CHAPTER II
LITERATURE REVIEW

A. Theoretical Basis

1. Employee Engagement

According to Kahn (1992), the definition of employee engagement is when employees in an organization are united with their organization. Not only their physic, but also their heart and mind are engaged with their organization. Other definitions expressed by Macey (2008) that employee engagement is the engagement of emotional and intellectual's employee to their organization. Handayani, Anggraeni, Andriyansah, Suharnomo, & Rahardja (2017), stated that employee engagement is employees who were consistent with their organization, and would not leave their organization.

Employee engagement has two fundamental things, namely personal attitude (personal attributes) and situational (organizational context). The engagement of employees in the context of personal attitudes (personal attributes) can be distinguished into three aspects namely: knowledge, skill, and ability (Biswas, Varma, & Ramaswami, 2013). Employee engagement in situational context (organizational context) can be divided into three aspects, namely: leadership, physical, and social arrangements (Ruslan, Islam, & Noor, 2014).

According to Saks (2006), employee engagement is a continuous workload that must be maintained and improved by each organization, by givig awards to employees, an environment that support the employees, fair justice, and work that carried out the employee with enthusiasm and the organization can appreciate it. This is believed can increase the employee engagement in an organization. Kahn (1992) states that the more employees engaged with their organization, the better the

employee performance itself. According to Kahn (1992), employee engagement has three psychological conditions, namely:

1. Meaningfulness

   Meaningfulness is the intrinsic value of employees that attached in their performance in the role work that they take in their organization.

2. Safety

   Safety is a feeling when someone feels that his organization can provide secure sense for himself.

3. Availability

   Availability is when an organization let the employees to involve their beliefs about whether they have physical, cognitive, and emotional resources that needed by the employee in order to invest themselves in their work role.

According to Neill (2015), there are several key drivers of employee engagement, namely:

1. Encouragement from the supervisor

2. Work Life Balance

3. Trust in visiona nd mission of the organization

4. Compliment from the supervsior to their employees

5. A sense of concern for welfare

6. Adequate salary and benefits in accordance with what employees have done to the organization.

7. Job expectations that can be well defined

8. Fulfilling the needs of existing resources in an organization.

9. There are enough opportunities so the employees can develop their talents.

According to Gallup in Allen (2014), there are several ways to achieve employee engagement, namely:

1. Vision

   Vision has a clear understanding of how an organization in the future engaged the hearts and minds of every individual in the organization. A good and right understanding of the vision of an organization will create pride among employees within the organization itself.

2. Opportunity

   The opportunity is when the organization can provide opportunities for each employee to develop personally and professionally.

3. Incentive

   Incentives are compensation packages provided from the organization fairly and equally, including basic salary, bonuses, and other financial incentives.

4. Influence

   A good influence is the work itself, so it can make a difference or create its own meaning, especially because the job connects employees with customers who use the services of these employees.

5. Community

   Community is a social environment including part of the team, and is expected to work with colleagues who care about the environment.

6. Communication

   Communication is the flow of information that occurs in an organization with two-way communication.

7. Experiment

The intended experiment is an experiment about working hours, clothing or uniforms, and other policies that are flexible and designed to suit the needs of both the company and employees.

According to Seijts & Crim (2006) in Desai, Majumdar, & Prabhu (2011), there are several steps that top management can take to improve organizational employee engagement, and call it "Ten C's of Engagement", namely:

1. Connect

   Connect means the extent to which top management can convey that they care and respect their employees.

2. Career

   Career is the extent to which management gives employees jobs that are challenging, meaningful, and foster someone's career growth.

3. Clarity

   Clarity is that the extent to which the vision, mission, goals, rules, and standard operating procedures are transparent and can be understood by employees.

4. Convey

   Convey is meant the extent to which management can communicate about their goals and provide feedback to employees.

5. Congratulate

Congratulate is meant the extent to which management can give an appreciation of the performance of its employees by giving praise or bonuses.

6. Contribute

Contribute is the extent to which a person can contribute to the company's future.

7. Control

Control is the extent to which management can control its workers to participate in decision making related to the company's future.

8. Collaborate

Collaborate means the extent to which the organization can invite its employees to participate in every activity in an organization individually and in groups. In addition, how can top management invite top, middle and lower level management to collaborate with their employees.

9. Credibility

Credibility means that the extent to which management shows transparency and high ethical standards in their employees.

10. Confidence

Confidence means that the extent to which an organization can demonstrate high ethical and performance standards, creates a sense of positive identification among employees.

According to Bakker, Schaufeli, Leiter, & Taris (2008), there are several dimensions of employee engagement, namely:

1. Vigor

Vigor means that employees have a high level of energy and mental endurance while they are working. Employees also have the willingness to invest effort in their work, and show their perseverance even in the face of adversity.

2. Dedication

Dedication means employees are very engaged in their work and experience a sense of significance, enthusiasm, inspiration, pride, and challenge.

3. Absorption

Absorption means that the employee is fully contracted and gladly participates in work, where time passes quickly and someone has difficulty breaking away from their work.

The theory that supports employee engagement is the Social Exchange Theory (SET) by John Thibaut in Soeib, Othman, & D'Silva (2015). Three aspects of SET are sacrifice, appreciation, and benefits.

1. **Distributive Justice**

In this study, distributive justice as an independent variable. The first time the term organizational justice was introduced by Brockner & Greenberg (1990) as an employee's assessment of the organization about what they get and will have an impact on employee attitudes and behavior. Organizational justice means the perception of each employee based on the treatment they receive from the organization and they compare what they get from their organization with other employees around them in one organization (Alvi & Abbasi, 2012).

According to Niehoff (1993), organizational justice includes issues related to the perception of a fair salary, equal opportunities for career promotion and the correct methods of selection procedures. Colquitt, Jefeery, & Wesson (2009), said that organizational justice

is the impact of justice on effective organizational functions and it is conceptualized as three different dimensions, namely: distributive justice, procedural justice, and interactional justice. Distributive justice means the results that employees receive from organizations, such as salary, promotion, and fair career development (Cropanzano & Mitchell, 2005). According to Robbins & Judge (2008), distributive justice is fairness in the form of rewards that can be felt by employees. Wang & Noe (2010), said that distributive justice is an assessment made by employees to compare what they get from their organization with their colleagues in the same organization. Distributive justice is more focused on the results of the organization (Cohen, 2003).

According to Cropanzano & Mitchell (2005) in Leventhal (1980), there are three dimensions of distributive justice namely:

1. Equity

   Equity means rewards or resources for employees that are distributed based on employee contributions to their organization.

2. Equality

   Equality means giving equal rewards or resources to employees without calculating the level of employee contributions to their organization.

3. Need

   Need means allocating gifts or resources for employees based on employee needs.

2. Procedural Justice

In this study, procedural justice is the second independent variable. The first person to use the term procedural justice was Thibaut & Walker (1975). Procedural justice is a process based on achievement that can be allocated (Cropanzano & Mitchell, 2005). According to Robbins & Judge (2008), procedural justice is fairness that can be felt by employees of a process to determine the best gifts or resources for

the employees themselves. According to Alexander (1987), procedural justice focuses on the methods used to determine the appropriate rewards for employees. Examples of procedural justice attitudes from an organizational point of view according to Biswas, Varma, & Ramaswami (2013) are:

1. Be fair to all employees in the organization.

2. Listen to employee voices about the organization.

3. Collect accurate information before making a decision.

4. Receive suggestions from employees.

Examples of procedural justice from the point of view of employees according to Colquitt, et al. (2013) are:

1. Give advice to the organization

2. Affect existing decisions

3. Comply with procedures consistently

4. Comply with procedures that are clear, accurate, and in accordance with ethical and moral standards.

Procedural justice is more focused on the decision making process in organizations (DeConinck & Stilwell, 2004). Procedural justice has two models, namely: the self-interest model and the group value model (Thibaut & Walker, 1975).

According to Cropanzano & Mitchell (2005) in Leventhal (1980), there are six dimensions of procedural justice namely:

1. Consistency

   Consistency means that all employees get the same treatment from the organization.

2. Impartiality

Impartiality means that no employee or group of employees receives special treatment from the organization.

3. Accuracy

Accuracy means that organizations make decisions based on accurate information.

4. Representativeness

Representativeness means that related parties can provide suggestions for making decisions.

5. Correctability

Correctability means employees still have the opportunity to improve their performance. If employees make mistakes, they can still correct them.

6. Ethical Standard

Ethical standards mean professional norms are not violated by employees.

3. **Religiosity**

Religiosity in this study is the third independent variable. Religiosity is a set of behaviors that shows the value of one's beliefs or religion (Park & Smith, 2000). According to McDaniel & Burnett (1990), religiosity is a belief that a person has in his Lord. Hill (2002), said that religiosity has three components, namely:

1. Religious affiliation

2. Religious activity

3. Religious beliefs

According to Glock (1972), there are five dimensions of religiosity, namely:

1. Experiental

Experiental means how far someone can feel and experience about the religious experience they have done so far, such as feelings of being close to God, feelings

of prayer are often answered, feelings of peace of happiness, feelings of surrender, and feelings of loneliness when worshiping.

2. Ideological

Ideological tools give an illustration of the extent to which a person can accept dogmatic things from their religion. In Islam, the dimension of belief concerns faith in God, angels, Prophets, the Qur'an, heaven, hell, Qadha and Qadar.

3. Ritualistic

Ritualistic means the extent to which people can carry out their religious obligations such as prayer, reading the Al-Qur'an, fasting, giving alms to those who need help, and hajj.

4. Intellectual

Intellectual means the extent to which people can understand about their religion, especially those based on their religion. In Islam, this is like how far people can understand about the Al-Qur'an, the basic theories they have to do and what they should ignore, learn about Islamic law, and know about Islamic history.

5. Consequential

Consequential means the extent to which the person's behavior is influenced by their faith. This includes how the person can make a relationship with their community in the world (*Hablum Minannas*) and how that person can make a relationship with their God / God (*Hablum Minallah*). In Islam, behavior that shows the person has consequential principles such as being happy to help others, happy working in teams, giving others what they need, amar ma'ruf nahi munkar, being honest, forgiving others, not stealing something that is not ours , and adhere to Islamic principles.

4. **Millennial-Non Millennial Generation**

In this study, millennial non-millennial generation as a moderating variable. Age is divided into three aspects, namely Baby Boomers (Non Millennial), Generation X (Non Millennial), and Generation Y (Millennial). Baby Boomers are those who were born in 1946 - 1964 (Non Millennial), born and grew up in a time of economic growth and experienced political and ideological turmoil during the 1960s. This generation is a generation that has high ambitious and high competitive power. This generation also has a view to be more engaged in their organization (Hornbostel, Kumar, & Smith, 2011). Generation X are those who were born in 1965 - 1980 (Non Millennial), born and grew up in the era of technological innovation. This generation also has the same nature as the Baby Boomers, which is ambitious and has high competitive power. The difference between the Baby Boomers Generation is that this generation wants to be a little bit more flexible in having working hours (Hornbostel, Kumar, & Smith, 2011).

Generation Y are those born in 1981 - 2000 (Millennial), born and raised in the era of social media, and have significant advantages over the Baby Boomers in technology. This generation is a generation that is multitasking or can do several jobs at one time. This generation also prefers work that has flexible time than work that has duration which requires them to work from morning to night.

Research conducted by Dale Carnegie in 2017 shows that millennial generation is harder to be more engaged to their organizations than non-millennial generation (Triwijanarko, 2017). Millennials have characteristics: self-confidence, independence, openness to change, technological mastery, and service-oriented. This makes millennial generation easier to face the challenges of adaptability, flexibility, and is called the internet generation. Millennials are more adaptable to new environments than non-millennials.

One of the most popular theories of integrity is the Social Exchange Theory (SET) by John Thibaut in Soeib, Othman, & D'Silva (2015). SET explains when people give their time and energy, to the organization or to others, they hope that the organization will give them a reward for their contribution. Prizes will be adjusted according to contributions. When organizations want to give appreciation or appreciation and benefits to their employees, the organization can ask employees what advice they need, so the organization can determine what types of awards or gifts they can give to their employees. SET has the goal of making people able to get something like what they have given to others or to the organization. SET aspects according to John Thibaut in Soeib, Othman, & D'Silva (2015) are sacrifices, rewards or gifts, and benefits, which are in accordance with distributive justice, procedural justice, religiosity and employee engagement.

Another theory that can be linked to millennial - non millennial is Lifespan Theory by Baltes, Reese, & Lipsitt (1980). Lifespan Theory consists of two models, namely Sociemotional Selectivity Theory (SST) and Selection, Optimization, and Compensation Theory (SOC). SST describes limited human life. In early life, every human being will pursue their dreams and maximize the effort they have. However, when they see that the people around him grow and develop, they will realize that the time they have spent to achieve their dreams is long enough and their time is not long in this world.

SOC explained that the people getting older, the more boundaries they will have. They realize that they could not longer do many things when they were young. These limitations include; health problems and cognitive abilities (Baltes et al.,1980). Even though humans understand their limits they will try to adapt to their limits. They will still try to reach their goals even though they have many limitations. Every

human being will select some of their goals by identifying, scaling priorities, and committing to pursuing their goals so they will be realized even though they already have many body boundaries. After humans make a selection, they will optimize by increasing their performance and working intensely to achieve their goals. The final step is compensation. In the compensation stage, people will look for alternatives or other ways to achieve their goals. The SOC aspect according to Baltes et al. (1980) are Selection, Optimization, and Compensation which correspond to millennials - non millennials in moderating the influence between distributive justice, procedural justice, and religiosity on employee engagement.

B. Previous Researchs

This research is inseparable from the various results of previous studies conducted by several researchers with different results, which are described in Table 2.1 below:

Table 2. 1
Previous Research Results

No	Researcher	Variable	Analysis Tool	Result
1	1. Ahmad Zairy Mohd. Soeib 2. Jamilah Othman 3. Jeffrey Lawrence D'Silva (2015)	1. Cooperation 2. Leadership Style 3. Employee Engagement 4. Generation Y (Millennial)	Structural Equation Modelling	1. Leadership style influence on employee engagement. 2. Collaboration has not direct influence on employee engagement. 3. Generation Y (Millennial) influence on employee engagement.
2.	1. Fajru Achmi Fauziah 2. Anang Kistyanto (2016)	1. Distributive Justice 2. Employee Performance 3. Job Satisfaction Assessment	Path Analysis	1. Distributive justice influence on employee performance 2. Job satisfaction assessment has not direct influence on

				employee performance.
3.	Rima Octavia Tambunan (2016)	1. Distributive Justice 2. Productive Work Behavior	Correlation Product Moment Person	1. Distributive justice influence on productive work behavior
4.	Faruk Kalay (2016)	1. Organizational Justice 2. Employee Performance	Structural Equation Modelling	1. Organizational justice influence on employee performance.
5.	1. Ozlem Ozer 2. Ozgur Ugurluoglu 3. Meltem Syagili (2017)	1. Organizational Justice 2. Employee Engagement	Structural Equation Modelling	1. Organizational justice not influence on employee engagement.
6.	1. Hakan Turgut 2. Ismail Tokmak 3. Cem Gucel (2012)	1. Employee Organizational Justice Perception 2. Organization Commitment	Regression Analysis	1. The perception of employee organizational justice influence on organizational commitment
7.	1. Soumendu Biswas 2. Arup Varma 3. Aarti Ramaswami (2013)	1. Distributive Justice 2. Procedural Justice 3. Employee Engagement	Structural Equation Modelling	1. Distributive justice has not influence on employee engagement. 2. Procedural justice not influence on employee engagement.
8.	1. Piyali Ghosh 2. Alka Rai (2014)	1. Organizational Justice 2. Employee Engagement	Multivariate Regression	1. Organizational justice influence on employee engagement. 2. Distributive justice influence on employee engagement. 3. Procedural justice influence on employee engagement. 4. Interactional jutsice influence on employee engagement.
9.	1. Hongwei He 2. Werchun Zhu 3. Xiaoming Zheng (2013)	1. Procedural Justice 2. Employee Engagement	Structural Equation Modelling	1. Organizational jutsice influence on employee engagement.

10.	1. Woocheol Kim 2. Jiwon Park (2017)	1. Employee Engagement 2. Procedural Justice 3. Sharing Knowledge 4. Innovative Work Behavior	Structural Equation Modelling	1. Procedural justice influence on employee engagement. 2. Sharing knowledge influence on employee engagement. 3. Innovative work behavior influence on employee engagement.
11.	Rosita Kharisma Widiastuti (2016)	1. Procedural Justice 2. Employee Performance 3. Employee Satisfaction	Regression Linear	1. Procedural justice influence on employee performance. 2. Employee statisfaction has not direct influence on employee performance.
12.	Praptini Yulianti (2016)	1. Procedural Justice 2. Organization Trust 3. Organization Identification 4. Employee Engagement	Partial Least Square	1. Procedural justice influence on employee engagement. 2. Organizational justice influence on employee engagement. 3. Organization identification has not influence on employee engagement.
13.	Saloni Devi (2016)	1. Spirituality 2. Emotional Intelligence 3. Employee Engagement	Regression Analysis	1. Spirituality has not influence on employee engagement. 2. Emotional intelligence influence on employee engagement.
14.	Leila Canaan Messara (2014)	1. Religious Discrimination 2. Employee Engagement	Regression Analysis	1. Religious discrimination influence on employee engagement.

15.	1. Yasser Rezapour 2. Hossein Rezai 3. Seyed Ali Hosseini 4. Mohammad Taghi Mohseni Takalu (2016)	1. The Role of Faith in Work 2. Religious Beliefs 3. Spirituality 4. Work Satisfaction	Regression Analysis	1. The role of faith in work influence on work satisfaction. 2. Religious beliefs influence on work satisfaction. 3. Spirituality influence on work satisfaction.
16.	1. Tennakoon WDNSM 2. Lasanthika WJAJM (2018)	1. Religiosity 2. Employee Engagement	ANOVA	1. Religiosity has not influence on employee engagement.
17.	1. Lalita Jain 2. Abdul Aziz Ansari (2018)	1. Political Perceptions of Organizations 2. Employee Engagement 3. Personal Attributes	Regression Analysis	1. Political perceptions of organizations influence on employee engagement. 2. Personal attributes has not influence on employee engagement.
18.	1. Abdul Kadir Othman 2. Muhammad Iskandar hamzah 3. Mohd. Khalid Abas 4. Nurzarinah Mohd. Zakuan (2017)	1. Leadership Style 2. Employee Engagement 3. Communication Style	Multiple Regression Analysis	1. Leadership style influence on employee engagement. 2. Communication style influence on employee engagement.
19.	1. Heru Kurnianto Tjahjono 2. Olivia Fachrunnisa 3. Majang Palupi (2019)	1. Organizational Justice 2. Social Capital 3. Employee Satisfaction 4. Employee Commitment	ANOVA	1. Organizational justice influence on employee satisfaction. 2. Organizational justice influence on employee commitment. 3. Social capital influence on employee satisfaction. 4. Social capital influence on employee commitment.
20.	1. Moltafet Ghavam 2. Mohammed Mazidi	1. Personal Character	Multiple Regression	1. Personal character influence on

	3. Somayeh Sadati (2010)	2. Religious Orientation 3. Happiness 4. Employee Engagement	Analysis	employee engagement. 2. Religious orientation influence on employee engagement. 3. Happiness influence on employee engagement.
21.	1. Crystal Hoole 2. Jackie Bonnema (2015)	1. Employee Engagement 2. Meaningfulness 3. Millennial-Non Millennial Generation	MANOVA	1. Meaningfulness influence on employee engagement. 2. Millennial-non millennial generation moderate the influence of meaningfulness on employee engagement.
22.	1. Nivedita Jha 2. Rama Krishna Gupta Potnuru 3. Puja Sareen (2018)	1. Employee Engagement 2. Technology 3. Millennial-Non Millennial Generation	Structural Equation Modelling	1. Millennial-non millennial generation influence on employee engagement. 2. Technology moderate the influence of millennial-non millennial generation on employee engagement.
23.	1. Wei Ning 2. Albi Alikaj (2019)	1. Age 2. Employee Engagement	Structural Equation Modelling	1. Age influence on employee engagement.
24.	1. Mohammad Faraz Naim 2. Usha Lenka (2017)	1. Social Media 2. Millennial-Non Millennial Generation 3. Employee Engagement	Structural Equation Modelling	1. Social media influence on employee engagement. 2. Millennial-non millennial generation moderate the influence of social media on

				employee engagement.
25.	1. Mohammad Faraz Naim 2. Usha Lenka (2017)	1. Social Media 2. Millennial-Non Millennial Generation 3. Collaboration between Employees 4. Employee Engagement	Structural Equation Modelling	1. Social media influence on employee engagement. 2. Collaboration between employees influence on employee engagement. 3. Millennial-non millennial generation moderate the influence of social media on employee engagement. 4. Millennial-non millennial generation moderate the influence of collaboration between employees on employee engagement.

Source: Journal, conference proceeding

C. Hypothesis Development

Based on SET and SOC theory and the results of previous researchs on employee engagement, the following is explained below about the explanation of the research hypothesis:

1. Distributive Justice Influence on Employee Engagement

Distributive justice can be a tool to measure the extent to which employees can engage with their organizations, because distributive justice is described as fairness in the distribution of resources or about the orientation of results. Distributive justice refers to the impartiality that is seen by employees in the allocation of rewards

and recognition by the organizations that employ them. If employees can get what they give, they will feel more engaged with their organization. However, when they can not get what they gave before, the employee will be less engaged with their organization.

The effect of distributive justice and employee engagement is supported by previous research by Ozer, Ugurluoglu, & Saygili (2017) which says how deeply employees can engage with their organization can be influenced by what rewards they can get from their organization. This statement is also supported by Social Exchange Theory (SET) by John Thibaut in Soeib, Othman, & D'Silva (2015). One of the three aspects of SET is sacrifice. This aspect is related to distributive justice. When employees give their time, and maximize their efforts to achieve organizational goals, they have sacrificed themselves for their organizations. The more they sacrifice, the more they will get, and this is can increase employee engagement.

Besides that humans will make a priority scale so they can achieve what they are targeting. They will maximize what they can do to achieve their targets. This statement is also supported by the SOC Theory by Baltes, Reese, & Lipsitt et al. (1980). One of the three aspects of SOC is Selection. This aspect relates to distributive justice.

This is supported by previous research from Biswas, Varma, & Ramaswami (2013), which says that employees can be more engaged with their organization when they feel that their organization can respect them by giving them something equivalent to their contribution to their organization. Previous research by Ghosh & Rai (2014) said that when employees can get something (prize) that is equivalent to their contribution to their organization, they will feel more engaged with their organization.

Based on the Social Exchange Theory (SET), the author derived it in distributive justice. One of three aspects of SET is sacrifice. If the employee sacrifice their self with hard work, give their times to their organization, they will hope that their organization will give them reward similar with their organization. If the organization give reward to their employees similar with their sacrifice, it will increase the employee engagement.

Based on the explanation above, the hypothesis is:

H_1 : Distributive justice influence on employee engagement in SMA Muhammadiyah Yogyakarta.

2. **Procedural Justice Influence on Employee Engagement**

Procedural justice is the main aspect that can increase employee engagement in an organization, because when employees feel that their voice is considered as a contribution to the decision making process in their organization, employees will increase their engagement in their organization. But when the organization does not involve employees in the decision making process, it will reduce employee engagement to their organization. Basically, employees only know fairness about salary, promotion, and performance appraisal. The decision making process is included in justice, especially in procedural justice. Employees sometimes disagree with the decisions in their organization, but they can still accept them because the decision making process is fair. Employees can still give advice and the manager will make decisions about some of the suggestions he receives.

The effect of procedural justice on employee engagement is supported by previous research from Ozer, Ugurluoglu, & Saygili (2017), which says that procedural justice can increase employee engagement because employees will feel that their organization can respect them, not only in financial aspects, but also how

employees can submit advice to his organization. This statement is supported by Social Exchange Theory (SET) by John Thibaut in Soeib, Othman, & D'Silva (2015). One of the three aspects of SET is appreciation. This aspect is related to procedural justice. When employees give their voice, in order to improve organizational performance and the organization can appreciate it, it will increase employee engagement in the organization, because the organization can respect the advice of its employees. When an organization lets employees be involved in the decision making process, it will give the impression that the organization can respect its employees. The more an organization values its employees, employees will feel more engaged with their organization.

This is supported by previous research from He, Zhu, & Zheng (2012), which says employees can be more engaged with organizations if the organization can treat them well. Not only in financial aspects (distributive justice) but also how they can be involved with their organizations. Previous research by Kim & Park (2017) conducted in Taiwan by using a sample of 121 employees in the banking sector, said that procedural justice can increase employee engagement in their organizations.

The second aspects of SET is appreciate. If the employee give their advice or suggestions to their organization, then their organization appreciate it, it will increase the employee engagement.

Based on the explanation above, the hypothesis is:

H$_2$: Procedural justice influence on employee engagement in SMA Muhammadiyah Yogyakarta.

3. Religiosity Influence on Employee Engagement

The word religious comes from "religion" which was adapted from the Latin word "religare" which means "binding". The interpretation is to bind humans and

humans together with their Lord and their obligations. Moltafet, Mazidi, & Sadati (2010) say that the more religious people, it can influence them to feel happier and want to do something sincerely. When employees have high religiosity, it can influence them to do something with sincerity. This makes them have the initiative to join activities that can improve their abilities, so their performance will improve. When employees have their own initiative to make their organization better than before, it means they are starting to be more engaged with their organization. If employees have a lower level of religiosity, it can reduce their engagement to the organization because it can inhibit their productivity. When the employee productivity decrease means they do not feel engaged with their organization.

The influence of religiosity and employee engagement is supported by previous research from Tennakoon & Lasanthika (2018), which says that religiosity can increase employee engagement because employees will feel happier and want to do something that can make their organization better than before. This statement is supported by Social Exchange Theory (SET) by John Thibaut in Soeib, Othman, & D'Silva (2015). One of the three aspects of SET is benefits. This aspect is related to religiosity. When employees have high standards of religiosity, they will feel happier, so they will be more engaged in improving the performance of their organization and will do something with their sincerity.

This is supported by previous research from Devi (2016), which was conducted in Jammu, India by using a sample of 50 employees at the ICICI Bank and HDFC Bank which said that when employees have higher standards of religiosity, it will make them more engaged with their organizations. Previous research from Messarra (2014), conducted research in Lebanon using a sample of 548 employees in the banking sector, said that religiosity can affect employee engagement. Previous

research from Zahrah, Hamid, Rani, & Kamil (2015), which conducted research at the Islamic Higher Education Institute in Malaysia using 150 employees, said that religiosity had a positive effect on employee engagement.

In a study conducted by Zahrah et al. (2015), the quality of work engagement does not only depend on one's satisfaction, commitment, and even one's engagement in the organization. Another factor that influences one's work engagement in their organization is the quality of the attitude of ihsan. Ihsan is who believes in Allah will believe that Allah always sees what he does, where he does it, and whatever we do. This attitude of trust in Allah will guide every human being to always maintain the mandate or trust that given to him, and avoid all prohibitions that are forbidden by God. An example of this attitude is employees who have strong faith, will never be lazy and never behave like parasites to other employees. The employee will always think that God will see his actions.

Previous research conducted by Mecheo (2016) who conducted research at a fueling station in Libya, using a population of 60 employees said that religiosity had a positive effect on work engagement.

Cash and Gray (2000) in Mecheo (2016) said that someone who has a high religious value, he will be increasingly engaged in his organization. When the person is given time to worship to God, he will further improve his performance. An employee whose performance tends to increase, he will be increasingly engaged to the organization that he follows.

Kutcher et al. (2010) in Mecheo (2016) said that someone who has a high value of religiosity, he will have good physical and mental health, then he will encourage someone to have good decison making, so that it will encourage an

employee to continue to dig up information about his organization and will increase his engagement to an organization that he follows.

Religion is something that can provoke someone to behave properly according to the guidance of his religion (Hutson, 2000; (King, 2007). People who have high religiosity will consider every attitude he will take in every decision, whether it is in accordance with the teachings of his religion or not.

According to Liu (2010) who conducted his research in Taiwan using a sample of 497 employees in the banking sector, said that the orientation of religiosity in a person will have a significant impact on his daily attitude.

The last apsect of SET is benefit. One of five dimensions of religiosity is intellectual. When the employee have high level of intellectual, they will deepen their knowledge about their religion. When they deepen their knowledge, they will know that they should be grateful of all things that their God already gave to them, such as benefit that the employee got from their organization.

Based on the explanation above, the hypothesis is:

H_3: Religiosity influence on employee engagement in SMA Muhammadiyah Yogyakarta.

4. Millennial-Non Millennial Moderate the Influence of Distributive Justice on Employee Engagement

Age is divided into three aspects, namely Baby Boomers (Non Millennial), Generation X (Non Millennial), and Generation Y (Millennial). Baby Boomers are those who were born in 1946 - 1964 (Non Millennial), born and grew up in a time of economic growth, experienced political and ideological turmoil during the 1960s. This generation is a generation that has high ambitious and high competitive power. This generation also has a view to be more engaged in the organization. Generation X

are those who were born in 1965 - 1980 (Non Millennial), born and grew up in the era of technological innovation. This generation also has the same characteristics as the Baby Boomers Generation, which is ambitious and has high competitive power. The difference with the Baby Boomers Generation is that this generation wants to be a little more flexible in having working hours. Generation Y are those who were born in 1981 - 2000 (Millennial), were born and grew up in the era of social media, and have significant advantages over the Baby Boomers in technology. This generation is a generation that is multitasking or can do several jobs at one time. This generation also prefers jobs that have flexible times over the duration of work that requires them to work from morning to night (Hornbostel, Kumar, & Smith, 2011).

Millennial generation has characteristics: self-confidence, independence, openness to change, mastering technology, and service-oriented (Smith, 2005). This makes millennial generation easier to face challenges, adaptable, flexible, and is called the internet generation. Millennials are more adaptable to new environments than non-millennials, and do not care much about the gifts they can get from their organizations. For millennials, what is important is that they can contribute to the organization. This can reduce the engagement of millennial employees with their organizations.

This statement is supported by Social Exchange Theory (SET) by John Thibaut in Soeib, Othman, & D'Silva (2015). One of the three aspects of SET is sacrifice. This aspect is related to millennial - non millennial generation. Millennials who have flexible characteristics, like challenges, and are easily bored, they will not think about what benefits they can get from an organization that they will leave or they will occupy. Millennial generation is an instant generation, so they only want to spend a little sacrifice, and want to get an award that is inversely proportional to their

sacrifice (Smith, 2005). This is different from the non-millennial generation which is more ambitious and has a higher sense of competitive power than the millennial generation. Non millennial generation will think more about aspects of sacrifice, so they will be more engaged to their organizations (Smith, 2005).

According to Smith (2005), millennial generation will be less engaged with the organization than non millennial generation. Previous research from Ruslan, Islam, & Noor (2014) in India, using a sample of 145 employees in the banking sector, said that millennials non-millennials can moderate one's psychological influence with employee engagement.

The characteristics of millennial are: self confidence, independence, openness to change, mastering technology, and service oriented (Smith, 2005). It makes millennial easier to face challenges, adaptable, flexible, and is called the internet generation. Millennials are instant generation, so they prioritize result such as position in their organization. Sometimes, they do not want to join an organization if their position is not good enough. Millennial only want to spend or do a little sacrifice or actions but they want a good position. They hope with their little efforts, their boss will give them a good position or promotion.

The characteristics of non millennial are: ambitious, high competitive power, and stubborn. They always compare tehi own result with their peers. They are more sensitive about salary.

Based on the characteristics of millennial-non millennial, they will select (S) which activity that match with them to reach their objectives. After that, they will optimize (O), with maximize their efforts. Last, they will get compensation (C) from their organization like salary or promotion.

By using the same analogy as previous research conducted by Ruslan, Islam, & Noor (2014), the hypotheses of this study are:

H$_4$: Millennial-non millennial moderate the influence of distributive justice on employee engagement.

5. **Millennial-Non Millennial Moderate the Influence of Procedural Justice on Employee Engagement**

Millennial generation is more apathetic than non millennial generation. They don't really care about their environment. When they are not involved in the decision making process, they will not be too offended compared to the non millennial generation. This is very different from the non millennial generation, where they must be involved in every meeting and decision making process in their organization (Smith, 2005).

One of the three aspects of SET is appreciation. This aspect is related to millennial - non millennial generation. Millennials who have flexible characteristics, like challenges, and are easily bored, they will not think about what benefits they can get from an organization that they will leave or they will occupy. Millennial generation is an instant and fast generation, so they just want to get an appreciation or self-recognition that is sometimes not in accordance with their contribution to the organization (Smith, 2005).

This is different from the non-millennial generation which is more ambitious and has a higher sense of competitive power than the millennial generation. Non millennial generation will think more about aspects of appreciation and self-recognition, so they will be more engaged to the organization (Smith, 2005).

Soeib, Othman, & D'Silva (2015), said that non-millennial generation must be involved in every event held by their organization. Simons (2010), who conducted his research in Belgium using a sample of 96 people said that non millennials are not very

flexible and can affect their mindset when they are not involved in the decision making process in their organizations.

Millennial is more aphatetic to their environment. So, if thery are not too involved with every activity in their organization, they will not have bad feeling or angry. This is different with non millennial, they will angry if they are not involved in every activity in their organization.

Millennial-non millennial will select (S), which activity that match with them, regarding how to deliver suggestions and so on. They will do optimization (O) with delivering their suggestions to their organization. Then, they will do compensation (C), to looking for other ways.

Based on research conducted by Simons (2010) above, the hypothesis is:

H_5: Millennial – non millennial moderate the influence of procedural justice on employee engagement in SMA Muhammadiyah Yogyakarta.

6. **Millennial-Non Millennial Moderate the Influence of Religiosity on Employee Engagement**

One aspect of SOC Theory Baltes et al. (1980) is selection. When someone has a purpose in life, then that person will make a priority in his life. Another aspect is optimization where the person will maximize his efforts to achieve these goals. This can be in form of working hard, and getting closer to God. When someone make himself closer to God, then that person will accidentally increase his religiosity. Another aspect of SOC Theory is compensation. When someone finds it difficult to achieve their goals, then they will justify any ways to achieve their goals. They forget that there is still a God to asked for.

According to research conducted by Bakar, Cooke, & Muenjohn (2016) who conducted research in financial companies located in Malaysia, they found that religiosity has an important role in employee engagement. The role of religiosity

referred to in this study is being happy, being proactive, focusing on positive matters, high internal control and conscientiousness, the concept of the ummah-connecting people, and work as obligation. Someone who has a high level of religiosity, can trigger that person to be happy. When someone is happy with his work, he will do the work to the maximum so the other people will feel satisfied with the results of the work of that person, then it can increase their engagement to an organization.

Based on research conducted by Ntaliani & Darr (2005) who conducted research in India using a sample of 60 employees in banking sector companies said that a younger employee would have a different religious value than older employees in an organization that they follow.

Based on the characteristics of millennial-non millennial, they will select (S) which activity that can make them getting closer to their God. They will do optimization (O) with deepen their knowledge. After that, they will get compensation (C) from their organization.

Based on the explanation above, the hypothesis is:

H_6: Millennial – non milennial moderate the influence of religiosity on employee engagement in SMA Muhammadiyah Yogyakarta.

D. Research Model
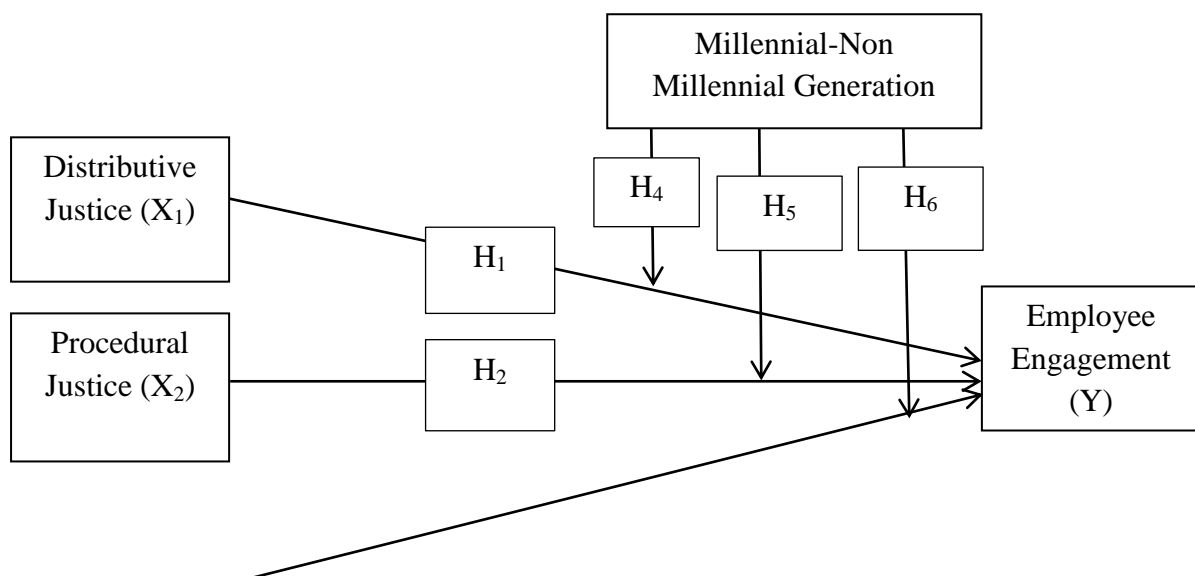The research model is illustrated in Figure 2.1 below:

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┌──────────────┐          ┌──────────┐
│  Religiosity │          │   H₃     │
│    (X₃)      │          │          │
└──────────────┘          └──────────┘
```

Figure 2. 1
Research Model

H$_1$: Distributive justice (X$_1$) has positive influence on employee engagement (Y) in SMA Muhammadiyah Yogyakarta.

H$_2$: Procedural justice (X$_2$) has positive influence on employee engagement (Y) in SMA Muhammadiyah Yogyakarta.

H$_3$: Religiosity (X$_3$) has positive influence on employee engagement(Y) in SMA Muhammadiyah Yogyakarta.

H$_4$: Millennial − non millennial moderate the influence of distributive justice on employee engagement (Y) in SMA Muhammadiyah Yogyakarta.

H$_5$: Millennial − non millennial moderate the influence of procedural justice on employee engagement (Y) in SMA Muhammadiyah Yogyakarta.

H$_6$: Millennial − non millennial moderate the influence of religiosity on employee engagement (Y) in SMA Muhammadiyah Yogyakarta.