Study Of Aspects Of Millennial Generation Employee Retention (Company Case Study PT. XYZ)

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Article Info:	Abstract
	In this study a case study method was used to analyze the factors of employee retention aimed specifically at millennial generation born between 1983 - 2000, or those under 36 years who worked at PT. XYZ This is because at this time the trend of 'turn over' of millennial generation employees is increasing, supported by secondary data from HRD which is quite large at around 14.3%. Data collection techniques in this study using a questionnaire with Likert scale calculations, and using descriptive interview techniques, namely interview techniques by making approaches. Respondents in this study were employees of PT. XYZ numbered 80 respondents representing various divisions and departments.

INTRODUCTION

According to data from the Central Statistics Agency, in 2016 there were approximately 127 million Indonesians who were residents of age belonging to the labor force. Of the total number of Indonesian labor force in 2016, approximately 120 of them are employed and the rest are unemployed. The Indonesian labor force which is the millennial generation is 38.83%, while 36.12% is generation X and 25.05% is *the baby boomers* generation. In Indonesia, the existence of the millennial generation also dominates the job market. BPS data 2017 shows that 53% of the active workforce is aged 17 – 39 years.

Millennials are known to have confident, independent and result-oriented characteristics. The millennial generation has a high mastery of technology and this seems to make their *"self-esteem"* increase (Reitenga & Tearney, 2003). The advantage possessed by the millennial generation is the potential for creativity. This generation's way of thinking that *thinks out of the box* produces creative ideas that are useful for the progress of the company. In today's era, many companies are increasingly worried about the phenomenon of the millennial generation who will easily decide to leave the company, this is supported by the results of a study conducted for 5 years which states that the millennial generation will leave the company or organization within 16 months *Turnover* Or the number of employees leaving the company today is still a major issue and from statistical research says 1 in 4 millennial employees will leave their company to join a new company to accept new challenges in just 1 year. Global CEO, as one of the largest corporate consulting professional organizations in the world, conducted a survey in recent years and concluded that in 2020, millennials will contribute 50% of the total workforce. There is no denying that the next world leaders are millennials, this is a challenge for companies to be able to recruit the best employees from the next millennial generation. While on the other hand there are problems that are specifically faced together where companies and business leaders currently do not have a precise strategy and method to motivate and retain millennial employees for more than 3 years. In a survey conducted for three consecutive years, it was found that, Human Resources leaders (HRD managers) stated that employee retention is the biggest challenge for management. This is not surprising because 47% of company leaders identify employee retention as a major problem in their respective companies, coupled with the fact that millennials today are known to have a tendency to easily change jobs and careers, and have characteristics that are not usually shared by other generations such as the baby boomer generation. Millennials are a generation whose population exceeds Baby Boomers. In a study that began in 2017, millennials were categorized as between 20 to 36 years old. They are considered the first generation of "*digital natives"* because at the same time they are exposed to technology and its persuasive use in their daily lives. Millennials often desire to change jobs and careers, which characteristics are not seen in Baby Boomers, and business problems in general are when talented employees leave the company, which results in the company experiencing a decline in financial and operational performance. The problem that occurs in business specifically is that companies cannot see and know clearly what the expectations of millennial employees are. Understanding and knowing what the expectations of millennial employees are can help reduce employee entry and exit problems, and can then reduce costs and generate more company profit sustainability, which is the goal of all companies and organizations. The author believes that the costs invested in the initial hiring and training process will disappear when the employee leaves the company. More than that the company will spend more to replace employees, than the costs invested to build a retention strategy. And data shows the cost of replacing employees can reach about one and a half times the annual salary of employees. When a talented employee resigns voluntarily, the cost of the loss that will be incurred by the company is a loss of productivity because it takes time to be able to find a replacement for a new employee and this employee needs time to attend his job training. By looking at the overall costs, it will certainly emphasize the importance of understanding and meeting the expectations of millennial employees. In addition, there are also some findings in the millennial generation, based on previous research, there are findings that millennials or Gen Y are comfortable with change, so high turnover rates and dissatisfaction in work are often considered normal for this generation. In addition, other researchers also stated that millennials or Gen Y have the ability to work hard but they are not loyal to their organization. Based on the description of the background of the problem,

several phenomena that occur can be identified, namely: There are concerns from the company in terms of *"turnover" of* millennial generation employees; The number of millennial employees is increasing every year, and the number exceeds the previous generation; It is not yet understood and clearly known what are the expectations or *"expectations"* of these millennial generation employees towards the company; The cost to the company to rehire talented employees is quite high compared to the cost of retention; There is a decrease in productivity in both financial and operational performance if there are talented employees who resign.

PT XYZ is a manufacturing company based in the United States, which currently has a total number of employees of more than 90,000 people spread throughout almost the entire world. PT. XYZ started operations in Indonesia more than 40 years ago and started with 3 employees, and in 2016 they adopted a market-oriented organizational approach to increase its competitiveness and simplify the company's business scale. This approach aligns with efforts to steer the company towards long-term success by strengthening its portfolio, research and development capabilities, and business processes. The development of new markets is a solution to become a focus on the customer / end customer. To achieve that, PT XYZ now has four market focuses: Industrial &; OEM; Infrastructure, Construction &; Energy; Healthcare / Health; and Consumer Retail. The combination of these four market focuses also allows PT XYZ to monitor and evaluate key drivers of the economy and determine the best portfolio investment strategy. For example, Industrial & OEM business is driven by complete product specifications in the private industry sector, where industrial and export policies are key market drivers. On the other hand, Infrastructure, Construction & Energy is based on large projects, which are heavily framed by government regulations to use certain products, especially in government tenders. Within the healthcare industry specifically, the focus of the Healthcare business market is about well-being, hospitals, clinics, dentists, and is the primary channel for communicating value to people using 3M products. Finally, Consumer Retail is about the products produced by PT. XYZ that consumers buy in supermarkets, pharmacies, medical device stores, etc. This focus on specific market segments is relevant for 3M and Indonesia because the government also focuses on strategic plans that include improving the automotive industry, building roads and infrastructure, and expanding health service coverage. Based on the results of interviews and discussions with PT XYZ's Human Reosurces, the following is the demographic profile of employees, judging from their generation composition.

Generation	PT XYZ Employee HC %	PT XYZ Employee HC
Gen X 1961-1981	53.18%	117
Gen Y 1982-1994	45.91%	101
Gen Z > 1994	0.91%	2
TOTAL	**100%**	**220**

Judging from the length of service / *Year of Service of* each group of employees

Years of Service	PT. XYZ Employee HC %	PT. XYZ Employee HC
<= 04	41.82%	92
05 to 09	42.27%	93
10 to 19	10.00%	22
20+	5.91%	13
TOTAL	**100%**	**220**

From data taken at the Human Resources dept of PT XYZ, it was found that the employee 'turn-over' rate in 2018 was 19.34%. A number that is quite high and needs to be followed up considering employee retention makes it very important for companies to remain competitive in

today's era. The composition / percentage of employees who resigned were: Baby Boomers (1943-1960) : 0% , Gen X (1961 – 1981): 8.51%, Gen Y (1982 – 1994): 14.30%, Gen Z (>1994): 0% , From these data it can be seen that the turn-over or number of employees who resigned in the millennial generation is most dominant. And data from the HR department found that the highest reasons for millennial employees who as many as 14.3% resigned were several things including: Career Development that was felt to be less fast, compensation (getting better compensation in other companies), and incompatibility with superiors. Based on a pre-survey conducted on 10 millennial employees who are still active at PT XYZ, it was also found that the factors that can influence these employees to decide to move and resign are: Work discomfort due to incompatibility with superiors in the work environment, which is supported by other data from a Gallup survey of about 1 million employees in the US, mentioned that the main reason employees resign is because of a bad boss, Lack of future self-development is mainly associated with career path, because millennial employees need a clear and measurable development plan, The compensation factor is still felt to be an important consideration, especially for the millennial generation who are currently in a lot of need for a new family / preparing a family, buying a house, vehicle *Leisure* meet lifestyle, etc. In this study, the author identifies and analyzes several factors that are assumed to be influential in terms of millennial employee retention, namely: Can Leadership Style affect retention for millennial generation employees?, Does more attractive compensation affect millennial employee retention?, Will employee Career Development affect millennial generation employee retention?, What is Leadership Style, Compensation, and Career Development in a statement? Will together affect millennial employee retention?

LITERATURE REVIEW

1. Human Resource Management

Human resource management can be interpreted as the utilization of human resources in organizations, which is carried out through the functions of human resource planning, recruitment and selection, human resource development, career planning and development, compensation and welfare, occupational safety and health and industrial relations (Simamora, 2006). It can be concluded that human resource management is an art science used to regulate relationships Manpower to develop human potential and carry out a series of processes of withdrawal, selection, development, maintenance, compensation and training of employee performance. Human resource management must be managed properly, because human resources determine the success of the company to achieve its goals.

2. Human Resource Management Function

The functions of human resource management according to Hasibuan (2016) are as follows: Planning, Organizing, Directing, Controlling, Procurement, Development, Compensation, Integrating, Maintenance, Discipline, Dismissal

### 3. Human Resource Management Objectives

The purpose of human resource management according to Simamora (2006) is to improve the productive contribution of the workforce to the organization in a strategic, ethical and socially responsible way. The 4 (four) objectives of Human Resource Management are: Social Goals, Organizational Goals, Functional Goals, Individual Goals

2.2. Millennials

The Millineals generation better known by various other names such as *Millennial Generation, Echo Boomers, New Boomers, Global Generations* is a generation born in the period 1980-2000 with an age range of 20-39 years. The millennial generation was born in the midst of very fast advances in information technology, so this generation has a very different character from the previous generation better known as Generation Me or Gen Y.

Characteristics of the Millennial Generation

According to Alhawari et al. (2012) said in his research about personality differences between generation X and millennial generation as follows: 1. Impatient, unwilling to lose, demanding, accustomed to instant things, 2. Tends to be impatient and lacks respect for the process. 3. Self-confidence and optimism. 4. Highly dependent on the team at the organization or company. 5. Love all innovations. 6. Have high spirits. 7. Always ask, they have great curiosity 8. Receive information clearly, concisely and transparently**. According to data from the Central Statistics Agency, in 2016 there were approximately 127 million Indonesians who were residents of age belonging to the labor force. Of the total number of Indonesian labor force in 2016, approximately 120 of them are employed and the rest are unemployed. The Indonesian labor force which is the millennial generation is 38.83%, while 36.12% is generation X and 25.05% is *the baby boomers* generation.
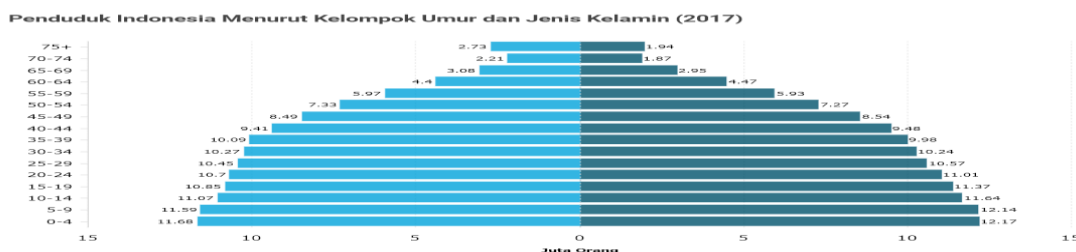
Source: Central Bureau of Statistics 2017

In Indonesia, the existence of the millennial generation also dominates the job market. BPS data 2017 shows that 53% of the active workforce is aged 17 – 39 years.

2.3. Employee Retention

Employee retention is a must that needs to be done by companies in order to maintain the best Human Resources (HR) they have. Meanwhile, by definition, employee retention is an effort to retain employees in a company as a main expert. Employee retention can also be done to be able to get solutions to minimize employee turnover and increase employee comfort in a company. When a company loses employees, it also loses capabilities, experience, and "corporate memory." This is also an important issue for management, because it will affect productivity, profitability, and quality of service and product quality. For employees, a high turnover rate will affect employee morale, relationships between employees and job security. The cost of replacing employees will also increase, this is related to the cost of employee recruitment and training. The turnover problem can be overcome through various activities that are pro-active towards the Employee *Retention strategy*: work policies that increase employee commitment and loyalty (Robbins & Judge, 2008).

Employee Retention and knowledge transfer are two things that can be said to be skill management. For example: everything that is done to recruit, manage and develop some of the skills necessary to achieve organizational and business goals. And the most important thing is, the longer employees work in the company, the more productive they will be because they know more about systems, products, and cooperation with other employees.
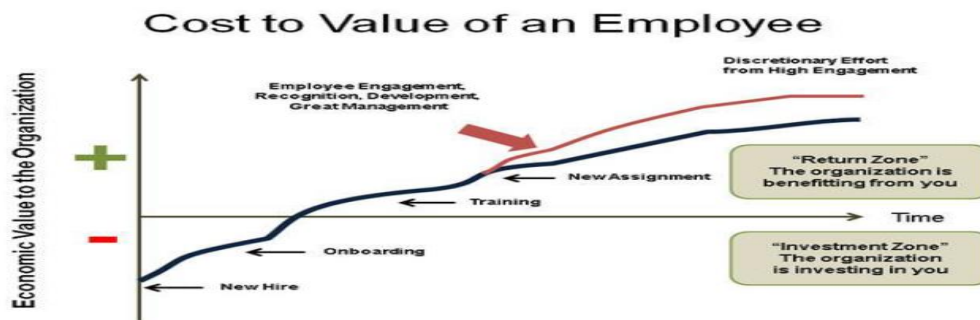

Fig 1: Economic Value of an Employee to the Organization over Time

2.4. Leadership

Leadership is a process by which individuals influence groups to achieve common goals (Suryana, 2003). This understanding is sharpened by Dubrin that leadership is the ability to instill confidence and gain support from organizational members to achieve organizational goals (Gray et al., 2001).

2.4.1. Leadership Style

Leadership style is a pattern of behavior that is designed in such a way as to influence subordinates in order to maximize the performance of their subordinates so that organizational performance and organizational goals can be maximized. A leader must apply a leadership style to manage his subordinates, because a leader will greatly affect the success of the organization in achieving its goals (Bambang Guritno, 2005).

2.4.2. Leadership is associated with Employee Retention

In the future it is predicted that changes in companies and organizations are essential to lead to a company and organization that is able to compete, so visionary and creative leaders are needed to make the process happen well (Hershatter & Epstein, 2010). There are many types of leadership, namely: *autocratic, bureaucratic, charismatic, democratic, participative, situational, transformational, transactional* and *laissez faire leadership* (Hawkins et al., 2003). Gen X are highly adaptive and while working they focus on results. The slang that often pops out of their mouths is "it's up to you how, want to somersault cake, want to head down and feet up, I kind of care, the important thing is that your target is achieved." Gen X is very happy when given freedom. For example, you can freely take report cards or pick up children to school during office hours. While Gen Y, they are very interested in caring, usefulness and flexibility. So don't be surprised if there are Gen Y who change jobs from well-paid companies to small companies but fight for something, not just profit and loss. These Millennials really expect their leaders to be mentors, not foremen.

2.5. Compensation

Compensation is all income in the form of money, direct or indirect goods received by employees in return for services provided to the company Hasibuan (2006) and T. Hani (2001) suggests that compensation is important for employees and individuals because the amount of compensation reflects a measure of the value of their work among employees, their families and the community.

2.5.1. Compensation attributed to Employee Retention

Darma (2018) stated compensation as the ability and responsibility of companies to contribute to their employees for the achievement of their duties and reward employee performance. Every organization should strive to increase employee job satisfaction by providing a fair and competitive compensation program. Then high job satisfaction is expected to make employees become more loyal to the organization, more motivated at work, feel happy at work, and ultimately will increase productivity.

2.6. Career Path

Career Path is a formal approach used by organizations in improving their position through appropriate qualifications and experience when needed. Formal career development will be very important to maintain employee motivation and commitment (Mondy, 2005). From some of the definitions above, career development can be described as a process of increasing individual work ability that is achieved both structurally and functionally as desired. The dimensions of career development according to Handoko (2008) and Rivai (2016) include work performance, loyalty to the organization, Mentors and Sponsors, support from subordinates, and opportunities for growth.

2.6.1. Career Path associated with Employee Retention

A 2005 survey conducted by AON Consulting (an independent agency that examines workplace loyalty) to employees in all types of permanent occupations showed that organizational career development efforts can significantly affect employee retention rates. Putu et al. (2015) in his research stated that opportunities for career development give rise to reasons why individuals take their current jobs and why they stay. Serra Cantallops & Salvi (2014) stated that career development shows an increase in a person's status in an organization on a predetermined career path in the organization concerned. Without career development from the company and without having high *self-efficacy* from employees, the utilization of human resources will not run optimally and employee performance for the company will not be optimal.

RESEARCH METHODS

Figure 3.1. Thinking Framework
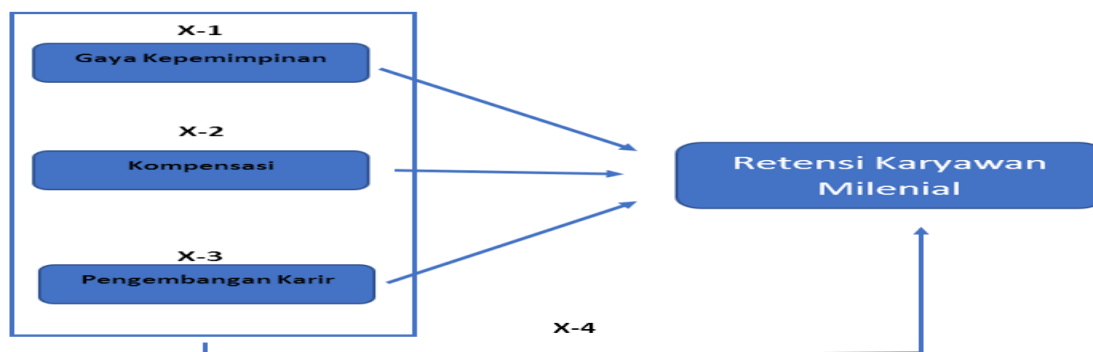
The research variables are A. Leadership Style, B. Compensation, C. Career Path, D. Employee Retention and the Relationship Between Variables and Hypotheses, namely:

The Effect of Leadership Style on Employee Retention

H1: Leadership Style (X1) positively affects the retention of millennial generation employees (Y) in Company XYZ.

The effect of compensation on employee retention

H2: Compensation (X2) has a positive effect on the retention of millennial generation employees (Y) in Company XYZ

The Effect of Career Path on Employee Retention

H3: Career Development (X3) has a positive effect on millennial (Y) employee retention in Company XYZ

The Influence of Leadership Style, Compensation, and Career Path on Employee Performance

H4: Leadership Style, Compensation, and Career Development together (X4) positively affect the retention of millennial generation (Y) employees in Company XYZ.

This study aims to process research data using multiple linear regression statistical analysis and path analysis using IBM SPSS series 22 and AMOS series 22 programs. The population in this study is all employees of PT XYZ who fall into the category of millennial generation born between 1983 – 2000 which is 101 employees and the sample to be tested in this study is 80 employees working at PT XYZ head office in South Jakarta, taken from representatives of departments and divisions in PT XYZ company.

RESULTS AND DISCUSSION

1 Respondent Profile

The description of respondents in this study aims to obtain an overview of the characteristics of respondents, namely employees of PT. XYZ based on gender, age, education, length of work, and training programs that have been followed.

A. Description of respondents by gender

The description of the characteristics of respondents by gender in this study is as follows:

Table 1. Description of respondents by gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1=Male	35	43.8	43.8	43.8
	2=Female	45	56.3	56.3	100.0
	Total	80	100.0	100.0	
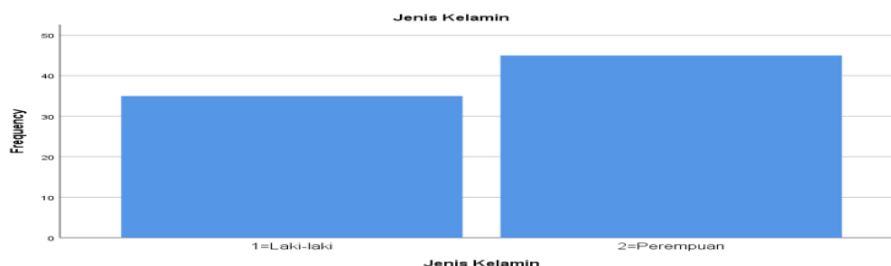
Source: Primary data processed, 2019

Based on the results of table 1 data, the highest number of respondents based on gender can be obtained as many as 45 respondents. While the smallest respondents were men as many as 35 respondents.

B.   Description of respondents by age

Description of the characteristics of respondents based on age in this study as follows:

Table 2. Description of respondents by age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1. <36th	80	100.0	100.0	100.0
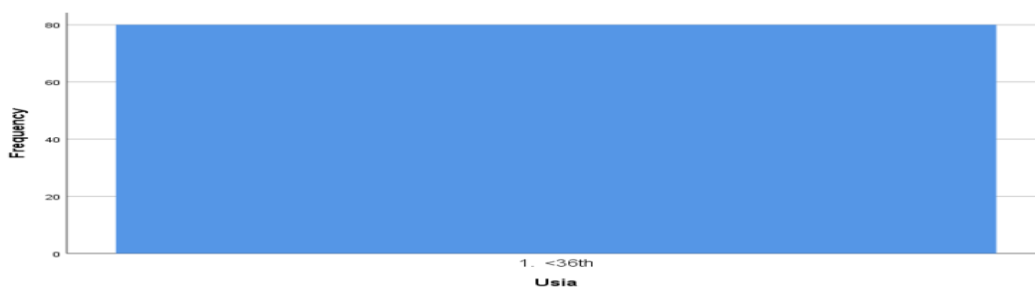
Source: Primary data processed, 2019

Based on the results of table 2, it is known from all the number of respondents as many as 80 employees, all of whom are under 36 years old and included as millennial generation.

C.   Description of respondents by education

Description of the characteristics of respondents based on education in this study as follows:

Table 3. Description of respondents by education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2=S1	49	61.3	61.3	61.3
	4=S2	31	38.8	38.8	100.0
	Total	80	100.0	100.0	
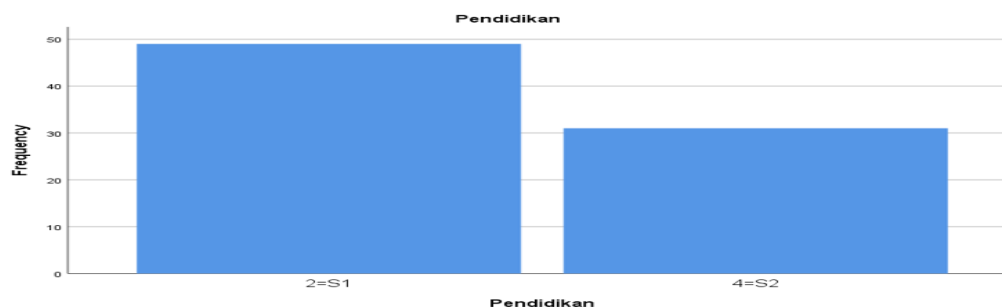
Source: Primary data processed, 2019

Based on the results of table 3 data, it is known that the number of respondents based on Education, employees with the Strata-1 Education level is 39 respondents. While those with Strata-2 education amounted to 31 respondents.

D. Description of respondents based on length of work

Description of respondents' characteristics based on length of work in this study are:

Table 4. Description of respondents based on length of work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1= <1th	17	21.3	21.3	21.3
	2= 1-5th	42	52.5	52.5	73.8
	3= 6-10th	21	26.3	26.3	100.0
	Total	80	100.0	100.0	
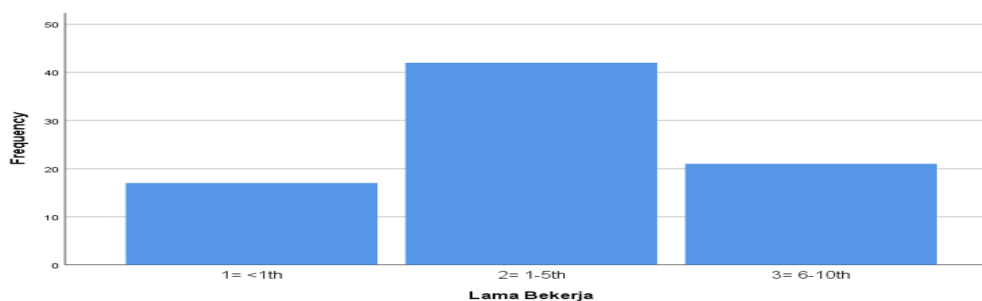
Source: Primary data processed, 2019

Based on table 4 data, it is known that the majority of respondents have a length of work, namely under 1 year as many as 17 respondents, between 1-5 years as many as 42 respondents, and between 6-10 years as many as 21 respondents.

2   Pre Test Analysis

The validity and reliability tests used in this study aim to analyze the level of validity of the data and consistency. Because the success of a study is determined by whether or not the instrument used, it is mandatory for researchers to test the instrument first.

Table 5. Description of Pre-Test Respondents

Statistics

		Age	Gender	Education	Length of Work
N	Valid	30	30	30	30
	Missing	0	0	0	0

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1. <36th	30	100.0	100.0	100.0

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1=Male	9	30.0	30.0	30.0
	2=Female	21	70.0	70.0	100.0
	Total	30	100.0	100.0	

Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2=S1	17	56.7	56.7	56.7
	4=S2	13	43.3	43.3	100.0
	Total	30	100.0	100.0	

Length of Work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1= <1th	10	33.3	33.3	33.3
	2= 1-5th	11	36.7	36.7	70.0
	3= 6-10th	9	30.0	30.0	100.0
	Total	30	100.0	100.0	

2.1 Pre-Test Validity Test

Is a measure that shows the level of validity or validity of an instrument, with the following research results:

Table 6. Pre-Test validity test results*t*

	N	Minimum	Maximum	Mean	Std. Deviation
X1.1	30	1	5	3.03	.999
X1.2	30	1	4	3.50	.777
X1.3	30	1	5	2.87	1.106
X1.4	30	1	5	2.40	.814
X1.5	30	1	4	2.53	.860
X1.6	30	1	5	2.50	.900
X1.7	30	1	5	1.80	.847
X1.8	30	2	5	3.90	.845
X1.9	30	1	5	3.90	.923
X1.10	30	1	5	3.80	.847
X1.11	30	1	5	3.70	.750
X1.12	30	1	5	3.63	1.066
X1.13	30	1	5	3.63	1.299
X1.14	30	1	5	3.70	1.055
X1.15	30	1	5	3.60	1.070
X1.16	30	1	5	3.43	1.104
X1.17	30	1	5	3.47	1.074
X1.18	30	2	5	3.67	.802
JML	30	34	72	59.07	8.898
X1 (Leadership Style)	30	1.89	4.00	3.2817	.49466
X2.1	30	1	5	3.23	1.006
X2.2	30	1	5	3.13	.900
X2.3	30	1	4	2.80	.997
X2.4	30	1	4	2.97	1.033
X2.5	30	2	5	3.53	.819
X2.6	30	2	5	3.47	.937
X2.7	30	1	5	3.83	.747
X2.8	30	3	5	3.97	.490
JML	30	16	35	26.93	4.608
X2 (Compensation)	30	2.00	4.38	3.3697	.57617
X3.1	30	1	5	3.47	.860
X3.2	30	1	4	3.20	.887
X3.3	30	2	5	3.80	.551
X3.4	30	2	5	3.50	.731
X3.5	30	2	5	3.30	.915
X3.6	30	2	5	3.23	.935
JML	30	12	28	20.50	3.830
X3 (Career path)	30	2.00	4.67	3.4163	.63858
Y1	30	2	5	3.73	.980
Y2	30	2	5	3.47	.973
Y3	30	2	5	3.70	.702
Y4	30	3	5	3.77	.626
Y5	30	1	5	3.40	.855
Y6	30	1	5	3.43	1.006
Y7	30	1	5	3.27	1.081
Y8	30	1	5	3.63	.718
Y9	30	3	5	3.83	.531

Y10	30	2	5	3.60	.770
Y11	30	2	5	3.83	.531
Y12	30	3	5	3.83	.461
Y13	30	3	5	4.03	.556
Y14	30	3	5	4.00	.587
JML	30	38	66	51.53	6.263
Y (Employee Retention)	30	2.71	4.71	3.6807	.44670
Valid N (listwise)	30				

Validity tests are carried out to measure the validity or validity of a questionnaire. A questionnaire is said to be valid if the questionnaire questions are able to reveal something that the questionnaire will measure. The significance test is performed by comparing r count with r table or comparing p or sig value with level of significance (usually = 0.05). If the calculated r is greater than the table r or the p or sig value < 0.05, then the statement is valid.

Table 7. X1 Variable Pre-Test validity test results

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
X1.1	56.03	73.757	.457	.836
X1.2	55.57	69.495	.700	.816
X1.3	56.20	76.372	.481	.847
X1.4	56.67	85.195	.445	.862
X1.5	56.53	86.740	519	.867
X1.6	56.57	90.254	696	.875
X1.7	57.27	81.030	469	.853
X1.8	55.17	67.592	.782	.811
X1.9	55.17	66.006	.821	.807
X1.10	55.27	67.375	.797	.810
X1.11	55.37	69.206	.754	.815
X1.12	55.43	63.220	.874	.801
X1.13	55.43	61.151	.803	.802
X1.14	55.37	64.723	.785	.807
X1.15	55.47	63.568	.847	.802
X1.16	55.63	62.792	.866	.801
X1.17	55.60	63.766	.830	.803
X1.18	55.40	71.145	.545	.823

In the table above, because all r values are calculated (Corrected Item Total Correlation) > r table (0.361), it is concluded that the indicators of the variable questionnaire X1 are declared valid to be used as variable measuring instruments.

Table 8. X2 Variable Pre-Test validity test results

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
X2.1	23.70	14.838	.695	.756
X2.2	23.80	16.993	.463	.795
X2.3	24.13	16.326	.486	.792
X2.4	23.97	15.964	.509	.789
X2.5	23.40	17.766	.405	.802
X2.6	23.47	16.740	.472	.794
X2.7	23.10	16.507	.688	.766
X2.8	22.97	18.516	.588	.789

In the table above, because all r values are calculated (Corrected Item Total Correlation) > r table (0.361), it is concluded that the indicators of the variable questionnaire X2 are declared valid to be used as variable measuring instruments.

Table 9. X3 Variable Pre-Test validity test results

	Scale Mean if Item Deleted		Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
X3.1	17.03	10.516	.612	.853
X3.2	17.30	10.010	.691	.839
X3.3	16.70	12.424	.501	.870
X3.4	17.00	10.690	.721	.836
X3.5	17.20	9.959	.671	.843
X3.6	17.27	9.168	.817	.813

In the table above, because all r values are calculated (Corrected Item Total Correlation) > r table (0.361), it is concluded that the indicators of the variable questionnaire X3 are declared valid to be used as variable measuring instruments.

Table 10. Pre-Test Variable Y validity test results

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha Item Deleted
Y1	32.10	24.438	.539	.843
Y2	32.37	23.344	.674	.829
Y3	32.13	25.568	.643	.834
Y4	32.07	25.375	.770	.828
Y5	32.43	25.289	.536	.842
Y6	32.40	24.800	.480	.849
Y7	32.57	23.495	.569	.841
Y8	32.20	25.131	.691	.830
Y9	32.00	27.448	.521	.846
Y10	32.23	27.220	.530	.856

In the table above, because all r values are calculated (Corrected Item Total Correlation) > r table (0.361), it is concluded that the indicators of the variable Y questionnaire are declared valid to be used as a variable measuring tool.

2.2 Pre-Test Reliability Test Results

If the statistical probability value $\geq$ a signification level of 5% = 0.05, then the item is valid, so that all statements in the questionnaire are valid. Then the questionnaire will be used in future studies. A construct or variable is reliabil when it gives *a Cronbach alpha value* of $\geq$ 0.60 as follows:

Table 11. Reliability Test Results

Variable	Cronbach's Alpha	Conclusion
Leadership Style	,835	Reliable
Compensation	,808	Reliable
Career path	,867	Reliable
Employee Retention	,861	Reliable

Source: Primary data processed, 2019

Based on the results of table 10 data, the researcher concluded that all variables in this study have a signification level of > 5% or 0.05, which means that all variables are declared reliable and worthy of a *main-test*.

3 Main Test Analysis

The researcher stated that *the main-test* is a process carried out on respondents with research instruments that have been determined through the *pre-test stage*.

Table 12. Description of Main Test Respondents

Statistics

		Age	Gender	Education	Length of Work
N	Valid	80	80	80	80
	Missing	0	0	0	0

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1. <36th	80	100.0	100.0	100.0

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1=Male	35	43.8	43.8	43.8
	2=Female	45	56.3	56.3	100.0
	Total	80	100.0	100.0	

Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2=S1	49	61.3	61.3	61.3
	4=S2	31	38.8	38.8	100.0
	Total	80	100.0	100.0	

Length of Work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1= <1th	17	21.3	21.3	21.3
	2= 1-5th	42	52.5	52.5	73.8
	3= 6-10th	21	26.3	26.3	100.0
	Total	80	100.0	100.0	

1. Main Test Validity Test

Is a measure that shows the level of validity or validity of an instrument, with the following research results:

A. Description of respondents' statements about leadership style variables

Table 13. Variable Main Test validity test results X1

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
X1.1	55.03	73.757	.437	.836
X1.2	56.57	69.495	.710	.816
X1.3	57.20	76.372	.491	.847
X1.4	56.67	85.195	.435	.862
X1.5	56.53	86.740	509	.867
X1.6	56.57	90.254	696	.875
X1.7	57.27	81.030	469	.853
X1.8	55.17	67.592	.782	.811
X1.9	55.17	66.006	.821	.807
X1.10	55.27	67.375	.797	.810
X1.11	55.37	69.206	.754	.815
X1.12	55.43	63.220	.874	.801
X1.13	55.43	61.151	.803	.802
X1.14	55.37	64.723	.785	.807
X1.15	55.47	63.568	.847	.802
X1.16	55.63	62.792	.866	.801
X1.17	55.60	63.766	.830	.803
X1.18	55.40	71.145	.545	.823

In the table above, because all r values are calculated (Corrected Item Total Correlation) > r table (0.22), it is concluded that the indicators of the variable questionnaire X1 are declared valid to be used as variable measuring instruments.

B. Description of the respondent's statement about the compensation variable

Table 14. Variable Main Test validity test results X2

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
X2.1	24.10	11.813	.614	.729
X2.2	24.19	13.876	.320	.782
X2.3	24.75	12.924	.455	.759
X2.4	24.59	12.676	.443	.763
X2.5	24.03	13.847	.406	.766
X2.6	23.92	12.577	.558	.740
X2.7	23.65	12.965	.643	.731
X2.8	23.54	14.581	.545	.757

In the table above, because all r values are calculated (Corrected Item Total Correlation) > r table (0.22), it is concluded that the indicators of the variable questionnaire X2 are declared valid to be used as variable measuring instruments.

C. Description of respondents' statements about career path variables

Table 15. Variable Main Test validity test results X3

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
X3.1	17.70	9.327	.686	.843
X3.2	17.91	8.537	.712	.840
X3.3	17.45	11.441	.472	.877
X3.4	17.74	9.766	.722	.840
X3.5	17.85	9.294	.630	.854
X3.6	17.98	8.227	.829	.815

In the table above, because all r values are calculated (Corrected Item Total Correlation) > r table (0.22), it is concluded that the indicators of the variable questionnaire X3 are declared valid to be used as variable measuring instruments.

D. Description of respondents' statements about employee retention variables

Table 16. Main Test Variable Y validity test results

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha Item Deleted
Y1	32.20	24.438	.549	.843
Y2	32.47	23.344	.574	.829
Y3	32.33	25.568	.653	.834
Y4	32.27	25.375	.730	.828
Y5	32.13	25.289	.526	.842
Y6	32.30	24.800	.490	.849
Y7	32.37	23.495	.549	.841
Y8	32.22	25.131	.661	.830
Y9	32.01	27.448	.561	.846
Y10	32.22	27.220	.540	.856

In the table above, because all r values are calculated (Corrected Item Total Correlation) > r table (0.22), it is concluded that the indicators of the variable Y questionnaire are declared valid to be used as a variable measuring tool

2. Reliability Test Results
If the statistical probability value $\geq$ a signification level of 5% = 0.05, then the item is valid, so that all statements in the questionnaire are valid. Then the questionnaire will be used in future studies. A construct or variable is reliabil when it gives *a Cronbach alpha value* of $\geq$ 0.60 as follows:

Table 17. Reliability Test Results

Variable	Cronbach's Alpha	Conclusion
Leadership Style	,954	Reliable
Compensation	,778	Reliable
Career path	,869	Reliable
Employee Retention	,846	Reliable

Source: Primary data processed, 2019

Based on the results of table 16 data, the researchers concluded that all variables in this study had a significance level of > 5% or 0.05, which means that all of these variables are declared reliable and worthy of a *main-test*.

3. Classical Assumption Test Analysis
A.   Normality Test Results

		X1 (Leadership Style)	X2 (Compensation)	X3 (Career path)	Y (Employee Retention)
X1 (Leadership Style)	Pearson Correlation	1	.348**	.392**	.432**
	Sig. (2-tailed)		.002	.000	.000
	N	80	80	80	80
X2 (Compensation)	Pearson Correlation	.348**	1	.392**	.649**
	Sig. (2-tailed)	.002		.000	.000
	N	80	80	80	80
X3 (Career path)	Pearson Correlation	.392**	.392**	1	.570**
	Sig. (2-tailed)	.000	.000		.000
	N	80	80	80	80
Y (Employee Retention)	Pearson Correlation	.432**	.649**	.570**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	80	80	80	80

**. Correlation is significant at the 0.01 level (2-tailed).

B.   Correlation Analysis
The strong and weak relationship between two variables is shown by the value of Pearson Correlation (R) where the value is generally divided into the following:

  0 – 0.25   → very weak correlation
  0.25 – 0.50 → moderate correlation
  0.50 – 0.75 → strong correlation
  0.75 – 1.00 → very strong correlation

1. Hypothesis:
H0: There is no noticeable correlation between X1 and Y
H1: There is a noticeable correlation between X1 and Y
Basic Decision Making
If the probability (sig value) > 0.05 then H0 is not rejected
If the probability (sig value) < 0.05 then H0 is rejected
Decision:
In the table above, the values sig = 0.000 < 0.05 → H0 are rejected, which means that **there is a noticeable positive correlation between X1 and Y**. The correlation coefficient R = 0.432 indicates the degree of relationship between the two variables at a moderate level for a scale of 0 – 1. The **) sign on the value of R indicates that the correlation is real at the level of significance of 0.01.

2. Hypothesis:
H0: There is no noticeable correlation between X2 and Y
H1: There is a noticeable correlation between X2 and Y
Basic Decision Making

If the probability (sig value) > 0.05 then H0 is not rejected
If the probability (sig value) < 0.05 then H0 is rejected
Decision:
In the table above, the values sig = 0.000 < 0.05 → H0 are rejected, which means that **there is a noticeable positive correlation between X2 and Y**. The correlation coefficient R = 0.649 indicates the degree of relationship between the two variables at a strong level for a scale of 0 – 1. The **) sign on the value of R indicates that the correlation is real at the level of significance of 0.01.

3. Hypothesis:
H0: There is no noticeable correlation between X3 and Y
H1: There is a noticeable correlation between X3 and Y

Basic Decision Making
If the probability (sig value) > 0.05 then H0 is not rejected
If the probability (sig value) < 0.05 then H0 is rejected

Decision:
In the table above, the values sig = 0.000 < 0.05 → H0 are rejected, which means that **there is a noticeable positive correlation between X3 and Y.** The correlation coefficient R = 0.570 indicates the degree of relationship between the two variables at a strong level for a scale of 0 – 1. The **) sign on the value of R indicates that the correlation is real at the level of significance of 0.01.

C.   Test influence simultaneous independent variable against bound variable
The F test is intended to test whether the independent variables together have a significant effect on the dependent variable.

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.745a	.555	.537	.24025

a. Predictors: (Constant), X3 (Career Path), X1 (Leadership Style), X2 (Compensation)
b. Dependent Variable: Y (Employee Retention)

Coefficient of Determination
The value of R square = 0.555 from the table above shows that 55.5% of the variance of Y can be explained by changes in the variables X1, X2 and X3. The remaining 44.5% is explained by other factors outside the model.

ANOVAa

Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.466	3	1.822	31.569	.000b
	Residuals	4.387	76	.058		
	Total	9.853	79			

a. Dependent Variable: Y (Employee Retention)
b. Predictors: (Constant), X3 (Career path), X1 (Leadership Style), X2 (Compensation)

Hypothesis:
H0: the independent variables together have no significant effect on the dependent variable
H1: the independent variables together have a significant effect on the dependent variable

Basic Decision Making

If the probability (sig value) > 0.05 or F calculate < F table then H0 is not rejected

If the probability (sig value) < 0.05 or F calculate > F table then H0 is rejected

Decision:

In the table above the value of sig = 0.000 < 0.05, so H0 is rejected, which means that **the independent variables together have a significant effect on the dependent variable**.

C.   Test t

The t-test is intended to test whether the independent variable partially has a significant effect on the dependent variable.

Type		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	VIF
1	(Constant)	.287	.215		1.335	.186		
	X1 (Leadership Style)	.100	.062	.138	1.610	.111	.802	1.247
	X2 (Compensation)	.326	.059	.471	5.515	.000	.802	1.248
	X3 (Career path)	.193	.051	.332	3.808	.000	.772	1.295

a. Dependent Variable: Y (Employee Retention)

Hypothesis:

H0: the independent variable has no partial significant effect on the dependent variable

H1: the independent variable has a partial significant effect on the dependent variable

Basic Decision Making

If the probability (sig value) > 0.05 or -t table< t calculate< t table then H0 is notrejected

If the probability (sig value) < 0.05 or t count< - t table or t count> t table then H0 is rejected, accepted H1.

Decision:

1. In the table above the sig value of the variable *X1 = 0.111 > 0.05* so that H0 is not rejected, which means that **this independent variable has no partial significant effect on variable Y.**
2. In the table above the sig value of the variable *X2 = 0.000 < 0.05* so that H0 is rejected, which means that **this independent variable partially has a positive and significant effect on the variable Y. The higher X2, the higher the Y**. And vice versa.
3. In the table above the sig value of the variable *X3 = 0.000 < 0.05* so that H0 is rejected, which means that **this independent variable partially has a positive and significant effect on the variable Y. The higher X3, the higher the Y.** And vice versa.

Thus the estimation equation is:

$$Y = 0.287 + 0.100*X1 + 0.326*X2 + 0.193*X3 + e \qquad \text{(I)}$$

D.   Multicollinearity Test

Multicollinearity (double collinearity) means that there is a perfect linear relationship among the independent variables in the regression model. Strong correlation between independent variables indicates the presence of multicollinearity. If there is a perfect correlation between independent variables, then the consequence is that the regression coefficients become inestimable, *the standard error* value of each regression becomes infinite

Symptoms of multicollinearity occur when the *tolerance value* is less than 0.1 or the VIF is more than 10.

Conclusion:

Based on the VIF value which is below 10, and the tolerance value > 0.1, it is concluded that **there is no multicollinearity between independent variables.**

E.   Visual Normality Test

In visual appearance the residual is normally distributed, since the residual distribution is close to the theoretical normal distribution (bell shape)

Collinearity Diagnostics^a

Type	Dimension	Eigenvalue	Condition Index	(Constant)	X1(Leadership Style)	X2 (Compensation)	X3 (Career path)
1	1	3.952	1.000	.00	.00	.00	.00
	2	.021	13.643	.06	.99	.09	.07
	3	.016	15.767	.10	.00	.23	.92
	4	.011	19.311	.84	.00	.68	.01
a. Dependent Variable: Y (Employee Retention)							

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.6995	2.9176	2.3500	.26305	80
Residuals	-.54605	.51889	.00000	.23564	80
Std. Predicted Value	-2.473	2.158	.000	1.000	80
Std. Residual	-2.273	2.160	.000	.981	80
a. Dependent Variable: Y (Employee Retention)					

Histogram
Dependent Variable: Y (Retensi Karyawan)

Mean = -1.62E-15
Std. Dev. = 0.981
N = 80
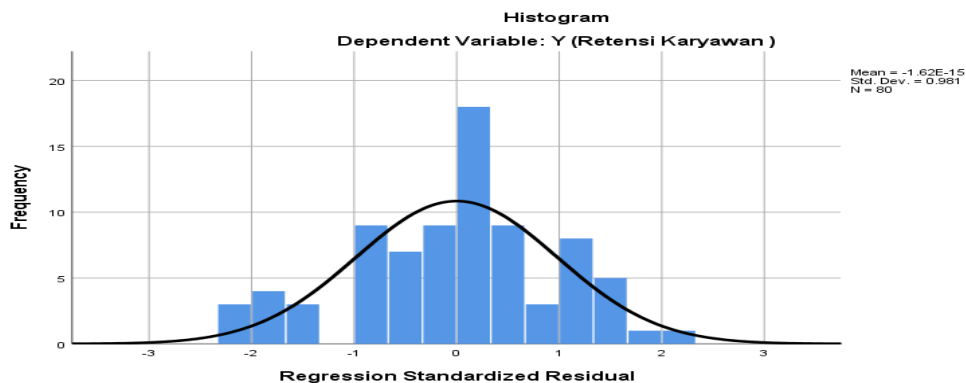
F.   Visual Heteroscedasticity Test

Detection of heteroscedasticity is done by looking at the scatterplot diagram. When there is a certain pattern, such as dots that form a certain and regular pattern (wavy, widening then

narrowing) then heteroscedasticity occurs. If there is no clear pattern, as well as spreading points then heteroscedasticity does not occur.

Based on the scatterplot diagram above, it can be seen that the data does not form a certain pattern (scattered irregularly). This means that **the research model is free from heterokedasticity problems**.
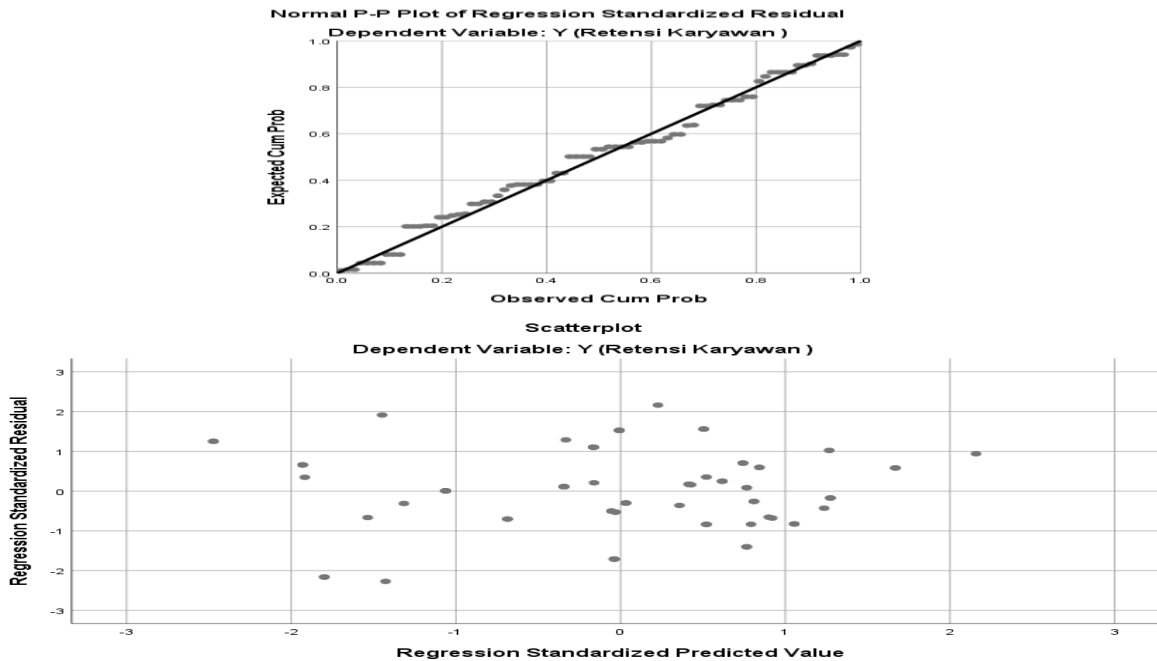
G. Normality test (Kolmogorov- Smirnov test)

The normality test is to see if the residual values are normally distributed or not. A good regression model is to have normally distributed residual values. So the normality test is not performed on each variable but on its residual value.

One-Sample Kolmogorov-Smirnov Test

		Standardized Residual
N		80
Normal Parameters[a, b]	Mean	.0000000
	Std. Deviation	.98082889
Most Extreme Differences	Absolute	.072
	Positive	.063
	Negative	-.072
Test Statistics		.072
Asymp. Sig. (2-tailed)		.200c,d

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Hypothesis:
H0: normally distributed data
H1: Data is not normally distributed
Basic Decision Making
If the probability (sig value) > 0.05 then H0 is not rejected
If the probability (sig value) < 0.05 then H0 is rejected
Decision: In the table above the sig value = 0.200 > 0.05, so that H0 is not rejected, which means the residual data is normally distributed.

Discussion of the Influence Between Variables
A.   The Influence of Leadership Style on Employee Retention
The results of research on the effect of leadership style on employee retention are NOT a positive effect. In the table above, the value of the sig variable Leadership Style / X1 = 0.111 > 0.05 so that H0 is not rejected, which means that the independent variable Leadership Style / X1 is partially not significantly affected by variable Y. Through the results of this study, researchers argue that leadership style is not an important factor for millennial generation employees in relation to employee retention.

B.   Effects of Employee Retention Compensation
The results of the study of the effect of compensation on job satisfaction are a positive effect, in the table above the sig value of the variable Compensation / X2 = 0.000 < 0.05 so that H0 is rejected, which means that this independent variable partially has a positive and significant effect on the variable Employee Retention / Y. The higher the variable Compensation / X2, the higher the Employee Retention / Y. And vice versa. Through the results of this study, researchers argue that the higher the compensation given by the company will have an impact on employee retention. Therefore, companies are expected to develop an ideal compensation system in accordance with their competence, position, workload, and productivity.

C.   The Effect of Career Path on Employee Retention
The results of the study on the effect of career ladder on employee retention are positive and significant influences, pthere is a table above the value of the sig variable Career Path / X3 = 0.000 < 0.05 so that H0 is rejected, which means that **the independent variable Career Path / X3 partially has a positive and significant effect on the variable Employee Retention / Y. The higher the variable Career Path / X3, the higher the variable Employee Retention / Y**. Vice versa Through the results of this study, researchers argue that the more often companies provide a clear career path, it will have an impact on employee retention. The career path given must be in accordance with the needs of the organization and pay attention to the interests and talents of existing employees and be carried out transparently.

CONCLUSION

There was no significant influence between leadership styles on employee retention. From the t test data, the sig value of the Leadership Style variable / X1 = 0.111 > 0.05 so that H0 is not rejected, which means that the independent variable of Leadership Style / X1 has no significant effect on the Y variable. There is a positive and significant influence between compensation and employee retention. From the t-test data, the sig value of the variable Compensation / X2 = 0.000

< 0.05 so that H0 is rejected. The higher the variable Compensation / X2, the higher the Employee Retention / Y. And vice versa. There is a positive and significant influence between career paths on employee retention. From the results of the t test, the sig value of the Career Path variable / X3 = 0.000 < 0.05 so that H0 is rejected, which means that the independent variable Career Path / X3 partially has a positive and significant effect on the Employee Retention / Y variable. The higher the Career Path / X3 variable, the higher the Employee Retention / Y variable. And vice versa. There is a positive and significant influence between leadership style, compensation, and rank together on employee retention. From the results of Test F, sig = 0.000 < 0.05 is obtained, so that H0 is rejected, which means that independent variables (Leadership Style, Compensation, Career Path) together have a positive and significant effect on the dependent variable (Employee Retention)

SUGGESTION

Other research can be done for a larger sample scale and can use different types of industries, such as start-ups or e-commerce that are currently in great demand by millennial generation employees, The use of dimensions and indicators for research, especially on leadership styles can use more up to date dimensions and indicators and take the latest leadership theories such as goal leadership / 'Puprose Leadership' or change leadership / 'Transformational Leadership',

Consider the use of intervening / intermediate variables, to show whether the exogenous variables / independent variables (leadership style, compensation, charity) also affect intervening variables / intermediate such as: work motivation, before being associated with endogenous / bound variables namely employee retention. And further research needs to be done whether factors of gender, education, and length of service have differences in factors that affect employee retention in the millennial generation.

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