Impact of Organisational Identification and Moral Identity Centrality on Organisational Engagement of Millennial MBA Students in Sri Lanka: A Social Identity Perspective


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Abstract

Organisational engagement has only recently gained traction in research literature despite engagement being considered as a multidimensional construct encompassing engagement with the work, job or the organisation. Drawing from social identity theory, this research studies the impact of organisational identification and moral identity centrality on organisational engagement of Millennials. The survey was conducted involving 285 Millennial Master of Business Administration (MBA) students in two of the leading universities in Sri Lanka using a structured questionnaire consisting of measures adopted from literature. The data was analysed using structural equation modelling (SEM) technique. The results suggest that organisational identification as well as moral identity centrality have a positive impact on the organisational engagement of Millennials. The results provide valuable insights into the impact of organisational identification and moral identity centrality on organisational engagement and address some of the gaps in understanding social identity as the context of work behaviours.

Keywords: Identity Theory, Millennials, Organisational Engagement, Organisational Identification, Social Moral Identity Centrality

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Introduction

Organisational engagement is defined as the harnessing of organisation members’ selves to their organisational roles (Saks et al., 2021). Engagement is a work-related attitude that is conceptualised as a multidimensional construct (Bailey et al., 2017; Barrick et al., 2015; Robbins et al., 2013; Saks, 2006; So et al., 2021). According to So et al. (2021), employee engagement comprises four dimensions and they include, person, work, relation and organisation engagement. According to So et al. (2021), organisational engagement is the major factor among the four dimensions of employee engagement with the highest explained variance. However, it appears that most research on engagement has focused on work engagement while organisational engagement has been rather overlooked (Bailey et al., 2017; Saks et al., 2021). This study addresses a call in literature for research focusing on organisational engagement as distinct from job engagement (Bailey et al., 2017; Saks et al., 2021). According to Saks (2006, as cited in Schaufeli, 2013), job engagement involves performing the work role, while organisational engagement involves performing the role as a member of the organisation.

This study focuses on the Millennials/ Generation Y who are expected to comprise 75% of the global workforce by the year 2025 (Omilion-Hodges & Sugg, 2019). They are considered a key human resource for organisations in adapting to the changes associated with the Fourth Industrial Revolution or Industry 4.0 (Hershatter & Epstein, 2010; Sarwono & Bernarto, 2020). Therefore, engaging and retaining Millennials is crucial for organisational success (Brant & Castro, 2019; Omilion-Hodges & Sugg, 2019). Yet, Millennials rarely seem to attach themselves to the organisations that they work for and are likely to prioritise their personal goals above those of the organisation (Chou et al., 2021; Mahmoud et al., 2020; Polat & Yılmaz, 2020; Seemiller & Grace, 2018). Previous researchers have pointed out the need for research on specific contextual factors affecting engagement such as demographic groups (Bakker & Albrecht, 2018; Fletcher et al., 2020). The authors did not come across any prior research focused on the concept of organisational engagement of Millennials as distinct from work or employee engagement and this study attempts to address this knowledge gap.

Extant literature pertaining to engagement relies mostly on either the Job Demands-Resources (JD-R) framework, despite the lack of empirical evidence indicating that engagement is enhanced by resources or reduced by demands, or the Social Exchange Theory, despite the premise that reciprocity and organisational rewards alone are not sufficient to engage employees (Bailey et al., 2017; Victor & Hoole, 2017). Organisational rewards could be intrinsic or extrinsic, monetary or non-monetary and direct or indirect (Victor & Hoole, 2017). On the other hand, recent literature involves the application of social identity perspective with regards to work or employee engagement (Frare & Beuren, 2021; He et al., 2014; He et al., 2019; Hui et al., 2020). Yet, it appears that the social identity perspective has not been applied in the case of organisational engagement. Drawing from social identity theory, the objective of this study is to identify the impact of organisational identification and moral identity centrality on the organisational engagement of Millennials.
Literature Review

Engagement

Kahn (1990) conceptualised engagement as a function of psychological meaningfulness, psychological safety and psychological availability. Schaufeli et al. (2002) conceptualised engagement as the opposite of burnout while Welch (2011) considered engagement as a dynamic and changeable psychological state. Robbins et al. (2013) considered engagement as a work-related attitude under positive organisational behaviour. Engagement is a prerequisite for organisational success (Suomäki et al., 2019). Engaged employees are more productive, creative and, serve as a key source of competitive advantage for organisations (Anitha, 2014; Bakker & Demerouti, 2008; Kahn, 1990, as cited in Saks & Gruman, 2014; Macey & Schneider, 2008). Engagement has been conceptualised as a multidimensional construct (Bailey et al., 2017; Barrick et al., 2015; Saks, 2006; So et al., 2021). Employee engagement encapsulates both the engagement with the work as well as with the organisation (Schaufeli et al., 2006). According to Saks (2006), employee engagement comprises job and organisational engagement. According to So et al. (2021), employee engagement encompasses person, work, relation and organisational engagement. Employee engagement in the Sri Lankan context seems to be a popular area of interest among contemporary researchers (Iddagoda & Opatha, 2017; Iddagoda & Opatha, 2020; Mayuran & Kailasapathy, 2022; Thisera & Sewwandi, 2018; Weerasooriyan & Alwis, 2017).

Organisational Engagement

According to Saks (2006), employee engagement comprises job and organisational engagement which are distinct from each other. Job engagement involves performing the work role while organisational engagement involves performing the role as a member of the organisation (Saks, 2006, as cited in Schaufeli, 2013). Organisational engagement is an emerging area of interest in contemporary research literature. According to Saks et al. (2021), organisational engagement differs from workforce engagement and organisational engagement climate. Saks et al. (2021) defined organisational engagement as the harnessing of organisation members’ selves to their organisational roles. Saks et al. (2021) reviewed 40 studies on organisational engagement, in what appears to be the first review article on organisational engagement. The antecedents of organisational engagement in extant literature are categorised into individual differences, job-related resources, organisational-related resources and leadership (Albrecht et al., 2015). Only a few studies in extant literature have measured individual differences (Saks et al., 2021). According to So et al. (2021), organisational engagement is influenced by extrinsic and intrinsic motivation as well as person-organisation fit.
Table 1

Antecedents of Organisational Engagement

<table>
<thead>
<tr>
<th>Category</th>
<th>Antecedents in extant literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual differences</td>
<td>work ethic, age and experience, Big Five personality traits, public service motivation, locus of control</td>
</tr>
<tr>
<td>Job-related resources</td>
<td>motivation-enhancing practices, work design practices, psychological empowerment, employee voice</td>
</tr>
<tr>
<td>Organizational-related resources</td>
<td>social support, justice perceptions, corporate social responsibility (CSR), human resource practices, organisational climate, organisational structural factors</td>
</tr>
<tr>
<td>Leadership</td>
<td>ethical leadership, leader-member exchange (LMX), trust in senior management, managers emotional intelligence</td>
</tr>
</tbody>
</table>

Source: Adopted from Saks et al. (2021)

Millennials/ Generation Y

Generational cohort theory suggests that those who were born in a specific time period and therefore experienced the same political, economic, technological and social phenomena during their formative years are likely to develop similar a worldview with similar values, beliefs, identities and behaviours (Glazer et al., 2019). According to Twenge et al. (2010), generational cohorts include the Silent Generation (born 1925 – 1945), Baby Boomers (born 1946 – 1964), Generation X (born 1965 – 1981) and Millennials/ Generation Y (born 1982 – 1999) and Generation Z (born after the year 2000). The birth years of Millennials in extant literature vary between the early 1980s and the mid-to-late 1990s (Glazer et al., 2019; Lyons & Kuron, 2014). Yet, all sources appear to agree that they were born before the year 2000. They are called Millennials because they grew up in the digital age, which signaled the dawn of the new millennium (Gabrielova & Buchko, 2021).

Some of the defining phenomena and events of the formative years of Millennials include globalisation, 9/11 attacks, the war on terror, demographic diversity, global warming, the Great Recession, the Internet, the social media and the rise of the Big Tech, that is, Microsoft, Google, Apple, Facebook and Amazon (Murphy, 2012; Ng et al., 2010). According to Milkman (2017), Millennials are a new political generation with a more progressive outlook towards socio-political problems as they tend to get actively involved with social movements such as the DREAMers movement, the Occupy Wall Street movement, the MeToo movement and Black Lives Matter movement (Milkman, 2017).

Millennials are becoming the majority generation in workforces worldwide, resulting in a paradigm shift in the workforce demographics as extant research literature suggests that Millennials demonstrate unique work values, attitudes and expectations in the workplace.
Organisational Engagement of Millennials

Getting Millennials to be engaged in the organisation appears to be challenging since they are not necessarily motivated by the same goals, expectations and values of the preceding generations (Hui et al., 2020; Murphy, 2012; Njoroge et al., 2021; Schullery, 2013; Stewart et al., 2017). For instance, Millennials are not necessarily motivated by financial rewards and seek careers that provide them contentment (Greatwood, 2016). If they feel that their needs are not being fulfilled by their organisation, they may look for alternative opportunities, resulting in employee turnover (Glazer et al., 2019; Greatwood, 2016).

Workplace behaviour and attitudes of Millennials have been fairly well researched areas (Anderson et al., 2016; Cattermole, 2018; Gong et al., 2018; Greatwood, 2016; Hui et al., 2020; Njoroge et al., 2021; Omlion-Hodges & Sugg, 2019; Rosa & Hastings, 2018; Sarwono & Bernarto, 2020; Schullery, 2013; Stewart et al., 2017; Tsaur & Yen, 2018; Twenge et al., 2010). A few researchers have focused on employee engagement of Millennials. For instance, researchers have recently highlighted the importance of information technology with regards to the employee engagement of Millennials (Cattermole, 2018; Jha et al., 2019). Reverse mentoring, where a Millennial acts as a mentor to an older mentee such as a Baby Boomer may help retain Millennials as they may feel respected and needed (Murphy, 2012). According to Raza et al. (2017), rewards and recognition, training and development as well as leadership support are related to the employee engagement of Millennials. However, the authors did not come across any prior research focusing on the concept of organisational engagement of Millennials as distinct from work or employee engagement.

Social Identity Theory (SIT)

Social identity theory is a socio-psychological theory concerning group processes and behaviour, introduced by Tajfel in 1978 and further developed by Tajfel and Turner (Hogg et al., 1995; Trepte & Loy, 2017). Social identity is “a socially constructed field within the individual mind” (Turner & Oakes, 1986, p. 250). SIT suggests that individuals may classify themselves and others into social groups based on organisational membership, race, religion, gender, generational cohort etc. (Tajfel & Turner, 1985, as cited in Ashforth & Mael, 1989). While identity theory has traditionally focused on role identities, SIT concentrates on group identities (Owens et al., 2010; Stets & Burke, 2014). Individuals may develop a reasonable portion of their identity based on various group memberships and once they have become a
member of a group that they view as having favourable aspects, they tend to picture the ingroup in a positive light compared to the out-group (Owens et al., 2010; Stets & Burke, 2014).

Individuals tend to display behaviours that are attuned with the undertones integral to their respective identities (Flint et al., 2018). Similarities between a person’s identity and his/her behaviour may enhance their self-esteem and morale (Gruber & MacMillan, 2017). The higher the extent of identification with a specific social group, the more the members of that social group tend to endorse the rules and practices of the group (Porck et al., 2019).

Organisational Identification (OI)

Organisational identification refers to a sense of belongingness to the organisation and involves to which extent the organisation’s identity is fundamental to the sense of self of an individual (Ashforth & Mael, 1989; Cornwell et al., 2018; Piening et al., 2020; Riketta, 2005). It is considered as a form of social identification, where individuals self-categorise themselves and others based on membership of particular social groups (Boroș, 2008; Tajfel & Turner, 2004; Turner et al., 1987). Ashforth and Mael (1989) proposed four principles of social or group identification, the first of which says that identification is a cognitive perception which is not necessarily linked to any particular behavioural or emotional states. The second principle states that social or group identification refers to undergoing the group successes or failures on a personal level, while the third principle states that identification is distinct from internalisation. The fourth principle says that the identification with a group is equivalent to the identification with a person or with a reciprocal relationship. Organisational Identification Scale, which is the mostly widely used scale to measure organisational identification was developed by Ashforth and Mael (1989) based on the above four principles (Boroș, 2008; Riketta, 2005).

Organisational identification is correlated with numerous work-related attitudes, behaviours and contexts such as turnover intention, innovative job performance and employee creativity (Ashforth et al., 2020; Frare & Beuren, 2021; Hui et al., 2020; Riketta, 2005; Zhu et al., 2017). He et al. (2014) considered the role of organisational identification with regards to employee engagement. Hui et al. (2020) evaluated the relationship of employee creativity of Millennials and organisational identification mediated by work engagement. Frare and Beuren (2021) referred to the sense of belonging employees may feel towards their organisation as employee-company identification which is more or less the same as organisational identification.

Moral Identity Centrality (MIC)

Moral Identity Centrality involves the extent to which moral characteristics are fundamental to the sense of self of an individual (Aquino & Reed II, 2002, as cited in He et al., 2019). Greater centrality of moral identity alludes to possessing higher moral standards (Aquino & Reed, 2002). Moral identity is defined based on the social identity theory and considered as “a self-conception organised around a set of moral traits” (Aquino & Reed II,
Moral identity makes individuals envision themselves as being moral, ethical, fair, caring, honest, compassionate, kind, generous and helpful (Aquino & Reed II, 2002, as cited in Ete et al., 2020; Hardy & Carlo, 2011). According to Aquino & Reed II (2002), moral identity involves the degree to which moral attributes are demonstrated by the actions of a person as well as the extent to which moral attributes are crucial to the sense of self of a person. Moral identity is theorised as a self-schema, which refers to a pattern of thought, belief or an idea that individuals have about themselves (He et al., 2019). Moral identity tends to be motivational in nature and serves as a driving force for moral conduct (Stets & Serpe, 2013).

Centrality is a key concept in identity theories which refers to the internalised significance of a specific identity (Stets & Serpe, 2013). An identity that is highly imperative to an individual’s sense of self is deemed to have greater centrality (Stets & Serpe, 2013). Accordingly, the degree to which moral characteristics are fundamental to the sense of self of an individual is called moral identity centrality (Aquino & Reed II, 2002, as cited in He et al., 2019). Individuals tend to engage in acts that are attuned with the connotations pertaining to their moral identity (Aquino et al., 2007). The more integral a particular identity is to a person’s sense of self, the higher the probability that the particular identity will be exhibited in a particular situation (Stets & Serpe, 2013). Therefore, those who ascertain themselves as being moral individuals have a higher inclination to exhibit moral behaviour at any given situation (Reynolds & Ceramic, 2007).

**Conceptual Model and Hypotheses Development**

The conceptual model for the study is developed based on the extant literature pertaining to the research issue and the key constructs, drawing on the social identity theory, Kahn’s theory of engagement and generational cohort theory. The conceptual model depicts the relationships between the constructs of organisational identification and organisational engagement of Millennials as well as between moral identity centrality and organisational engagement of Millennials. According to Kahn’s theory of engagement (1990), personal engagement and disengagement at work is a function of three psychological conditions including psychological meaningfulness, psychological safety, and psychological availability (Saks & Gruman, 2014). Kahn (1990) proposed that personal engagement refers to “the harnessing of organisational members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively and emotionally during role performances” (p. 694). Saks et al. (2021) defined organisational engagement as the harnessing of organisation members’ selves to their organisational roles, deriving from Kahn’s (1990) definition of personal engagement. Organisational engagement is considered the most important factor among the dimensions of employee engagement (So et al., 2021). This study is focused on the organisational engagement of Millennials as extant literature suggests that Millennials demonstrate unique work values, attitudes and expectations in the workplace resulting in a paradigm shift in the workforce demographics (Chou et al., 2021; Murphy, 2012; Naim & Lenka, 2018; Njoroge et al., 2021; Schullery, 2013; Stewart et al., 2017). The independent variables of organisational identification and moral identity centrality are both based on social identity theory.
The concept of organisational identification is based on SIT, which proposes that individuals may classify themselves and others into social groups based on organisational membership, race, religion, gender, generational cohort etc. (Tajfel & Turner, 1985, as cited in Ashforth & Mael, 1989). Organisational identification is considered as a sense of agreement with the organisation and involves to which extent the organisation’s identity is fundamental to the sense of self of an individual (Ashforth & Mael, 1989; Cornwell et al., 2018; Piening et al., 2020; Riketta, 2005). The higher the degree of identification with a particular social group, the more likely the members of that social group may endorse the rules and practices of the group (Porck et al., 2019).

Organisational identification is considered to be related to a variety of work-related attitudes and behaviours (Riketta, 2005; Zhu et al., 2017). Researchers have considered the role of organisational identification with regards to employee or work engagement. Extant literature shows that organisational identification has an empirical relationship with turnover intentions through social, relational or personal identification (Abrams et al., 1998, as cited in Conroy et al., 2017; Ashforth et al., 2020; Zhu et al., 2017). Zhu et al. (2017) pointed out that fluctuations in identification might affect the incidence of employee turnover. According to Saks (2006), turnover intentions are negatively related to organisational engagement. Extant literature indicates that Millennials have a tendency to leave an organisation if they feel that their aspirations and needs are not being fulfilled, resulting in employee turnover (Glazer et al., 2019; Greatwood, 2016). Furthermore, organisational identification involves the merging of the self and group interest and those who identify with the organisation tend to envisage the successes and failures of the organisation as their own (Traeger & Alfes, 2019). According to Tyler and Blader (2003), the key reason people engage themselves in a particular group or organisation is to create and maintain their identities. According to Ötken and Erben (2010), employees who identify with their organisation display high levels of work engagement. According to Conroy et al. (2017), the more an individual tends to identify with the organisation, the less likely that he/she may show employee disengagement. Accordingly, the following hypothesis is formulated:

H1: Organisational identification has a positive impact on the organisational engagement of Millennials.
Moral identity centrality is derived from the concept moral identity, which is defined based on SIT (He et al., 2014; He et al., 2019; Stets & Burke, 2014). Moral identity centrality is defined as the extent to which such moral attributes are central to the sense of self of an individual (Aquino & Reed, 2002, as cited in He et al., 2019; Stets & Burke, 2014). Individuals tend to display attitudes and behaviours that are in concurrence with their moral identity and, an identity that is highly imperative to a person’s sense of self is deemed to have greater centrality (Aquino et al., 2007; Stets & Burke, 2014).

He et al. (2014) considered the role of moral identity centrality with regards to employee engagement, and according to them moral identity centrality has a positive influence on employee engagement. Since organisational engagement is considered a dimension of employee engagement, it is implied that moral identity centrality may have a positive impact on organisational engagement (Bailey et al., 2017; He et al., 2019; Saks, 2006; So et al., 2021). Accordingly, the following hypothesis is formulated;

H2: Moral identity centrality has a positive impact on the organisational engagement of Millennials.

Methodology

Research Design and Sampling

This study utilised a cross sectional research design and survey strategy. The sample selected for the study consisted of the Millennial MBA students in Sri Lanka who are following well-recognised MBA programmes offered by two of the leading universities in Sri Lanka. The sampling technique used in the study is convenient sampling. For the purpose of the study, the birth years of Millennials were considered as 1982 – 2000 and accordingly their age group was considered as 21 – 39 years (United States Census Bureau, 2015).

Data Collection Instrument

The instrument used for the data collection is a self-administered structured questionnaire. Part A of the questionnaire was focused on demographic characteristics of the respondents. Part B was prepared using scales adopted from extant research literature to measure the constructs of organisational engagement, organisational identification and moral identity centrality. A 07-point Likert scale was used in the questionnaire where agreement or disagreement with each statement could be indicated in a range between strongly disagree (= 1) and strongly agree (= 7). The questionnaire was in English language. The items and scales used to measure each construct and the sources from which they were adopted are given by Table 2. Measures developed by Aquino & Reed II, (2002) were used to measure Moral Identity Centrality and they refer to a set of moral characteristics including being caring, compassionate, fair, friendly, generous, helpful, hardworking, honest, and kind.
Table 2

Constructs and Sources of Items

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organisational engagement</strong></td>
<td>1. Being a member of this organisation is very captivating.</td>
<td>Saks (2006) measure of organisation engagement</td>
</tr>
<tr>
<td></td>
<td>2. One of the most exciting things for me is getting involved with things happening in this organisation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. I am really not into the “goings-on” in this organisation.(R)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. Being a member of this organisation make me come “alive.”</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. Being a member of this organisation is exhilarating for me.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6. I am highly engaged in this organisation.</td>
<td></td>
</tr>
<tr>
<td><strong>Organisational Identification</strong></td>
<td>1. When someone criticises the organisation I work for, it feels like a personal insult.</td>
<td>Scale of organisational identification developed by Mael and Ashforth (1992)</td>
</tr>
<tr>
<td></td>
<td>2. I am very interested in what others think about the organisation I work for.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. The successes of the organisation are my successes.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. When someone praises the organisation that I work for, it feels like a personal compliment.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. If a story in the media criticised the organisation I work for, I would feel embarrassed.</td>
<td></td>
</tr>
<tr>
<td><strong>Moral Identity Centrality</strong></td>
<td>1. It would make me feel good to be a person who has these characteristics.</td>
<td>Measures developed by Aquino and Reed II (2002)</td>
</tr>
<tr>
<td></td>
<td>2. Being someone who has these characteristics is an important part of who I am.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. A big part of my emotional well-being is tied up in having these characteristics.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. I would be ashamed to be a person who has these characteristics.(R)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. Having these characteristics is not really important to me.(R)</td>
<td></td>
</tr>
</tbody>
</table>
6. Having these characteristics is an important part of my sense of self.

7. I strongly desire to have these characteristics.

8. I often buy products that communicate the fact that I have these characteristics.

9. I often wear clothes that identify me as having these characteristics.

10. The types of things I do in my spare time (e.g., hobbies) clearly identify me as having these characteristics.

11. The kinds of books and magazines that I read identify me as having these characteristics.

12. The fact that I have these characteristics is communicated to others by my membership in certain organisations.

13. I am actively involved in activities that communicate to others that I have these characteristics.

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**Pilot Study**

A pilot study was conducted to test the reliability and validity of the established scales developed elsewhere that were adopted to be applied in the Sri Lankan context. The self-administered questionnaire was administered as an online survey with the link being emailed to the respondents with a cover letter. Out of the 30 respondents who were Millennial MBA students of two of the leading local universities, 57% were male and 43% were female. The 30 respondents of the pilot study were not considered for the actual data collection. IBM SPSS Statistics version 23 software was used for the data analysis of the pilot study.

The reliability was tested using the Cronbach’s alpha scores (Kline, 2011; Peterson, 1994; Rahimnia & Hassanzadeh, 2013; Taber, 2018; Yurdugul, 2008). Cronbach’s alpha is a measure of internal consistency and scores of 0.7 or higher are considered acceptable (Kline, 2011; Taber, 2018). Others have recommended Cronbach’s alpha scores above 0.6 as acceptable (Churchill Jr, 1979, as cited in Rahimnia & Hassanzadeh, 2013). Based on the pilot study results, Cronbach’s alpha score was greater than 0.6 for all constructs and dimensions indicating internal consistency (Churchill Jr, 1979, as cited in Rahimnia & Hassanzadeh, 2013).
The validity and the suitability of the data for factor analysis were tested using the Kaiser–Meyer–Olkin (KMO) and the Bartlett's test of Sphericity (Dziuban & Shirkey, 1974; Kaiser & Rice, 1974; Knapp & Swoyer, 1967; Tobias & Carlson, 1969). As per the results of the pilot study, the Kaiser–Meyer–Olkin (KMO) value was greater than 0.5 for all variables while the Bartlett's test of Sphericity was significant for all variables. Therefore, the data is deemed to be suitable for factor analysis. Accordingly, a factor analysis was conducted using the data collected in the pilot study to check the construct validity (Thompson & Daniel, 1996). The rotated loadings were greater than |0.6| onto one of the factors for all items of the constructs organisational engagement, organisational identification and moral identity centrality. Considering that factor loadings were above |0.6| and the fact that the sample size for the pilot study was only 30, all the items in the instrument were retained for the data collection.

Data Collection

The target population of the study consists of the Millennial MBA students of the leading local MBA programmes offered by two of the leading universities in Sri Lanka. The sampling technique used was convenient sampling. The questionnaire is administered to the selected sample by distributing hard copies of the questionnaire among the members of the sampling frame and collecting their responses. A total of 315 responses were received from among 373 questionnaires distributed, accounting for a response rate of 84.5%. Out of the 315 questionnaires received, 02 were incomplete and therefore rejected. One questionnaire had been filled by the respondent by selecting all 07 options given against the items in several sections and this was also duly rejected.

Generational Cohort of the Respondents

The age group options given under question number 2 (Q2) of Part A of the questionnaire were defined based on the birth years used to define generational cohorts in literature. Out of the 312 respondents, 285 (91.3%) were aged between 22 – 39 years, indicating that they belonged to Millennial generation/ Generation Y while the remaining 27 respondents were aged between 40 – 56 years indicating that they belonged to Generation X. There were no respondents from the age groups 21 years or younger (Generation Z) and 57 years or older (Baby Boomers). Accordingly, the 285 responses from the MBA students who are Millennials/ Generation Y were used for the subsequent analysis in this study. According to Reinartz et al. (2009), a sample size exceeding 250 is sufficient for CB-SEM.

Data Screening

The data screening process addresses the issues of missing data, unengaged responses, reverse coding, outliers, assessment of normality and assessment of multicollinearity. Missing data of the dataset was identified using the COUNTBLANK function in the Microsoft Excel worksheet before importing the dataset into SPSS. This revealed three empty cells within the dataset, all of which were from among the responses to Likert scale items in Part B of the
questionnaire, by three respondents. These three missing values were filled using the average values. No missing values were found among the responses to Part A of the questionnaire.

Unengaged responses were checked using the STDEV.S function in the Microsoft Excel worksheet but the dataset did not provide a standard deviation of zero for any of the 285 cases, indicating that there were no cases where a particular respondent marked the same answer to all Likert scale items in the questionnaire.

Multivariate outliers were checked by determining the Cook’s distance statistic (Diaz-García & González-Farias, 2004). The Cook’s distance statistic for each of the 285 cases was calculated in IBM SPSS Statistics 23 software package and the values were sorted in descending order to identify large values but there were no values exceeding the value of 1 (Dhakal, 2017). Accordingly, all 285 cases were used for the subsequent analysis. Three of the items including OE3, MIC4 and MIC5 were reverse items and these items were re-coded on SPSS before conducting any analysis.

The skewness and kurtosis values were calculated for the items in the instrument and the values of skewness and kurtosis were ranging from -1.273 to -0.108 and -0.993 to 1.720 respectively. Accordingly, the dataset is deemed to have satisfied the requirement for skewness and kurtosis values (between the range of -2 and +2), indicating that the assumption of normality is satisfied (George & Mallery, 2019; Kline, 2011).

A variance inflation factor (VIF) value less than 10 is considered an acceptable level for multicollinearity by some authors (Hair et al., 2010; Tabachnick & Fidell, 2014). Others consider a VIF value below 5 is acceptable (Ringle et al., 2015). Table 3 shows that the all the VIF values were less than 5 indicating that there is no multicollinearity issue pertaining to the variables for the study.

<table>
<thead>
<tr>
<th>Table 3</th>
<th>Multicollinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable</td>
<td>Collinearity Statistics</td>
</tr>
<tr>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>Organisational Identification</td>
<td>0.736</td>
</tr>
<tr>
<td>Moral Identity Centrality</td>
<td>0.736</td>
</tr>
<tr>
<td>Dependent Variable: Organisational engagement</td>
<td></td>
</tr>
</tbody>
</table>

**Sampling Adequacy**

The Kaiser–Meyer–Olkin (KMO) measure serves as an indicator of sampling adequacy (Kaiser & Rice, 1974). According to Kaiser and Rice (1974), KMO values greater than 0.5 are acceptable while Hutcheson and Sofroniou (1999) recommended values above 0.6 as indicating the suitability for factor analysis.
If the Bartlett’s test of Sphericity is significant, it is considered as an indication that the data is suitable for factor analysis (Dziuban & Shirkey, 1974; Knapp & Swoyer, 1967; Tobias & Carlson, 1969). Table 4 provides the output of KMO measure and Bartlett’s test of Sphericity. The KMO value was greater than 0.6 for all the constructs while the Bartlett’s test of Sphericity was significant. Accordingly, the dataset for the study is suitable for factor analysis (Dziuban & Shirkey, 1974; Hutcheson & Sofroniou, 1999; Knapp & Swoyer, 1967; Tobias & Carlson, 1969).

**Table 4**

*KMO and Bartlett’s Test of Sphericity*

<table>
<thead>
<tr>
<th>Variable</th>
<th>No. of Items</th>
<th>KMO</th>
<th>Bartlett's Test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Chi Square Value</td>
</tr>
<tr>
<td>Organisational Engagement</td>
<td>06</td>
<td>0.849</td>
<td>744.025</td>
</tr>
<tr>
<td>Organisational Identification</td>
<td>05</td>
<td>0.867</td>
<td>698.321</td>
</tr>
<tr>
<td>Moral Identity Centrality</td>
<td>13</td>
<td>0.894</td>
<td>2407.113</td>
</tr>
</tbody>
</table>

**Reliability**

As per the reliability statistics given by Table 5, Cronbach’s alpha score was greater than 0.70 for all constructs indicating internal consistency (Kline, 2011; Taber, 2018).

**Table 5**

*Reliability Statistics*

<table>
<thead>
<tr>
<th>Construct</th>
<th>No of items</th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational Engagement</td>
<td>06</td>
<td>0.722</td>
</tr>
<tr>
<td>Organisational Identification</td>
<td>05</td>
<td>0.878</td>
</tr>
<tr>
<td>Moral Identity Centrality</td>
<td>13</td>
<td>0.852</td>
</tr>
</tbody>
</table>

**Common Method Bias (CMB)**

Common Method Bias (CMB) could occur when data is collected from a single source using a survey questionnaire to measure both independent and dependent variables (Conway & Lance, 2010; Fuller et al., 2016; Jakobsen & Jensen, 2015). Harman’s one-factor test is widely used to measure Common Method Variance (CMV) and if the total variance extracted
by one factor is greater than 50%, it is considered as an indication of CMB (Fuller et al., 2016; Jakobsen & Jensen, 2015). As per the output of Harman’s one-factor test, the total variance extracted by one factor was 36.740% which is less than the threshold value of 50%, indicating no noteworthy threat of CMB.

**Model Fit Indices**

This study used at least one model fit index from each of the three categories as recommended by Afthanorhan (2013). Accordingly, root mean square error of approximation (RMSEA) and standardized root mean square residual (SRMR) were used as absolute fit indices while CMIN/DF (chi-square fit statistics/degrees of freedom) was used as a parsimonious fit index. Comparative Fit Index (CFI) was used as an incremental fit index. The goodness of fit indices utilised in this study and their threshold values are given by Table 6.

**Table 6**

*Model fit Indices and Threshold Values*

<table>
<thead>
<tr>
<th>Name of category</th>
<th>Index</th>
<th>Threshold value</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parsimonious fit</td>
<td>CMIN/DF</td>
<td>CMIN/DF &lt; 3</td>
<td>Kline (1998)</td>
</tr>
<tr>
<td>Incremental fit</td>
<td>CFI</td>
<td>CFI &gt; 0.90</td>
<td>Bentler (1990)</td>
</tr>
<tr>
<td>Absolute fit</td>
<td>RMSEA</td>
<td>RMSEA &lt; 0.08</td>
<td>Browne and Cudeck (1993)</td>
</tr>
<tr>
<td>Absolute fit</td>
<td>SRMR</td>
<td>SRMR &lt; 0.08</td>
<td>Hu and Bentler (1999)</td>
</tr>
</tbody>
</table>

*Note:* CMIN/DF = chi-square fit statistics/degrees of freedom; CFI = Comparative fit index; RMSEA = Root mean square error of approximation; SRMR = standardised root mean square residual
Results

Descriptive Analysis

Table 7

Demographic Summary of Respondents

<table>
<thead>
<tr>
<th>Demographic Characteristic</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>131</td>
<td>46.0</td>
</tr>
<tr>
<td>Female</td>
<td>154</td>
<td>54.0</td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>143</td>
<td>50.2</td>
</tr>
<tr>
<td>Single</td>
<td>141</td>
<td>49.5</td>
</tr>
<tr>
<td>Divorced/ Separated</td>
<td>1</td>
<td>0.4</td>
</tr>
<tr>
<td>Sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private sector</td>
<td>217</td>
<td>76.1</td>
</tr>
<tr>
<td>Public sector</td>
<td>39</td>
<td>13.7</td>
</tr>
<tr>
<td>Semi government sector</td>
<td>29</td>
<td>10.2</td>
</tr>
<tr>
<td>Tenure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0 - 2 years</td>
<td>71</td>
<td>24.9</td>
</tr>
<tr>
<td>3 - 5 years</td>
<td>127</td>
<td>44.6</td>
</tr>
<tr>
<td>6 - 8 years</td>
<td>50</td>
<td>17.5</td>
</tr>
<tr>
<td>9 years or more</td>
<td>37</td>
<td>13.0</td>
</tr>
<tr>
<td>Number of Organisations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Four or more</td>
<td>32</td>
<td>11.2</td>
</tr>
<tr>
<td>One</td>
<td>58</td>
<td>20.4</td>
</tr>
<tr>
<td>Three</td>
<td>78</td>
<td>27.4</td>
</tr>
<tr>
<td>Two</td>
<td>117</td>
<td>41.1</td>
</tr>
<tr>
<td>Academic qualifications</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>199</td>
<td>69.8</td>
</tr>
<tr>
<td>GCE A/L</td>
<td>3</td>
<td>1.1</td>
</tr>
<tr>
<td>Master's degree</td>
<td>59</td>
<td>20.7</td>
</tr>
<tr>
<td>Postgraduate diploma</td>
<td>24</td>
<td>8.4</td>
</tr>
</tbody>
</table>
Confirmatory Factor Analysis (CFA)

Figure 2
Initial Measurement Model

OE = organisational engagement; OI = organisational identification; MIC = moral identity centrality
Table 8

Model Fit Indices for the Initial Measurement Model

<table>
<thead>
<tr>
<th>Name of category</th>
<th>Index</th>
<th>Value</th>
<th>Threshold Value</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parsimonious fit</td>
<td>CMIN/DF</td>
<td>3.221</td>
<td>CMIN/DF &lt; 3</td>
<td>Not achieved</td>
</tr>
<tr>
<td>Incremental fit</td>
<td>CFI</td>
<td>0.694</td>
<td>CFI &gt; 0.90</td>
<td>Not achieved</td>
</tr>
<tr>
<td>Absolute fit</td>
<td>RMSEA</td>
<td>0.088</td>
<td>RMSEA &lt; 0.08</td>
<td>Not achieved</td>
</tr>
<tr>
<td>Absolute fit</td>
<td>SRMR</td>
<td>0.1089</td>
<td>SRMR &lt; 0.08</td>
<td>Not achieved</td>
</tr>
</tbody>
</table>

The initial measurement model had to be modified to remove items with low factor loadings/ standardised regression weights. Accordingly, stepwise deletion of indicators with standardised regression weights less than 0.60 was carried out to modify the model (Guadagnoli & Velicer, 1988).

Figure 3

Modified Measurement Model

OE = organisational engagement; OI = organisational identification; MIC = moral identity centrality
The model fit indices for the modified measurement model are given by Table 9. Since the modified measurement model has achieved an acceptable level of model fit in terms of parsimonious fit, incremental fit and absolute fit, it is considered suitable to be used for further analysis. The reliability statistics for the modified measurement model are given by Table 10.

Table 9

Model Fit Indices for the Modified Measurement Model

<table>
<thead>
<tr>
<th>Name of category</th>
<th>Index</th>
<th>Value</th>
<th>Threshold Value</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parsimonious fit</td>
<td>CMIN/DF</td>
<td>2.024</td>
<td>CMIN/DF &lt; 3</td>
<td>Achieved</td>
</tr>
<tr>
<td>Incremental fit</td>
<td>CFI</td>
<td>0.937</td>
<td>CFI &gt; 0.90</td>
<td>Achieved</td>
</tr>
<tr>
<td>Absolute fit</td>
<td>RMSEA</td>
<td>0.060</td>
<td>RMSEA &lt; 0.08</td>
<td>Achieved</td>
</tr>
<tr>
<td>Absolute fit</td>
<td>SRMR</td>
<td>0.0594</td>
<td>SRMR &lt; 0.08</td>
<td>Achieved</td>
</tr>
</tbody>
</table>

Table 10

Reliability Statistics for the Modified Measurement Model

<table>
<thead>
<tr>
<th>Construct</th>
<th>No of items</th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational Engagement</td>
<td>05</td>
<td>0.876</td>
</tr>
<tr>
<td>Organisational Identification</td>
<td>05</td>
<td>0.878</td>
</tr>
<tr>
<td>Moral Identity Centrality</td>
<td>05</td>
<td>0.926</td>
</tr>
</tbody>
</table>

Convergent Validity and Discriminant Validity of the Measurement Model

Convergent validity was tested by calculating the average variance extracted (AVE) (Fornell & Larcker, 1981). The AVE values for the constructs of the study are given by Table 10. An AVE score higher than 0.5 is considered acceptable in social science research (Fornell & Larcker, 1981; Hair et al., 2010). All constructs of the measurement model had AVE values above the threshold value of 0.5.
Discriminant validity could be demonstrated using the average variance extracted (AVE) (Fornell & Larcker, 1981). Discriminant validity is indicated if the square root of AVE of each construct is greater than the correlation between the particular construct and other constructs. In Table 12, the diagonal entries depict the square root of AVE for each construct and the diagonal values are higher than the correlation estimates between the particular construct and all other constructs, indicating that the requirement of discriminant validity is satisfied (Fornell & Larcker, 1981).

**Table 12**  
*Discriminant Validity Statistics*

<table>
<thead>
<tr>
<th>Construct</th>
<th>OI</th>
<th>MIC</th>
<th>OE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational Identification</td>
<td>0.772</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moral Identity Centrality</td>
<td>0.586</td>
<td>0.851</td>
<td></td>
</tr>
<tr>
<td>Organisational Engagement</td>
<td>0.547</td>
<td>0.500</td>
<td>0.772</td>
</tr>
</tbody>
</table>

**Hypotheses Testing**

Hypothesis testing was carried out by structural equation modelling (SEM) using the path analysis of the structural models. The two hypotheses of the study refer to direct effects of the two independent variables on the dependent variable. The structural model depicting the direct effects of the independent variables on the dependent variable after applying modification indices is given by Figure 4.
OE = organisational engagement; OI = organisational identification; MIC = moral identity centrality

The model depicted by Figure 4 had zero degrees of freedom indicating that it was a just-identified or saturated model and therefore the model fit indices are not meaningful (Lei & Wu, 2007; Ramlall, 2016; Tomarken & Waller, 2003). However, the path coefficients can be used to test the hypotheses pertaining to the direct relationships. The regression weights pertaining to the above model are given by Table 13.

Table 13

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>p</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>OE &lt;--- MIC</td>
<td>0.262</td>
<td>0.058</td>
<td>4.513</td>
<td>***</td>
<td>Significant</td>
</tr>
<tr>
<td>OE &lt;--- OI</td>
<td>0.416</td>
<td>0.057</td>
<td>7.359</td>
<td>***</td>
<td>Significant</td>
</tr>
</tbody>
</table>

The path analysis in the case of H₁ for the direct effect of organisational identification (OI) on organisational engagement (OE) revealed a C.R. value of 7.359 and a significant p value (0.000), indicating that the results supported H₁. Furthermore, path coefficient of organisational identification (OI) to organisational engagement (OE) was 0.416, indicating that when organisational identification is increased by 1 unit, organisational engagement goes up by 0.416 units.

The path analysis in the case H₂ for the direct effect of moral identity centrality (MIC) on organisational engagement (OE) revealed a C.R. value of 4.513 and a significant p value (0.000), indicating that the results supported H₂. Furthermore, the path coefficient was 0.262,
indicating that when moral identity centrality is increased by 1 unit, organisational engagement goes up by 0.262 units.

Discussion

This study attempts to explain why Millennials do not display expected levels of organisational engagement despite the fact that their engagement is crucial for organisational effectiveness and looks into the applicability of social identity perspective to explain the organisational engagement of Millennials. The objective of the study is to evaluate the impact of organisational identification and moral identity centrality the organisational engagement of Millennials and the results indicate that both organisational identification and moral identity centrality have a positive impact on the organisational engagement of Millennials.

The findings of the study contribute to literature by addressing the knowledge gap pertaining to empirical research focusing on the organisational engagement of Millennials. Extant research literature on engagement has mostly focused on work engagement while organisational engagement appears to have been rather overlooked (Bailey et al., 2017; Saks et al., 2021). Furthermore, although many researchers have focused on Millennials’ organisational behaviour and attitudes, organisational engagement of Millennials seems to have been rather overlooked given that the authors did not come across any prior research focusing on the organisational engagement of Millennials.

The findings pertaining to H1 aligned with the empirical results of Conroy et al. (2017) and Frare and Beuren (2021). Conroy et al. (2017) empirically demonstrated that, up to the extent that individuals identify with the organisation, they are less likely to display feelings of disengagement, implying that identification with the organisation is positively related to engagement. Frare and Beuren (2021) presented empirical evidence that employee-company identification influences organisational engagement. Furthermore, the findings being aligned with the above-mentioned prior research indicate that Millennials are not different from others in terms of this relationship.

The findings also aligned with the empirical results of He et al. (2014) who empirically demonstrated that moral identity centrality had a positive influence on employee engagement. Considering that organisational engagement has been considered as a dimension of employee engagement by some authors, the findings of He et al. (2014), by extension, could be seen as aligned with H2 (Bailey et al., 2017; Saks, 2006; Saks & Gruman, 2014; So et al., 2021).

The findings of the study highlight the importance of utilising social identity perspective to understand the organisational engagement of Millennials. In extant literature, the Job Demands-Resources (JD-R) framework, which suggests that job demands act as stressors that reduce engagement while job resources boost engagement, is the most popularly used theoretical framework to describe engagement (Bailey et al., 2017; Bakker & Demerouti, 2007). In addition, Social Exchange Theory (SET) which suggests that relationships evolve into reciprocal commitments over time is also widely used to describe engagement.

(Cropanzano & Mitchell, 2005). Saks (2006), who was the first author to define the concept of organisational engagement, developed his framework based on the Social Exchange Theory (SET). However, the present study deviated from the above by incorporating a social identity perspective to understand the organisational engagement of Millennials.

**Conclusion**

Based on the empirical findings of study, it can be concluded that both organisational identification and moral identity centrality have a positive impact on the organisational engagement of Millennials. Accordingly, it can be concluded that individuals who identify with the organisation that they work for are more likely to display organisational engagement. Likewise, it can be concluded that individuals who identify as being moral persons are more likely to display organisational engagement.

The theoretical contributions of study include the shifting of the focus on factors affecting organisational engagement from a job demands/resources or reciprocity-based approach into a social identity based approach. This study contributes to literature by addressing the knowledge gap pertaining to empirical research focusing on the organisational engagement of Millennials. Although the concept of organisational identification has previously been applied with regards to engagement by authors such as Conroy et al. (2017) and Frare and Beuren (2021), this study is crucial in that the impact of organisational identification on the organisational engagement of Millennials was evaluated. Likewise, although the concept of moral identity centrality has previously been applied with regards to employee engagement by He et al. (2014) and He et al. (2019), this study was probably the first study to evaluate the impact of moral identity centrality on organisational engagement, let alone that of the Millennial generation.

This study enables managers to get a better understanding of the Millennial generation and their identity and, thereby take a more informed approach in their attempts to manage Millennials. Millennials are a vital human resource for organisations preparing to transform themselves to adapt to the changes associated with the Fourth Industrial Revolution or Industry 4.0, due to their technological orientation and digital immersion. Managers may benefit from focusing on the aspects of organisational identification and moral identity centrality in their attempts to engage and retain Millennials.

**Limitations and Future Research Directions**

This study utilised a cross sectional research design but a longitudinal research design would have been more insightful since organisational behaviour-related concepts such as organisational engagement are better understood over a long period of time. This study used convenient sampling which is a non-probability sampling technique prone to sampling bias which could affect the generalisability of the findings.
The data collection instrument for the study was a self-administered structured questionnaire and therefore the findings of the study may be limited by the conscientiousness and truthfulness of the respondents in answering the questionnaire. The data screening process where the dataset was checked for missing values, unengaged responses and outliers, followed by the tests for convergent and discriminant validity addressed the issues of possible lack of conscientiousness and truthfulness on the part of respondents. Common Method Bias (CMB) could occur when data is collected from a single source using a survey questionnaire to measure both independent and dependent variables. However, the output of Harman’s one-factor test which was used to measure Common Method Variance (CMV) did not indicate CMB.

English is not the first language of the respondents of the study and therefore it is possible that they misinterpreted items in the questionnaire resulting in their responses not reflecting their true perceptions. This study addressed this issue to some extent by selecting a highly educated sampling frame comprising of MBA students of two leading local universities, which warranted that they may be well versed in English as both MBA programmes are conducted in English medium. Furthermore, the pilot study where the reliability and validity of the instrument was tested, also addressed this concern to some extent.

This study would have benefited from involving a more inclusive sampling frame of Millennials, leading to better generalisability of the findings. Furthermore, the generalisability of the findings may be affected by various socio-cultural and socio-economic aspects pertaining to the sample in the context of Sri Lanka. Future researchers may benefit from extending their scope to involve sampling frames that represent more extensive educational and socio-economic backgrounds which would provide a more comprehensive understanding of the factors affecting the organisational engagement of Millennials.

Given that empirical studies focusing on the concept of organisational engagement have been scarce, future researchers are recommended to further explore the social identity perspective of organisational engagement and also incorporate novel theoretical perspectives with regards to organisational engagement. Furthermore, future researchers could make significant contributions by concentrating on organisational engagement in various demographic groups, business sectors, professions etc. For instance, the findings of this study may be tested in the context of Generation Z (born 2002 – early 2010s).

References


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