

Jurnal Administrare: Jurnal Pemikiran Ilmiah dan Pendidikan Administrasi Perkantoran
Vol. 8, Issue. 1, January-June 2021, Pages 1-10
Homepage: <http://ojs.unm.ac.id/index.php/administrare/index>

The Effect of Leader Member Exchange on Employee Performance at PT Gawi Makmur Kalimantan, Penajam Paser Utara

Ana Noor Andriana¹, Arwin Sanjaya², Silvi Elvara Putri Insani³
^{1,2,3}Universitas Mulawarman
Email: ananoorandria92@gmail.com

ABSTRACT

This research is motivated by the role of the leader in improving the quality of work relationships. Leader-member exchange has a role in creating a quality working relationship between leaders and employees. This study aims to determine the effect of leader-member exchange which consists of affect, loyalty, contribution, and professional respect on employee performance at PT Gawi Makmur Kalimantan. The sampling technique using systematic random sampling obtained 86 samples. The partial test shows loyalty, contribution, and professional respect partially influence employee performance, while affect does not affect employee performance. Simultaneous test shows affect, loyalty, contribution, and professional respect have a simultaneous effect on employee performance by $26.835 \geq 2,48$ with a significance of $0,000 \leq 0,05$. The dominant test results show that professional respect has a dominant effect on employee performance with the value of standardized coefficients beta of 0,350

Keywords: Affect, Loyalty, Contribution, Professional Respect, Employee Performance

INTRODUCTION

Companies cannot stand alone without the role of a leader. Leaders are the backbone of a company's growth (Asrar-ul-Haq & Kuchinke, 2016; Gemeda & Lee, 2020; Niswaty et al., 2019; Xie et al., 2018). Leaders are required to have the ability and skills in managing the company. The existence of a leader in an organization or company is needed to improve employee performance. A leader is someone who has the authority to direct his subordinates in doing work so that they can work productively in achieving the vision and mission that has been set (Davila & Elvira, 2012; Huertas-Valdivia et al., 2019). In a company, good performance is supported by interactions between leaders and employees. This interaction can lead to a reciprocal relationship between the two.

There is a leadership pattern that is closely related to the relationship between leaders and employees. This leadership pattern is known as the leader-member exchange. This leadership theory is a process of social interaction that affects leaders and employees. According to (Settoon et al., 1996) leader-member exchange is an increase in the quality of the relationship between leaders and employees which can affect the performance of both. The relationship created between leaders and employees can lead to a sense of trust, positive attitude, and support. The behavior of the relationship between leaders and employees can be seen from the routine work and roles performed. The leader-member exchange leadership system can generate feedback between the two by establishing communication regardless of social boundaries.

According to (Liden & Maslyn, 1998) several leader-member exchange indicators are used to measure the creation of leader-member exchange in a company. These indicators

include affect, loyalty, contribution, and professional respect. Affect is a close relationship between leaders and employees where leaders and employees have interpersonal appeal not only work professionals. Loyalty is an attitude of supporting each other for what is done in any situation. The contribution is the extent to which employees devote their abilities to the company by contributing to all activities related to the company. Professional respect is an attitude of respecting and admiring the leadership for the achievements achieved.

According to (Mangkunegara, 2011) performance or job performance is the quality and quantity of work achieved by an employee in carrying out his duties by the given responsibilities. Meanwhile, according to (Moheriono, 2018) performance is a description of the level of achievement of the implementation of an activity program or policy in realizing the goals, objectives, vision, and mission of the organization as outlined in strategic planning. Employee performance can be categorized into two, namely high performance and low performance (Dehaghi & Rouhani, 2014; Kanapathippillai et al., 2019; Sari et al., 2020). High employee performance can have a positive impact on the company such as being able to complete work on time, being able to work together, having good interactions, and having a large contribution to the company. Meanwhile, low employee performance can hurt the company, such as delays in completing work, absenteeism, indiscipline, and decreased work results.

Several previous research results state that the leader-member exchange affects employee performance. As in research (Taqiuddin et al., 2018) states that the leader-member exchange has a positive and significant effect on employee performance. This is supported by the attention and trust given by the leadership to employees. Giving attention and trust makes employees feel at home under leadership guidance. Also, in research (Elshifa, 2018) leader-member exchange has a significant effect on the performance of Kospin Jasa Pekalongan employees. This is stated by a qualified leader-member exchange that can increase employee work engagement because employees feel passionate and dedicated.

The quality of the relationship between leaders and employees is very important in efforts to improve performance (Kelidbari et al., 2016; She et al., 2020; Ye et al., 2020). The relationship created creates interaction between the two, as well as the establishment of communication and openness. The leader-member exchange approach not only improves the quality of the relationship but also improves performance because the leader-member exchange not only leads to the quality of the relationship but also leads to work professionalism

METHOD

This type of research uses a quantitative approach and aims to determine the causality between variables. The research object at PT Gawi Makmur Kalimantan, Penajam Paser Utara. The population in this study amounts to 599 employees. The sampling technique used systematic random sampling and obtained a sample of 86 respondents. The data collection technique used was a questionnaire. Data analysis using classical assumption test, multiple linear regression analysis, and hypothesis testing.

RESULT AND DISCUSSION

Classic Assumption Test

The normality test aims to determine whether the residual value data is normally distributed or not. The results of the normality test are as follow:

Table 1.
Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		86
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	3,13347852
Most Extreme Differences	Absolute	,079
	Positive	,071
	Negative	-,079
Test Statistic		,079
Asymp. Sig. (2-tailed)		,200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Source: Processed data, 2020

Based on the results of the normality test above, it can be seen that the Kolmogorov Smirnov Test Statistic value is 0,79 with a significance of 0,200 > 0,05. So it can be concluded that the residual value is normally distributed or meets the residual normality assumption.

The multicollinearity test aims to determine whether there is a correlation between the independent variables. The results of the multicollinearity test are as follows:

Table 2
Multicolonierity Test Results

	Coefficients ^a				Collinearity Statistics		
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF
	B	Std. Error	Beta				
1 (Constant)	11,555	3,023		3,822	,000		
Affect	,532	,339	,141	1,568	,121	,657	1,521
Loyalty	,937	,386	,210	2,431	,017	,714	1,400
Contribution	,683	,224	,267	3,045	,003	,692	1,445
Professional Respect	1,300	,372	,350	3,492	,001	,528	1,895

a. Dependent Variable: Employee Performance

Source: Processed data, 2020

Based on the multicollinearity test results above, it can be seen that the results of the calculation of the Tolerance value do not have a value less than 0,10 and none of the Variance Inflation Factor (VIF) values have values above 10, this shows that there is no correlation between the independent variables.

Multiple Linear Regression Analysis

Multiple linear regression analysis aims to measure the relationship between two or more variables and can show the direction of the relationship between variables (Ghozali, 2016). The results of testing multiple linear regression analysis are as follows:

Table 3.
Multiple Linear Regression Test Results

Model	Coefficients ^a				t	Sig.
	Unstandardized Coefficients		Standardized Coefficients	Beta		
	B	Std. Error				
1 (Constant)	11,555	3,023			3,822	,000
Affect	,532	,339	,141		1,568	,121
Loyalty	,937	,386	,210		2,431	,017
Contribution	,683	,224	,267		3,045	,003
Professional Respect	1,300	,372	,350		3,492	,001

a. Dependent Variable: Employee Performance

Source: Processed data, 2020

Based on the table above, the equation values for the multiple linear regression model are as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4$$

$$Y = 11,555 + 0,532X_1 + 0,937X_2 + 0,683X_3 + 1,300X_4$$

From the multiple linear regression equation above, it can be concluded as follows:

- A constant value of 11,555 shows a positive influence on the independent variable affect (X1), loyalty (X2), contribution (X3), and professional respect (X4). If the independent variable increases or affects one unit, the employee performance variable will increase or be fulfilled.
- The regression coefficient value for effect is 0,532 which states that if affect (X1) increases by one unit, then employee performance (Y) will increase by 0,532 with the assumption that the other variables are considered constant.
- The loyalty regression coefficient value of 0,937 states that if the loyalty (X2) increases by one unit, the employee's performance (Y) will increase by 0,937, assuming other variables are considered constant.
- The regression coefficient value of 0,683 states that if the contribution (X3) increases by one unit, then the employee's performance (Y) will increase by 0,683 assuming the other variables are considered constant.

- e. The regression coefficient value of professional respect is 1,300 which states that if professional respect (X4) increases one unit, then the employees' performance (Y) will increase by 1,300 assuming the other variables are considered constant.

Correlation Coefficient (R)

Testing the correlation coefficients aims to determine the correlation between the correlation and measure the strength of the influence between the independent and dependent variables. The results of testing the correlation coefficient (R) are as follow:

Table 4.
Correlation Coefficient Test Results (R)

Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,755 ^a	,570	,549	3,210

- a. Predictors (Constant), Professional Respect, Loyalty, Contribution, Affect
- b. Dependent Variable: Employee Performance

Source: Processed data, 2020

Based on the results of the correlation coefficient test (R) above, it can be seen that the results of the processing of the correlation coefficient value of 0,755 mean that it shows the level of the relationship between the variables affect, loyalty, contribution, and professional respect towards employee performance variables, including the strong and positive categories because they are in the range of the coefficient interval of 0,600-0,799.

Coefficient of Determination (R2)

Testing the coefficient of determination (R2) aims to determine the proportion of variation in the dependent variable of employee performance (Y) on the independent variable affect (X1), loyalty (X2), contribution (X3), and professional respect (X4). The results of testing the coefficient of determination (R2) are as follows:

Table 5.
Determination Coefficient Testing (R2)

Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,755 ^a	,570	,549	3,210

- a. Predictors: (Constant), Professional Respect, Loyalty, Contribution, Affect
- b. Dependent Variable: Employee Performance

Source: Processed data, 2020

Based on the results of the determination coefficient test (R2) above, it can be seen that the results of the determination coefficient value of 0,549 mean that the dependent variable

employee performance is influenced by the dependent variable affect, loyalty, contribution, and professional respect by 54,9%, while the rest is 45,1% influenced by other factors.

Hypothesis Testing

The t-test (partial) aims to determine the effect on each independent variable affect (X1), loyalty (X2), contribution (X3), and professional respect (X4) partially on employee performance (Y) by comparing the results of the significant value of tcount with alpha (0,05). The results of the t-test (partial) are as follows:

Table 6.
Results of Affect Hypothesis Test on Employee Performance
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	11,555	3,023		3,822	,000
Affect	,532	,339	,141	1,568	,121

a. Dependent Variable: Employee Performance
Source: Processed data, 2020

Based on the results of the t-test (partial) in the table above, the t-count value 1,568 and a significance value is 0,121. Then compared with the t-table value of 1,990 and a research significance value of 0,05. Then the t-count $\leq 1,990$ and a significance value of $0,121 \geq 0,05$ are obtained. This means that there is no partial effect on employee performance.

Table 7.
Loyalty Hypothesis Test Results on Employee Performance
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	11,555	3,023		3,822	,000
Loyalty	,937	,386	,210	2,431	,017

a. Dependent Variable: Employee Performance
Source: Processed data, 2020

Based on the results of the t-test (partial) in the table above, the t-value is 2,431 and a significance value is 0,017. Then compared with the t-table value of 1,990 and a research significance value of 0,05. Then the t-count value is $2,431 \geq 1,990$ and a significance value of $0,017 \leq 0,05$. This means that there is a partial effect of loyalty on employee performance.

Table 8.
Hypothesis Test Results Contribution to Employee Performance
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	11,555	3,023		3,822	,000
Contribution	,683	,224	,267	3,045	,003

a. Variable: Employee Performance
 Source: Processed data, 2020

Based on the results of the t-test (partial) in the table above, the t-value is 3,045 and a significance value is 0,003. Then compared with the t-table value of 1,990 and a research significance value of 0,05. Then the t-count value is $3,045 \geq 1,990$ and a significance value is $0,003 \leq 0,05$. This means that there is a partial contribution to the performance of employees.

Table 9.
Professional Respect Hypothesis Test Results on Employee Performance
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	11,555	3,023		3,822	,000
Professional Respect	1,300	,372	,350	3,492	,001

a. Variable: Employee Performance
 Source: Processed data, 2020

Based on the results of the t-test (partial) in the table above, the t-count value 3,492 and a significance value is 0,001. Then compared with the t-table value of 1,990 and a research significance value of 0,05. Then the t-count value was $3,492 \geq 1,990$ and the research significance value was $0,001 \leq 0,05$. This means that there is a partial influence of professional respect on employee performance.

The F test (Simultaneous) aims to determine the influence simultaneously between the independent variables affect (X1), loyalty (X2), contribution (X3), and professional respect (X4) on the dependent variable employee performance (Y). The results of the F test (Simultaneous) are as follows:

Table 10.
F-Test Results (Simultaneous)

Model	Sum of Square	df	Mean Square	F	Sig.
1 Regression	1105,970	4	276,492	26,835	,000 ^b
Residual	834,588	81	10,304		
Total	1940,558	85			

a. Dependent Variable: Employee Performance
 b. Predictors: (Constant), Professional Respect, Loyalty, Contribution, Affect
 Source: Processed data, 2020

Based on the results of the F test (Simultaneous) in the table above, it is obtained F count is 26,835 and a significance value of 0,000. Then compared with the F table value of 2,48 and a significance value of 0,05. Then obtained F count $26,835 \geq 2,48$ and a significance value of $0,000 \leq 0,05$. This means that the leader-member exchange variable which consists of affect, loyalty, contribution, and professional respect has a simultaneous effect on employee performance.

Dominant testing aims to determine which independent variables affect, loyalty, contribution, and professional respect have the most dominant influence on employee performance by looking at the standardized coefficient value of standardized coefficients beta which is the highest. The dominant test results are as follow:

Table 11.
Dominant Test Results

Model	Coefficients ^a			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std.Error			
1 (Constant)	11,555	3,023		3,822	,000
Affect	,532	,339	,141	1,568	,121
Loyalty	,937	,386	,210	2,431	,017
Contribution	,683	,224	,267	3,045	,003
Professional Respect	1,300	,372	,350	3,492	,001

a. Dependent Variable: Employee Performance
 Source: Processed data, 2020

Based on the results of the dominant test, the highest value of standardized coefficients beta is the professional respect variable of 0,350. This means that professional respect has a dominant effect on employee performance.

CONCLUSION

Based on the results of partial research, a leader-member exchange which consists of loyalty, contribution, and professional respect has a positive and significant effect on employee performance at PT Gawi Makmur Kalimantan. Meanwhile, affect has no partial effect on employee performance at PT Gawi Makmur Kalimantan. Based on the simultaneous research results, the leader-member exchange which consists of effect, loyalty, contribution, and professional respect has a positive and significant effect on employee performance at PT Gawi Makmur Kalimantan. Based on the results of the study, the dominant sub variable professional respect has a dominant effect on employee performance, or in other words, professional respect has the greatest influence on the employee performance of PT Gawi Makmur Kalimantan.

REFERENCES

- Asrar-ul-Haq, M., & Kuchinke, K. P. (2016). Impact of leadership styles on employees' attitude towards their leader and performance: Empirical evidence from Pakistani banks. *Future Business Journal*, 2(1), 54–64. <https://doi.org/https://doi.org/10.1016/j.fbj.2016.05.002>
- Davila, A., & Elvira, M. M. (2012). Humanistic leadership: Lessons from Latin America. *Journal of World Business*, 47(4), 548–554. <https://doi.org/https://doi.org/10.1016/j.jwb.2012.01.008>
- Dehaghi, M. R., & Rouhani, A. (2014). Studying the Relationship between the Effective Factors on Employees' Performance in Iran's University and the Students' Satisfaction with regards to Employees' Performance. *Procedia - Social and Behavioral Sciences*, 141, 903–908. <https://doi.org/https://doi.org/10.1016/j.sbspro.2014.05.158>
- Elshifa, A. (2018). Pengaruh Leader Member Exchange (LMX) dan Komitmen Organisasi terhadap Kinerja Karyawan dengan Mediasi Organizational Citizenship Behavior (OCB) In *Economicus*.
- Gemeda, H. K., & Lee, J. (2020). Leadership styles, work engagement and outcomes among information and communications technology professionals: A cross-national study. *Heliyon*, 6(4), e03699. <https://doi.org/https://doi.org/10.1016/j.heliyon.2020.e03699>
- Ghozali, I. (2016). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 23*. (Edisi 8). Semarang: Badan Penerbit Universitas Diponegoro.
- Huertas-Valdivia, I., Gallego-Burín, A. R., & Lloréns-Montes, F. J. (2019). Effects of different leadership styles on hospitality workers. *Tourism Management*, 71, 402–420. <https://doi.org/https://doi.org/10.1016/j.tourman.2018.10.027>
- Kanapathippillai, S., Gul, F., Mihret, D., & Muttakin, M. B. (2019). Compensation committees, CEO pay and firm performance. *Pacific-Basin Finance Journal*, 57, 101187. <https://doi.org/https://doi.org/10.1016/j.pacfin.2019.101187>
- Kelidbari, H. R. R., Fadaei, M., & Ebrahimi, P. (2016). The Role of Ethical Leadership on Employee Performance in Guilan University of Medical Sciences. *Procedia - Social and Behavioral Sciences*, 230, 463–470. <https://doi.org/https://doi.org/10.1016/j.sbspro.2016.09.058>
- Liden, R. C., & Maslyn, J. M. (1998). Multidimensionality of leader-member exchange: An empirical assessment through scale development. *Journal of Management*. <https://doi.org/10.1177/014920639802400105>
- Mangkunegara. (2011). Manajemen Sumber Daya Perusahaan. In *Manajemen Sumber Daya Perusahaan*.
- Moehersono. (2018). *Pengukuran Kinerja Berbasis Kompetensi*. (Cetakan 2). Jakarta: Rajagrafindo Persada.
- Niswaty, R., Juniati, F., Darwis, M., Salam, R., & Arhas, S. H. (2019). The Effectiveness of Leadership Functions Implementation in The Makassar Departement of Manpower. *JPBM (Jurnal Pendidikan Bisnis Dan Manajemen)*, 5(1), 1–10.
- Sari, W. P. I., Jamaluddin, J., Saleh, S., & Arhas, S. H. (2020). Influence of Compensation on Work Performance in the District Office of Bissappu, Bantaeng Regency. *Jurnal Ad'ministrare*, 6(2), 105–114.
- Settoon, R. P., Bennett, N., & Liden, R. C. (1996). Social exchange in organizations: Perceived organizational support, leader-member exchange, and employee reciprocity. *Journal of*

- Applied Psychology*. <https://doi.org/10.1037/0021-9010.81.3.219>
- She, Z., Li, Q., Yang, B., & Yang, B. (2020). Paradoxical leadership and hospitality employees' service performance: The role of leader identification and need for cognitive closure. *International Journal of Hospitality Management*, 89, 102524. <https://doi.org/https://doi.org/10.1016/j.ijhm.2020.102524>
- Taqiuddin, H., Tricahyadinata, I., & Sampeliling, A. (2018). Pengaruh Leader Member Exchange dan Komitmen Organisasi Terhadap Kinerja Karyawan Teladan Prima Group Kota Samarinda. *Forum Ekonomi*.
- Xie, Y., Xue, W., Li, L., Wang, A., Chen, Y., Zheng, Q., Wang, Y., & Li, X. (2018). Leadership style and innovation atmosphere in enterprises: An empirical study. *Technological Forecasting and Social Change*, 135, 257–265. <https://doi.org/https://doi.org/10.1016/j.techfore.2018.05.017>
- Ye, B. H., Tung, V. W. S., Li, J. J., & Zhu, H. (2020). Leader humility, team humility and employee creative performance: The moderating roles of task dependence and competitive climate. *Tourism Management*, 81, 104170. <https://doi.org/https://doi.org/10.1016/j.tourman.2020.104170>