

The Effect of Organizational Culture and Leader Member Exchange to Intention to Leave is Mediated by Job Satisfaction at Contract Employees of Muhammadiyah

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The Effect of Organizational Culture and Leader Member Exchange to Intention to Leave is Mediated by Job Satisfaction at Contract Employees of Muhammadiyah Universities in Yogyakarta

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Abstract—This paper discusses and examine further about the effect of organizational culture and leader member exchange to intention leave is mediated by job satisfaction at contract employees of muhammadiyah universities in Yogyakarta. Data collecting type is quistionare. The study was conducted on employees of Muhammadiyah Universities in Yogyakarta and the questionnaire will be analyzed using SEM AMOS.

Keywords—organizational culture, leader member exchange, job satisfaction, intention to leave, turnover

I. INTRODUCTION

The success of a company in carrying out its business is inseparable from the high level of concentration of all members of the organization to jointly realize the company's goals. The company's performance will be disrupted if management is preoccupied with the entry and exit of the company. Employees who go in and out of a company can certainly interfere with the smooth running of the work and if it often happens can disrupt the achievement of goals set by the company.

Employees who go in and out in a company can have a negative effect because new employees who enter the company need time to adjust or adapt to work and work environment, besides the recruitment process to get new employees certainly requires not a small amount of expenses due to costs and sacrifices time. Another effect of the entry and exit of employees is that every employee who leaves the company will bring with him experience, knowledge gained during the working period. Employee turnover is the permanent and involuntary resignation employees from an organization (Robbins & Judge, 2011). The high turnover rate is destructive organization and related to poor organizational performance (Cronley & Kim, 2017). Various factors influence voluntary turnover, including job satisfaction (Abouraira & Othman, 2017), (Cronley & Kim, 2017), organizational culture (Cronley & Kim, 2017), (MacIntosh & Doherty, 2010), (Omeluzor, 2018), and leader member exchange (Liu et al., 2013).

The study shows an independent relationship between turnover intention, and job satisfaction, or organizational culture, and leader member exchange, besides there is a positive influence between organizational culture on job satisfaction (Al-Sada et al., 2017), (Bigliardi et al., 2012), (Cronley &

Kim, 2017), and leader member exchange on job satisfaction (Peter et al., 2010).

However, there are also studies that state contradictory results such as turnover intention not influenced by leadership style (Gyensare et al., 2016), job satisfaction has no effect on turnover intention (Puangyoykeaw & Nishide, 2015).

Interventions designed to improve organizational culture, leader member exchange, and job satisfaction may be more effective if they are sensitive to variations in employees. However, to design more effective interventions, an advanced statistical model is needed to capture the potential complex pathway to turnover intention. The following research contributes to the literature by using mediation modelsto test the hypothesis that job satisfaction mediates between organizational culture and leader member exchange on turnover intention turnover.

The recent turnover intention phenomenon is a problem that is often faced by various organizations, but there are organizations or institutions that experience low employee turnover, namely Muhammadiyah tertiary institutions in Yogyakarta.

II. RESEARCH PROBLEM

- A. Does organizational culture have an effect on job satisfaction?
- B. Does organizational culture have an effect on intention to leave?
- C. Does the leader member exchange have an effect on intention to leave?
- D. Does job satisfaction have an effect on intention to leave?

III. THEORIES

A. Organizational Culture

Organizational culture is likened to the foundation, foundation, and root (radix) of a "building". In this case the foundation is something that must be prioritized to be built before giving some support on it. Therefore, organizational culture is all the basic things that really determine the strength

or failure of the company in maintaining its existence in a certain period of time .

The idea of organizational culture is identified as one of the main aspects of organizational behavior, useful for understanding what the organization works and extent to which an employee is in accordance with a particular organization. Positive organizational culture reinforces fundamental beliefs and behaviors that are valued by a leader, avoids values and actions that the leader thinks are inappropriate for the company. Conversely, negative culture can be an obstacle, namely poisoning the life of the organization and inhibiting the growth potential of the organization (Bigliardi et al., 2012).

B. Leader Member Exchange (LMX)

Leader Member Exchange (LMX) leadership style is a leadership style with an approach to improving good relations between leaders and employees so that it can improve work. Good relationship between leaders and employees results in trust, positive attitudes, and loyalty in work. Good behavior for employees can produce a voluntary feeling of employees to be able to sacrifice for the company. In addition, positive special treatment can increase employee contributions to the company. Therefore, through the Member Exchange Leader (LMX), it is expected to have good impacts so that employees are voluntary about their work and feel more comfortable when employees work with their leaders.

C. Job Satisfaction

Job satisfaction is defined as a positive feeling about someone's work which is the result of evaluating its characteristics. Job satisfaction is a common attitude from an individual to his work. Work is more than just a clear but more complex activity including interaction with colleagues and superiors, following organizational rules and policies, meeting work standards, living in work conditions that are often less than ideal, and other things (Robbins & Judge, 2011). In addition, job satisfaction is also defined as the level of excitement people get for doing work (Ebert & Griffin, 2017). Job satisfaction results from employee perceptions of their work and the degree of conformity between individuals and organizations (Luthans, 2011).

D. Intention to Leave

Intention to Leave which is often referred to as turnover intention means the desire of employees to move away from the old company to get a better job. This desire is not necessarily realized (Harnoto, 2002). Turnover intention is also defined as individual behavioral intention to leave the organization (Azanza et al., 2015). Mobley et al. (in Gatling et al., 2016) defines turnover intention as integrated performance from being dissatisfied with work, the idea of going away, the intention to find another job, and the possibility of finding another job.

Employee turnover is permanent resignation by employees either voluntarily or not from an organization. High employee turnover rates can cause high costs such as recruitment fees, selection costs, and training costs.

IV. RESEARCH MODEL

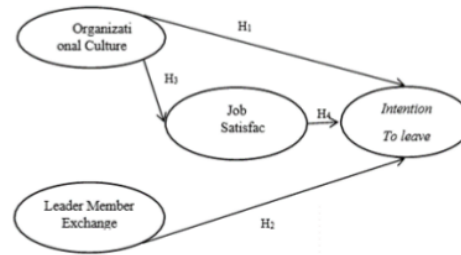


Fig. 1. Research model.

V. RESEARCH METHODOLOGY

This type of research is quantitative explanatory. The quantitative approach is a research approach that uses data in the form of numbers from the results of survey responses distributed to the research sample and analyzed using SEM AMOS. Explanatory or explanatory research is a study that intends to explain the position of the variables studied and the relationship between one variable and another.

The object of this study was the Muhammadiyah universities in Yogyakarta. The sample in this study was selected using a probability sampling technique, which is a sampling method that requires that each member of the population has the same opportunity to be selected as a sample. Probability sampling technique is used by purposive sampling technique, which is a sampling technique with certain considerations. The considerations used to determine the sample in this study were employees of Muhammadiyah Universities in Yogyakarta who had worked for at least 1 year, with the reason that the employees concerned had known the organization and had felt satisfied or not at work, so the sample in this study is contract employees worked for at least 1 year. The sample in this study was determined to be 150 employees.

The questionnaire in this study describes the questions about organizational culture variables, leader member exchange, job satisfaction, and intention to leave employees. The scale used to give the questionnaire scoring in this study is a scale likert by providing the following values. The measurement scale in the scoring questionnaire was chosen as the Likert scale 5 point.

Indicators of Organizational Culture (BO) is :

- 1) innovation (BO1)
- 2) attention to details (BO2)
- 3) result orientation (BO3)
- 4) orientation of people (BO4)
- 5) team orientation (BO5)
- 6) aggressiveness (BO6)
- 7) stability (BO7)

Indicators of Leader Member Exchange (LMX) Leadership style is:

- 1) Contribution (LMX1)
- 2) Loyalty (LMX2)
- 3) Affection (LMX3)
- 4) Professional Respect (LMX4)

Indicators of Job Satisfaction (KK) is:

- 1) Job satisfaction itself (KK1)
- 2) salary / reward satisfaction (KK2)
- 3) satisfaction with promotional opportunities(KK3)
- 4) satisfaction with the leader (KK4)
- 5) satisfaction with friends (KK5)

Indicators of Intention to Leave (IL) is:

- 1) intention to leave work (IL1)
- 2) Actively looking for a new job (IL2)
- 3) immediately quit my job (IL3)
- 4) With the same company while waiting for the decision later this year (IL4)

VI. RESULT AND DISCUSSION

This type of research is quantitative explanatory. The quantitative approach is a research approach that uses data in the form of numbers from the results of survey responses distributed to the research sample and analyzed using SEM AMOS. Explanatory or explanatory research is a study that intends to explain the position of the variables studied and the relationship between one variable and another.

A. CFA Test

TABLE I. CFA TEST

Indicator	Variabel	Estimate	Valid/Not Valid
B01	Organizational Culture	0.510	Not valid
B02	Organizational Culture	0.703	valid
B03	Organizational Culture	0.801	valid
B04	Organizational Culture	0.776	valid
B05	Organizational Culture	0.823	valid
B06	Organizational Culture	0.794	valid
B07	Organizational Culture	0.440	Not valid
KK1	Job Satisfaction	0.646	valid
KK2	Job Satisfaction	0.539	Not valid
KK3	Job Satisfaction	0.674	valid
KK4	Job Satisfaction	0.699	valid
KK5	Job Satisfaction	0.674	valid
LMX1	Leader Member Exchange	0.508	Not valid
LMX2	Leader Member Exchange	0.670	valid
LMX3	Leader Member Exchange	0.830	valid
LMX4	Leader Member Exchange	0.769	valid
IL1	Intention to Leave	0.675	valid
IL2	Intention to Leave	0.843	valid
IL3	Intention to Leave	0.662	valid
IL4	Intention to Leave	0.422	Not valid

B. Reliability Test

TABLE II. RELIABILITY TEST

No	Variable	Indicator	Standard Factor Loading	SFL Quardrate	Error [e _j]	Construct Reliability	AVE
1	Organizational Culture (BO)	B02	0.703	0,494209	0,506	0,885989	0,661011
		B03	0.801	0,641601	0,358		
		B04	0.776	0,602176	0,398		
		B05	0.823	0,77329	0,323		
		B06	0.794	0,630436	0,370		
2	Leader Member Exchange (LMX)	LMX2	0.830	0,6889	0,311	0,715387	0,555903
		LMX3	0.670	0,4489	0,551		
		LMX4	0.508	0,258064	0,742		
3	Job Satisfaction (KK)	KK 1	0.646	0,417	0,583	0,729126	0,515192
		KK3	0.674	0,454	0,546		
		KK4	0.699	0,489	0,709		
		KK5	0.674	0,454	0,511		
4	Intention to Leave (IL)	IL1	0.675	0,456	0,544	0,773014	0,609708
		IL2	0.843	0,711	0,289		
		IL3	0.662	0,438	0,562		

From table 2, all of the indicators are reliable, because the value of CR is more than 0.7. Then, we can using SEM model with 15 indicators.

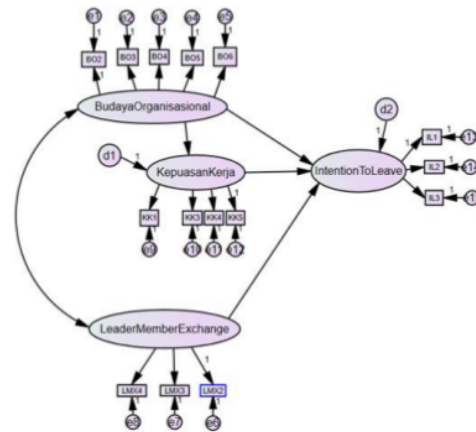


Fig. 2. Full model standardized SEM.

C. Outliers Test

TABLE III. OUTLIERS TEST

Observation number	Mahalanobis elsqared	p ¹	p ²
84	37,493	,001	,118
28	34,455	,003	,047
87	29,790	,013	,187
17	29,639	,013	,071
29	29,155	,015	,085
....
....
....

From table 3, observation number 84 and 28 is outliers because value of Mahalanobis d squared more than 30.578 (the limit data outliers mahalanobis).

D. Normality Test

TABLE IV. NORMALITY TEST

Variabel	Min	max	skew	c.r.	kurtosis	sc.r.
IL3	1,000	5,000	-.973	-4,187	1,492	3,210
IL2	1,000	5,000	-.509	-2,189	-.581	-1,248
IL1	3,000	5,000	-.392	-1,687	-.981	-2,109
KK5	2,000	5,000	-.514	-2,210	-.309	-.664
KK4	3,000	6,000	-.100	-.429	-.809	-1,740
KK3	2,000	5,000	-.046	-.198	-.592	-1,274
KK1	2,000	5,000	-.063	-.271	-.672	-1,446
LMX4	3,000	5,000	-.062	-.268	-.770	-1,653
LMX3	2,000	5,000	-.400	-1,720	-.106	-.228
LMX2	2,000	5,000	-.265	-1,140	-.290	-.623
BO6	3,000	5,000	-.235	-1,013	-.623	-1,360
BO5	2,000	5,000	-.599	-2,577	-.002	-.004
BO4	2,000	5,000	-.501	-2,156	-.178	,382
BO3	2,000	5,000	-.399	-1,715	-.666	-1,433
BO2	3,000	5,000	-.333	-1,432	-.785	-1,689
Multivariate					6,181	1,442

From table 4, the value of multivariate test is 1,442. For multivariate test the data is normal, because the data is between ±2,58.

E. Goodness of Fit Test

TABLE V. GOODNESS OF FIT TEST

Goodness of Fit Index	Cut off value	Result	Model Evaluatio
Chi- Square	≤ 157,609	156,341	Good Fit
Signifikasi Probability	≥ 0,05	0,000	Not Fit
CMIN/DF	≤ 2,00	1,839	Good Fit
GFI	≥ 0,90	0,851	Marginal Fit
RMSEA	≤ 0,08	0,087	Marginal Fit
AGFI	≥ 0,90	0,789	Not Fit
TLI	≥ 0,90	0,892	Marginal Fit
PNFI	0,60 – 1,90	0,672	Good Fit
PMR	<0,05	0,054	Marginal Fit

From table 5, the goodness of fit index of this research showed that 3 good fit index, 5 marginal fit and 2 not fit. Because there are 3 good fit index (more than 2 good fit), so the conclusion of this model is good.

F. Hypothesis Test

TABLE VI. HYPOTHESIS TEST

	Estimate Standardized	S.E..	C.R.	P	Information
KK <... BO	0,727	0,168	5,457	***	Significant
II <... BO	-0,657	0,211	-2,925	0,003	Significant
IL <... KK	0,753	0,187	0,006	0,003	Significant
<... LMX	0,077	0,194	0,459	0,646	Not Significant

Hypothesis is significant, if P value ≤ 0,05. From table 6, there are 3 significant hypothesis.

We get conclusion :

- Organizational culture has a positive effect on job satisfaction
- Organizational culture has a negative effect on intention to leave
- Job satisfaction has a negative effect on intention to leave

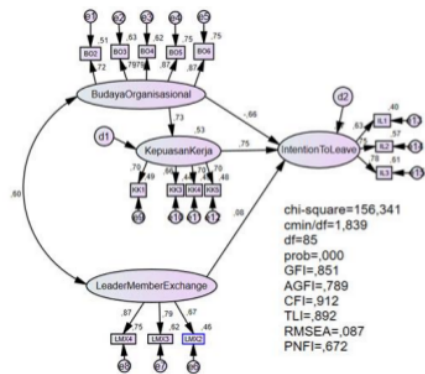


Fig. 3. Long short term memory block.

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