How Emotional Intelligence Influences Organizational Culture Thus Impact to the Job Satisfaction of Millennials Employee in Selected Automotive Industry in East Java

Tinjing Desy Nursanti¹, Vannesa Natasha Prissilia Lendeng²(*)
(¹,²) Management Department, BINUS Business School Undergraduate Program
Bina Nusantara University, Jakarta, Indonesia 11480

tinjingdesy2600@binus.ac.id, vannesalendeng@binus.ac.id

Abstract

This study was conducted due to the emergence of problems related to the low job satisfaction of marketing division employees who are included in the millennial category which is considered quite less optimum. Since millennial generation is very plentiful with emotional differences, thus emotional intelligence is suspected to playing a role in shaping their job satisfaction. The data processing method used in this study is Partial Least Square. The results showed that emotional intelligence affects the organizational culture of millennial generation employees, organizational culture has an effect on job satisfaction of millennial generation employees, emotional intelligence affects the job satisfaction of millennial generation employees, and organizational culture mediates the influence of emotional intelligence on job satisfaction of millennial generation employees. Thereby, the main conclusion is that emotional intelligence influences organizational culture thus affects job satisfaction for millennial generation employees in automotive industry in East Java. This means that companies are encouraged to educate all employees about the importance of companionship and appreciation among fellow employees, especially employees of the marketing division born in the millennial era who may tend to be more ignorant or mediocre to the environment so that later it can increase employee job satisfaction.

Keywords
Emotional intelligence, organizational culture, job satisfaction, millennials

1. Introduction

Employees in a company consist of various groups and various generations. The millennial generation (Gen Y) is known as a generation that is always sought after and coveted by marketers and brands. Millennials generation are always connected, fickle, but they can make an impact as a trendsetter. However, they can strengthen the brand or destroy the brand. This generation is characterized by those who are never separated from the media. The Millennial generation starts from those born in the 1981’s to the 1996’s. That means, from adolescence to early adulthood (24 years – 42 years in 2022) (Tapscott, 2013). The elemental difference between Generation Y and previous generations is that Generation Y is more influenced by popular media such as movies, TV, magazines and video games which will eventually shape their perceptions and beliefs. Generation Y already has accessed to computers, the internet and most importantly Generation Y has lived with the internet and they are very competent in using it to find information about products. Furthermore, the internet tends to be the main source of reliable information (Tapscott, 2013).

Research conducted by Deloitte Indonesia in 2019 showed about the complaint from some companies about high turnover rate of millennial employees, thus this made the Department of Human Resource challenged to maintain and play a part with the millennials. This happens since companies nowadays are no longer succeeded in compelling their workforce to stick to the companies’ principles. Millennials for most with typical aspects chose to leave the companies instead of being forced, which derived in high turnover (Devina & Dwikardana, 2019). Meanwhile the presence of Generation Y in the workplace will continue to grow and dominate, as is the case with the emergence of Gen Z who are starting to enter the workforce (Santoso & Soehari, 2020). In this study, the millennial generation will be appointed as the focus of research.
The focus is directed at the employees of millennial generation in marketing division, which is a division that has problems with job satisfaction among all existing divisions in selected automotive industry in East Java. From the results of a survey conducted by management consultant, this division has the second lowest level of job satisfaction after the back office, but because the marketing division has the highest number of employees with education of bachelor degree compared to the back office, the marketing division will be investigated. Factors that are thought to affect job satisfaction for Millennial generation employees are emotional intelligence. Emotional intelligence is a very close factor in people born as millennials. According to Lancaster and Stillman, (2002) the characteristics of the millennial generation are very appreciative of differences, prefer to cooperate rather than taking orders, and are very pragmatic when solving problems. In the world of work, millennials have a high sense of optimism, focus on achievement, are confident, believe in moral and social values, and appreciate diversity. With different characters, of course, employees will also have different emotional intelligence. Amongst many characteristics, this study will try to look at the description of emotional intelligence in marketing division employees of selected company in automotive industry in East Java whereas according to research conducted by (Al-tit and Hunitie, 2015) explained that emotional intelligence can affect job satisfaction through organizational culture.

According to Saad & Abbas (2018) organizational culture is a science about strengths, beliefs, something meaningful, assumptions, ethical codes of behavior, exercises, procedures and rituals in an organization. This is reflected in the vision and mission, attitudes and behavior of employees, and the way the organization works. It is the glue that can unite members of the organization, leading to high performance and effectiveness. A culture can be called strong or weak based on the level of employee approval, commitment to organizational values, norms, and practice. The more members who are like-minded, broadly divided and remain committed to setting targets, the stronger the culture will be. From the results of interviews with several marketing divisions, it was stated that at this time, many employees who are not too far away, tend to shift the responsibility to their friends, and are too relaxed between employees. With this situation, the job description of employees in the marketing division becomes ambiguous. This according to Hofstede (1980) is a characteristic of poor organizational culture (Odiakaose, 2018).

This research was carried out based on several problems including the job satisfaction of millennial generation marketing employees in the selected automotive sector industry in East Java which is considered not optimal, where the millennial generation is very thick with emotional differences so it is suspected that emotional intelligence plays a role in shaping job satisfaction. Emotional intelligence itself can affect job satisfaction if it can form an organizational culture, therefore the identification of the problem in this study is that high emotional intelligence has an effect on high organizational culture and has a positive impact on job satisfaction of millennial generation employees. (Figure 1)

1.1 Objectives

Based on the background that has been described, this research is entitled "How Emotional Intelligence Influences Organizational Culture Thus Impact to the Job Satisfaction of Millennials Employee in Selected Automotive Industry in East Java", thus, the formulation of the problem in this study are: 1. Does emotional intelligence affect the organizational culture of millennial generation employees? 2. Does organizational culture affect the job satisfaction
2. Literature Review

Emotional Intelligence
Emotional intelligence is the ability to identify and manage the emotions of an individual. In general, it falls into 3 skills: (1) emotional awareness, the ability to identify one's own emotions, with the emotions of others, (2) the ability to utilize emotions, and apply them to tasks such as thinking, and solving problems, (3) the ability to manage emotions, including the ability to regulate one's own emotions, and the ability to comfort oneself and others (Bradberry & Greaves, 2009). Serrat (2009) mentioned that emotional intelligence competencies are usually focused on recognizing, and regulating emotions in one's self and social situations, resulting in 4 categories; self-awareness, self-management, social awareness, and relationship management. According to Salvoes and Mayer (1990), emotional intelligence includes “the ability to monitor one's feelings, and emotions, and those of others, to distinguish between them, and to use information to guide one's thinking and actions (Afolabi et al, 2017). Meanwhile, Bar-On (1997) defines emotional intelligence as a set of abilities, competencies, and non-cognitive skills. Munir & Azzam (2019), explained that emotional intelligence is the ability, competence, skill of an individual's non-cognitive, emotional intelligence is recognizing feelings, reaching and generating feelings to help thoughts, understand feelings, and meaning, and controlling feelings deeply so as to foster emotional and intellectual development. From several definitions put forward above, it can be concluded that emotional intelligence is the ability of an individual to understand his own situation, and to control all feelings that arise from a person, helping an individual to take an action.

Organizational Culture
According to Divyarajaram (2014) organizational culture is about strengths, beliefs, something meaningful, assumptions, ethical codes of behavior, exercises, procedures and rituals in an organization. This is reflected in the vision and mission, attitudes and behavior of employees, and the way the organization works. It is the glue that can unite members of the organization, leading to high performance and effectiveness. A culture can be called strong or weak based on the level of employee approval, commitment to organizational values, norms, and practice. The more members who are like-minded, broadly divided and remain committed to setting targets, the stronger the culture will be. Meanwhile Zhang and Li (2013) explained that organizational culture has received a lot of attention since the concept was proposed by American scholars in the 1980s. In contrast to the management concept in Japanese companies, the concept of organizational culture is proposed and is related to the theory being developed. Academics and practitioners in managerial have reached agreement that organizational culture is important in an organization. This can have an impact on the effectiveness and performance of an individual, a particular group or the entire organization. Organizational culture is defined as a set of assumptions held in a group and influences how things are perceived, thought and reacted to their environment (Abu Jarad et al, 2010). Aycan (in Saad and Abbas, 2018), explained that organizational culture is at its peak a source of competitive advantage for organizations, since it can affect the commitment of people who work, both the learning process and the development of individual and collective abilities, and it arises from assumptions, beliefs, norms, values and attitudes.

Job Satisfaction
Employee job satisfaction has been linked to how people think, feel and perceive their work (Spector, 1997). Moreover, according to Robbins & Judge (2015) job satisfaction is a positive feeling from someone about their job. It is widely used in the field of human resources, who think that internal and external features are elements of job satisfaction reports. According to Mishra (2013), job satisfaction is a general attitude that is the result of many specific attitudes in three areas, namely (i) job factors, (ii) individual characteristics, and (iii) group relationships outside of work. These factors cannot be separated from each other to be analyzed. Since then, the chosen approach is job satisfaction is the pleasure or misfortune of employees in viewing their work. This occurs when the job requirements match the wishes and expectations of the employee. Job satisfaction is determined not only by the employees' objective working situation but also by their insights about their job (Ali, Shahid & Rasheed, 2021).

The Millennials
The millennial generation, also known as Generation Y, Netters, or Nexters, is a generation that has experienced developments that are in line with various aspects of life innovation in the field of information technology. According
to Lancaster and Stillman (2002), the characteristics of the millennial generation are highly appreciative of differences, prefer to cooperate rather than receive orders, and are very pragmatic when solving problems. In the world of work, millennials have a high sense of optimism, focus on achievement, are confident, believe in moral and social values, and value diversity. Moreover, according to Hutchinson & Hurley (2013), millennials are those who were born in the early 1980s to the early 2000s. This generation too comfortable with diversity, technology and online communication to stay connected with friends. According to Choi et al (in Onibala et al 2017) this generation is more flexible to new things and all possibilities that happened, so it is often described as a generation that is very pleasant to change. (Figure 2)

**Hypothesis:**

H1: Emotional intelligence influence the organizational culture of millennial generation employees in selected automotive industry in East Java.

H2: Organizational culture affects job satisfaction of millennial generation employees in selected automotive industry in East Java

H3: Emotional intelligence affects job satisfaction of millennial generation employees in selected automotive industry in East Java

H4: Organizational culture mediates the influence of emotional intelligence on job satisfaction of millennial generation employees in selected automotive industry in East Java

**3. Research Methods**

The research type of this study is descriptive quantitative using a survey approach which is carried out through distributing questionnaires to 142 respondents of millennial generation employees who work in the marketing division of the selected automotive industry in East Java. The questionnaires were collected by cross sectional, where data are collected simultaneously at one time in order to get the right data as a guide to answer research questions. In this study, there are 3 variables used, namely mediating variable (organizational culture), dependent variable (job satisfaction) and independent variable (emotional intelligence). Meanwhile the collected data is then processed using PLS. Before the results of the data processing were tested, the validity and reliability tests were carried out as well as the classical assumption test (Sekaran & Bougie, 2016) & (Tan, 2017). The operational of variables in this study is listed in the following Table 1:

**Table 1. Operational Variables**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Dimension</th>
<th>Indicator</th>
<th>Model of Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotional Intelligence (Afolabi et al, 2017)</td>
<td>Interpersonal skill</td>
<td>How to Communicate Tolerance</td>
<td>Likert Scale/ Ordinal (1-5)</td>
</tr>
<tr>
<td>Emathetic response</td>
<td>Feelings of empathy</td>
<td>Act as you are</td>
<td></td>
</tr>
<tr>
<td>Stress tolerance</td>
<td>Resist stress in dealing with the environment</td>
<td>Withstand the stress of others</td>
<td></td>
</tr>
<tr>
<td>Optimism</td>
<td>Think positively about the situation</td>
<td>Think positively about decisions</td>
<td></td>
</tr>
<tr>
<td>Assertiveness</td>
<td>Do not corner others</td>
<td>Do not put others down</td>
<td></td>
</tr>
</tbody>
</table>
4. Results and Discussion

Profile of the Respondents

The description of the results of data collection related to respondent profiles shows that considering that all respondents who are the object of research are those who fall into the range of the millennial generation, but are more dominated by male employees, which are 92 respondents (65%), while female employees are 50 respondents (35%) of the total 142 respondents. Meanwhile, judging from the last education of the respondents, as many as 64 respondents are bachelor degree, 54 are diploma graduates and the remaining 24 are vocational high school study graduates and the equivalent. In general, the educational standards set by companies from the automotive industry sector that focus on manufacturing supporting components are bachelor degree, especially for those who are employed in the marketing division. As for the years of service, in general, most of the respondents have worked in the automotive supporting component manufacturing industry sector between 3-5 years, which is 42 respondents, while those who are more than five years are 34 respondents. The remaining 66 respondents have worked for less than one year, or a maximum of three years. Thus, it can be said that although this industry is quite prospective and provides relatively job satisfaction for its employees, considering the character of the millennial generation who tend to move jobs, this is a challenge for companies, especially those engaged in the automotive manufacturing sector of these supporting components.

Validity and Reliability Testing

Based on the results of the validity and reliability checks using convergent validity, discriminant validity, cross loadings, AVE, composite reliability and Cronbach alpha, the following results were obtained: 1. To see the loadings value of each latent variable indicator, the loadings value of each indicator must be greater than 0.7. The results show that from the emotional intelligence variable there are five indicators that do not meet the convergent validity requirements so that they must be eliminated and retested with the result that all indicators on the emotional intelligence variable have met the convergent validity requirements (>0.7) so that they have met the convergent validity requirements. As for the organizational culture variable, the test results of all indicators have met the convergent validity requirements. Likewise, the job satisfaction variable, all of which indicators have met the convergent validity requirements; 2. Validity test with discriminant validity on each variable of emotional intelligence, organizational culture and job satisfaction shows the results that all indicators of each variable have met the
requirements of discriminant validity; 3. Validity Test with Average Variances Extracted is used to see the validity value for each variable as a whole. The test results show the AVE values of all variables have met the AVE requirements (> 0.5); 4. Reliability test with Composite Reliability is used to see the reliability value of each variable without seeing any difference in covariance or loadings value of each indicator with the condition > 0.6. The composite reliability value for all variables is > 0.600, which means that all variables have met the composite reliability requirements; 5. Reliability test with Cronbach's Alpha is used to see the reliability value of each variable by looking at the difference in covariance and loadings value of each indicator with conditions > 0.6. Cronbach's Alpha value of all variables > 0.600 which means all variables have met the requirements of Cronbach's Alpha. Thus, it can be concluded that the results of the validity test show that all instruments in each variable are valid and feasible for further processing considering that the counted value is greater than the table value.

**Structural Measurement Model Testing**

Next, it is continued with Structural Measurement Model Testing which consists of 1. Goodness of Fit Test which is used to see the feasibility of the former model. If the value of the Normed Fit Index is between 0 and 1, then the model formed is declared to meet the feasibility of the model. The value of the Normed Fit Index = 0.601 which lies between the values of 0 and 1 so it can be concluded that the data used has met the goodness of fit eligibility; 2. The Q Square test is used to see the ability of the independent variable in explaining the dependent variable. The requirements for testing Q Square predictive relevance are the value of Q Square > 0. The value of Q Square on the influence model on emotional intelligence on organizational culture = 0.422 and the value of Q Square on the influence model on organizational culture and emotional intelligence on job satisfaction = 0.426. This shows that the model formed has met the feasibility of Q Square; 3. Testing Effect Size is used to see the goodness of the model that is formed. Effect size or F2 value of 0.02 is considered small, 0.15 is considered medium and 0.35 is considered large. Meanwhile, if it is below 0.02, it can be ignored or considered to have no effect. Effect Size values are medium and large, so it can be concluded that all the variables used have met the effect size requirements. Followed by 4. Testing the Path Coefficient Value using the PLS algorithm which is used to determine the coefficient value of each variable in influencing other variables directly. Meanwhile, the direct or indirect influence on the path coefficient test can be summarized and presented in the following Table 2:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Path Coefficients</th>
<th>Causal Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct</td>
<td>Indirect (Through Y)</td>
</tr>
<tr>
<td>X to Y</td>
<td>0.910</td>
<td>-</td>
</tr>
<tr>
<td>X to Z</td>
<td>0.528</td>
<td>0.910 x 0.395 = 0.359</td>
</tr>
<tr>
<td>Y to Z</td>
<td>0.395</td>
<td>-</td>
</tr>
<tr>
<td>ε1</td>
<td>0.426</td>
<td>-</td>
</tr>
<tr>
<td>ε2</td>
<td>0.417</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: data processed

The results of testing sub-structures 1 and 2 are illustrated as follows: (Figure 3)
Table 3. Summary of Hypothetical Constructs and Decision

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Results</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotional Intelligence to Organizational Culture.</td>
<td>Prob = 0.001</td>
<td>Hypothesis is accepted</td>
</tr>
<tr>
<td></td>
<td>Path coefficient = 0.910</td>
<td></td>
</tr>
<tr>
<td>Organizational Culture to Job Satisfaction</td>
<td>Prob = 0.009</td>
<td>Hypothesis is accepted</td>
</tr>
<tr>
<td></td>
<td>Path coefficient = 0.395</td>
<td></td>
</tr>
<tr>
<td>Emotional Intelligence to Job Satisfaction</td>
<td>Prob = 0.001</td>
<td>Hypothesis is accepted</td>
</tr>
<tr>
<td></td>
<td>Path coefficient = 0.528</td>
<td></td>
</tr>
<tr>
<td>Emotional Intelligence to Job Satisfaction through Organizational Culture</td>
<td>Prob = 0.010</td>
<td>Hypothesis is accepted</td>
</tr>
<tr>
<td></td>
<td>Path coefficient = 0.360</td>
<td></td>
</tr>
</tbody>
</table>

Source: data processed

H1: Emotional intelligence affects the organizational culture of millennial generation employees (Table 3)
From the table above, the prob value on the influence of emotional intelligence on organizational culture = 0.001 with a path coefficient value of 0.910. This means that emotional intelligence affects the organizational culture of millennial generation employees, so the hypothesis which states that emotional intelligence affects the organizational culture of millennial generation employees is accepted.

H2: Organizational culture has an effect on job satisfaction of millennial generation employees
From the table above, it can be seen that the prob value on the influence of organizational culture on job satisfaction = 0.009 with path coefficient value = 0.395. This means that organizational culture has an effect on job satisfaction of millennial generation employees, so the hypothesis that organizational culture affects millennial generation employee job satisfaction is accepted.

H3: Emotional intelligence affects job satisfaction of millennial generation employees
From the table above, it can be seen that the prob value on the influence of emotional intelligence on job satisfaction = 0.001 with a path coefficient value of 0.528. This means that emotional intelligence affects the job satisfaction of millennial generation employees, so the hypothesis which states that emotional intelligence affects the job satisfaction of millennial generation employees is accepted.

H4: Organizational culture mediates the influence of emotional intelligence on job satisfaction of millennial generation employees.
From the table above, it can be seen that the prob value on the influence of Emotional Intelligence on Job Satisfaction through organizational culture = 0.010 with path coefficient value = 0.360. This means that Organizational Culture mediates the influence of emotional intelligence on job satisfaction of millennial generation employees. Therefore, the hypothesis stated that organizational culture mediates the influence of emotional intelligence on job satisfaction of millennial generation employees is accepted.

Theoretical Implications
From the results of the partial least square test that has been carried out, it was found that Emotional Intelligence influences the organizational culture of millennial generation employees. This means that if employees in the millennial generation have the ability and intelligence to balance their emotions, it will most likely encourage a good organizational culture in a company. This shows that this research is in accordance with research conducted by Wardani & Sagala (2016) which stated that organizational culture has an effect on emotional intelligence. Furthermore, it was also found that organizational culture had an effect on job satisfaction of millennial generation employees. This shows that when an employee already feels a positive culture, they will be satisfied while working in a company, because it is very difficult to be able to form a conducive environment in a company. This is in accordance with the research of Qazi, Miralam, & Bhalla (2017) which stated that organizational culture has a significant positive effect on job satisfaction.

Emotional Intelligence directly affects the job satisfaction of millennial generation employees. This means that the millennial generation employees are very concerned about the emotional intelligence abilities of other employees. Good emotional intelligence will make other employees feel comfortable working and of course with this situation, one of the factors of job satisfaction is formed. This is in accordance with research conducted by Khan, Masrek,
Nadzar (2016) which explains that emotional intelligence has a significant positive effect on job satisfaction. Indirectly, emotional intelligence affects job satisfaction through the organizational culture of millennial generation employees. This shows that emotional intelligence will have the ability to change employee job satisfaction only if they are able to improve the company's organizational culture. So that the employees of the millennial can be concluded that they really hope for emotional intelligence in forming a culture that can provide increased job satisfaction.

5. Conclusion

After testing using the Partial Least Square method, this study found several conclusions that can be described as follows: 1). it was found that emotional intelligence has an effect on the organizational culture of millennial generation employees which means that if the millennial generation employees have the ability and intelligence to regulate their emotions, it will most likely encourage a good organizational culture in a company; 2). Furthermore, it was also found that organizational culture had an effect on job satisfaction of millennial generation employees which shows that when an employee already feels a positive culture, they will be satisfied when working in a company, because it is very difficult to be able to form a conducive environment in a company; 3). The results show that emotional intelligence directly affects job satisfaction of millennial generation employees. This means that the millennial generation employees are very concerned about the emotional intelligence abilities of other employees. Good emotional intelligence will make other employees feel comfortable working and of course with this situation, one of the factors of job satisfaction is formed; 4). The indication that emotional intelligence indirectly affects job satisfaction through organizational culture of millennial generation employees. This shows that emotional intelligence will have the ability to change employee job satisfaction only if they are able to improve the company's organizational culture. So that the employees of the millennials can be concluded that they really hope for emotional intelligence in forming a culture that can provide increased job satisfaction.

Meanwhile, recommendations for further research are as follows: 1) Increasing the respondents’ number to get more accurate results; 2) Expanding the scope of observations since this study only focus on millennial generation employees in automotive industry in East Java. Moreover, the practical implications that can be described are as follows: 1. That referring to the emotional intelligence variable, it was found that the highest factor loading value on the emotional intelligence variable is indicator number 3 with the contents of the statement "I feel that my co-workers have feelings of empathy" which means that this indicator is the indicator that most strongly reflects the variable emotional intelligence, so that in order to increase emotional intelligence variables, companies are advised to educate all employees about the importance of brotherhood and empathy among employees, especially marketing division employees who were born in the millennial era who may tend to be more indifferent or indifferent to the environment so that later they can improve their jobs. employee satisfaction; 2. Referring to the organizational culture variable, it was found that the highest factor loading value in the organizational culture variable is indicator number 2 with the contents of the statement "I feel that the distribution of resources to work is balanced" which means that this indicator is the most strongly reflects the variable organizational culture, so that in order to improve organizational culture variables, companies are advised to re-evaluate the distribution system of resources in the company such as the distribution of equipment, the needs of other employees such as tools or equipment that can help the work of other employees are very concerned about the emotional intelligence abilities of other employees. Good emotional intelligence will provide increased job satisfaction.

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Biographies

Tinjung Desy Nursanti is a lecturer from Management Department in Binus University since 2002. She is graduated from Magister Sains Gadjah Mada University, Yogyakarta. She is currently taking a doctoral program, majoring in Management and Business in UPI Bandung, West Java.

Vannessa Lendeng is an active student in Binus University majoring in Management. Currently she is in the last semester of her education and actively doing research in the field of People Management.