

THE EFFECTS OF LEADER-MEMBER EXCHANGE (LMX) AND JOB SATISFACTION ON LOYALTY AT THE ADVENTIST UNIVERSITY OF INDONESIA

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ABSTRACT

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Human resources are a crucial aspect of a company. The significance of human resources in a company necessitates that every company hire competent and effective people to manage the business. Management has set objectives, designs, and preparations for operational activities, including the design of management structures and procedures. To be able to carry out a design and preparation that involves the design of management structures and procedures, management and employees must have a positive rapport. This research seeks to examine the relationship between Leader-Member Exchange and Job Satisfaction and Loyalty. This research was conducted at the Indonesian Adventist University, where the population consisted of all linked parties employed at the Indonesian Adventist University, and a total of 124 individuals were sampled using a method of purposive sampling. A questionnaire was used to collect data, which was then analyzed using multiple regression methods and SPSS version 24 software. This study indicated that Leader-Member Exchange has a positive and significant effect on Employee Loyalty. Job Satisfaction has a positive and significant effect on Employee Loyalty. Both Leader-Member Exchange and Job Satisfaction have a substantial effect on Employee Loyalty concurrently.

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1. INTRODUCTION

Human resources are the most important aspect of an organization of a company, regardless of its form or purpose, because it is founded on numerous visions for the benefit of humans. The significance of human resources in a company necessitates that every firm hire competent and effective people to manage the company [6]. Therefore, we need a leader who can manage human resources so that future employees can meet the organization's quality and productivity standards.

Management has set aims, plans, and preparations for operational tasks, including the design of management structures and procedures. To be able to carry out a design and preparation that involves the design of management structures and procedures, management and employees must have a respectful relationship. Leader-member exchange (LMX) is a position in which the leader and each person make decisions. In this instance, leader-member exchange (LMX) is essential to the company since it is directly tied to the interaction between leaders and employees [2].

The leader-member exchange hypothesis describes how leaders develop reciprocal connections with each subordinate. This theory's fundamental premise is that superiors establish separate and distinct reciprocal relationships with each of their subordinates because both parties identify their respective positions as superior and subordinate. Leader member exchange (LMX) is a departure from the conventional leadership approach. LMX is derived from the vertical dyad linkage (VDL) theory, which focuses on the relationship and development process between superiors and subordinates [18]. A dyad consists of two components that interact to produce a unit. Members (workers, subordinates) whose responsibility it is to report directly to the leader make up the number two (boss, supervisor). Leader-member exchange (LMX) refers to the quality of exchange that exists in the connection between superiors and subordinates when the superior's relationship with each of his subordinates varies in terms of superior-subordinate quality. LMX places a greater focus on reciprocal contributions in superior-subordinate relationships than the VDL negotiating procedure [18]. Coworkers and even managers may harbor severe reservations about their closest ties. This occurs frequently in businesses and organizations, resulting in a lack of job satisfaction among employees. This indicates that if there is a positive relationship

The Effects Of Leader-Member Exchange (Lmx) And Job Satisfaction On Loyalty At The Adventist University Of Indonesia. Angelina Nobel Uly, et al

between employees and management, businesses and organizations will have a productivity edge.

Then, job satisfaction is an attitude in the development of an individual's impression of their employment. Job satisfaction is the attitude of employees toward their job in relation to work settings, employee collaboration, awards earned, and physical and psychological considerations [16]. This proves that job satisfaction is important. Loyalty or loyalty is one of the elements used in evaluating employees which includes loyalty to work, position and organization [5]. Then, loyalty can also be seen as the tendency of employees not to move to another company because loyalty can affect the convenience of employees to work in a company [15]. Whereas loyalty can be interpreted as loyalty, devotion and trust given or directed to a person or institution, in which there is a sense of love and responsibility to try to provide the best service and behavior [12].

In this situation, it is emphasized that if there is a healthy relationship between employees and executives, the company has a sense of commitment and trust, resulting in higher productivity and employee loyalty. A positive relationship between executives and workers at an educational institution will promote more work motivation inside a company, hence influencing employee job satisfaction [10]. Numerous prior studies have been undertaken, including research on the link between supervisor support and intention to leave: the moderating role of leader-member interchange. The research revealed a negative association between perceived supervisor support and turnover intentions, with leader-member exchange serving as a stabilizer. On the other side, there is a positive association between perceived supervisor support and leader-member exchange, and a negative relationship between leader-member interchange and desire to leave the organization [8]. Then also previous research with the title Relationship Leader Member Exchange and Work Motivation Against Job stress Employees of the Maluku Provincial Forestry Service in terms of Gender, where this research resulted in that it can be concluded that the Work Motivation of female employees has a partial effect on the level of Job stress, while Leader Member Exchange and Work motivation affects the level of job stress [13]. In addition, there is also research entitled The Effect of Leader Member Exchange on Employee Work Motivation, which results that there is an influence of Leader Member Exchange on Work Motivation [7]. The Adventist University of Indonesia is a private educational institution that was founded in 1949, with 6 faculties and 2 faculties for postgraduate programs. The coverage of the Adventist University of Indonesia is quite small because both leaders, lecturers, and employees are on campus. The small scope means that job satisfaction can be affected not only by interactions at work, but in daily interactions. This causes interactions in the workplace often affect interactions in everyday life or vice versa. For example, if a lecturer has a problem with his boss or between fellow lecturers, then often in daily activities problems at work are associated with daily activities.

Based on preliminary information, employees who work at the Adventist University of Indonesia, on average, have a workload that is beyond their respective responsibilities, as well as very little communication with superiors. This has the potential to cause miscommunication and team breakdown if left for a long time.

2. LITERATURE REVIEW

Leader-Member Exchange (LMX) Theory

Leader-Member Exchange (LMX) theory examines the relationship between a leader and his experts. [4] stated that LMX theory consists of two major theories. The first theory is role theory, followed by social exchange theory. The role theory explains why individuals have optimistic perspectives of situations and expectations of their own and others' behavior. [14] stated that through the relationship between the leader and followers will arise mutual obligations and dependencies, this can increase loyalty. LMX is an interpersonal exchange relationship between leaders and subordinates characterized by influence, loyalty, contribution and professional respect. Research results of [17] and [9] concluded that leader member exchange has a positive and significant effect on loyalty. When an employee feels that the exchange of leader members is good, it can increase the existing loyalty of the employee concerned.

H1: Leader-Member Exchange has a positive effect on Loyalty.

Job satisfaction

Job satisfaction is an employee's perception of accomplishment and success at work. This is commonly believed to be closely tied to the product and individual well-being. Job satisfaction entails doing one's responsibilities with enthusiasm and feeling appreciated for one's efforts. Additionally, job satisfaction means passion and contentment with one's employment. The primary factor that leads to recognition, money, promotions, and the accomplishment of other goals that contribute to feelings is job satisfaction [1]. Employees that are enthusiastic about their work and able to commit all of their talents

and attention to their job tasks might be motivated by job satisfaction.

H2: Job satisfaction has a positive effect on loyalty.

3. METHOD

This research was conducted at the Adventist University of Indonesia. The Adventist University of Indonesia started as an educational school founded in Cimindi in 1929 called the Opleiding School der Adventist Zending, a school for the education of Seventh-day Adventist Church evangelists. The population in this study were all related parties working at the Adventist University of Indonesia consisting of 80 teaching staff and 50 teaching and learning operational support staff.

The sample in this study was taken using purposive sampling method. The purposive sampling method is a sampling technique with certain considerations or criteria that are adjusted to the needs of research data. The criteria in this study are: 1) Have worked under the same leadership for at least 1 year; 2) Routinely interact with the leadership in a minimum frequency of once a week and a maximum of every day. The number of respondents who met the sample criteria for this study totaled 124 respondents consisting of 86 teaching staff at the faculty and 38 staff supporting operational activities.

The dependent variable (tied) in this study is loyalty. Loyalty is a psychological attachment or commitment to the organization and occurs as a result of increased satisfaction that comes from the results of the internal evaluation process, and if the level of employee expectations meets or exceeds then satisfaction will grow [3]. While the independent variable (free) in this study uses the Leader-Member Exchange variable (X1) which is measured by and Job Satisfaction (X2). The dependent and independent variables in the study were measured using a questionnaire and a Likert scale.

The data used in this study used primary data in the form of distributing questionnaires and direct observation of the results of the questionnaire on the research object. In addition to primary data, this study also uses secondary data to support the processing of primary data that has been obtained through questionnaires. Secondary data used in this research are journals, books, articles, websites, and so on.

Validity test is used to measure the validity or validity of a questionnaire [11], if the questionnaire is able to provide valid results from a study, then the questionnaire is considered valid and appropriate as a measure. Hypothesis testing is done using simple linear regression. Simple linear regression is used to measure the effect of one independent variable on one dependent variable, with the regression model as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \epsilon$$

Information:

X1 : Leader-Member Exchange (LMX)
 X2 : Job Satisfaction
 Y : Loyalty
 β_0 : Regression constant
 $\beta_1 X \beta_2$: Regression coefficient
 ϵ : error term

4. RESULT AND DISCUSSION

The descriptive statistics used are minimum, maximum, average, and standard deviation. The following table shows the descriptive statistics of all the variables used in this study.

Table 1. Descriptive Statistics of Research Data

	Statistik deskriptif				
	n	Min	Max	meaning	std. Deviation
LMX	124	19.00	38.00	292.823	389.404
Job Satisfaction	124	37.00	57.00	465.726	484.252
Employee_Loyalty	124	31.00	52.00	422.581	381.667
Valid N	124				

Employee Loyalty (Y) is a commitment to the organization and occurs as a result of increased satisfaction that comes from the results of the internal evaluation process. Based on table 4.1 it can be seen that the minimum value for the Employee Loyalty variable is 31.00 and the maximum is 52.00. The standard deviation is 3.817 and the mean is 42.258.

Leader Member Exchange (X1) is a leader who develops various types of relationships with his

The Effects Of Leader-Member Exchange (Lmx) And Job Satisfaction On Loyalty At The Adventist University Of Indonesia. Angelina Nobel Uly, et.al

followers. Based on table 4.1 it can be seen that the minimum value for the Leader Member Exchange variable is 19.00 and the maximum is 38.00. The standard deviation is 3.894 and the mean is 29.28.

Job Satisfaction (X2) is a measure of the level of worker satisfaction with the type of work related to the nature of the work assignments, work results achieved, forms of supervision obtained and feelings of relief and liking for the work. they are doing. Based on table 4.1 it can be seen that the minimum value for the Job Satisfaction variable is 37.00 and the maximum is 57.00. The standard deviation is 4.843 and the mean is 46.57.

Table 2. Questionnaire Validity Test Results

No items	Questionnaire Items	r-Count	r-Table	Decision	No items	Questionnaire Items	r-Count	r-Table	Decision
1	LMX1	0.306	0,176	Legitimate	20	KK10	0,233	0,176	Legitimate
2	LMX2	0,327	0,176	Legitimate	21	KK11	0.228	0,176	Legitimate
3	LMX3	0.228	0,176	Legitimate	22	KK12	0.234	0,176	Legitimate
4	LMX4	0.255	0,176	Legitimate	23	KK13	0.223	0,176	Legitimate
5	LMX5	0.244	0,176	Legitimate	24	KK14	0.198	0,176	Legitimate
6	LMX6	0.265	0,176	Legitimate	25	KK15	0.196	0,176	Legitimate
7	LMX7	0.239	0,176	Legitimate	26	KK16	0,242	0,176	Legitimate
8	LMX8	0,195	0,176	Legitimate	27	LK1	0.283	0,176	Legitimate
9	LMX9	0,184	0,176	Legitimate	28	LK2	0.301	0,176	Legitimate
10	LMX10	0.191	0,176	Legitimate	29	LK3	0.296	0,176	Legitimate
11	KK1	0.249	0,176	Legitimate	30	LK4	0.247	0,176	Legitimate
12	KK2	0.212	0,176	Legitimate	31	LK5	0,188	0,176	Legitimate
13	KK3	0.210	0,176	Legitimate	32	LK6	0,179	0,176	Legitimate
14	KK4	0,187	0,176	Legitimate	33	LK7	0.224	0,176	Legitimate
15	KK5	0,178	0,176	Legitimate	34	LK8	0,233	0,176	Legitimate
16	KK6	0.192	0,176	Legitimate	35	LK9	0.197	0,176	Legitimate
17	KK7	0,312	0,176	Legitimate	36	LK10	0,293	0,176	Legitimate
18	KK8	0.180	0,176	Legitimate	37	LK11	0,188	0,176	Legitimate
19	KK9	0,322	0,176	Legitimate	38	LK12	0,339	0,176	Legitimate

Based on the output results, it can be seen that there were a total of 38 questionnaire items whose validity was tested, and all of these results were declared valid. This can be seen from the results of the Pearson Correlation statistic whose value is above the statistics from the correlation table for a total of 124 respondents, which is 0.1764. So that the questionnaire can be declared valid.

Table 3. Partial Regression Test Results (T-Test)

		Coefficient			T	Signature
		Nonstandard coefficients		Standard Coefficient		
Model		B	std. Error	Beta		
1	(Constant)	28.770	3.734		7.705	.000
	LMX	.179	.086	.183	2.086	.039
	Job satisfaction	.177	.069	.224	2.559	.012

A. Dependent Variable: Employee_Loyalty

Leader Member Exchange provides statistically significant results on the Employee Loyalty variable with a significance value less than alpha (0.039 0.05). The value of the Leader Member Exchange variable's coefficient is 0.179. This indicates that the Employee Loyalty variable will increase by 0.179 for every increase of 1 unit in Leader Member Exchange. Leader Member Exchange has a significant and positive effect on Employee Loyalty. The results of this research are consistent with the Role Theory, which states that individuals have a positive outlook on events and positive expectations for their own and others' actions. In this situation, a boss has specific expectations of his team members, and when these expectations are satisfied, the boss will have a sense of pleasure and develop more business loyalty.

The Job Satisfaction variable demonstrates statistically significant results in the Employee Loyalty variable, with a significance value less than alpha (0.012 0.05). The coefficient value for the variable Job

Satisfaction is 0.177. This indicates that for each one-unit rise in Job Satisfaction, the Employee Loyalty variable will increase by 0.177 units. The variable Job Satisfaction has a positive and statistically significant effect on Employee Loyalty. This study's findings are consistent with earlier research that has been conducted [17]. The primary factor that leads to recognition, income, promotions, and the accomplishment of other goals that contribute to feelings of satisfaction is job satisfaction. Positive attitudes and actions toward work may result from job satisfaction. In addition, employees will be more enthused about their job and will be able to commit their full abilities and focus to it.

Table 4. Simultaneous Regression Test Results (F-Test)
ANOVA

Model		Sum of Squares	df	Square Average	F	Signature
1	Regression	176.215	2	88.107	6,599	.002b
	Remainder	1.615.527	121	13.351		
	Total	1791742	123			

A. Dependent Variable: Employee_Loyalty

B. Predictors: (Constant), Job Satisfaction, LMX

The results of the F statistical test output in the table above can be seen that the significance value of the F test is smaller than the alpha value ($0.002 < 0.05$). So it can be concluded that all the independent variables used in this study have a significant simultaneous effect on the dependent variable Employee Loyalty.

5. CONCLUSION

Based on the results of the research conducted and the analysis described earlier, the Leader Member Exchange variable has a partial positive and significant effect on Employee Loyalty at the Indonesian Adventist University, as well as the Job Satisfaction variable, which has a partial positive and significant effect on Indonesian Adventist Employee Loyalty, so it can be concluded H1 and H2 in this study are accepted. Simultaneously, this study found that the Leader Member Exchange and Job Satisfaction variables had a significant effect on Employee Loyalty at the Adventist University of Indonesia. The results of this study are expected to provide an overview for leaders who have a team in a work environment that can build a strong but flexible team culture so that each team member has a sense of involvement in every strategic decision making and can form a solid team so that strong interactions can be established on an ongoing basis, regularly and gradually between leaders and staff. Other variables, such as Compensation, Working Climate, Years of Service, Work Location, and Rewards, may impact Employee Loyalty in an organization or corporation, but only a restricted number of variables were investigated in this research.

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