

THE EFFECT OF PSYCHOLOGICAL CONTRACTS ON EMPLOYEE ENGAGEMENT WITH JOB SATISFACTION AS A MEDIATION VARIABLE (CASE STUDY ON MILENIAL LECTURERS OF FE UNY)

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ABSTRACT

The growth of millennial generation is increasing, especially in Indonesia. This shown by majority of workers in every aspect are in millennial's aged range. This phenomenon is also happen in FE UNY, which become a faculty with the biggest proportion of millennial lecturers in Universitas Negeri Yogyakarta (UNY). Millennial workers have a quite different characteristics compared to the earlier generations, which made a leader or a chairman needs to give the right treatments to create their work's satisfaction and engagement.

The purpose of this research is to analyze the effect of psychological contract to employee engagement, with job satisfaction as a mediating variable. This research conduct at February-July 2021 in Yogyakarta. This research using explanatory method with quantitative approach. Data collection in this research will be done using questionnaire. The samples of this research are 51 millenials lecturer in Economic Faculty of UNY . The data analysis technique is using Partial Least Square (PLS) with the help pf WarpPLS software.

There are four main findings in this research. The first is psychological contract both transactional and relational proven to have significant effect on job satisfaction. Second, the transcaccional psychological contract also proven have a significant effect on employee engagement. Third, job satisfaction become a mediating the relationship between psychological contract both transactional and relational, with employee engagement. Four, Rational psychological contract is not a main factor to increase employee engagement.

Kata Kunci: Psychological Contract, Job Satisfaction, Employee Engagement, Millenial Generation