FACTORS AFFECTING EMPLOYEE LOYALTY: LESSONS FROM MILLENNIALS WORKING IN E-COMMERCE COMPANIES IN JAKARTA

Jasmine Jemilia Maulidiani[1], Risa Bhinekawati[2]

[1,2] Sekolah Tinggi Manajemen IPMI

E-Mail: jasmine.maulidiani@ipmi.ac.id, risa.bhinekawati@ipmi.ac.id

Abstract

A large middle-class group of Indonesia is predominantly made up of millennials, who are vastly becoming the majority of the workforce, especially leading the Indonesian digital technology industry. Studies have shown that millennials tend to have a higher turnover rate than other generations . A substantial amount of studies and research analyzing the factors affecting employee loyalty have been conducted worldwide, with different scopes. Factors such as trust in management, trust in peers, and empowerment, with the mediating variable of employee satisfaction, have also been studied and found to have considerable effect on employee loyalty. To extend previous research, this study investigates the effect of trust in management, trust in peers, and empowerment on employee satisfaction as an intervening variable, and the effect of employee satisfaction on employee loyalty. This quantitative research analyzes the causal relationships between the variables mentioned by surveying a total of 100 millennial employees of e-Commerce companies in Jakarta as respondents. The study finds that that trust in management and empowerment have have positive and significant effect on employee satisfaction, and subsequently on employee loyalty. However, trust in peers does not have impact on employee satisfaction and subsequent employee loyalty. Theoretically, the result of this research strengthens the findings of previous studies on the relationships among the observed variables, in the context of e-commerce millennial employees, in Jakarta. Practically, companies in Jakarta in developing human resources management strategies to attract and retain millennial employees by understanding the factors affecting their employee satisfaction and employee loyalty.

Keywords: Millennial Employees, E-Commerce, Trust in Management, Trust in Peers, Empowerment, Employee Satisfaction

A. INTRODUCTION

Millennials, which are also known as Generation Y, covers generation with 1981 as a starting birth year and 1996 as ending birth year (Rauch, 2018). Studies have shown that millennials tend to have a higher turnover rate than other generations. A survey conducted by Sheahan (2009) on millennials in the Asia-Pacific region shows that the average length of employment or tenure of millennial employees is 18 months, which is significantly shorter compared to the average of 4 years of employment of Generation X and baby boomers. Ristchel (2018) posit that that 43% of millennials do not plan to stay at their current job for more than 2 years, and only 28% plan to stay for more than 5 years. As millennials rise to become the majority of the workforce worldwide, the issue of employee loyalty becomes crucial, especially for those whose top-level positions are still mainly held by older generations. A global study conducted by Baba and Sliong (2012) found that 61% of managers face problems in retaining millennial employees. While companies might have previously been successful in developing and implementing strategies to attract and retain Generation X employees, the strategies are no longer relevant nor applicable to millennial employees having different expectations and demands in the workplace.

Millennials are predominantly the leading generation in the digital technology or digitech industry. In an article by Kumparan (Widiyanto, 2018), it was stated that within the last 6 years, the industry has grown by around 9.98% - 10.7% annually, which is twice the national economic growth, and millennials are spearheading this

growth. This comes with the positive effect of the increase in job vacancy within the digitech industry, with the sectors e-Commerce, financial technology or fintech, logistics, and big data being some of the major contributors to the additional 60% of employment opportunity in Indonesia within the past couple of years. Several e-Commerce companies in Indonesia, such as Shopee and Zalora, have acknowledged the importance of utilizing millennial employees in their dynamic line of business. Jenie Simon, the Head of Human Resource Shopee Indonesia, revealed that in 2018 more 90% of the employees of Shopee Indonesia are millennials, and that 60% of their top-management level positions are held by managers below the age of 30 (Triwijanarko, 2018), while the CEO of Zalora Indonesia, Anthony Fung, stated that as of 2017, around 80% of their employees are millennials (Chered, 2017).

A substantial amount of studies and research analyzing the factors affecting employee loyalty have been conducted worldwide, with different scopes. Factors such as trust in management, trust in peers, and empowerment, with the mediating variable of employee satisfaction, have also been studied and found to have considerable effect on employee loyalty. For example, Matzler and Renzl (2006) conducted a research in Austria investigating the relationship between interpersonal trust (including trust in management and trust in peers), employee satisfaction, and employee loyalty. Researches by Khare and Pandey (2012) in India, Nguyen (2016) in Vietnam, and Agbenyo et al. (2018) in Ghana studied several factors affecting employee satisfaction and employee loyalty, one of which is empowerment. However, research on the factors affecting employee loyalty mediated by employee satisfaction in the context of e-Commerce millennial employees in Indonesia, more specifically in Jakarta, was found to be lacking. Along with the progression of e-Commerce business in Indonesia, human resources managers would benefit from understanding and assessing the factors affecting employee loyalty of e-Commerce millennial employees, which this research aims to analyze. Hence, the objective of this research is to investigate factors that influence employee loyalty for millennials working in e-commerce companies in Jakarta.

Subsequently, four research questions have been developed to achieve the research objectives. First, does trust in management have a positive effect on employee satisfaction of e-Commerce millennial employees in Jakarta? Second, does trust in peers have a positive effect on employee satisfaction of e-Commerce millennial employees in Jakarta? Third, does empowerment have a positive effect on employee satisfaction of e-Commerce millennial employees in Jakarta? And fourth, does employee satisfaction have a positive effect on employee loyalty of e-Commerce millennial employees in Jakarta?

It is expected that this research contributes to the theory and practice of management. Theoretically, the result of this research will present as empirical evidence of factors affecting loyalty of millennial employees working in e-commerce business, specifically in Jakarta. Specifically, this study would contribute to illuminating the the relationship between trust in management, trust in peers, empowerment, employee satisfaction, and employee loyalty, in the Indonesian context. This research is expected to contribute as reference for future studies in similar areas. As for practical contribution, the result of this research is expected to contribute practical benefit for e-Commerce companies in Jakarta in developing human resources management strategies to attract and retain millennial employees by understanding the factors affecting their employee satisfaction and employee loyalty.

B. LITERATURE REVIEW, HYPOTHESES DEVELOPMENT AND THEORETICAL FRAMEWORK

1. Trust in Management

Trust is one of the most important aspects of building healthy and strong relationships, be it personal or professional. In the workplace, trust must be built between employees, as well as between employees and management. According to Cook and Wall (1980), trust is the extent to which one is willing to attribute good intentions to and have confidence in the words and actions of others, and this willingness, in turn, affects the way in which one behaves towards other people. Cook and Wall (1980) also explain that interpersonal trust at work is made up of trust in management and trust in peers. Trust in the organization is explained by Carnevale (1995) as the faith that the organization will be reliable, fair, competent, and non-threatening. According to Tzafrir (2005) and Nichols et al. (2009), a well-maintained relationship between human resources practices and the attitudes of the employees will affect trust to the management. Trust is linked with employee commitment, which is expected to prompt organizational performance (Nichols et al., 2009). Sendjaya and Pekerti (2010) explained that trust in a leader is the willingness of an employee to be vulnerable to the behaviors and actions of their leader that are beyond their control, while trust in an organization is the general impression of employees on the trustworthiness

of the organization. Trust in management is critical for organizations to foster (Searle et al., 2011), and Boxall and Purcell (2011) state that managers should not ignore the influence of trust on employees' attitudes and their ensuing contributions to the organization.

2. Trust in Peers

Whitener et al. (1998) explain that there are three main aspects of trust: (1) it reflects a person's expectation or belief that the exchange partner will act considerately; (2) it involves the willingness to be vulnerable and be at risk that the exchange partner may not meet the expectations; and (3) it involves a certain level of dependency which means that a person is affected by the actions of others. Rousseau et al. (1998) suggest that trust is a psychological state encompassing the intention to allow vulnerability based on positive expectations of the intentions or behavior of others. Cook and Wall (1980) conclude from previous studies that trust between individuals and groups within an organization is crucial in ensuring the stability of the organization in the long-term as well as the wellbeing of its members. A strong basis of trust in peers prompts people to consider their peers' problems as their own, keep track of their peers' needs, and provide help or assistance accordingly (Holmes & Rempel, 1989). Collins and Miller (1994) associate trust with a high level of self-disclosure which makes it more likely for peers to be aware of opportunities to provide support for others. A research by Bacharach et al. (2005) finds that cooperative behavior can be stimulated by supportive peer relationships. Furthermore, Bacharach et al. (2005) also state that supportive peer relationships in the workplace can be developed based on a sense of trust, the sharing of thoughts and feelings, and the sense that a person can obtain help from others. Uncertainty in relationships at the workplace can be reduced by having a sense of trust in peers, thus increasing workplace exchanges that can better enable employees to acquire information, support, and other resources (Schaubroeck et al., 2013).

3 Empowerment

Conger and Kanungo (1988) define empowerment as a process of boosting feelings of competence among members of an organization through identifying and eliminating the conditions that promote powerlessness that is caused by both formal organizational practices, as well as informal techniques providing effective information. By involving employees in decision-making process, the organization can empower their employees to develop their personal abilities and help them achieve their objective (Thomas & Velthouse, 1990). Hales and Klidas (1998) define empowerment as the sharing of knowledge, facts, and authority from the superiors to their subordinates and colleagues. Carless (2004) and Haas (2010) define empowerment as the willingness of employers to give employees knowledge of actions to make their own decisions that will affect their work, including the freedom to decide how they perform their daily activities. Empowerment is simply explained by Tuu and Liem (2012) as the way to encourage employees to perform better. According to Noe et al. (2014), empowerment means giving employees the responsibility and authority to make decisions regarding all aspects of their work. Ivancevich et al. (2014) state that empowerment is the sharing of power and authority with subordinates to increase their confidence and effectiveness. Spreitzer (1995) defines psychological empowerment as a motivational concept demonstrated in four cognitions: (1) Meaning - meaning is a sense of purpose or personal connection to one's work objective (Spreitzer, 1995). It is the value of work goal or purpose, judged in relation to an individual's own ideals or standards (Thomas & Velthouse, 1990); (2) Competence - competence is an individual's belief in their capability to skillfully perform activities (Gist, 1987). Employees have to feel competent for them to participate in behaviors required by the environment (Kara, 2012); (3) Self-determination - self-determination reflects independence in the start and continuation of work behaviors and processes, such as making decisions about work methods, pace, and effort (Bell & Staw, 1989; Spector, 1986). Individuals will be able to make and have authority over work decisions, including the manner, time, and speed of their work process if they feel that they have the independence to perform their responsibilities (Hossein et al., 2012); (4) Impact - impact is the degree to which an employee can affect strategic, administrative, or operating outcomes at work (Ashforth, 1989). It refers to the degree to which a behavior is viewed as making a difference in terms of achieving the purpose of the task (Thomas & Velthouse, 1990).

4 Employee Satisfaction

Employee satisfaction or job satisfaction is an extensively studied topic both in the theoretical and practical basis of human resources management. Job satisfaction is defined as a pleasurable or positive emotional state resulting from the assessment of an employee's performance or experiences by Locke (1976). Employees are more likely to have a positive attitude towards their job if they have high job satisfaction, on the other hand, employees with low job satisfaction will have a negative attitude towards their job (Robbins, 1993). Spector (1997) explains job satisfaction as how people feel about their jobs and different parts of their jobs. Ramayah et al. (2001) define job satisfaction as the willingness and motivation of employees to go to work and not leave their jobs. According to Kaliski (2001), the employees have to be enthusiastic and happy in their work to have job satisfaction, and Ellickson and Logsdon (2002) point out that job satisfaction is the degree to which employees like their job. Job satisfaction is the index of preference for the job against outside opportunities, by comparing future expectations of one's own job and outside opportunities in the future (Lévy-Garboua et al., 2007). Newstrom (2007) explains that job satisfaction is an employee's particular perspective of their job, which is affected by favorable and unfavorable feelings and attachments of their work. Job satisfaction is a combination of employees' beliefs, feelings, and attitudes towards their job (George & Jones, 2008). Job satisfaction is a pleasurable emotional state resulting from the appraisal of one's job, an affective reaction to one's job, and an attitude towards one's job (Kumari & Pandey, 2011).

5 Employee Loyalty

The definition of loyalty in the Encyclopedia Britannica (1998) is that it signifies a person's devotion or sentiment of attachment to a particular object, which may be another person or group of persons, an ideal, a duty, or a cause, and it expresses itself in both thought and action and strives for the identification of the interests of the loyal person with those of the object. When employees strongly believe in the values and goals of the organization, and strongly desire to remain a member of the organization, they evoke an emotional response that is loyalty; which is the attachment employees have to the organization (Mathieu & Zajac, 1990). The definition of employee loyalty by Becker et al. (1995) supports this; it can be defined as a strong desire to maintain a member of an organization, a willingness to perform high efforts for the sake of the organization, and a belief in and admissibility of the values and goals of the organization. Allen and Grisaffe (2001) explain that loyalty is a psychological state which can characterize the relationship of an employee with the organization, and that it affects their decision to stay with the organization. Wu and Norman (2006) state that organizational loyalty of employees can be defined as the relative strength of an individual's identification with and involvement in a particular organization. Based on the above explanations, the following hypotheses can be developed.

a. Trust in managment and Employee Satisfaction
Employees with high trust in the organization tend to stay with the organization longer, perform more effort and more cooperatively at work, while those who do not may work less effectively (Dirks & Ferrin, 2001), create damaging behavior, such as obstruction or pursuing retaliation (Bies & Tripp, 1996), or decide to leave (Robinson, 1996). Brashear et al. (2003) find that interpersonal trust is strongly related to mutual values and respect, and their empirical study shows that trust is directly related to job satisfaction and relationalism, and indirectly related to organizational commitment and turnover intention. From an empirical study conducted in two companies, Goris et al. (2003) find that trust in superiors and influence on superiors can affect employee performance and satisfaction. Accordingly, the first hypothesis can be stated as follows:

H1: Trust in management has a positive effect on employee satisfaction

b. Trust in Peers and Employee Satisfaction
According to Matzler and Renzl (2006), trust in a team member shows the anticipation that the team member will act generously, and it comprises the willingness to be susceptible and risk that the team member may not live up to the expectations, as well as dependency, as a trustee will be affected by the team member's behavior. Furthermore, their research finds that trust in peers has a much stronger impact on employee satisfaction than trust in management does, making the former variable a considerably

important one to analyze in future studies. Wulandari and Burgess (2010) find that trust in peers, in their particular case co-workers and immediate supervisors, has a positive connection with employee satisfaction. Thus, it can be expected that employees will be able to develop and have a positive and safe relationship and environment in the workplace and perform better when they trust their peers, ultimately resulting in satisfaction. Hence, the second hypothesis can be developed.

H2: Trust in peers has a positive effect on employee satisfaction

c. Empowerment and Employee Satisfaction
According to Ugboro and Obeng (2000), empowered employees are more likely to be satisfied in their work if they are able to participate in setting goals and decision-making processes that influence their work. A study by Osborne (2002) shows that empowered employees will feel encouraged stay with the organization due to the sense of authority and control that they acquire over their work. Bass (2006) deduce from several studies that employees that are empowered have a more positive and more active working experience, which leads to a higher job satisfaction and ultimately organizational commitment. In addition to being satisfied with their jobs, empowered employees also have a higher sense of competence by being able to contribute in decision-making processes and encouraged to employ their skills and prowess in dealing with different scenarios (Fisk et al., 2009). Chang et al. (2010) conclude from a substantial amount of research that employee empowerment programs generate a positive job experience which will ultimately effect higher levels of employee satisfaction. A study by Rana and Singh (2016) supports previous studies on the relationship between empowerment and employee satisfaction; the results corroborate the conception that employee empowerment has a positive and significant effect on job satisfaction. Therefore, the third hypothesis can be stated.

H3: Empowerment has a positive effect on employee satisfaction

d. Employee Satisfcation and Employee Loyalty
According to Soler (1998), employees with low job satisfaction are more likely to be less loyal to the organization, have low morals on the job, and will ultimately cost the company in increased job turnover. A study by Shaw (1999) on the relationship between employee satisfaction and the tendency to quit discovers that employees have a higher tendency to quit if they are dissatisfied with their job. Martensen and Gronholdt (2001) find that employee satisfaction is positively related to employees' loyalty to their company, similarly, Kim et al. (2005) state that satisfied employees tend to have higher organizational loyalty than those who are not. Wu and Norman (2006) conclude that based on studies by Al-Aameri (2000) and Fang (2001), employee satisfaction and organizational loyalty of employees are strongly related. Job satisfaction refers to the employees' attitude and response toward certain aspects of their job, while employee loyalty is the employees' response to the organization as a whole; furthermore, Chen (2006) discover that job satisfaction has a considerable effect on employee loyalty. Abdullah et al. (2009) find that increased job satisfaction in employees will likely boost employee participation, potentially leading to higher loyalty to the company by both the employee and employer. Therefore, the fourth hypothesis can be developed.

H4: Employee satisfaction has a positive effect on employee loyalty

The above hypotheses can be depicted into the following Theoretical Framework
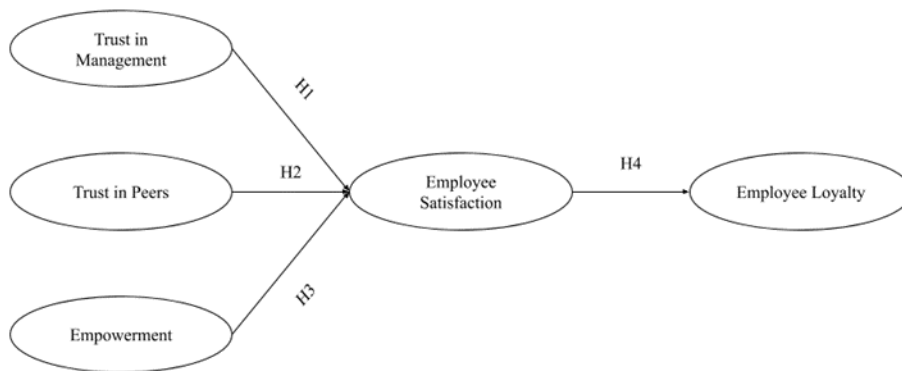
Figure 1. Theoretical Framework

C. RESEARCH METHODOLOGY

1. Research Design

The aim of this research is to determine causality of assumed variables that have been set up in accordance with hypotheses arising from observation and existing theories. The type of this research is causal research, which examines the causal relationship between two or more variables to explain the effect of changes in the variation of values in one or more variables (Silalahi, 2009). Accordingly, the quantitative approach is selected for this research.

2. Population and Sampling

The population of this research is e-commerce millennial employees (aged 18-37 years old), working in Jakarta. The sampling design used for this research is purposive sampling, which is a non-probability sampling where the sampling is confined to specific types of people who can conform to some criteria set by the researcher (Sekaran & Bougie, 2016). Hair et al. (2014) stated that as a general rule, the minimum sample size has to be at least five times as many observations as the number of variables to be analyzed. Based on this, this research requires at least 95 reliable and valid samples; derived from the 19 items representing the variables of this research multiplied by 5.

3. Measurements.

Previous studies have confirmed the measurement of indicators in this study. The table below shows the measurement of variables in this research, which consists of independent variables (faith in management, faith in peers, and empowerment), mediating variable (employee satisfaction), and dependent variable (employee loyalty). Table1 below lists the variables of this research, their codes, measurement items, and the scale with which they are analyzed.

Table 1 Operational Variables

Variable	Code	Measurement Item	Scale
Trust in Management	TM1	Management at my firm is sincere in its attempts to meet the employees' point of view.	5-point Likert Scale
	TM2	I feel quite confident that the firm will always try to treat me fairly.	5-point Likert Scale

(adapted from Cook & Wall, 1980)	TM3	Management at my firm is honest towards the employees in doing business.	5-point Likert Scale
Trust in Peers (adopted from Cook & Wall, 1980)	TP1	If I got in difficulties at work I know my colleagues would try and help me out.	5-point Likert Scale
	TP2	I can trust the people I work with to lend me a hand if I needed it.	5-point Likert Scale
	TP3	Most of my colleagues can be relied upon to do as they say they will do.	5-point Likert Scale
Empowerment (adapted from Spreitzer, 1995)	EMP1	I have significant autonomy in determining how I do my job.	5-point Likert Scale
	EMP2	I can decide on my own how to go about doing my work.	5-point Likert Scale
	EMP3	I have considerable opportunity for independence and freedom in how I do my job.	5-point Likert Scale
Employee Satisfaction (adapted from Homburg & Stock, 2004, 2005)	ES1	Overall, I am quite satisfied with my job.	5-point Likert Scale
	ES2	I do not intend to work for a different company.	5-point Likert Scale
	ES3	I like my job.	5-point Likert Scale
	ES4	I like my job more than many employees from other companies.	5-point Likert Scale
	ES5	I consider this employer as the first choice.	5-point Likert Scale
Employee Loyalty (adapted from Homburg & Stock, 2000)	EL1	I speak positively about my company when talking to customers.	5-point Likert Scale
	EL2	I speak positively about my company when talking to friends and relatives.	5-point Likert Scale
	EL3	I can recommend the products and services of my company to others.	5-point Likert Scale
	EL4	I would like to stay with this company also in the future.	5-point Likert Scale
	EL5	I would not change immediately to another company if I got a job offer.	5-point Likert Scale

4 Data Analysis Technique

Data obtained from the questionnaire is tested by on its validity and reliability using Smart Partial Least Square (PLS) 3.2 and Structural Equation Modeling (SEM). Concerning this, SEM is able to explain simultaneously the relationship between variables and their dependency relationships (Hair et al. 2014)). To test the validity, convergent validity, discriminant validity, and construct validity are used (Hair et al., 2017). As for realiability test, this study use composite reliability and Cronbach's alpha (Hair et al., 2017). For hypotheses testing, this study measure the coefficient of determination (R-square value) (Hair et al., 2014). To increase the accuracy of the model, this research also considers the adjusted coefficient of determination or adjusted R-square (Hair et al., 2014). Furthermore, to test the hypotheses of the research, the bootstrapping function of the SmartPLS software to obtain the t-statistics and p-values (Ghozali, 2014). The bootstrapping procedure itself is used to assess whether a formative indicator significantly contributes to its corresponding construct (Hair et al., 2017).

D. RESULTS

1. Demographic Characteristics

The results on demographic characteristics of respondents are presented in Table 2.

Table 2. Demographic Characteristics of Respondents

Demographics		Total	Percentage
Gender	Male	48	48%
	Female	52	52%
Age Group	18-22	38	38%
	23-27	49	49%
	28-32	9	9%
	33-37	4	4%
Education	High School	4	4%
	Vocational	0	0%
	Bachelor	85	85%
	Master	11	11%
	Doctorate	0	0%
Job Position	Entry-level	61	61%
	First-level Management	25	25%
	Middle-level Management	13	13%
	Top-level Management	1	1%
Office Location	West Jakarta	2	2%
	Central Jakarta	37	37%
	South Jakarta	59	59%
	East Jakarta	2	2%
	North Jakarta	0	0%
Type of E-commerce Company	B2B	11	11%
	B2C	28	28%
	C2C	46	46%
	Payments	15	15%

Table 2 shows that that the majority of respondents of this research are female, with the amount of 52 out of a total of 100; with a majority of them are within the age group of 23-27 years old. Most of the respondents of this research work in the South Jakarta area, with 59 out of 100 respondents. In terms of education level, the majority of the respondents, 85 out of 100 respondents, are found to have a bachelor's degree. Furthermore, 61% of respondents are in entry level position, while most most of the respondents, 46 of them, work for C2C or consumer-to-consumer e-commerce companies in Jakarta, such as Tokopedia, Shopee, Bukalapak, etc. Out of the 100 respondents, 28 respondents work for B2C or business-to-consumers e-commerce companies in Jakarta (blibli.com, Berrybenka, Lazada, Traveloka, etc.), and 15 respondents work for Payments e-commerce companies in Jakarta, including GO-PAY (under GO-JEK), OVO, and Dana. Lastly, the remaining 11 respondents work for B2B (business-to-business) e-commerce companies in Jakarta, such as Bizzy and Ralali.

2. Inferential Results

To investigate how reliable and consistent each of the variable construct, the author conducted reliability test by looking at the Cronbach's Alpha and composite reliability values as results of PLS SEM analysis model. A Cronbach's alpha value should be above 0.70 where the variable is considered reliable and consistent. As shown in Table 3. Each of the variable has Cronbach's alpha and Composite Reliability value of above 0.7 which indicates that each variable is reliable, consistent and satisfactory. This study uses Average Variance Extracted (AVE) in which the value has to be above 0.50. The test results of all variables show value above 0.50, which means all variables are valid.

Table 1 Reliability and Validity Results

Variable	Cronbach's Alpha	Composite Reliability	AVE
Trust in Management	0.845	0.906	0.763
Trust in Peers	0.832	0.900	0.751
Empowerment	0.846	0.907	0.764
Employee Satisfaction	0.897	0.924	0.708
Employee Loyalty	0.853	0.893	0.627

Furthermore, shown in Table 4, the loadings of the indicators are always greater than the cross-loadings, which indicates that discriminant validity has been established.

Table 4 Discriminant Validity Results

	Trust in Management	Trust in Peers	Empowerment	Employee Satisfaction	Employee Loyalty
TM1	**0.856**	0.480	0.481	0.578	0.634
TM2	**0.878**	0.515	0.370	0.693	0.672
TM3	**0.885**	0.435	0.542	0.683	0.616
TP1	0.470	**0.909**	0.464	0.520	0.517
TP2	0.465	**0.913**	0.368	0.472	0.493
TP3	0.496	**0.770**	0.427	0.394	0.444
EMP1	0.519	0.439	**0.873**	0.695	0.576
EMP2	0.427	0.390	**0.897**	0.603	0.595
EMP3	0.434	0.434	**0.851**	0.621	0.533
ES1	0.702	0.484	0.592	**0.809**	0.658
ES2	0.661	0.354	0.692	**0.876**	0.731
ES3	0.649	0.599	0.497	**0.845**	0.700
ES4	0.521	0.474	0.688	**0.864**	0.688
ES5	0.618	0.360	0.617	**0.810**	0.740
EL1	0.576	0.629	0.375	0.556	**0.776**
EL2	0.541	0.582	0.420	0.625	**0.815**
EL3	0.552	0.491	0.428	0.575	**0.769**
EL4	0.655	0.316	0.643	0.740	**0.827**
EL5	0.568	0.286	0.637	0.764	**0.769**

Moreover, as shown in Table 5, this study finds that the adjusted R-square value of the variable Employee Satisfaction is 0.715 or 71.5%, which indicates that 71.5% of this variable can be explained by the other 3 variables: trust in management, trust in peers, and empowerment, while the remaining 28.5% can be explained by other variables outside of this research. The variable employee loyalty has an adjusted R-square value of 0.697 or 69.7%, which indicates that 69.7% of this variable can be explained by the variable employee satisfaction, while the other 30.3% can be explained by variables outside of this research. These results indicate that this research model has an adequately strong predictive accuracy.

Table 5 Coefficient of Determination (R-Square) Results

Variable	R-Square	Adjusted R-Square
Employee Satisfaction	0.723	0.715
Employee Loyalty	0.700	0.697

Furthermore, the study finds that the first, third and fouth hypotheses are supported, and the second hypothesis is not supported, as shown in the Path Coefficient Results shown in Table 6.

Table 6. Hypotheses Results

Hypotheses Statements	T-Values	P-Values	Path Coefficients	Results
H1: Trust in management has a positive effect on employee satisfaction	3.689	0.000	0.478	Supported
H2: Trust in peers has a positive effect on employee satisfaction	0.617	0.537	0.056	Not Supported
H3: Empowerment has a positive effect on employee satisfaction	4.192	0.000	0.455	Supported
H4: Employee satisfaction has a positive effect on employee loyalty	25.864	0.000	0.837	Supported

Table 6 shows that the t-value of hypothesis 1 is 3.689, which is above 1.96, indicating that the variable trust in management does have a positive effect on the variable employee satisfaction. Furthermore, it has a p-value of 0.000, which is below 0.05, indicating that the effect of the variable trust in management has on the variable employee satisfaction is significant. Based on these results, it can be concluded that hypothesis 1 or H1: Trust in management has a positive effect on employee satisfaction, is supported.

Furthermore, Table 6 shows that Hypothesis 2 has a t-value of 0.617, which is below 1.96, indicating that the variable trust in peers does not have a positive effect on the variable employee satisfaction. Moreover, the p-value of hypothesis 2 is 0.537, which is above 0.05, indicating that trust in peers does not have a significant effect on employee satisfaction. Thus, it can be deduced that hypothesis 2 or H2: Trust in peers has a positive effect on employee satisfaction, is not supported.

Moreover, the study finds that the t-value of hypothesis 3 is 4.192, which is above 1.96, indicating that the variable empowerment does have a positive effect on the variable employee satisfaction. On top of that, hypothesis 3 has a p-value of 0.000, which is below 0.05, indicating that the variable empowerment has a significant effect on the variable employee satisfaction. From these results, it can be deduced that hypothesis 3 or H3: Empowerment has a positive effect on employee satisfaction, is supported.

Finally, the results shows taht the Hypothesis 4 has a t-value of 25.864, which is above 1.96, indicating that the variable employee satisfaction does have a positive effect on the variable employee loyalty. Furthermore, the p-value of hypothesis 4 is 0.000, which is below 0.05, indicating that the effect the variable employee satisfaction has on the variable employee loyalty is significant. Thus, it can be concluded that hypothesis 4 or H4: Employee satisfaction has a positive effect on employee loyalty, is supported.

E. DISCUSSION

1. The Effect of Trust in Management on Employee Satisfaction

The study finds that the variable trust in management is found to have a positive and significant effect on the variable employee satisfaction. This finding is in line with previous research and studies of the relationship between the 2 variables. An empirical study by Brashear et al. (2003) finds that trust was directly related to job satisfaction, and another empirical study by Goris et al. (2003) finds that trust in superiors can be seen as one of the predictors of job performance and satisfaction of employees.

2. The Effect of Trust in Peers on Employee Satisfaction

The reseach finds that the second hypothesis is not supported. The path coefficients results showed that the variable trust in peers does not have a positive nor significant effect on the variable employee satisfaction. This finding is in line with a research by Bakay (2012) on the workplace outcomes of trust in 2 countries, which shows that trust in peers does not have an effect on job satisfaction. However, this result does not support previous studies on the positive association between the 2 variables, such as the ones by Bacharach et al. (2005), Matzler and Renzl (2006), and Wulandari and Burgess (2012). Hypothesis 2 or H2 might not be supported due to the incompatibility of analyzing the relationship between trust in peers and employee satisfaction in the context of this research.

3. The Effect of Empowerment on Employee Satisfaction

The study finds that Empowerment has a positive effect on employee satisfaction. The results of the test using SmartPLS indicate that this hypothesis is supported and that the variable empowerment is proven to have a positive and significant effect on the variable employee satisfaction. This finding is consistent with previous research and studies on the relationship between these 2 variables. Bass (2006) reports that empowered employees have more positive work experience, resulting in higher job satisfaction, and another finding by Fisk et al. (2009) also supports this, stating that empowered employees are more satisfied with their jobs. Furthermore, a quite recent study by Rana and Singh (2016) further proves that employee empowerment has a positive and significant relationship with job satisfaction.

4. The Effect of Employee Satisfaction on Employee Loyalty

Finally, the study finds that Employee satisfaction has a positive effect on employee loyalty. Based on the results of the test conducted using the SmartPLS software, it can be decided that this hypothesis is supported. The path coefficients tests indicate that the variable employee satisfaction does have a positive and significant effect on the variable employee loyalty. This finding substantiates the results of previous studies and research on this particular relationship. A study by Shaw (1999) finds that employees are more highly inclined to leave their jobs if their level of job satisfaction is low. Studies by Al-Aameri (2000), Fang (2001), and Martensen and Gronholdt (2001) also find that there is a strong and positive relationship between employee satisfaction and employee loyalty. Moreover, empirical evidence from Chen's study in 2006 shows that employee loyalty can be derived from a major premise, which is job satisfaction.

F. CONCLUSION

This research has achieved its objectives in explaining the hypotheses by examining the relationship between the variables involved. Firstly, the results of the PLS-SEM analysis indicate that in the context of e-commerce millennial employees in Jakarta, trust in management does have a positive effect on employee satisfaction, and said effect is also significant. From this it can be deduced that millennial employees working for e-commerce companies in Jakarta are more likely to have job satisfaction if they have a sense of trust in their employers or management. This sense of trust in management is, in part, prompted by being treated fairly and honestly by their employers. Secondly, based on the PLS-SEM analysis results, it was found that trust in peers does not have a positive effect on employee satisfaction of e-commerce millennial employees in Jakarta. The results also indicate that trust in peers does not have a significant effect on employee satisfaction. It can be concluded that the job satisfaction the millennial employees of e-commerce companies in Jakarta is not affected by the trust they have in their peers or coworkers. Thirdly, the PLS-SEM analysis results indicate that

empowerment does have a positive effect on employee satisfaction in the context of e-commerce millennial employees in Jakarta, and it was also found that the effect is significant. Thus, it can be deduced that millennial employees of e-commerce companies in Jakarta who feel empowered are more likely to have a higher level of job satisfaction. Employees will feel empowered if, among others, they have a certain degree of flexibility and independency in doing their jobs. Fourthly, the results of the PLS-SEM analysis indicate that employee satisfaction does have a positive effect on employee loyalty of e-commerce millennial employees in Jakarta. Moreover, the effect is found to be significant. From this, it can be concluded that millennial employees of e-commerce companies in Jakarta with a higher level of job satisfaction are more likely to develop a sense of loyalty towards their company.

As for its theoretical contributions, this research expands previous research on the relationships between the variables analyzed in this research, which are trust in management, trust in peers, empowerment, employee satisfaction, and employee loyalty, specifically in the context of e-commerce millennial employees in Jakarta. The causal relationship between employee satisfaction and employee loyalty is particularly strong, which corroborates the findings of previous human resources management research and studies that suggest keeping employees satisfied in their job is crucial in stimulating their loyalty towards the company.

Practically, the findings of this research indicate that employees, in this case millennial employees of e-commerce companies in Jakarta, are more likely to develop a sense of loyalty towards their employer or company if they are satisfied with their job, and this satisfaction stems from the feeling of trust towards their management, as well as the feeling of empowerment. Human resources managers of e-commerce companies in Jakarta would benefit from understanding the importance of these relationships so they could develop and establish employee loyalty strategies and programs that are relevant and applicable to their millennial employees.

Nevertheless, this research has some limitations that require further research. As for the limitations, this research focuses on the effect several factors (trust in management, trust in peers, empowerment) have on employee loyalty, mediated by employee satisfaction, in the context of millennial employees aged 18-37 years old working for e-commerce companies in Jakarta, and it has potential limitations. The research problem was determined based on previous studies of similar variables in different contexts, however, a preliminary study which could have contributed the research a more comprehensive look into the factors that are affecting the employee loyalty of e-commerce millennial employees in Jakarta was not conducted. Therefore, for further research, it is suggested that (1) for the characteristics of millennial employees, be it within the context of e-commerce companies or outside of it, to be explained more thoroughly, considering that certain attributes may affect how they perceive the variables; (2) for the variables of the study to be examined more closely, specifying the indicators that make up the variables may have different effects; (3) to expand the area of study and the number of samples analyzed, not only limited to Jakarta but also other cities in Indonesia where e-commerce companies are operating in; and (4) investigate other variables related to the ones already examined in this study to discover and learn about other factors that may affect employee satisfaction and employee loyalty

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