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EMPLOYEES' PERCEPTIONS OF LEADER-MEMBER EXCHANGE AND JOB SATISFACTION IN PRIVATE SECTORS IN SAUDI ARABIA

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ABSTRACT

Leader-Member Exchange (LMX) is one of the leadership styles that occurred when leaders and followers are able to establish mutual relationships. LMX has a significant role towards the attitudes and behaviours of members. The effectiveness of LMX has been discussed before. However, a few studies have been focused on followers' perceptions of Leader-Member Exchange. Therefore, the aim of this study is to investigate the perception of the employees from private sectors on the concepts of LMX and job satisfaction. Moreover, this study also examined the potential effects of LMX and followers' satisfaction. The research was based on the responses received from 100 employees in Saudi Arabia. The findings obtained revealed that both leaders and followers in private sectors applied a good quality of LMX relationships. The empirical result too essentially supported the theoretical expectation of the research. From the perspective of mutual exchange, the conclusion pointed out how employees perceived LMX and job satisfaction along with future research directions.

INTRODUCTION

Leader-Member Exchange (LMX) is a model of leadership. It focuses more on leadership as a social exchange relationship which occurs between leaders and their followers. However, the concept of the job is not only categorized by certain task domains, it also comprises with various relational domains, including the leadership domain [1]. Nonetheless, there has been a lack of experimental work that relates leadership behaviour to LMX development. Recently, some studies focused on a positive relationship between leadership behaviours such as moral or ethical leadership, transformational, and follower perceptions of LMX [2-3]. Many challenges and arguments have arisen in

term of LMX effectiveness. Researches have been developed by focusing on LMX and its positive outcomes.

LMX enhance many positive attitudinal outcomes such as strong organizational commitment, high satisfaction, and improved role clarity for in-group members [4]. The influences of organizational identification could be enhanced through the sense of empowerment, which is gained from the autonomy provided as an outcome of high-quality LMX relationships [5]. Additionally, Leader-Member Exchange increased self-efficacy of the members. There is also an important positive relationship between LMX and ethical climate. Thus, the natural inequalities occurring are connected with LMX that have an impact on employees' perceptions of the organization's fairness climate [6].

The true effective leadership is not only relying on traits that both leaders and followers have. It goes beyond all that to the characteristics of the relationship between leaders and followers that explain the quality of exchange. Thus, LMX encourage the idea of increasing the interactions that reinforce organizational collective effort [7-8]. Organizations should encourage managers to develop high-quality LMX with their subordinates, which may make them feel more empowered and engage in more taking charge, which eventually result in better job performance [9]. Similar findings are reported by Harris, Wheeler and Kacmar [10] that empowerment moderated the relationships between LMX and job outcomes. Newman, Schwarz, Cooper, and Sendjaya [11] in their research have stated that LMX mediates the influence of such leadership behaviours on follower work outcomes such as job performance, creativity, and organizational citizenship behaviour (OCB). In a research done by Breevaart et al [12], it is shown that employees in high-quality LMX relationships work in a more resourceful work environment which eventually facilitates work engagement and job performance.

Since that there are limited studies related to LMX theory itself in Saudi Arabia context. This encouraged this study to apply a new perspective in the case of Saudi Arabia that has never been studied before. This helps to analyse real scenarios or situations, by introducing a comprehensive approach toward identifying the theory of LMX and how the employees perceived it in in Saudi Arabia, then relate the impact of Leader-Member Exchange to their job satisfaction.

METHODOLOGY

The methodology used in the current study comprehensively tends to adopt sufficient and appropriate methods which assist to gain successful research outcomes. In order to obtain a descriptive, quantitative data from a large sample, a survey-based questionnaire method was used in this research. It is appropriate method to study the employees' perceptions, attitudes, opinions and behaviours. The reason for using this method was because the data are based on real-world observations which enable the study to cover many people and generalize the results to a population. Besides, this method helps to produce a large number of data in a short time manner for a low cost. To

evaluate employees' job satisfaction, job satisfaction was measured with a three-item scale in the survey developed by Cammann et al. [13]. While to asses LMX quality, LMX - 7 scales was adopted [14]. The designed questionnaire comprised of 9 questions representing specific behaviours and fact related to the employees' immediate supervisors. Furthermore, participants were asked to answer the questions with honesty and integrity. The questionnaire used 5- point Likert type scales
(Ranging from from1= strongly disagree to 5= strongly agree).
This study applied the non-probability technique with using a questionnaire where the selection of sampling units is conveniently available and reachable. The web questionnaire was distributed to a sample of 100 participants from private sectors organizations in the region of Saudi Arabia.

RESULT AND DISCUSSION

Figure 1 depicted the results of 'I have positive working relationship with my supervisor'. As can be noted from the pie chart, majority of the respondents (35%) from employees working in the private sectors agreed that they have a positive working relationship with their supervisor. While 34% of the population strongly agreed with this statement and 21% have an undecided or neutral answer. Also, from the population of employees working in private sectors, 5 people have disagreed and strongly disagreed with the statement.
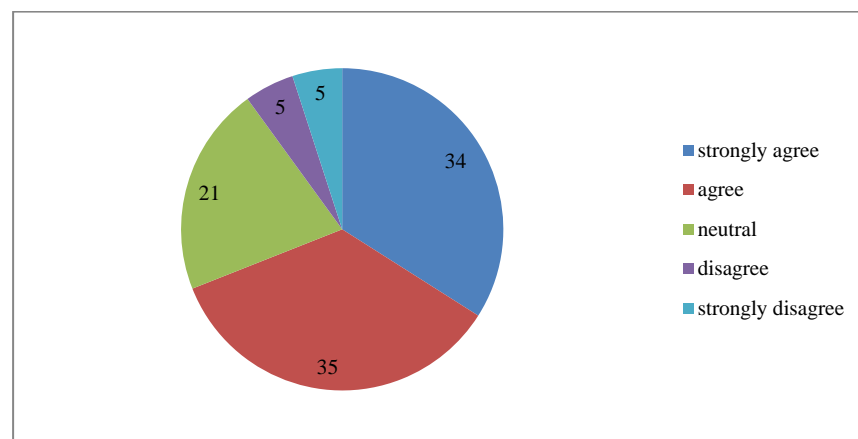

Figure 1. Survey results for 'I have positive working relationship with my supervisor

According to the data of 'I know where I stand with my supervisor' shown in Figure 2, it appeared that 36% of the respondents agreed, and 34% strongly agreed that they know where they stand with their supervisor. Nonetheless, 18 people were undecided to this statement. Also, 6% have disagreed and strongly disagreed with the statement.
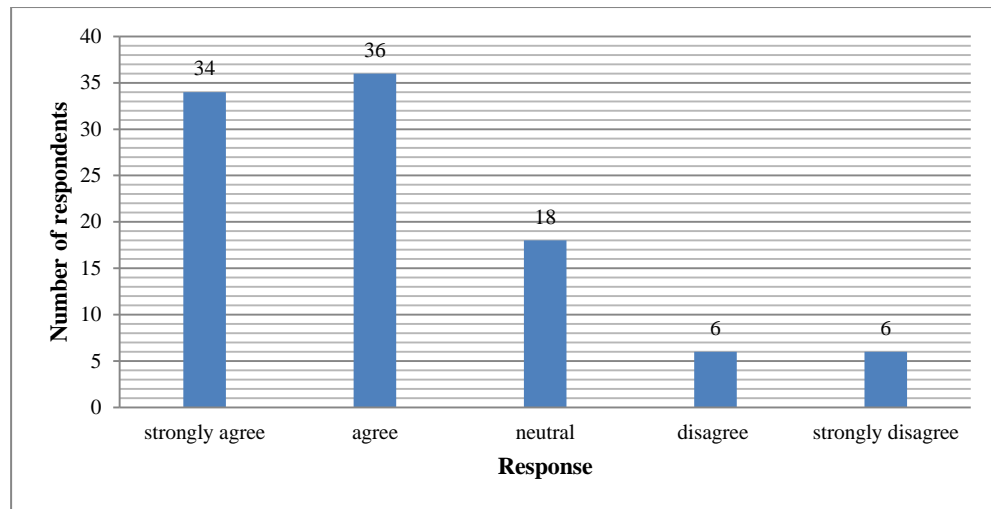
Figure 2. Survey results for 'I know where I stand with my supervisor

The graph in Figure 3 showed the responses from the employees working in private sector companies for the statement 'my supervisor understands my job problems and needs'. Majority of them (28%) had an undecided or neutral answer regarding if their supervisor understands their job problems and needs. 27 respondents were strongly agreed, 24 agreed, 14 disagreed, and only 7 of them strongly disagreed with the mentioned statement.
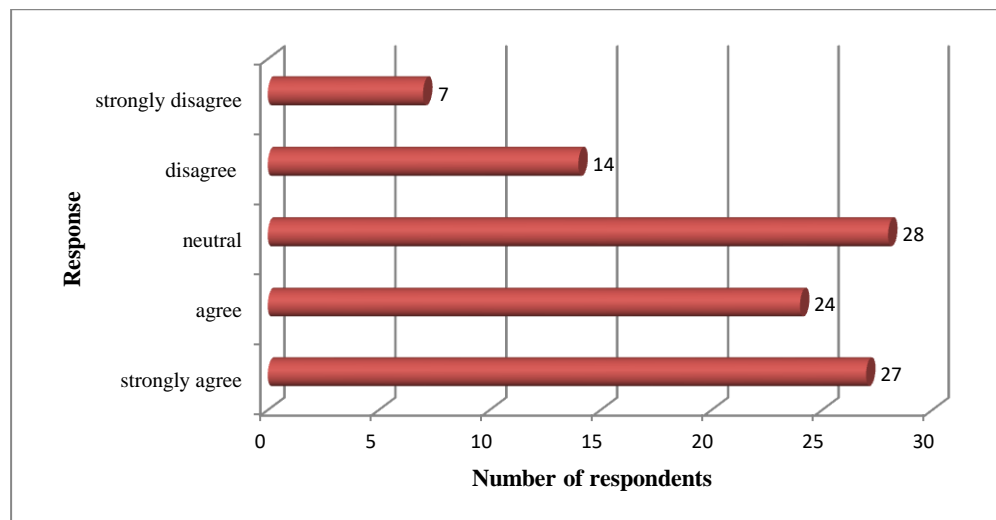

Figure 3. Survey results for 'My supervisor understands my job problems and needs

From the data shown in the Figure 4 for the statement 'my supervisor would use his/her power to solve my problems in my work', it was found that majority (27%) have respectively agreed, strongly agreed, and undecided. Based on the remaining respondents, 12 people disagreed and 7 strongly disagreed.
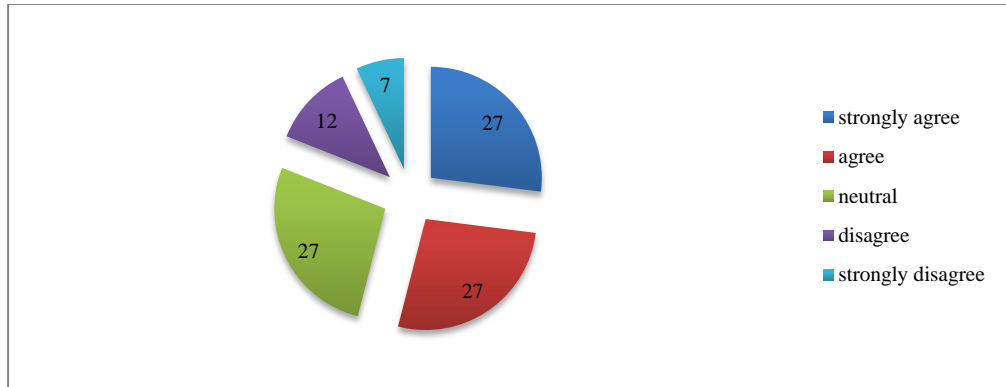
Figure 4. Survey results for 'My supervisor would use his/her power to solve my problems in my work

Figure 5 presented the survey results for the statement 'my supervisor would take me out of trouble even at his/ her personal cost'. It is clearly evident that most of the respondents (29 out of 100) had a neutral response to this statement. Those who agreed, strongly agreed and disagreed were 18 respondents respectively. This left 17 respondents strongly disagreeing to this statement.
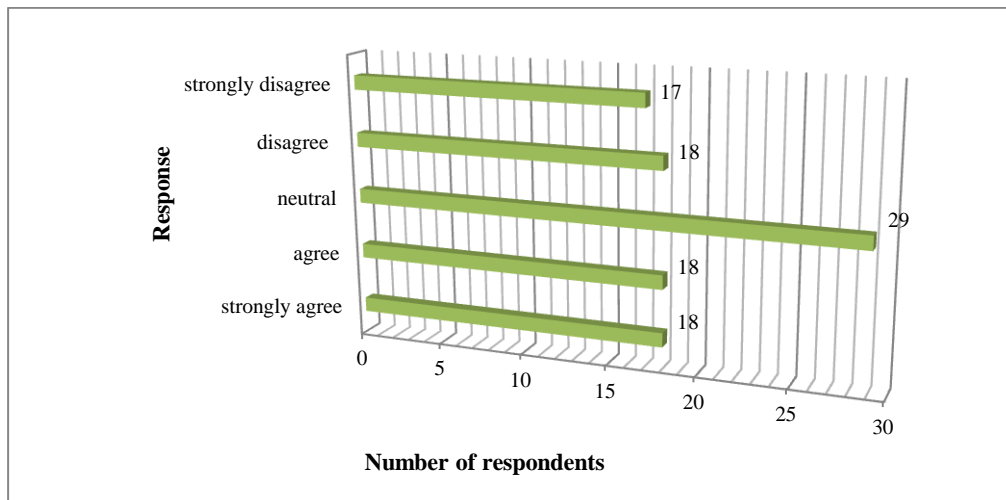

Figure 5. Survey results for 'My supervisor would take me out of trouble even at his/ her personal cost

According to the graph of response in Figure 6, it appeared that 29% have agreed in regards to the confidence they have in their supervisor that they would defend and justify his/ her decision if he /she were not present to do so. On the other hand, 26% strongly agreed with the statement while 25% had an undecided answer to it. The remaining was for 11% disagreed and 9% strongly disagreed.
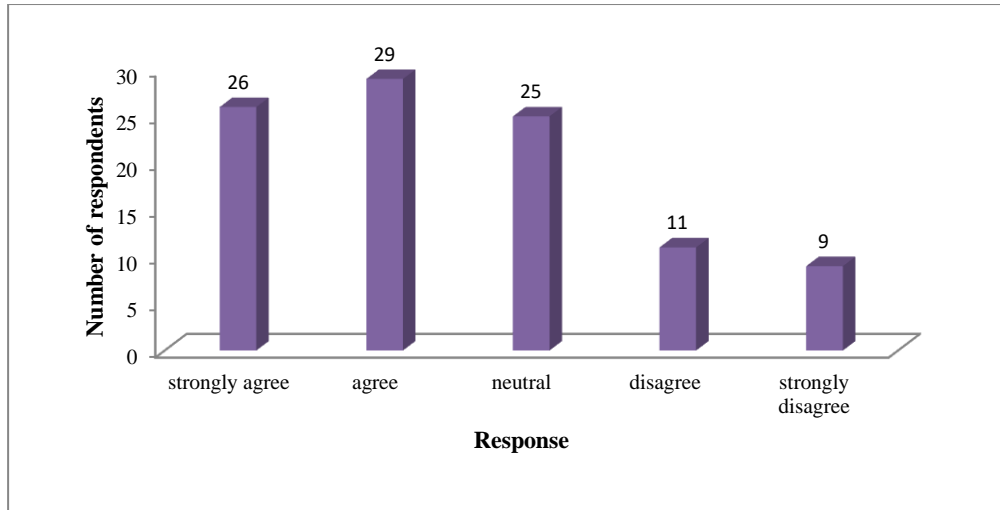
Figure 6. Survey results for 'I have enough confidence in my supervisor that I would defend and justify his/ her decision if he /she were not present to do so

With reference to Figure 7, it showed that those who working in private sectors, 32% of them they strongly agreed that they are satisfied with their job. And some of them agreed with the percentage of (30%). When it comes to those who had neutral answer, they responded with the percentage of 25%. 10% of the concerned population disagreed, and 3% strongly disagreed.
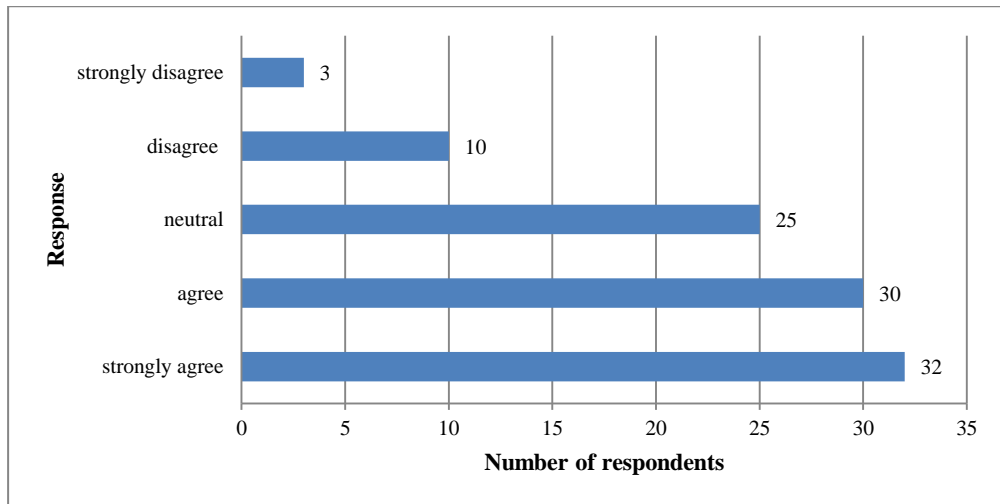

Figure 7. Survey results for 'Overall, I am satisfied with my job

As shown in Figure 8 for the statement 'In general, I like my job', the results indicated that the majority (41%) of the population from employees working in private sectors companies strongly agreed in relation to this statement. 29% of them agreed, 17% were unable to decide and 10% disagreed. Overall, only 3% strongly disagreed.
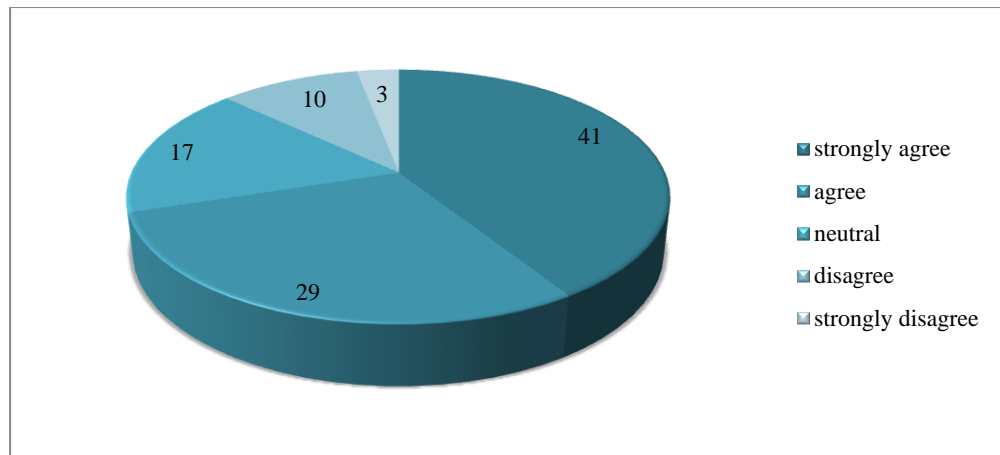
Figure 8. Survey results for 'In general, I like my job

Referring to the data shown in the graph (Figure 9), those who working in private sector organizations, 39 of them strongly agreed that in general they like working with their company/organization. Another 28% supported this statement too. Those who were undecided are 18 people, meanwhile a total of 15 people was unhappy with their current company/organization.
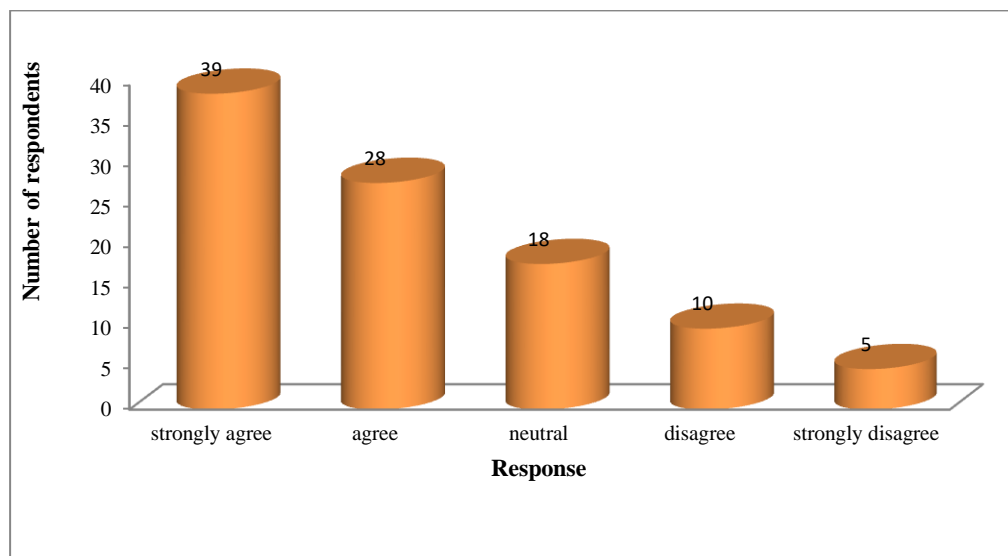

Figure 9. Survey results for 'In general, I like working with this company/organization

As shown by the data collected and analysed from the distributed questionnaire, it was found that the outcomes were quite different but had similar results to the past studies. Responding to the results shown in the analysed data, from statement one to six mirroring the scale of Leader-Member Exchange, this section helped in a way to conduct a simple test to show whether the participants perceiving the characteristic of LMX or not. Concurrently, the respondents from the private sector indicated that majority of them have a good quality of LMX at the workplace but not high. In addition, most of the employees agreed and strongly agreed with the statements regarding the scale of LMX. Nevertheless, when the questions were

not directly related to them but related to their supervisor's reactions and evaluating the relationship between the superior and subordinate, the answers were diversified. For example, the statements "My supervisor would take me out of trouble even at his/her personal cost" and "I have enough confidence in my supervisor that I would defend and justify his/ her decision if he /she were not present to do so". The participants had undecided responses regarding this statement which clearly proved that they have good relationship with their supervisor but they are not very sure. Relatively, it can be classified that this relationship as a good relationship that needs to consider trust between followers and their leaders. As stated by Nichols and Cottrell [15], trustworthiness and intelligence are highly and consistently desired across leaders. In order to measure employees' perceptions of job satisfaction, the last section of the survey, the questions reflecting the scale of job satisfaction. The responses obtained were between agreed or strongly agreed to the statements which specify if they are satisfied with their jobs or not. The findings contribute to the research model and supported by providing a real evidence for the effectiveness of LMX theory and its impact on work outcomes and on the members' satisfaction in a Saudi workplace context.

Considering job satisfaction as a strong variable that would clarify the role of LMX on the followers' job satisfaction, the overall results have indicated that the quality of the relationships between employees and their superiors are good or moderate among private sectors companies.

CONCLUSION

LMX is a fruitful approach for better performance of individuals, groups, and the organization itself. In fact, the perceptions of employees in the kingdom of Saudi Arabia from private sectors have helped in anticipating how the conception of Leader-Member Exchange and job satisfaction are perceived. The analysis showed that employees in Saudi Arabia do not quite perceive these concepts in a full shape. Therefore, this study suggests that both followers and leaders can actively shape their relationships and that they should be encouraged to take responsibility for their own careers.

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