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THE EFFECT OF PENSION BENEFIT ON MILLENNIAL EMPLOYEES LOYALTY WITH PREFERENCE AND MOTIVATION AS MEDIATOR IN JAKARTA

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Abstract: *This study aims to determine and analyze the influence of Pension Benefit on millennial employees in Jakarta through preference and motivation as mediators. This research uses a qualitative and quantitative method using SEM Amos. The number of respondents were 262 that determined by purposive sampling technique. The result shows that: Pension Benefit has a significant positive effect to the employees loyalty; Pension Benefit has a significant positive effect to the employees preference; Pension Benefit has a significant positive effect to the employees motivation; employees preference has a significant positive effect to the employees loyalty; employees motivation has a significant positive effect to the employees loyalty; Pension Benefit hasn't a significant positive effect to the employees loyalty through employees preference; Pension Benefit hasn't a significant positive effect to the employees loyalty through employees motivation.*

Keywords: *Pension Benefit, loyalty, preference, motivation, millennial*

INTRODUCTION

Millennials entered the labor market in 2000, and by 2025, Millennial Employees will represent 75% of the global workforce (Deloitte, 2016; Cristea, Vatamanescu, & Mitan, 2017). This has consequences that companies through Human Resource Managers need to adapt to this Millennial Generation Employees wave (Fishman, 2016; Cristea, Vatamanescu, & Mitan, 2017).

Jakarta as the Indonesian national capital as well as the center of the economy has Millennial Generation population of 3,894,969 peoples. Based on the comparison of the working Millennial Generation percentage to the total population of Millennial Generation in each province, Jakarta has a high percentage (68.10%, and it is above the national percentage (62.30%). This shows that the Millennial Generation labor absorption rate in Jakarta is relatively higher than the national Millennial Generation labor absorption rate (Central Bureau of Statistics Republic of Indonesia, 2020).

The characteristics and work patterns of Millennial Generation Employees that are very different from their predecessor generations are the tendency to change workplaces as known as "Job Hopping". However, Millennials Generation Employees can also be the most loyal employees when they find the company that best understands their desires (Damayanti, Yahya, & Yean, 2019). A comfortable and conducive work environment combination, adequate salary,

allowances, and benefits not only motivates them, but also makes them satisfied with their work (Danish, Sidra, & Farid, 2013). This is a challenge for Human Resource Managers in various types of companies to motivate and retain Millennial Generation Employees (Deal, Altman, & Rogelberg, 2010; Cristea, Vatamanescu, & Mitan, 2017).

Most Millennials are now in the "Gig Economy" status; where they freelance for several companies at the same time, while managing a small business and managing their own retirement savings (Cutter, Litan, & Stangler, 2016; Long, et. al., 2017). But unfortunately, there are still many Millennial Generation who do not know and do not understand how to prepare for retirement.

From the background of the problems presented, Millennial Generation Employees have characteristics that are far different from their predecessor generations. Millennial employees change jobs relatively quick, have unique company preferences, and need special benefits policies. There are still many Millennial Generation who do not have a good literacy of retirement planning that raises questions, "is the company that offers a Pension Benefit can increase the preferences, motivation, and loyalty of Millennial Generation Employees?".

Based on the literature studies and earlier research, there are still not many studies that examining Pension Benefit with Millennial Generation as an object. Therefore, this research is important and necessary to do for analyze the effect of the Pension Benefit on Employee Loyalty with the Preferences and Motivations of Millennial Generation Employees in Jakarta.

This research is expected to provide advice in formulation and remuneration policy which includes attractive benefit programs for Millennial Generation Employees; assist Millennial Generation Employees in preparing for retirement well; and develop knowledge from research results that can support Millennial Generation as Human Resources in Indonesia.

LITERATURE REVIEW
Millennial Generation

Generation is a group of people who have the same worldview was first put forward by Karl Mannheim (1952). Generations result from exposure to the same social and historical events that occurred at the same time during their formative years. Howe and Strauss (2000) in Vowels (2014) explain that all members of a generation are usually recognized as having the same awareness or appreciation of events that usually occur in that generation. There are several different categorizations of generations using a specific birth year span for each generation, namely: The Silent Generation (1928-1945), The Baby Boomers (1946-1964), X Generation (1965-1979) and Y Generation/Millennials Generation (1980-2000) (Howe & Strauss (2000) in Vowels, 2014; Bialik & Fry, 2019). Each of these generations has different characteristics (Pew Research Center, 2010).

Millennials expect companies that can become a space for opportunities to learn and grow, so that they can advance (Calloway, 2018). Along with the opportunities for growth and advancement, the Millennial Generation is also looking for opportunities of international experience that can be provided by the company for them. Millennials will choose jobs that are flexible, offer life balance, and the opportunity for overseas assignments on top of financial rewards. (PWC, 2013; Calloway, 2018).

Because Millennial Generation is a Job Hopper generation, they tend to do whatever activities they want now, without having to wait for retirement later. This is because Millennials do not really expect to spend their careers in the same job or even the same company (Cutter, Litan, & Stangler, 2016; Long, et. al., 2017). These Millennial Generation characteristics are a

challenge for Human Resource Managers in a company able to retain Millennial Generation Employees to stay loyal to the company.

From this explanation, it obtained a synthesis that, the Millennial Generation has unique characteristics compared to earlier generations growing along with the use and development of technology, even though they are known as Job Hoppers because they do not really expect to spend their careers in the same job or even the same company, Millennials still want to work in companies that offer the right salary, wages, benefits, and jobs. However, Millennial Generation has not made the Pension Benefit one of the main reasons for choosing a company. This is because the Millennial Generation is in a Gig Economic phenomenon, feels that they are still far from retirement, and feel they do not have to wait until retirement to do whatever activities they want.

Employee Loyalty

Employee Loyalty Theory was first put forward by Hirschman in 1970 with the concept of "special attachment to an organization" (Wiklund & Jansson, 2019). According to Hirschman (1970), Having loyal employees is important to the organization because it can prevent those of the highest quality sensitivity from being the first to leave the organization. Employee loyalty is a conscious act in the best interest of the employer (Elegido, 2013). A conscious sense of loyalty from employees to choose, work, be responsible for their current jobs and places of work (Yao, Qiu, & Wei, 2019). Such actions are expressed in the employee's commitment to achieving organizational success or the employer is a divided choice for the individual employee (Gill, 2011).

According to Brack dan Kelly (2012), here are some steps human resource and talent management professionals can take to attract, develop and maintain the loyalty of Millennial Employees: (1) Attract Millennial Generation Employees with an organizational culture, use of technology, flexible work schedules, training and development opportunities, and the use of e-learning in on-boarding and cross-training programs; (2) Developing Millennial Employees by offering collaborative discussions that encourage cross-generational creative thinking thus helping all generations avoid stereotypes that get in the way of accessing the skills of every Millennial Generation Employee; (3) Maintaining Millennial Generation Employee Loyalty by creating a flexible and relaxed organizational culture, having open communication, encouraging sharing and innovation, and offering flexibility is a good step to keep Millennial Generation Employees engaged.

From this explanation, it obtained a synthesis that employee loyalty is strongly influenced by the internal factors of the individual concerned and external factors from the place of work and the benefits received. Thus, if an employee has a personal motive for preparing for his retirement, then gets a job that offers effective and profitable pension plans, then the employee's chances of staying in the company will be relatively large.

Pension Benefit

Most of the people want to enjoy their retirement, complete their life dreams, and maintain their current lifestyle after retirement (Asokumar & Jais, 2018). Adeyele and Jim-Suleiman (2018) state that the Pension Benefit is a pension plan with a fund allowance scheme from the salary and benefits of each employee for retirement purposes. According to the OECD (2019) the Pension Fund Benefit will be an alternative income for retirees, at least to maintain financial stability in retirement.

According to Dana Pensiun Pegadaian (2020), Pension plans classified based on each party. For employees, the Pension Benefit can offer benefits in the form of guaranteed income continuity in old age and reduce workers' concerns about their future risks. For companies, the Pension Benefit can offer benefits to build positive human resource relationships and provide a positive image for the company itself. Then, the Pension Benefit for the government is a contribution in providing national development funding to create a wider community welfare and make sure financial sustainability for people and families, to cut the risk of financial burdens in the future.

If the Pension Benefit has been well planned and structured, the Pension Benefit can also have a good impact on the company (Ganapathy, 2018), as has been stated in the following studies: Research conducted by Němečková (2017) shows that, Pension Benefit can increase the preferences of prospective employees to choose companies. Employees will focus more on finding and maintaining jobs at companies that provide Pension Benefit benefits.

Then the research conducted by de Wind et. al. (2015) stated that the Pension Benefit can affect employee motivation. This is in line with research conducted by Yen (2018) which explains that the Pension Benefit can foster a sense of calm in each employee, so that they don't have to worry about their financial condition after retirement which then makes them no longer need to look for another job.

Furthermore, research conducted by Adeyele and Jim-Suleiman (2018) states that increasing the welfare scheme in the form of a Pension Benefit can keep up employee commitment and loyalty to the company where they work. Pension Benefits can also maintain employee loyalty to a company and cut turnover rates (Lewis & Stoycheva, 2016).

Then, the research conducted by Allen et. al. (1993) and Gustman et. al. (1993) in Lewis and Stoycheva (2016), both show that the Pension Benefit - both the Defined Benefit Pension Benefit and the Defined Contribution Pension Benefit - are equally able to reduce employee turnover. This is because companies that provide retirement programs to employees are considered companies that can survive in the long-term, so that employees, apart from getting more stable career opportunities, also get financial stability. (Lewis & Stoycheva, 2016).

From this explanation, it obtained a synthesis that the Pension Benefit is a fund set aside from employee income which is designed to be used as employee income at retirement. Based on the Pension Productivity Theory, a person needs to prepare for their retirement appropriately and carefully by utilizing the Pension Benefit facilities that offered by the company where they work. With the offer of a Pension Benefit in a company, employees will choose and try to keep their jobs.

Employee Motivation

Motivation is a condition or matter that enhances, directs, and maintains a person's behavior to achieve the desired result (Van den Broeck, et. al., 2019). Motivation is a desire based on the desire of the person to achieve a certain goal. According to Shahzadi et.al. (2014) employee motivation as a force that drives employees to achieve specific goals and aims of the organization. Fiaz, et.al. (2017) stated that, employee motivation is a way to achieve unusual goals, where they try to exceed the organizational goals that have been set.Anitha (2014) comprehensively, employee motivation is the extent to which employees are emotionally or psychologically tied to the organization.

The basis for understanding employee motivation can be explained through Self-Determination Theory. The Self-Determination Theory is a theory of intrinsic motivation or

motivation that appears purely from within a person (Ryan & Deci, 2019). If someone has intrinsic motivation, then that person will be motivated to do something with a specific purpose. Self-Determination Theory is a macro-theory of motivation, which starts with the premise that people are active and growth-oriented in nature and interact with their environment to do things to their full potential. (Van den Broeck, et. al., 2019).

The existence of a reduction in income when retiring, can reduce a person's feeling of autonomy. In other words, in the absence of income that a person receives when he retires, the activities he can do are limited. Then, the need for competence will be difficult to achieve when someone has left their professional life. Meanwhile, the need for connection will be difficult to fulfill when a person's social circle is significantly reduced. Thus, in order for a retiree to fulfill the three basic needs according to the Self-Determination Theory, they need to do careful planning for the Pension Benefit. (Houlfort, et. al, 2015).

From this explanation, it can be obtained a synthesis that the offer of allowances and benefits from a company can affect employee motivation. In addition, the existence of personal interests in a person in the short and long term, such as preparation for retirement, also affects a person's work motivation to work in a company.

In addition, the synthesis of the factors that increase the motivation mentioned above is a demand for management to create a benefit package by considering how the environment has affected Millennial Generation Employees. The different experiences they used while growing up have caused differences in how they communicate, interact, and lead. Understanding these differences is important for giving Millennial Employees a sense of purpose in their work and driving their retention. For Millennial Generation Employees starting to open retirement accounts is often not a priority for them. Transfers between jobs can cause the loss of the Pension Benefit so that the portability (transferability) of benefits is very important for Millennial Generation Employees who are easy to move around. Although current legislation does not require mandatory portability of private sector benefits, employers may agree to allow Pension Plan benefits to be transferred and transferred to new employers / employers. Overall, Millennial Generation Employees are confident and hopeful and can be described as very goal oriented.

Employee Preferences

Preferences Theory is based on the theory of decision making (Rational Decision-Making Theory) with the axiom of the theory of maximum expected utility (Utility Maximization Theory) (Mamou, 2018). The Expected Utility Maximization Theory states that there are two important components in decision-making: (1) how much maximum utility a person can receive (his utility) and (2) how likely it is to realize that utility (probability) (Buchak, 2017).

According to Ližbetinová et.al. (2018), employee preferences are an act of choosing something that meets their needs, determined rationally, with the aim of achieving employee satisfaction, efficiency, and loyalty. From this statement, preference is a person's decision on the most chosen and most important factors to be chosen (Buchak, 2017).

According to Martin and Ottemann (2016), Organizations are still involved in recruiting and / or retaining people from four different generations. This also includes differences in the main values that are prioritized by Traditionalist Generation Employees, Baby Boomers, Generation X, and Millennial Generation. Millennials tend to have ambitions to make a difference and insure a comfortable life, pro-work-life balance, content with work tasks, interest in learning (fast, passionate students), want to be safe (not stability), collectivism, team players, optimistic, creativity (highly expressive), unrealistic expectations of rights, soft communication

skills, rewarding fast recognition and appreciation, adaptability to new technology, fun, relaxed, socially conscious, multitasking is second nature, pro-diversity (multi- cultural), confident, not easily intimidated (technically or interpersonal), expecting instant gratification (impatient).

Based on this statement, it can be obtained a synthesis that employee preference is a person's decision to choose or determine a decision on several existing alternatives. When faced with a good and proper preparation for retirement, an employee will relatively choose a company that offers a Pension Benefit as a remuneration.

Research Hypothesis

As with the literature review and earlier research that has been stated above, the hypotheses to be tested in research related to the effect of the Pension Benefit on Millennial Generation Employee Loyalty with Preference and Motivation as mediating variables are as follows:

H_1 : Pension Benefit has an effect to Millennial Generation Employee Loyalty.
H_2 : Pension Benefit has an effect to Millennial Generation Employee Preferences.
H_3 : Pension Benefit has an effect to Millennial Generation Employees Work Motivation.
H_4 : Preference has an effect to Millennial Generation Employee Loyalty.
H_5 : Work Motivation has an effect to Millennial Generation Employee Loyalty.
H_6 : Preference mediates the effect between Pension Benefit and Millennial Generation Employee Loyalty
H_7 : Work Motivation mediates the effect between Pension Benefit and Millennial Generation Employee Loyalty
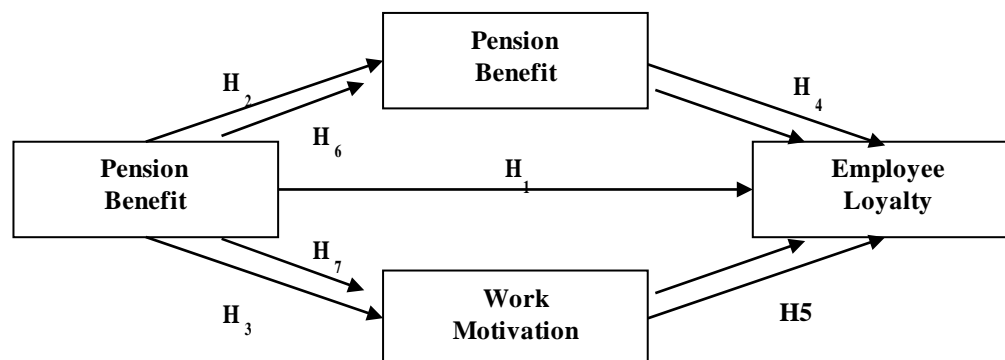

Figure 1. Hypothesis Formulation

RESEARCH METHODS

The population in this study was all residents aged 20 to 40 years who worked during the last week in Jakarta in 2020. The research will be carried out by survey method using online questionnaires which will be conducted from September to December 2020. Determination of the number the sample in this study was adjusted for the large number of question indicators used in the questionnaire. According to Hair, et. al. (2020), the determination of the number of samples is assumed to be nx5 (32x5 = 160 samples) up to nx10 (32x10 = 320 samples). The selection of respondents / samples in this study was carried out using purposive sampling technique.

Utilization of data, both primary and secondary data, is used to analyze the influence of the independent variable, namely the Pension Benefit; with the mediating variable (intervening variable) in the form of preference and work motivation; to the dependent variable, namely Millennial Generation Employee Loyalty. In collecting primary data, as well as being quantified using a Likert scale, respondents are also expected to be able to fill out a questionnaire by providing brief information if needed.

This study uses four variables consisting of one variable, Pension Benefit, Employee Preference, Work Motivation, and Employee Loyalty. Data analysis was performed using descriptive analysis, Structural Equation Model (SEM) assisted by Amos™26 (Analysis of Moment Structure) statistical software, and Path Analysis.

FINDINGS AND DISCUSSION
Descriptive Analysis

Descriptive analysis is a method that aims to transform primary data sets into information that is easier to understand and concise. Descriptive methods are used to describe or describe the collected data without intending to make generally accepted conclusions or generalizations (Sugiyono, 2014).

Table 1. Determination of the Score Category According to Respondents' Answers

Num.	Value	Conclusion
1	1 - 1,8	Very low
2	1,81 - 2,6	Low
3	2,61 - 3,4	Enough
4	3,41 - 4,2	High
5	4,21 - 5	Very high

Source: Sugiyono, 2014

And the results of the category analysis according to the respondent's answer score are as Table 2.

Table 2. Category Analysis Results

Dimensions		SD 1	D 2	N 3	A 4	SA 5	Total	Avg	Category
Distribution of Respondents' Opinions on Pension Benefit Variables									
PP1	I know and understand the meaning of the Pension Benefit.	21	30	69	39	103	959	3,66	High
PP2	I need to prepare for my retirement carefully.	9	29	59	46	119	1.023	3,90	High
PP3	I want a decent standard of living when I retire.	-	3	31	81	144	1.143	4,41	Very high
PP4	I have other savings to prepare for retirement.	24	47	62	50	79	899	3,43	High
PP5	I agree if the company manages my Pension Benefit.	4	35	79	87	57	944	3,60	High
PP6	I know the cost and income allocation of my Pension Plan.	2	50	105	72	33	870	3,32	Enough
PP7	I believe that the Pension Benefit will be better managed by a company.	11	36	118	57	40	865	3,30	Enough
PP8	I believe that I will receive the Pension Benefit managed by the company accordingly.	2	75	93	73	19	818	3,12	Enough
Score								**3,59**	**High**

	Distribution of Respondents' Opinions on Employee Preference Variables								
PF1	I like a job that offers a Retirement Plan over a higher paying job.	41	52	67	51	51	805	3,07	Enough
PF2	I like a job that offers a Pension Benefit rather than a higher rank / position.	5	27	71	81	78	986	3,76	High
PF3	I like a job that provides Pension Benefit facilities.	2	2	43	95	120	1.115	4,25	Very high
PF4	I still like my current job even though there are other job offers.	11	45	51	85	70	944	3,60	High
PF5	I like a job that offers a Pension Benefit rather than being a permanent employee at the agency where I work.	39	40	66	78	39	824	3,14	Enough
PF6	I like a job that offers a Pension Benefit rather than a place where I can develop my knowledge and abilities.	25	88	109	27	13	701	2,67	Enough
PF7	I like a job that offers a Pension Benefit rather than learning a lot of new things where I am currently working.	20	68	129	34	11	734	2,80	Enough
PF8	I like a job that offers a Pension Benefit rather than getting education and training related to my job.	5	5	63	111	78	1.038	3,96	High
	Score							3,41	High
	Distribution of Respondents' Opinions on Employee Motivation Variables								
MK1	I have work-related responsibilities.	10	48	77	58	69	914	3,48	High
MK2	I have full authority to do my job.	4	69	100	53	36	834	3,18	Enough
MK3	I believe the work I have done is honorable work.	2	30	76	123	31	937	3,57	High
MK4	I have the right to decide on subjects and objects in my work.	31	72	91	43	25	745	2,84	Enough
MK5	I believe in retiring from the institution I'm currently working for.	4	8	75	121	54	999	3,81	High
MK6	I think my wage / salary is quite appropriate for the work I do.	2	25	58	109	68	1.002	3,82	High
MK7	I work to support my family	4	27	73	95	63	972	3,70	High
MK8	I am comfortable working in my work environment.	8	48	130	60	16	814	3,10	Enough
	Score							3,44	High
	Distribution of Respondents' Opinions on Employee Loyalty Variables								
LK1	I want to work in the same institution / company for a long time.	10	28	83	81	60	939	3,58	High
LK2	I want to work in the same institution until I retire.	13	39	85	71	54	900	3,43	High
LK3	I am inactive and do not intend to find another job.	15	52	108	65	22	813	3,10	Enough
LK4	I will not immediately move to another institution if I get a job offer.	11	56	106	76	13	810	3,09	Enough
LK5	I am willing and willing to recommend the institution where I work to others.	6	45	80	89	42	902	3,44	High
LK6	I recommend the products and services of institutions with which I am happy to work.	7	53	54	106	42	909	3,47	High
LK3	I speak positively about the institution I work for when talking to customers.	14	51	99	75	23	828	3,16	Enough
LK8	I speak positively about the institution I work for to friends and relatives.	9	44	78	89	42	897	3,42	High
	Score							3,34	Enough

Overall, the respondents considered that the respondents wanted a decent standard of living when they retired. This opinion is supported by the opinion of respondents who mostly know and understand the meaning of the Pension Benefit and consider it necessary to prepare my retirement carefully. This can be seen from the average score of 3.59 which is included in the High category. Based on the results of descriptive analysis and statistical analysis of the distribution of respondents' opinions on indicators in the Pension Benefit variable, respondents of Millennial Generation Employees who work in Jakarta show a want to have a decent standard of living at their retirement. Millennial Generation Employee Respondents admit to knowing and understanding what the Pension Benefit is. However, they still do not fully believe that the Pension Benefit they are participating in at the company where they work is currently able to manage and provide optimal returns for them.

Overall, the respondents considered that respondents liked the job that provided Pension Benefit facilities. However, respondents still chose jobs that offered higher salaries / wages, the opportunity to become permanent employees, and had the opportunity to increase their knowledge and knowledge and not prioritizing benefits in the form of participation in the Pension Benefit. This can be seen from the average score of 3.41 which is included in the High category.

Based on the results of descriptive analysis and statistical analysis of the distribution of respondents' opinions on indicators in the employee preference variable, respondents to Millennial Generation Employees who work in Jakarta show that they like jobs that provide Pension Benefit facilities. However, Millennial Generation Employee Respondents will offer a balance of other preferences when in a situation to choose a job that offers a higher salary, as well as the opportunity to develop their own higher competence.

Overall, the respondents considered that the Pension Benefit could affect their motivation to work. This can be seen from the average score of 3.44 which is included in the High category. Based on the results of descriptive analysis and statistical analysis of the distribution of respondents' opinions on indicators in employee motivation variables, Millennial Generation Employee respondents who work in Jakarta show that they feel they have a responsibility for their work, feel that the work they are doing is a respectable job, want to be able to give for his family well.

Overall, respondents considered that the existence of a Pension Benefit was sufficient to affect the loyalty of respondents to the company where they worked. This requires further elaboration when seen from the average score of 3.34 which is included in the Enough category. Based on the results of descriptive analysis and statistical analysis of the distribution of respondents' opinions on indicators in the employee motivation variable, Millennial Generation employee respondents who work in Jakarta indicate that they want to work in the same institution / company for a long time, want to work in the same institution until I retire. , willing and willing to recommend the institution where I work to others, recommend the products and services of the institution where I work happily, talk positively about the institution where I work to friends and relatives.

Structural Equation Model (SEM)

Data analysis using the Structural Equation Model (SEM) approach was carried out using Amos ™ 26 software. Based on the results of processing at the initial stage, there are several indicators that do not meet the requirements for reliability, even though all questionnaires have

met the validity requirements. Thus, a model reconstruction is carried out to get a model structure that is in accordance with the validity and reliability tests as Figure 1.
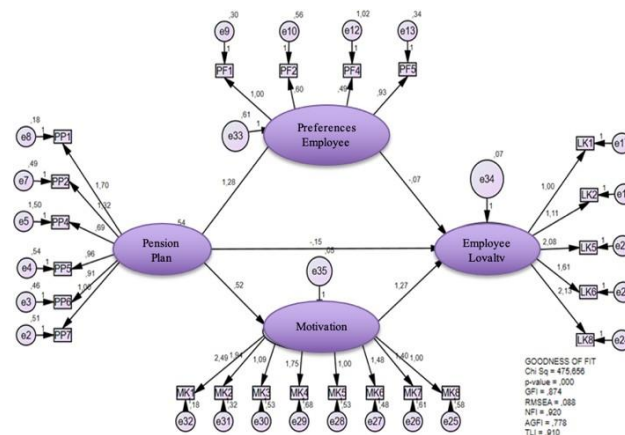
Figure 2. Full Model SEM
Source: Data processed by researchers (2021)

Table 3. Reliability Test Results

Variable	AVE	Reliability
Pension Benefit	0,507392	Fulfill
Employee Preferences	0,500000	Fulfill
Work Motivation	0,552018	Fulfill
Employee Loyalty	0,589466	Fulfill

Source: Data processed by researchers (2021)

Table 4. Discriminant Validity Test Results

	Pension Benefit	Work Motivation	Employee Preferences	Employee Loyalty
Pension Benefit	0,712	0,866	0,767	0,625
Work Motivation	0,866	0,742	0,665	0,824
Employee Preferences	0,767	0,665	0,707	0,413
Employee Loyalty	0,625	0,824	0,413	0,767

Source: Data processed by researchers (2021)

The results of the reliability test and the discriminant validity of the reconstruction model that has been built have met the requirements of reliability and validity. Meanwhile, the results of the Goodness of Fit test show that the overall structural model in this study is quite fit to produce the expected level of predictions. This is in accordance with the opinion (Mustafa and Wijaya (2012) which states that, using four to five Goodness of Fit criteria is considered sufficient to assess the feasibility of a model, if each has absolute fit indices (Chi Squared ($X2$), p-value, RMSEA and CMIN/df), incremental fit indices (AGFI and TLI), and parsimony fit indices (CFI and GFI) are represented.

Table 5. Goodness of Fit Test Results

Size Index Criteria	Reference	Obtained Index	Decision

Chi Squared (X²)	< 260,9921	475,656	Not Fit
p-value	≥ 0,05	0,000	Not Fit
CMIN/df	≤ 2,00	3,030	Close Fit
RMSEA	≤ 0,08	0,088	Marginal Fit
AGFI	≥ 0,90	0,778	Marginal Fit
TLI	≥ 0,90	0,910	Good Fit
CFI	≥ 0,90	0,949	Good Fit
GFI	≥ 0,90	0,874	Marginal Fit

Source: Data processed by researchers (2021)

Path Analysis

Based on the results of data processing using Amos ™ 26 software, a path diagram can be shown as Figure 3.
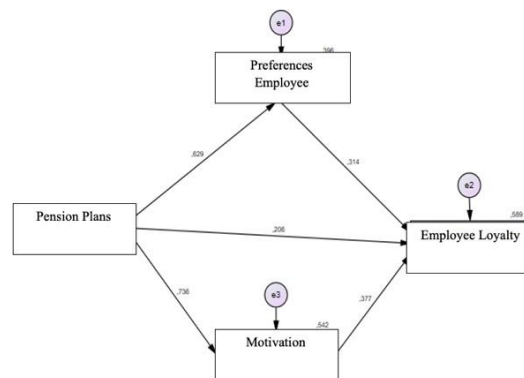

Figure 3. Path Analysis Resuts
Source: Data processed by researchers (2021)

The results of the path analysis show that each variable has a positive and significant effect on the other variables. Meanwhile, to calculate the indirect effect, the z-Sobel calculation is performed. The z-Sobel test is conducted to determine whether the relationship through a mediating variable is significantly capable of acting as a mediator in the relationship. An indirect effect can be said to be significant if the z-Sobel value is greater than 1.96 or outside the range of ± 1.96 (Mustafa & Wijaya, 2012). The results of the path coefficient estimation from the direct and indirect effect analysis are presented in Table 6 and Table 7, respectively.

Table 6. Path Analysis Estimation Results for Direct Effect

Direct Effect			Estimate	SE	P	R²
Work motivation	<---	Pension Benefit	0,660	0,38	***	0,542
Employee Preferences	<---	Pension Benefit	0,564	0,43	***	0,396
Employee Loyalty	<---	Employee Preferences	0,310	0,54	***	
Employee Loyalty	<---	Work motivation	0,371	0,62	***	0,607
Employee Loyalty	<---	Pension Benefit	0,182	0,54	***	

Source: Data processed by researchers (2021)

Table 7. Result of z-Sobel Calculation for Indirect Effect

Indirect Effect	Coefficient	Z-Sobel	Information
Pension Benefit -> Employee Preferences -> Employee Loyalty	0,17484	0,52590729	z-Sobel <1.96 (indirect effect is not significant)
Pension Benefit -> Work Motivation -> Employee Loyalty	0,24486	0,56438785	z-Sobel <1.96 (indirect effect is not significant)

Source: Data processed by researchers (2021)

First Hypothesis Testing.

H_1: Pension Benefit has an effect to Millennial Generation Employee Loyalty.

The estimation results above shows that the coefficient value is 0.182 and the p-value is less than 0.05 so it is eligible to accept the hypothesis that the pension program has a positive and significant direct effect on employee loyalty. The results of this test are in accordance with the results of research conducted by Sodikin and Mufreni (2017), dan Price (2013).

Second Hypothesis Testing.

H_2: Pension Benefit has an effect to Millennial Generation Employee Preferences.

The estimation results above shows that the coefficient value is 0.564 and the p-value is less than 0.05 so that it qualifies to accept the hypothesis that the pension program has a positive and significant direct effect on Employee Preferences. The results of this test are in accordance with the results of research conducted by Sodikin and Mufreni (2017), Price (2013), dan Gale, et. al (2020).

Third Hypothesis Testing.

H_3: Pension Benefit has an effect to Millennial Generation Employees Work Motivation.

The estimation results above shows that the coefficient value is 0.66 and the p-value is smaller than 0.05 so that it is eligible to accept the hypothesis that the pension program has a positive and significant direct effect on work motivation. The results of this test are in accordance with the results of research conducted by Sodikin and Mufreni (2017), Goessling (2017), dan Johnson, et. al. (2017).

Fourth Hypothesis Testing.

H_4: Preference has an effect to Millennial Generation Employee Loyalty.

The estimation results above shows that the coefficient value is 0.31 and the p-value is less than 0.05, so it qualifies to accept the hypothesis that Employee Preferences have a positive and significant direct effect on Employee Loyalty. The results of this test are in accordance with the results of research conducted by Sodikin and Mufreni (2017), dan Price (2013).

Fifth Hypothesis Testing.

H_5: Work Motivation has an effect to Millennial Generation Employee Loyalty.

The estimation results above shows that the coefficient value is 0.371 and the p-value is less than 0.05, so it qualifies to accept the hypothesis that work motivation has a positive and significant direct effect on employee loyalty. The results of this test are in accordance with the results of research conducted by Sodikin and Mufreni (2017), dan Goessling (2017).

Sixth Hypothesis Testing.

H_6: Preference mediates the effect between Pension Benefit and Millennial Generation Employee Loyalty

The estimation results above shows that the coefficient value is 0.174 and the z-sobel is smaller than 1.96 so that it qualifies to accept the hypothesis that the pension program has an indirect positive and insignificant effect on Employee Loyalty through Employee Preferences as mediation. The results of this test are in accordance with the results of research conducted by Sodikin and Mufreni (2017), Price (2013), dan Özçelik (2015).

Seventh Hypothesis Testing

H_7: Work Motivation mediates the effect between Pension Benefit and Millennial Generation Employee Loyalty

The estimation result above shows that the coefficient value is 0.244 and the z-sobel is smaller than 1.96 so that it qualifies to accept the hypothesis that the pension program has an indirect positive and insignificant effect on employee loyalty through work motivation as a mediation. The results of this test are in accordance with the results of research conducted by Sodikin and Mufreni (2017), Goessling (2017), dan Usha Lenka (2018).

CONCLUSION AND SUGESTION
Conclusion

The results of this study reinforce the theory that:

1. Pension Benefit has a significant positive effect to the employee's loyalty.
2. Pension Benefit has a significant positive effect to the employee's preference where these results are confirmed with the theory and results of previous studies.
3. Pension Benefit has a significant positive effect to the employee's motivation where these results are confirmed with the theory and results of previous studies.
4. employee's preference has a significant positive effect to the employee's loyalty where these results are confirmed with the theory and results of previous studies.
5. employee's motivation has a significant positive effect to the employee's loyalty where these results are confirmed with the theory and results of previous studies.
6. Pension Benefit has not a significant positive effect to the employee's loyalty through employee's preference where these results are confirmed with the theory and results of previous studies.
7. Pension Benefit has not a significant positive effect to the employee's loyalty through employee's motivation where these results are confirmed with the theory and results of previous studies.

Suggestion

The limitations of this study include: First, this study was only conducted at one point (cross section), not in a long period (longitudinal / long term). Second, this study only focuses on the Pension Program as a whole and does not segregate the participation of the Pension Program, the amount of pension benefits, and other matters related to the Pension Program. Third, this research is only confirmatory, because it does not add any new variables. Fourth, the majority of respondents obtained are in metropolitan areas so that they have not been able to provide an overview of respondents who are in rural and urban areas with different demographic characteristics. Fifth, there are limitations in the questionnaire which cause the answers and opinions given by respondents not being able to show the real situation. Sixth, there are

weaknesses in the adopted model to evaluate the role of the pension program in the loyalty of Millennial Generation Employees.

To carry out research related to Retirement Programs for Millennial Generation Employees in the future, it is advisable to make several development efforts as follows:

1. Conduct research with a wider range of respondents covering urban and rural areas in Indonesia.
2. Perform SEM analysis and path analysis by placing the Pension Program variable as the mediating variable.
3. Segregate respondents based on sex and the highest level of education attained.
4. In addition to using a questionnaire, researchers should conduct interviews with respondents to get views and opinions that can enrich the results of their research analysis.

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