THE ROLE OF LEADER-MEMBER EXCHANGE (LMX) IN MEDIATING WORK-LIFE BALANCE AND WORK ENGAGEMENT ON THE EMPLOYEE ORGANIZATIONAL COMMITMENT OF PT. ERA BARU MANDIRI

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ABSTRACT
This research examines the leader-member exchange (LMX) role in mediating the contribution of work-life balance and work engagement on the employee organizational commitment of PT. Era Baru Mandiri. The population was all employees of PT. Era Baru Mandiri, which amounted to 120 people. Determination of the number of respondents was by the census. Data were collected by distributing questionnaires to all respondents and analyzed using AMOS-SEM. The descriptive hypothesis testing proves that the work-life balance, work engagement, LMX, and discipline variables are good. In other words, all variables have been applied well at PT. Era Baru Mandiri. The direct effect hypothesis testing proves that work-life balance and work engagement contribute significantly to changes in LMX, work-life balance and LMX contribute significantly to changes in commitment, and work engagement does not contribute significantly to commitment. The indirect effect hypothesis testing proves that LMX partially mediates the contribution of work-life balance to changes in commitment, and LMX fully mediates the contribution of work engagement to changes in commitment. This finding explains the increase in organizational commitment of PT. Era Baru Mandiri is a function of increasing work-life balance, work engagement, and LMX.

Keyword: Leader-Member Exchange, Work-life Balance, Work Engagement, Organizational Commitment.

1. INTRODUCTION
PT. Era Baru Mandiri is a company in the field of Advertising and Event Organizer services. It is an advertising service company that creates attractive designs and colors to grab the attention of consumers. Apart from that, PT. Era Baru Mandiri also operates as an event organizer whose job is to design, organize, and control events. to achieve the goals of the organization, high organizational commitment is very important to be owned by all employees at PT. Era Baru Mandiri.

Based on the results of initial observations, it is shown that the commitment that employees have for their organization, namely PT. Era Baru Mandiri is still not sufficient. This is reflected in the low commitment of employees to completing tasks, there are still employees who behave inappropriately to work together in the organization, and employees sometimes still do their work not according to the specified time. The lower the commitment, the lower the employee morale. Questioning commitment is the same as questioning their responsibilities in completing tasks.

Many factors affect the commitment of employees of PT. Era Baru Mandiri, one of which is the Leader-Member Exchange (LMX). Leaders at PT. Era Baru Mandiri tends to assume the role of LMX from the level of change in the relationship that is changing. However, the problem is that
the role of leader-member exchange from leadership often forms separate groups which are commonly known as in-groups and outgroups, especially at PT. Era Baru Mandiri has two categories of employees, namely permanent employees and freelance employees. In-group members will receive challenging assignments and receive more meaningful rewards. Whereas out-group members receive less challenging tasks and rewards.

One of the factors that affect LMX and have an impact on increasing employee organizational commitment is work-life balance. Tasks or jobs given by the leadership are too excessive and can result in decreased job satisfaction for employees. This means that the work given by the leadership must be following the level of the employee's position, the education of the employee, and the ability of the employee, or more precisely, the work given must be balanced. Leaders must balance the personal lives of their employees with their work lives so that employee morale gets better and creates job satisfaction.

Work-life balance that is not in line with the expectations of employees of PT. Era Baru Mandiri will have an impact on employee commitment as this can be seen from the results of the initial survey, there are several employees of PT. Era Baru Mandiri stated that it did not agree with the balance of time and the balance of involvement given in completing tasks and other work-related matters. Then the balance of satisfaction is still not satisfied in getting the task and the balance of work disturbances with personal activities.

Another factor that affects LMX and has an impact on increasing employee organizational commitment is work engagement. Lack of employee work engagement results in less than optimal performance generated by the employees themselves. This can be seen from work planning and the achievement of work targets, even though they have tried and tried to provide a better performance, there are still frequent occurrences of performance results that have not been maximized so that this can reduce employee performance.

2. LITERATURE
Organizational Commitment

In this research, organizational commitment will be more often referred to as commitment or employee commitment (to organization). Commitment is a work attitude (job attitude) or belief that is a reflection of the relative strength of the partiality and involvement of individuals in an organization (Purba et al., 2020); (Andriasari, 2017); (Helmy, 2021). Membership commitment in general can be defined as the level of psychological involvement of members in a particular organization (Sutrisno, 2019). Meanwhile (Robbins & Judge, 2017) suggest that there are three separate dimensions of organizational commitment, namely: 1. Affective commitment, 2. Continuous commitment, and 3. Normative commitment.

In this research, to measure employee commitment, use indicators as stated by (Purba et al., 2020) include (1) challenges in work, (2) role conflict, (3) difficulty level, (4) self-control, and (5) work experience. This indicator was chosen because it was following the research model and the place where this research was conducted.

LMX

The scope of the content of LMX consists of three things, namely, Leader (leader or superior), Follower (Subordinate), and Relationship (Interpersonal Relations) (Kusuma, Widyarini, & Susilowati, 2016). (Morrow, Suzuki, Crum, Ruben, & Pautsch, 2005) mention the
meaning of LMX is that improving the quality of the relationship between supervision and employees will be able to improve their work. In the in-group, subordinates are more trusted, get a larger portion of attention from superiors, and get special rights (Robbins & Judge, 2017).

In LMX, supervisors develop a different type of relationship with their subordinates. (Dhivya & Sripirabaa, 2015) and (Robbins & Judge, 2017) mention that measuring LMX can be done by using indicators in the form of (1) superiors and subordinates having a good relationship, (2) working together between employees, (3) leaders giving jobs to employees following employees' work abilities, (4) superiors giving confidence to employees and (5) superiors motivate employees.

**Work-life Balance**

According to (Asepta & Maruno, 2017) Work-life balance is a state of balance between two demands in which the work and life of an individual are equal. According to (Maslichah & Hidayat, 2017), (Ramdhani & Rasto, 2021), and (Qodrizana & Musadieq, 2018) Work-life balance is an individual's or individual's ability to fulfill duties at work and remain committed to their family, as well as their outside responsibilities.

According to (Ramdhani & Rasto, 2021), (Ramdhani & Rasto, 2021), (Fapohunda, 2014), and (Parkes & Langford, 2015) defines work-life balance as an individual who can commit to work and family, and is responsible for both non-work activities. (Abbasi, Hollman, & Hayes, 2008), (Schermerhorn, 2013), (Handayani, Afiati, & Adiyanti, 2015), and (McDonald, Brown, & Bradley, 2005) mentions that measuring work-life balance can be done using indicators including; (1) balance of time, (2) balance of involvement, (3) balance of satisfaction, (4) balance of personal life and (5) balance of work disturbances with personal activities.

**Work Engagement**

According to (Simanjuntak, 2011); (Mariyanti, 2014), and (Yakup, 2017) "Work engagement is how much psychological identification of individuals with their work. According to (Fu, 2015) and (Saxena & Saxena, 2015) explained that "work engagement is related to individual psychology which is important for individual image". (Perrin, 2003), (Harter, Schmidt, & Hayes, 2002) and (Wellsins & Concelman, 2014) work engagement is an illusory power that motivates employees to improve performance at a higher level (time and energy), enthusiasm, and interest, commitment in carrying out work. (Bakker & Leiter, 2010), (Lockwood, 2003) and (Saks, 2011) explained that engagement is a construct that uses cognitive, emotional, and behavioral components associated with job responsibilities. (Simanjuntak, 2011) mentions that measuring work engagement can be done by using indicators in the form of (1) high expectations for work, (2) high emotional involvement in work, (3) great sense of responsibility at work, (4) readiness to face tasks and (5) pride in work.

**Research Model and Hypothesis**
The study model formulated by the authors, and also its hypothesis are as follows.
Figure 1. Effect between Variables
H1: Work-life balance, work engagement, LMX, and commitment in PT. Era Baru Mandiri have been good
H3: Work engagement affects LMX at PT. Era Baru Mandiri.
H4: Work-life balance affects commitment of PT. Era Baru Mandiri
H5: Work engagement affects commitment of PT. Era Baru Mandiri
H6: LMX affects commitment of PT. Era Baru Mandiri.
H7: Work-life balance affects commitment through LMX at PT. Era Baru Mandiri.
H8: Work engagement affects commitment through LMX at PT. Era Baru Mandiri.

3. METHOD
Researchers conducted this research directly at PT. Era Baru Mandiri, is located in Banda Aceh City, Indonesia. The object is work-life balance, work engagement, employee commitment, and LMX. In this research, the population was the employees of PT. Era Baru Mandiri with 120 people. The determination of the number of samples was by the census method so all members of population were used as respondents. The number of employees of PT. Era Baru Mandiri based on the organizational structure can be seen below.

Table 1. Organizational Structure of PT. Era Baru Mandiri

<table>
<thead>
<tr>
<th>No</th>
<th>Position</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>General Manager</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>HR &amp; General</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Finance</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Production</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>Planning</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>Maintenance</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>Administration</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>Marketing</td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>Design</td>
<td>1</td>
</tr>
<tr>
<td>10</td>
<td>Utility</td>
<td>1</td>
</tr>
<tr>
<td>11</td>
<td>Technical and Maintenance</td>
<td>1</td>
</tr>
<tr>
<td>12</td>
<td>QA &amp; AC</td>
<td>1</td>
</tr>
<tr>
<td>13</td>
<td>Shipping and Transportation</td>
<td>1</td>
</tr>
</tbody>
</table>
Data were collected by distributing questionnaires to all respondents and analyzed using AMOS SEM statistical equipment.

4. RESULT

Descriptive Hypothesis

Descriptive hypothesis testing for work-life balance, democratic leadership, LMX, and commitment from the respondents' perceptions are shown below.

Table 2. Recap of Perceptions

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Average</th>
<th>Cut off</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Organizational commitment (Z)</td>
<td>3.74</td>
<td>3.41</td>
<td>Good</td>
</tr>
<tr>
<td>2</td>
<td>LMX (Y)</td>
<td>3.90</td>
<td></td>
<td>Good</td>
</tr>
<tr>
<td>3</td>
<td>Work-life balance (X1)</td>
<td>3.83</td>
<td></td>
<td>Good</td>
</tr>
<tr>
<td>4</td>
<td>Work engagement (X2)</td>
<td>3.86</td>
<td></td>
<td>Good</td>
</tr>
</tbody>
</table>

Source: Processed data (2022)

The data in Table 2 reveal the respondents' perceptions are in good condition for all these variables (average value greater than 3.41). The next step is testing through one sample t-test. The following table shows the results of the one-sample test.

Table 3. One Sample T-test

<table>
<thead>
<tr>
<th></th>
<th>Test Value = 3.41</th>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational</td>
<td></td>
<td>4.888</td>
<td>119</td>
<td>.000</td>
<td>.33333</td>
<td>.1983 to .4684</td>
</tr>
<tr>
<td>commitment (Z)</td>
<td></td>
<td>7.591</td>
<td>119</td>
<td>.000</td>
<td>.49500</td>
<td>.3659 to .6241</td>
</tr>
<tr>
<td>LMX (Y)</td>
<td></td>
<td>6.476</td>
<td>119</td>
<td>.000</td>
<td>.41667</td>
<td>.2893 to .5441</td>
</tr>
<tr>
<td>Work-life balance</td>
<td></td>
<td>6.164</td>
<td>119</td>
<td>.000</td>
<td>.44833</td>
<td>.3043 to .5924</td>
</tr>
<tr>
<td>Work Engagement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Processed data (2022)

Table 3 explains the results of the one sample t-test with a test value = 3.41. The table above shows that the value of df is 138 where this value is obtained from the value of n-1 (119-1=118). Significance value/Sig. (2-tailed) all are 0.000 or < .05. With this it explains for testing the descriptive hypothesis (H1) is good where H0 is accepted. These findings explain that the variables of work-life balance, work engagement, LMX, and discipline are good. In other words, all variables have been applied well at PT. Era Baru Mandiri.
Direct Effect Hypothesis
The model analysis is shown below.

Figure 2. Structural Test
The results are in the table below.

Table 4. Regression Weight

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader_Member_Exchange</td>
<td>Work_Life_Balance</td>
<td>.240</td>
<td>.10</td>
<td>2.24</td>
</tr>
<tr>
<td>Leader_Member_Exchange</td>
<td>Work_Engagement</td>
<td>.492</td>
<td>.07</td>
<td>6.22</td>
</tr>
<tr>
<td>Organizational</td>
<td>Leader_Member_Exchange</td>
<td>.687</td>
<td>.10</td>
<td>6.36</td>
</tr>
<tr>
<td>Organizational</td>
<td>Work_Life_Balance</td>
<td>.074</td>
<td>.10</td>
<td>.729</td>
</tr>
<tr>
<td>Organizational</td>
<td>Work_Engagement</td>
<td>.184</td>
<td>.09</td>
<td>1.98</td>
</tr>
</tbody>
</table>

Source: Processed data (2022)

Based on the results above, it explains as follows.

H2: Testing the contribution of Work-life Balance on LMX in PT. Era Baru Mandiri
The work-life balance effect on LMX is obtained by the critical ratio (C.R) value of 2.243 > cut off which is 1.96. Significance or probability value (P) 0.022 < 0.05. The direct contribution of work-life balance to LMX is 0.240 or 24%. Thus, testing the hypothesis H2 resulted in H$_{a2}$ being accepted, which revealed that the work-life balance contributed significantly to the changes that occurred in LMX at PT. Era Baru Mandiri.

These results explain that the better the work-life balance condition, the higher the LMX of employees. This is caused by employees of PT. Era Baru Mandiri can maintain a balance of work time or be able to manage work time well and be able to maintain the relationship between employees and leaders. (Schermerhorn, 2013), and (Kort, 2016) states that work-life balance affects LMX significantly.

**H3: Testing the contribution of Work Engagement in LMX PT. Era Baru Mandiri**

The effect of work engagement on LMX obtained CR 6.228 > cut off 1.96. The P is 0.000 < 0.05. The direct contribution of work engagement to LMX is 0.492 or 49.2%. Thus, testing H3 resulted in H$_{a3}$ being accepted. It states that work engagement affects LMX at PT. Era Baru Mandiri.

This results are in line with (Kort, 2016) who found work engagement had a positive and significant effect on LMX. Employees tend to view their superiors as representatives of the organization so the attitude of superiors is often seen as an indication of organizational support.

**H4: Testing the contribution of Work-life Balance on Commitment in PT. Era Baru Mandiri**

The work-life balance effect on commitment obtained CR 0.074 > cut off 1.96. The P is 0.446 > 0.05. The amount of work-life balance contribution to employee commitment is 0.074 or 7.4%. Thus the hypothesis testing H4 states that H04 is accepted. This shows that the work-life balance variable does not affect employee commitment to PT. Era Baru Mandiri.

These findings prove that even though a conducive work-life balance cannot create employee commitment within PT. Era Baru Mandiri. Employee commitment factor is more influenced by other factors such as the rules that apply have a positive and negative impact. This result is not in line with the results of previous research such as research by (Kurniawan, 2014) which shows that work-life balance affects employee commitment. They also state that the better the work-life balance, the better the commitment of employees in a company.

**H5: Testing the contribution of Work Engagement on Commitment in PT. Era Baru Mandiri**

The work engagement effect on employee commitment obtained CR 1.985 > cut off 1.96. The P is 0.047 < 0.05. The contribution of work engagement to employee commitment is 0.184 or 18.4%. Thus the hypothesis testing H5 reveals that Ha5 is accepted. This shows that the work engagement variable affects employee commitment at PT. Era Baru Mandiri.

When employees perceive that the job or task is important, they will be more willing to give their time, energy, and thoughts to the job. This result is in line with (Rizwan, Musnadi, & Faisal, 2018) state that work engagement affects employee commitment.

**H6: Testing the contribution of LMX on Commitment in PT. Era Baru Mandiri**

The LMX effect on employee commitment obtained CR 6.361 > cut off 1.96. The P is 0.000 < 0.05. The direct contribution of LMX to employee commitment is 0.687 or 68.7%. Thus the
hypothesis testing H6 states that \( H_{a6} \) is accepted. These results indicate that the LMX variable has a direct effect on employee commitment at PT. Era Baru Mandiri.

According to (Robbins & Judge, 2017) As a result of time pressure, the leader establishes that there is a special relationship with a group consisting of several followers. This result is in line with (Andriasari, 2017) who states that LMX affects employee commitment.

**Mediation Hypothesis**

**H7: Testing the Contribution of Work-life Balance On Commitment in Mediation by LMX in PT. Era Baru Mandiri**

To test the LMX mediation effect on the contribution of work-life balance to employee commitment, this research uses the Sobel test through the resulting unstandardized value, as figured below.

**Figure 3. Mediation Effect On H7**

Testing the mediation as shown in Figure 3 above shows the contribution between work-life balance to employee commitment through LMX provides statistical test \( 2.115 > 1.96 \) and \( P = 0.034 < 0.05 \). So hereby proves the H7 indirect contribution is significant or \( H_{a7} \) is accepted.

Based on the significance of path \( C' \) using the Sobel test, it can be visually depicted charts for all paths (A, B, C, and \( C' \)) for testing the indirect contribution of work-life balance to employee commitment through LMX below.

**Figure 4. Chart of H7**
Figure 4 above explains the work-life balance affects LMX by explaining the path coefficient A = 0.240 and p = 0.022 < 0.05. Path B has path coefficient = 0.687 and p = 0.000 < 0.05. From the values of paths A and B, it concludes they are significant, while path C has path coefficient = 0.274 and p = 0.034 > 0.05 and C' has path coefficient = 0.164 (0.240 x 0.687 = 0.164) and p = 0.034 < 0.05. This value reveals paths A, B, C and C' are significant or often referred to as full mediation. So hereby LMX fully mediates the contribution of work-life balance to the commitment of PT. Era Baru Mandiri. The magnitude of the LMX contribution in mediating the work-life balance contribution to commitment is 0.164 or 16.4%.

H8: Testing the Contribution of Work Engagement on Commitment in Mediation by LMX in PT. Era Baru Mandiri

To test the LMX mediation effect on the contribution of work engagement to employee commitment, also use the Sobel test through the resulting unstandardized value.

Figure 5. Mediation Effect On H8

Testing the contribution of work engagement on employee commitment through LMX at PT. The Era Baru Mandiri provides a statistical test 4.766 > 1.96 and P 0.000, which is < 0.05. So hereby prove that in H8 there is a significant indirect contribution of LMX or Ha8 is accepted.

Based on the significance of path C' using the Sobel test, it can be visually depicted charts for all paths (A, B, C, and C') for testing the contribution of work engagement to employee commitment through LMX below.

Figure 6. Chart of H 8
Figure 6 above explains that the work-life balance variable affects LMX by explaining that path coefficient A has a value of $= 0.492$ and $p = 0.000 < 0.05$. Path B has path coefficient $= 0.687$ and $p = 0.000 < 0.05$. Meanwhile, path C has path coefficient $= 0.184$ and $p = 0.047 < 0.05$ and C' has path coefficient $= 0.716 (0.492 \times 0.687 = 0.716)$. This value explains that paths A, B, C, and C' are significant and this condition is referred to as partial mediation. So for the results, it concludes the LMX mediates the contribution of work-life balance to the commitment of PT. Era Baru Mandiri. The amount of work engagement contribution to employee commitment through LMX is 0.716 or 71.6%.

5. CONCLUSION

The descriptive hypothesis testing proves that the work-life balance, work engagement, LMX, and commitment variables are good. In other words, all variables have been applied well at PT. Era Baru Mandiri. The direct effect hypothesis testing proves that work-life balance and work engagement contribute significantly to changes in LMX, Work-life balance and LMX contribute significantly to changes in commitment, and work engagement does not contribute significantly to changes in commitment. indirect effect hypothesis testing proves that LMX partially mediates the contribution of work-life balance to commitment, and LMX fully mediates the contribution of work engagement to commitment. This finding explains the increase in organizational commitment of PT. Era Baru Mandiri is a function of increasing work-life balance, work engagement, and LMX. This finding proves that this research model is properly verified, and can be used for further research in different contexts and subjects by adding other variables.

Several recommendations resulted from the analysis of research data. To increase employee commitment to PT. Era Baru Mandiri, then one of the factors that must be improved is to increase LMX both materially and immaterially. As research results, a high LMX will certainly have a good impact on employee commitment. It is also hoped that the employees of PT. Era Baru Mandiri to be able to maintain work-life balance such as maintaining balance in completing tasks, maintaining time between work and family activities, and maintaining personal balance because the better the work-life balance, the more impact on commitment and LMX. It is expected that the employees of PT. Era Baru Mandiri improves work-life balance, such as increasing high emotional involvement in completing tasks and being responsible for all work assigned by the leadership because the better the work-life balance, the greater the impact on commitment and LMX.

REFERENCES


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