



The Influence of Leader Member Exchange on Job Satisfaction Mediated by Work Commitment and Work Motivation at PT Oyo Rooms Indonesia: A Conceptual Model

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ABSTRACT

This paper set out to develop a conceptual model for testing the influence of leader member exchange (LMX) on job satisfaction mediated by work commitment and work motivation. Literature review, conceptual model, hypotheses development and research methodology are discussed. This paper uses quantitative research. Practicing this paper instantly would provide information about the relationship of leader member exchange (LMX), job satisfaction, work commitment and work motivation at the PT Oyo Rooms Indonesia.

KeyWords

Leader Member Exchange, Work Commitment, Work Motivation, Job Satisfaction, Conceptual Model.

INTRODUCTION

Human resources are important in supporting the performance of a company. Human resource management cannot be separated from a leader in managing employees. Poor relations between superiors and subordinates (LMX) can cause low employee job satisfaction. Work commitment and work motivation are very directly related to employee satisfaction.

Employees who are satisfied with the work obtained will be motivated to improve performance so that it will have an impact on increasing the company's success. Employees who work happily and without coercion will give good results and will foster a high commitment to the company with the employee burdened to give the best for the company and its loyalty to the company (Deewar, 2010).

PT Oyo Rooms Indonesia is a company engaged in the hotel service and budget hotel service network industry in Indonesia. In this company, the spearhead of the company's success is the employees of the central supply division. According to the General Manager and Sales Manager of PT Oyo Rooms Indonesia, the company has problems in managing its human resources. Leader Member Exchange (LMX) at PT Oyo Rooms Indonesia is not so good that employees feel uncomfortable in their work environment and do not have high loyalty. On the other hand, PT Oyo Rooms Indonesia also faces problems in providing work motivation to employees to achieve company success in the form of sales targets. The low motivation of these employees causes the goals of the company not achieved. At PT Oyo Rooms Indonesia, sales department employees are also dissatisfied with the results of their performance, so that the sales department employees do not have high loyalty and do not feel as a part of the company.

Many factors influence the achievement of cooperation with PT Oyo Rooms Indonesia's partners, including the relationship between superiors and subordinates, employee work commitments, and employee work motivation. To manage and improve employee performance, the company needs a leader who understands employee desires, able to motivate and create high commitment so that employees are more comfortable working in the company.

According to Masrukhin and Waridin (2006) variables that can affect employee performance are work motivation, job satisfaction, organizational culture and leadership. On the other hand, Yuwalliatin (2006) stated that variables that can affect performance and competitive advantage are culture organization, motivation and commitment. According to the research by Kadir and Didik (2003), variables that can affect job satisfaction are organizational commitment. Koesmono (2005) however, stated that organizational culture influences motivation, job satisfaction and employee performance. Meanwhile, according to Ruky (2005), employee performance is influenced by leadership style, organizational commitment, by adding health and motivation variables as moderator variables.

Based on the background above, this paper will discuss issues that occurred at PT Oyo Rooms Indonesia. This research will examine the effect of leader member exchange on job satisfaction mediated by work commitment and motivation.

LITERATURE REVIEW

Ivancevich, et al (2007: 90) stated that Leader Member Exchange (LMX) is an approach that recognizes the consistent absence of superior behavior among all subordinates. Bosses foster personal ties and relationships with each of their subordinates. On the other hand, Yukl (2010: 80) explains how superiors and subordinates develop mutually influencing relationships with each other and negotiate the role of subordinates in one organization. LMX not only looks at the behavior of their superiors, but emphasizes the quality of the relationship between superiors and subordinates.

Robbins and Judge (2008: 101) divide subordinates into two categories of in-group members and out-group members, where; among in-group members, superiors have the opinion that subordinates in this category are subordinates who can be relied on to participate and give more effort than what is specified in the job description; In out-group members, superiors are of the opinion that subordinates in this category are subordinates who carry out their duties according to their formal job description only.

According to Griffin (2010: 510) the superior and subordinate relationship model of Leader Member Exchange (LMX) developed by George Graen and Fred Dansereau, emphasizes the importance of the varied relationship between superiors and their subordinates. Each pair of superiors and subordinates is called a Vertical Dyad.

Yukl (2010: 79) stated that the term Vertical Dyad refers to the relationship between a leader and a subordinate. The rationale for the Vertical Dyad theory is that leaders usually establish a special relationship with a number of trusted subordinates (in-group groups) who function as, for example, assistants. Exchange relationships are established with the rest of the subordinates (out-group groups) differently.

Griffin (2010: 56) also explained that LMX is multidimensional and has four dimensions, namely Contribution, Loyalty, Affection and respect for the profession. Meanwhile Graen&Uhl-Bien (1995) argues that there are three domains that are the basis for building relationships on LMX, namely respect, trust and obligation. The relationship between superiors and subordinates cannot be formed without mutual respect for the abilities of others, without mutual trust with others, and does not predict that the influence of obligations will develop into an employment relationship.

According to Kreitner and Kinicki (2001; 271) job satisfaction is "an effectiveness or emotional response to various aspects of work". Davis and Newstrom (1985; 105) describe "job satisfaction is a set of employees' feelings about whether or not their work is fun". The several theories that discuss job satisfaction include Two Factor Theory and Value Theory.

Kreitner and Kinicki (2001: 225) stated that there are five factors that can affect job satisfaction, namely; (1) Need fulfillment; (2) Discrepancies; (3) Value attainment; (4) Equity; and (5) Genetic components. The indicators used in job satisfaction variables include work itself, pay, promotion, supervision, and workers. Kreitner and Kinicki (2001: 226) also stated that job satisfaction has a strong and significant relationship to several variables such as motivation, work engagement, organizational citizenship behavior, and organizational commitment.

According to Riggio (2005), job satisfaction can be increased in ways such as:

1. Making changes in the work structure
2. Changing the payment structure
3. Providing flexible work schedules
4. Hold a program that supports

Work commitment, another term for organizational commitment, is a behavioral dimension that can be used to assess employee trends. Work commitment is a condition of an employee who sides with a particular organization, as well as his goals and desires to maintain his membership in the organization (Robbins and Judge, 2008). Mowday (in Sopiah, 2008) revealed that work commitment is the identification and involvement of someone who is relatively strong towards the organization. Work commitment has two important components, namely the attitude and the will to behave in a case. Attitudes related to identification, involvement and loyalty, while the will depends on the circumstances to behave in a willingness to show effort (Yusof et al., 2007). Work commitment is a personal characteristic that is reliable and trustworthy (Byron, 2010).

Stephen P. Robbins and Timothy A. Judge (2008), revealed that there are three aspects that characterize work commitments, including; affective commitment, continuance commitment, and normative commitment. Kusumaputri (2015) revealed seven factors that can affect employee work commitments, namely: job related factors, employee opportunities, individual characteristics, work environment, positive relationships, organizational structure, and management style.

CONCEPTUAL MODEL

The general goal of this paper is to create a conceptual model for the influence of leader member exchange on job satisfaction mediated by work commitment and motivation. These general objectives are then broken down into specific objectives. Some of the specific objectives include testing: (1) the effect of Leader Member Exchange on employee Job Satisfaction; (2) the influence of Leader Member Exchange on employee Work Commitments; (3) the influence of Leader Member Exchange on employee Work Motivation; (4) the effect of Work Commitments on employee Job Satisfaction; (5) the influence of Work Motivation on Employee Job Satisfaction; (6) the influence of Leader Member Exchange on employee Job Satisfaction and Commitment as a mediating variable; (7) the effect of Leader Member Exchange on employee Job Satisfaction and motivation as a mediating variable.

Based on some of these specific objectives and the literature review that has been carried out, the conceptual model that can be generated in this study is as shown below.

CONCEPTUAL MODEL

Based on the literature review conducted, conceptual models that can be produced in this study are as follows:

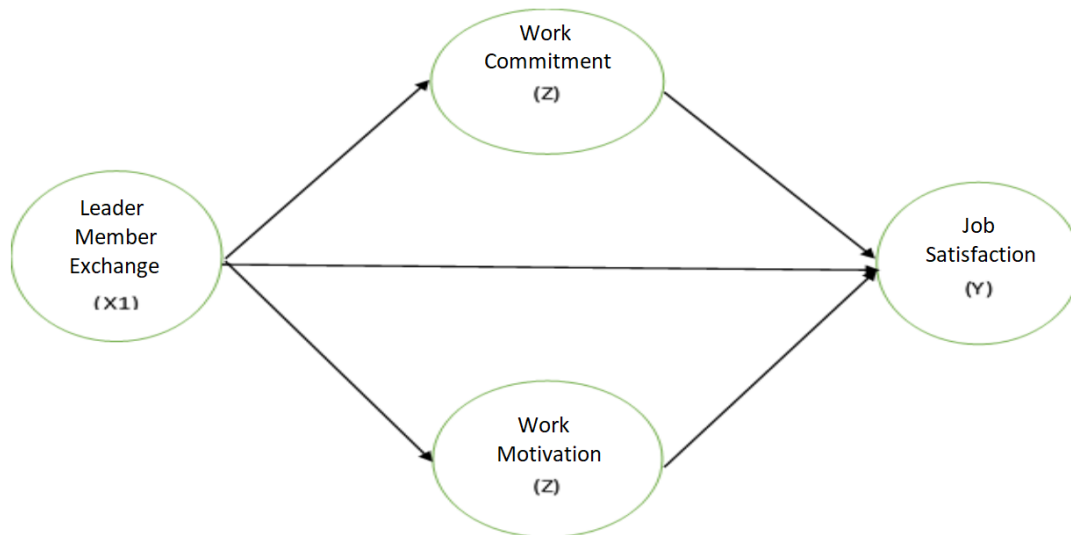


Figure 1: The Conceptual Model

Information:

- H1: Leader Member Exchange influences Job Satisfaction.
- H2: Leader Member Exchange influences Work Commitment.
- H3: Leader Member Exchange influences Work Motivation.
- H4: Work Commitment affects Work Satisfaction.
- H5: Work Motivation influences Job Satisfaction.
- H6: Leader Member Exchange affects employee Satisfaction mediated by Commitment.
- H7: Leader Member Exchange influences the Job Satisfaction of employees mediated by Work Motivation.

HYPOTHESIS DEVELOPMENT

1. Influence of Leader Member Exchange on Job Satisfaction

Research at PT NutrifoodSurabaya, it shows that leader member exchange has a positive effect on job satisfaction (Wibowo and Sutanto, 2013). Meanwhile, research conducted at CV Pratama Jaya, Madiun stated that there was a positive influence that occurred between leader member exchanges on job satisfaction (Wibowo, 2013). Another study of employees of the Garment 5 division, PT Sri Rejekilsman, Tbk, Semarang, showed that the leader member exchange had a positive effect on job satisfaction (Yonatan danDjastuti, 2018). Based on these data, the following hypothesis is established:

H1: Leader Member Exchange influences Job Satisfaction.

2. The Influence of Leader Exchange Members Against Work Commitment

Research at PT Nutrifood, Surabaya shows that leader member exchange has positively influences work commitment (Wibowo and Sutanto, 2013). Other research at PT MidianKaryaPasuruan states that the leader member exchange has a positive and significant effect on work commitment (Prisetyadi, 2011). Based on these data, the following hypothesis is established:

H2: Leader Member Exchange influences Work Commitment.

3. The Influence of Leader Member Exchange Against Work Motivation

Research conducted at CV Pratama Jaya, Madiun stated that there was a positive influence that occurred between leader member exchanges on work motivation (Wibowo, 2013). Other research at PT Bank Central Asia Yogyakarta Main Branch Office shows that leader member exchange has a positive relationship to work motivation (Ilham andHerawati, 2017). Based on these data, the following hypothesis is established:

H3: Leader Member Exchange influences Work Motivation.

4. Effect of Work Commitment on Job Satisfaction

Research conducted at PT Perkebunan Nusantara III, North Sumatra showed that work commitment has a positive influence on job satisfaction (Tobing, 2009). Another study conducted at the employees of KartikaGraha Hotel, Malang, East Java, showed that work commitment had a positive and significant effect on job satisfaction (Habibah, 2014). Based on these data, the following hypothesis is established:

H4: Work Commitment affects Work Satisfaction.

5. Effect of Work Motivation on Job Satisfaction

Research conducted at CV Pratama Jaya, Madiun stated that there was a positive influence between work motivation and job satisfaction (Wibowo, 2013). Other research conducted at RRI Yogyakarta, showed work motivation positive effect on job satisfaction (Kusuma, 2014). Based on these data, the following hypothesis is established:

H5: Work Motivation influences Job Satisfaction.

6. Influence of Leader Member Exchange on Employee Job Satisfaction mediated by Work Commitments

Research conducted in the sales department of PT X, showed that the Leader Member Exchange has a positive effect on Job Satisfaction and Job Commitment (SutantodanWijanto, 2013). Based on this data, the following hypothesis is established:

H6: Leader Member Exchange affects employee Satisfaction mediated by Commitment.

7. The Influence of Leader Member Exchange on Employee Job Satisfaction mediated by Work Motivation

Research conducted at CV Pratama Jaya, Madiun stated that there was a positive influence that occurred between Leader Member Exchange on Job Satisfaction mediated by Work Motivation (Wibowo, 2013). Based on this data, the following hypothesis is established:

H7: Leader Member Exchange influences the Job Satisfaction of employees mediated by Work Motivation.

METHODOLOGY

This research is a quantitative research. The population in this study was all employees who worked at PT Oyo Rooms Indonesia Jakarta branch office as many as 155 employees. The sample in this study was taken by random sampling technique through Slovin calculations and produced a sample of 112 employees.

Data collection methods that will be used in this study is to use a questionnaire. The questionnaire used was a Likert scale (scale 1-5). The research instrument will go through a validity test and reliability test before use. Data obtained from this study were then analyzed using the Partial Least Square (PLS) method.

CONCLUSION

This paper has discussed the background of the problems that arise at PT Oyo Rooms Indonesia; literature review on leader exchange members, job satisfaction, commitment, and work motivation of employees and the relationships between them; conceptual model; hypotheses development, and methodology. This research is using a quantitative method. Practicing this paper instantly will find out the relationships between variables in the conceptual model.

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