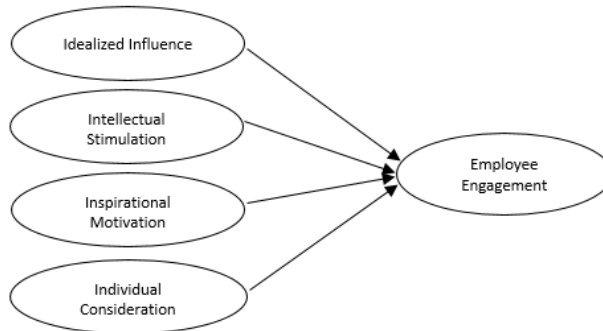
All of these dimensions of transformational leadership help leaders to shape the values and norms of followers and encourage them to be organized with both personal and organizational life (Bass & Riggio, 2006). Transformational leaders also transform the organizational culture by collecting new ideas from their followers and if necessary, implementing it to achieve better organizational objectives (Agbim, 2013). Sharkawi, Mohamad and Roslin (2016) argued that transformational leadership is the strongest leadership style and behavior approach to fit with the 21st century than other leadership styles and behaviors, looking how transformational leadership is more relevant with today’s leaders and employees situations. However, the evolution of leadership theory needs to be developed even further depending on the needs of environment in the future (Sharkawi et al., 2016).

**Research Methods**

This research will use quantitative approach with primary data to find the influence of the independent variables with the dependent variable. The research itself took place in Jakarta, Indonesia, focusing on the Generation Y population who are currently working in Jakarta (ages from 21 to 38). The sample was calculated by using the Slovin formula, which is multiplying the total parameters or questionnaires from each variable with 5 and the minimum total sample of this research is 160, while the data gained at the end is 162.

Before collecting the data, the researchers did validity and reliability test involving 30 samples to examine the accuracy of content instrument used in the research and check the validity of each contents (Pallant, 2016). Then, the questionnaire was mainly distributed to potential samples through online by sending them the link of the survey website, as this method is the most convenient and faster. In addition, this study used non-probability sampling technique with purposive sampling method, a method that is used to consider the most representative population (Levy & Lemeshow, 2008), by approaching the most suitable target and ask their willingness to answer the questionnaire survey.

In this research, the variables that affect employee engagement among Generation Y are idealized influence, intellectual stimulation, inspirational motivation and individual consideration. Accordingly, the conceptual model of this research can be seen in Figure 1.



*Figure 1. Conceptual Model of the Study*

This research uses multiple linear regressions to consider the relationship between one dependent variable (Y) with four independent variables (X). Further, the variables are explained in Table 1.

*Table 1 Operational Variable*

| Variables | Definition | Indicator Item |
|-----------|------------|----------------|
|-----------|------------|----------------|

|                               |   |                          |
|-------------------------------|---|--------------------------|
| Employee Engagement (Y)       | Utilizing employee’s role in the organization and considered as a self-expression and self-employment toward the organization to encourage personal involvement (Khan, 1990).                     | 12 items, 4-Likert scale |
| Idealized Influence (X1)      | The attribute element for leaders to be a role model for their followers with a sense of missions, trusts, beliefs and respects to the followers (Agbim, 2013).                                   | 4 items, 4-Likert scale  |
| Intellectual Stimulation (X2) | Requires the leaders to be creative in order to stimulate new solutions with new way of thinking to overcome old problems (Bass & Riggio, 2006).  | 5 items, 4-Likert scale  |
| Inspirational Motivation (X3) | Provides followers with meaningful motivation from their leaders to increase performance and expectations in every works assigned to them (Bass & Riggio, 2006).                                  | 5 items, 4-Likert scale  |
| Individual Consideration (X4) | Requires a leader to pay special attention to the followers with the intention to monitor the growth of each follower and provides opportunities by delegating assignments (Bass & Riggio, 2006). | 5 items, 4-Likert scale  |

**Results and Discussion**

This research uses several test analysis, which include validity test, reliability test, multiple linear regression, normality test, multicollinearity test, heteroscedasticity test, F-test and T-test. Validity test is a test to examine the accuracy of content instrument used in the research and check the validity of each contents (Pallant, 2016). The validity test will be analyzed by using Kaiser-Meyer-Olkin (KMO) and Bartlett’s test, in which  $KMO > 0.50$  can be considered as valid and a content instrument with  $KMO < 0.50$  is considered not valid (Stine & Foster, 2014). Reliability test, as described by Pallant (2016), is a repeated test to measure the consistency of measurement and to determine the accuracy of the instrument. Darren & Mallory (2003) use the Cronbach’s Alpha coefficient of 1.00 as excellent and  $< 0.50$  is unacceptable. The validity and reliability tests can be seen in Table 2. The profile of the Gen Y respondents is summarized in Table 3.

*Table 2 Validity & Reliability Tests*

| Items                    | Cronbach $\alpha$ | KMO   | Anti-Image |
|--------------------------|-------------------|-------|------------|
| Employee Engagement      | 0.946             | 0.818 |            |
| Y1                       |                   |       | 0.862      |
| Y2                       |                   |       | 0.839      |
| Y3                       |                   |       | 0.815      |
| Y4                       |                   |       | 0.896      |
| Y10                      |                   |       | 0.835      |
| Y12                      |                   |       | 0.817      |
| Idealized Influence      | 0.905             | 0.762 |            |
| X1Q1                     |                   |       | 0.869      |
| X1Q2                     |                   |       | 0.818      |
| X1Q3                     |                   |       | 0.784      |
| X1Q4                     |                   |       | 0.391      |
| X1Q5                     |                   |       | 0.815      |
| Intellectual Stimulation | 0.903             | 0.822 |            |
| X2Q1                     |                   |       | 0.867      |
| X2Q2                     |                   |       | 0.788      |
| X2Q3                     |                   |       | 0.800      |
| X2Q4                     |                   |       | 0.906      |
| X2Q5                     |                   |       | 0.735      |
| Inspirational Motivation | 0.908             | 0.797 |            |
| X3Q1                     |                   |       | 0.671      |
| X3Q2                     |                   |       | 0.919      |
| X3Q3                     |                   |       | 0.814      |
| X3Q4                     |                   |       | 0.916      |
| X3Q5                     |                   |       | 0.801      |
| Individual Consideration | 0.943             | 0.862 |            |
| X4Q1                     |                   |       | 0.912      |
| X4Q2                     |                   |       | 0.929      |
| X4Q3                     |                   |       | 0.976      |
| X4Q4                     |                   |       | 0.866      |
| X4Q5                     |                   |       | 0.826      |

*Table 3 Summary of the Respondents*

|                    | Frequency | Percentage |
|--------------------|-----------|------------|
| Age Group          |           |            |
| 21-26 years old    | 91        | 56.20%     |
| 27-32 years old    | 45        | 27.80%     |
| 33-38 years old    | 26        | 16.00%     |
| Gender             |           |            |
| Male               | 92        | 56.80%     |
| Female             | 70        | 43.20%     |
| Education Level    |           |            |
| High School degree | 11        | 6.80%      |
| Associate degree   | 24        | 14.80%     |

|                    |     |        |
|--------------------|-----|--------|
| Bachelor degree    | 100 | 61.70% |
| Master degree      | 25  | 15.40% |
| Doctoral degree    | 2   | 1.20%  |
| Job Position       |     |        |
| CEO/President      | 2   | 1.20%  |
| Executive          | 3   | 1.90%  |
| Head of Division   | 2   | 1.20%  |
| Manager/Supervisor | 37  | 22.20% |
| Employee           | 119 | 73.50% |
| Work Period        |     |        |
| Less than 1 year   | 75  | 46.30% |
| 1 - 3 years        | 50  | 30.90% |
| 4 - 6 years        | 27  | 16.70% |
| More than 7 years  | 10  | 6.20%  |
| TOTAL              | 162 | 100%   |

Normal distribution determine whether the data has normal distribution or not by considering the Asymp. Sig (2-tailed) value, which is considered as normal if the value above the significant value of 0.05. Based on Table 4, the significant value is 0.000 which is below 0.05. It indicates that the data is not normally distributed. However, a non-normal distribution will not affect the decisions of statistical regression, such as ANOVA, because it is not sensitive with the data normality and does not affect hypothesis assumptions.

**Table 4 Normality Test**

|                          |                | Unstandardized Residual |
|--------------------------|----------------|-------------------------|
| N                        |                | 162                     |
| Normal Parameters        | Mean           | 0.000                   |
|                          | Std. Deviation | 0.399                   |
| Most Extreme Differences | Absolute       | 0.107                   |
|                          | Positive       | 0.089                   |
|                          | Negative       | -0.107                  |
| Test Statistic           |                | 0.107                   |
| Asymp. Sig. (2-tailed)   |                | 0                       |

**Multicollinearity Test**

In multicollinearity, the relationships between independent variables are tested. A good variable possesses no collinearity with each other because it will create uninterpretable estimation in regression (Stine & Foster, 2014). The independent variable is said to be correlated if the tolerance value is < 0.10 or < 0.20 which indicates a problematic correlation problems. Meanwhile, if the VIF value is > 10 or at least > 5, it signifies that the variables have a strong relationship with other variables which indicates a problem (Field, 2013). Based on Table 5, all variables are above 0.10 of tolerance value with VIF value below 10 or 5.

**Table 5 Multicollinearity Test**

| Model    | Collinearity Statistics  |       |       |
|----------|--------------------------|-------|-------|
|          | Tolerance                | VIF   |       |
| Constant |                          |       |       |
| 1        | Idealized Influence      | 0.433 | 2.308 |
|          | Intellectual Stimulation | 0.399 | 2.505 |
|          | Inspirational Motivation | 0.286 | 3.499 |

|   |       |       |
|---|-------|-------|
| Individual Consideration                | 0.264 | 3.785 |
| Dependent Variable: Employee Engagement |       |       |

**F-Test**

In this test, F-test will be compared to F-table and F-statistics, as well as  $\alpha$  of 0.05. From the result in Table 6, the sig. value is 0.000 which less than 0.05. It indicates that the model is significant. Meanwhile, it can be concluded that the  $F\text{-test} > F\text{-table} = 36.184 > 2.70$ , which means that the null hypothesis (H0) is rejected and the alternative hypothesis (Ha) is accepted. Thus, it means that the independent variables have significant level on dependent variables.

*Table 6 F-Test*

| Model        | Sum of Squares | Df  | Mean Square | F      | Sig. Level |
|--------------|----------------|-----|-------------|--------|------------|
| 1 Regression | 23.692         | 4   | 5.923       | 36.184 | 0.0000     |
| Residual     | 25.700         | 157 | 0.164       |        |            |
| Total        | 49.392         | 161 |             |        |            |

**t-Test**

The t-test is intended to count the estimated standard errors by comparing three or more variables through t-statistics, degree of freedom and t-distribution table which will be evaluated to get an exact p-value (Stine & Foster, 2014). The df is of 161 with the confidence level of 95%, and the t-table is 1.984 (see Table 7). An independent variable can be categorized as significant to the dependent variable if the sig. level is below the alpha value ( $\alpha = 0.05$ ).

*Table 7 Coefficient of ANOVA table*

| Model                    | Unstandardized Coefficient |            | T     | Sig.  |
|--------------------------|----------------------------|------------|-------|-------|
|                          | B                          | Std. Error |       |       |
| (Constant)               | 0.643                      | 0.236      | 2.725 | 0.007 |
| Idealized Influence      | 0.060                      | 0.101      | 0.596 | 0.552 |
| Intellectual Stimulation | 0.334                      | 0.093      | 3.575 | 0.000 |
| Inspirational Motivation | 0.237                      | 0.107      | 2.209 | 0.029 |
| Individual Consideration | 0.135                      | 0.102      | 1.328 | 0.186 |

Based on Table 7, it can be seen that idealized influence and individual consideration do not influence employee engagement among Generation Y because the t-test values are below 1.984 and the significance values are above 0.05. Thus, based on the rule of thumb, the null hypothesis (H0) should be rejected and accept the alternative hypothesis (Ha). On the contrary, intellectual stimulation and inspirational motivation significantly influence employee engagement because the t-test values are above 1.984 and the significance values are below 0.05.

*Table 8 Adjusted R-Square*

| Model | R     | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------|----------|-------------------|----------------------------|---------------|
| 1     | 0.693 | 0.480    | 0.466             | 0.405                      | 2.080         |

The R-squared is the determination of coefficient to know whether the regression model strongly explain the correlation between the independent variable and dependent variable. In this case, Table 8 shows that the R-squared is 48% which means that the model of independent variables can explain 48% of the dependent variables and the dependent variable is also affected by other variables by 52%.

**Discussion**

According to Table 7, the model of multiple linear regressions would be:

$$\text{Employee Engagement} = 0.643 + 0.060 [\text{II}]^* + 0.334[\text{IS}] + 0.237 [\text{IM}] + 0.135 [\text{IC}]^*$$

Based on the equation, the constant value is 0.643 with all four variables have positive relations, meaning that when independent variables increase by 1, the dependent variable would increase. It can be concluded that

intellectual stimulation contributed the highest to employee engagement with coefficient of 0.334. Meanwhile, idealized influence contributed the least to employee engagement with a coefficient of 0.060.

## Conclusion

This study provides a leader with feedbacks on which transformational leadership behaviors effectively affects employee engagement among Generation Y employees. The framework of this study includes employee engagement as dependent variable and four independent variables of transformational leadership such as idealized influence, intellectual stimulation, inspirational motivation, and individual consideration.

The first research objective is to analyze the influence of idealized influence toward employee engagement and it was found that idealized influence does not have significant influence toward employee engagement. This factor may be due to the influence of formality by transformational leadership possibly due to the fact that more than 50% of the respondents are millennials which may think that they know what is expected from them but not to be entrusted in terms of achieving organization goals (Solaja & Ogunola, 2016). Second research objective is to analyze the influence of intellectual stimulation toward employee engagement and it was found that intellectual stimulation has a significant influence toward employee engagement. Third research objective is to analyze the influence of inspirational motivation toward employee engagement and it was found that inspirational motivation has a significant influence toward employee engagement. Lastly, fourth research objective is to analyze the influence of individual consideration toward employee engagement and it was found that individual consideration does not have significant influence toward employee engagement. The reason for this perhaps the millennial respondents seeks a much more returns for their hard work, besides rewards and compensation. Generation Y cohort, meaningful work experiences would mean availability of opportunities to broaden their horizon through job mobility and international assignments (Ng et al., 2010).

## Implications

The findings of this study theoretically supported the transformational leadership theory, in which intellectual stimulation and inspirational motivation are significantly affects employee engagement and that idealized influence do not have significant effect on employee engagement among Generation Y (Mansor et al., 2017). This study also contradicted Mansor et al.'s (2017) study who found that individual considerations have significant influence toward employee engagement among Generation Y.

The findings of this study contributed managerially to organizational practices to develop transformational leadership behaviors of leaders to improve the level of engagement which is related with organizational performance. Also, this would help organizations to understand the importance of employee engagement and suggest to increase the engagement level by utilizing the transformational leadership behaviors of leaders.

## Recommendations

Based on the result of this study, the researcher suggests several recommendations. First, an organization can create and develop a training programs to improve leader's behaviors, importantly about how transformational leadership could increase engagement among employees which focus on two transformational leadership behaviors; intellectual stimulation and inspirational motivation. Secondly, future research is suggested to focus on specific areas, i.e. the influence of idealized influence and individual consideration toward employee engagement in Indonesia, as these variables have insignificant relevance to employee engagement. Moreover, future research is recommended to extend the scope of study to Indonesia and increase the number of samples needed. This may improve the probability of better results and better representations

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