

THE EFFECT OF LEADER-MEMBER EXCHANGE ON INTENTION TO QUIT WITH JOB SATISFACTION AND COMMUNICATION BEING MEDIATING VARIABLES IN SPG/SPB IN SURAKARTA CITY

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ABSTRACT

A marketing- and sale hospitality-based organization is one of company's spearheads, so that human resource plays an important role. Valentine (2015) reveals that human resource is a factor demonstrating competitive advantage. The objectives of research were to find out and to analyze the effect of LMX, job satisfaction, and communication on Intention to Quit based on gender.

This study was a descriptive quantitative research with SPBs and SPGs existing in Surakarta City areas being the population, from which 250 respondents were taken. Data collection was carried out by distributing questionnaire to obtain data of LMX, Job Satisfaction, communication, and intention to quit.

KEYWORDS: LMX, job satisfaction, communication, and intention to quit

INTRODUCTION

Marketing strategy existing today tends more to conduct personal approach to consumers. One of personal approaches conducted by company is to employ Sales Promotion Girl (SPG) or Sales Promotion Boy (SPB). The ability of approaching persuasively and touching personally is expected to boost the sale.

A marketing- and sale hospitality-based organization is one of company's spearheads, so that human resource plays an important role. Valentine (2015) reveals that human resource is a factor demonstrating competitive advantage. Turnover exerts more adverse effect on the organization. Turnover is generally preceded by intention to quit. Intention to quit is defined by Luke, et al. (2015) as the employees' wish to quit from their job voluntarily. This intention to quit is important to explain a real action of quitting from an employee's job (Nyoman and Wayan, 2015).

Intention to Quit, according to et al., (2015), Nyoman and Wayan (2015), and Mujahid and Mukhaer (2015), is affected by Leader Member Exchange, with job satisfaction and communication being mediating variable, age does not affect the employees' intention to quit, but sex and marital status do.

The phenomenon seen in Leader Member Exchange today, particularly those having intimacy and unintimacy with leader, affects SPG and SPB's perceived job satisfaction and increases their

intention to quit, so does the communication in SPBs and SPGs having intimacy and unintimacy with leader. Intention to quit will be felt more in SPGs and SPBs having poor communication with superior. Such phenomenon encourages the author to conduct a research related to Leader Member Exchange, job satisfaction, communication, and intention to quit in SPGs and SPBs existing in Surakarta City, entitled “The Effect of Leader-Member Exchange on Intention to Quit with Job Satisfaction and Communication being Mediating Variables in SPGs/SPBs in Surakarta City”.

Definition of Variable

1. Intention To Quit

Luke, et., al., (2015) defined turnover intention as an individual’s wish to leave the company and to look for another alternative job. Turnover intention is an employee’s wish to move from the company they have worked before (Nyoman and Wayan, 2015).

2. Job Satisfaction

Job satisfaction is a personal dimension explaining that individual’s behavior is affected by his/her expectation on him/herself. Heywood, et.al (2016) states that job satisfaction is a representation of individual’s belief in the determinant of his/her behavior. Rana, et al. (2011) suggests that there are four aspects underlying job satisfaction: behavioral potency, expectation, P- value of confirmatory element, and psychological circumstance.

3. Communication

Said, et al. (2017) states that communication addresses how to direct power and potency in order to work to achieve the specified objective. Pamela (2015) states that communication refers to a process of affecting individual’s choices of various activities wanted.

4. Leader-Member Exchange (LMX)

Leader Member Exchange theory explains the process of developing role between superior and subordinate and the exchange relation developing over times (Mohammed, 2017). LMX focuses on dyadic (two-way) relation between superior and individual subordinates or followers constituting the exchange relation aiming to improve the organization’s success by creating positive relation between leader and member (follower) (Cheh-peng and Hua, 2004).

Hypothesis

1. The effect of Leader Member Exchange on Job Satisfaction

A good relationship between leader and member will improve job satisfaction. Considering this assumption, the following hypothesis can be formulated:

H1 : There is an effect of Leader Member Exchange on job satisfaction of SPG/SPB.

2. The effect of Leader Member Exchange on Communication.

Said, et al, (2017) states that communication questions how to direct power and potential to work towards the specified goals. So that with good communication, what is desired by the leadership and what is expected below can be achieved. Leah and Colin (2017) state that the better Leader-Member Exchange in an organization will also have a positive and significant influence on existing communication. Thus, the second hypothesis in this research is as follows:

H2 : There is an effect of Leader Member Exchange on Communication of SPG/ SPB.

3. The effect of Leader Member Exchange on Intention to Quit.

Mujahid and Mukhaer (2015) explained the intention to quit is the cessation of employees of a company or organization and moving to work in another company or organization of their own volition. Thus, the third hypothesis in this research is as follows:

H3 : There is an effect of Leader Member Exchange on Intention to Quit SPG/ SPB.

4. The effect of Job Satisfaction on Intention to Quit.

Mujahid and Mukhaer (2015) explain that intention to quit is an employee's quitting from a company or organization and moving to another company or organization volitionally. It is affected by individual's perceived job satisfaction, so that the fourth hypothesis of research is as follows:

H4 : There is an effect of job satisfaction on Intention to Quit of SPG/ SPB.

5. The effect of Communication on Intention to Quit.

The communication running well will facilitate the settlement of conflict likely occurring. Sara, et al., (2017) suggest that communication involves direction or goal of behavior, response power, and behavior persistence. Considering the result of research, a hypothesis can be formulated as follows:

H5 : There is an effect of communication on Intention to Quit of SPG/ SPB.

6. The effect of Leader-Member Exchange on Intention to Quit with Job Satisfaction being mediating variable

Intention to quit is an employee's wish to quit from the company they have worked before (Nyoman and Wayan, 2015). Job satisfaction is perceived to improve the effect of LMX on Intention to quit, as through good satisfaction, the effect of poor LMX on intention to quit can be minimized.

H6: There is an effect of Leader Member Exchange on Intention to Quit of SPG/ SPB with job satisfaction being mediating variable.

7. The effect of Leader-Member Exchange on Intention to Quit with communication being mediating variable

Leader Member Exchange theory explains the process of developing role between superior and subordinate and the exchange relation developing over times (Mohammed, 2017). Recognizing

individual roles will improve communication; thus the better the understanding on what should be done and what cannot be done, the better is the communication between leader and member or between superior and subordinate. Said, et al. (2017) states that communication addresses how to direct power and potency in order to work to achieve the specified objective. Thus, the choice of quitting taken by employees will be the last choice. Luke, et al. (2015) defines Intention to Quit as an individual's wish to leave company and to look for another alternative job.

H7 : There is an effect of Leader Member Exchange on Intention to Quit of SPG/ SPB with Job Satisfaction being mediating variable.

8. The difference of effect of job satisfaction and communication in Intention to Quit between sexes (male and female).

To an employee, there are external and internal factors in doing a job; these two factors affect and become the employees' consideration in deciding on a choice of staying in or quitting from the job. Intention to Quit is an employee's wish to quit from the company he/she has worked with before (Nyoman and Wayan, 2015). Gender also becomes an employee's consideration in deciding to quit. Female employees decide to quit from their job more easily than the female ones do.

H8 : There is a sex factor in the effect of job satisfaction and communication on Intention to Quit of SPG/ SPB.

FRAMEWORK

The framework is used to facilitate the author in analyzing the problem studied (Moleong, 2007: 47). The framework of research is as follows:

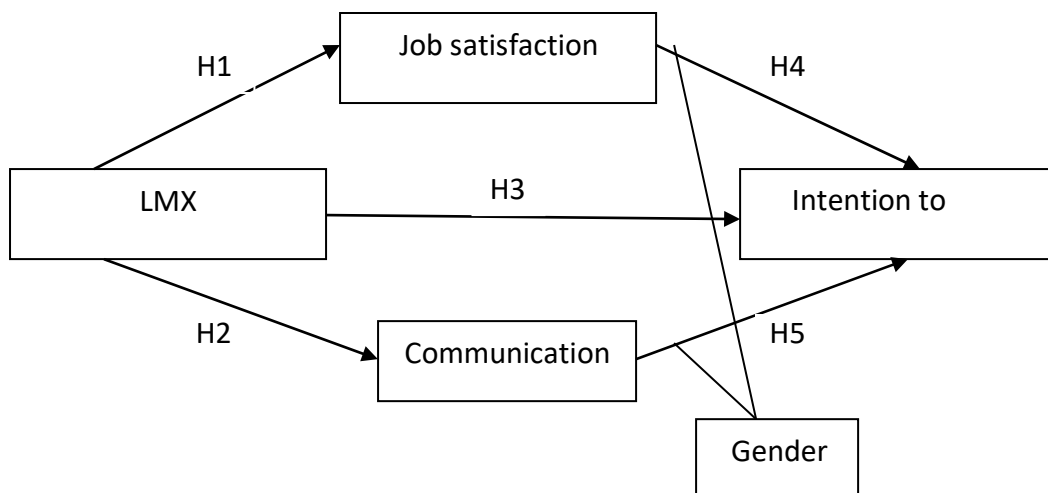


Figure I. Framework

The framework used in this study is adopted from the previous studies conducted by Luke, et al. (2018), Muhammed (2017), ShuSien et al., (2017), Maria, et. al., (2015), and Ghulam, et al. (2015). Decision to quit from job is a choice often taken by employees due to sex. Intention to quit is affected by job satisfaction, communication, and leader member exchange. Job satisfaction factor can attenuate or strengthen the relationship between LMX and intention to quit.

Method

This study was quantitative research with primary data source collected using questionnaire. The respondents of research consisted of 250 SPGs/SPBs existing in Surakarta City. Data analysis was conducted using linear regression with PLS version 2 software help.

Analysis and Discussion

1. Description of Respondents

The respondents of research were all users of train and bus transportation vehicles taken randomly (simple random sample). Meanwhile the description of research is presented in the table below.

Table 1 Description of Respondents

Characteristics	Group	Sum	Percentage
Sex	Male	98	39.20
	Female	152	60.80
Age	<21 years	95	38.00
	21-26 years	102	40.80
	>= 26 years	53	21.20

Source: Processed Primary Data, 2019

2. Validity and Reliability Test

The data of research contained 6 variables with 32 question indicators. Convergent validity was obtained when two different instruments measuring the same construct has high correlation. An indicator is considered as valid, according to Ghozali (2008), when it has correlation value higher than 0.7. However, loading value of 0.5-0.6 is still acceptable with variance extracted (AVE) > 0.5 and communality > 0.5. The result of questionnaire validity analysis using factor loading and Average Variance Extracted coefficient shows that AVE score of all variable is higher than 0.50, so that all variables in this research are valid.

3. Hypothesis Test

Considering original sample, t-statistic, and path coefficient values can be seen in table 4.3.

Table 4.3 Result of Hypothesis Test

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (O/STERR)
LMX=>Intention to Quit	1.1351	1.1413	1.3331	1.3331	4.5133
Satisfaction =>Intention to Quit	1.3315	1.3351	1.3441	1.3441	4.5151
Communication =>Intention to quit	3.5869	1.1155	1.3514	1.3514	3.5555
LMX=>Satisfaction	2.8935	1.9631	0.9853	1.8963	3.8521
LMX=>Communication	3.1893	1.8532	1.0125	1.2563	4.0103
Job satisfaction and Communication (Gender) =>Intention to Quit	1.4345	1.4435	1.3451	1.3451	4.4311

Source: Processed Primary Data, 2019

1) The result of test on the effect of LMX on Job Satisfaction

The result of first hypothesis testing shows that there is a relationship between LMX variable and job satisfaction with path coefficient value of 2. 8935 and t-statistic value of 3.8521 higher than from t table (1.651), indicating that the direction of relationship between service quality and satisfaction is positive and significant because t statistic is higher than t table.

It is consistent with the first hypothesis, so that it can be said that H1 is supported.

2) The Result of Test on the Effect of LMX on Communication

The result of second hypothesis testing shows that there is a significant relationship between LMX and communication, with t-statistic value of 4.0104(>1.651). It means that LMX has a positive and significant effect on communication. It is consistent with the second hypothesis, meaning that H2 is supported.

3) The Result of Test on the Effect of LMX on Intention to Quit

The result of third hypothesis testing shows that the relationship between LMX variable and Intention to Quit shows path coefficient value of 1.1351 with t value of 4.5133 higher than t table (1.651). It is consistent with the third hypothesis, meaning that H3 is supported.

4) The result of test on the effect of job satisfaction on Intention to Quit

The result of fourth hypothesis testing shows that there is a significant relationship between job satisfaction and Intention to Quit with t-statistic of 4.5151(>1.651). Original sample estimate value is positive, 1.3315. It means that job satisfaction relates to Intention to Quit positively and significantly. It is consistent with the fourth hypothesis, meaning that H4 is supported.

5) The result of test on the effect of communication and Intention to Quit

The result of fifth hypothesis testing shows that there is a significant relationship between communication and Intention to Quit with t-statistic of 3.5555(>1.651). Original sample estimate value is positive, 3.5869. It means that communication relates to Intention to Quit positively and significantly. It is consistent with the fifth hypothesis, meaning that H5 is supported.

6) The result of test on the effect of sex on the relationship between job satisfaction and communication, and on the relationship of job satisfaction and communication to intention to quit

The result of test shows that sex affects the relationship of job satisfaction and communication to intention to quit. The relationship is significant with t- statistic value of 4.4311(> 1.651). Original sample estimate value is positive, 1.4345, indicating that the direction of the effect of sex on the relationship between job satisfaction and communication is positive and significant.

CONCLUSION

The result of analysis conducted reveals that there is a positive significant relationship between LMX and job satisfaction, communication, and intention to quit. From the result of analysis, it can be seen that there is a positive significant relationship of job satisfaction and communication to intention to quit.

Different sex also affects the relationship of job satisfaction and communication to intention to quit positively and significantly.

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