

14th ISCA 2024**The Relationship Between Leader-Member Exchange (LMX) Quality and the Perceptions of Justice and Job Satisfaction (A Study at the Religious Courts in the Ex-Banyumas Residency)**Rizal Zaenal Abidin ^{1*}, Achmad sudjadi²^{1*}Jenderal Soedirman University, rizal.abidin@mhs.unsoed.ac.id, Indonesia²Jenderal Soedirman University, achmad.sudjadi@unsoed.ac.id, Indonesia

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ABSTRACT

This research examines how the quality of Leader-Member Exchange (LMX) influences employees' perceptions of justice and Job Satisfaction in Religious Courts within the Ex-Banyumas Residency. Frequent leadership transfers and rotations, typically occurring every two years, pose significant adaptation challenges for both employees and newly appointed leaders. These disruptions can destabilize organizations and hinder the attainment of performance goals. The quality of LMX is crucial for establishing positive working relationships between leaders and employees, which, in turn, enhances perceptions of justice and increases Job Satisfaction, particularly in environments with frequent leadership changes. This study employs a survey distributed to 100 employees across the Religious Courts in this area. Detailed findings and their implications are further elaborated in this paper.

Keywords: *Leader-Member Exchange (LMX)*, perceptions of justice, Job Satisfaction.

1. Introduction

The leader-subordinate relationship plays a crucial role in shaping organizational effectiveness and overall performance. This is especially important in government institutions like the Religious Courts in the Ex-Banyumas Residency, where leadership transitions and rotations occur every two years. Frequent leadership changes can lead to instability, create adaptation challenges for both employees and new leaders, and strain their working relationships. These dynamics may impact employees' sense of fairness and Job Satisfaction, which, in turn, affects the organization's ability to meet its objectives. In a symbiotic relationship, organizations offer resources to meet some of their members' needs in return for their job performance (George Graen and Michael A. Novak, 1982).

Leader-Member Exchange (LMX) describes the quality of the relationship between supervisors and subordinates, which can range from low to high (Liden, Erdogan, Wayne, & Sparrowe, 2006; K.J. Harris et al., 2009). High-quality LMX relationships are characterized by trust, mutual respect, and shared obligations (Dansereau, Graen, & Haga, 1975; Simon Lloyd D. et al.,

2010), which can lead to higher expectations being placed on the leader. The LMX theory emphasizes the significance of the quality of interactions between leaders and their subordinates. These relationships span a spectrum, from formal and transactional to more personal, where mutual trust and respect are the foundation. Whether employees engage in a high- or low-quality relationship with their leaders shapes their perception of their status within the group (Cogliser & Schriesheim, 2000; Liden, Erdogan, Wayne, & Sparrowe, 2006; Nishii & Mayer, 2009; Kim C. Brimhall, 2014). In high-quality LMX relationships, employees are more likely to perceive a stronger sense of fairness and higher Job Satisfaction. Conversely, low-quality LMX relationships may lead to greater dissatisfaction and a heightened perception of unfairness, particularly in environments with frequent leadership changes.

The frequent leadership transfers and rotations in the Religious Courts often hinder the development of high-quality Leader-Member Exchange (LMX) relationships. New leaders require time to adjust to the organizational dynamics, while employees must adapt to potentially different leadership styles. This transitional period can create tension and reduce Job Satisfaction if not properly managed. Therefore, implementing effective LMX development strategies is essential to facilitate the adaptation process and maintain organizational stability amid the ongoing leadership changes.

This study seeks to examine how the quality of Leader-Member Exchange (LMX) influences employees' perceptions of justice and Job Satisfaction in the Religious Courts of the Ex-Banyumas Residency. By utilizing a quantitative approach and conducting a survey with 101 employees, the research aims to uncover new insights into how LMX affects perceptions of fairness and Job Satisfaction in environments with frequent leadership changes. The findings are anticipated to provide practical recommendations for human resource management in the Religious Courts, enabling the design of more effective strategies for fostering positive workplace relationships and ensuring organizational stability despite the frequent turnover of leadership.

2. Literature Review

2.1 Leader-Member Exchange (LMX)

Leader-Member Exchange (LMX) theory is a conceptual framework that focuses on the relationship between leaders and subordinates within an organization. According to this theory, the relationship between a leader and each team member is unique and can vary from one individual to another (Graen & Uhl-Bien, 1995). LMX highlights that the quality of interactions between leaders and subordinates plays a crucial role in influencing various work outcomes, such as perceptions of fairness, Job Satisfaction, motivation, and performance (Dansereau, Graen, & Haga, 1975). A well-established relationship fosters trust, openness, and mutual respect, which ultimately supports job effectiveness and Perception of justice.

The quality of Leader-Member Exchange (LMX) relationships exists on a broad spectrum, ranging from transactional to more trust-based and meaningful connections (Gerstner & Day, 1997). In high-quality LMX relationships, leaders and subordinates typically engage in more open communication, leading subordinates to feel valued and recognized for their contributions.

Conversely, low-quality LMX relationships often result in rigid and formal interactions, creating emotional distance between leaders and subordinates. This can negatively impact employees' perceptions of fairness in the workplace and reduce their overall Job Satisfaction (Bhal, 2006).

In organizations that frequently experience leadership changes, such as the Religious Courts in the Ex-Banyumas Residency, developing strong Leader-Member Exchange (LMX) relationships becomes more challenging. Leadership transfers and rotations, which occur almost every two years, can disrupt the process of building relationships between leaders and subordinates. Research by Bauer and Green (1996) suggests that leadership transitions create uncertainty for employees, which can weaken the quality of LMX relationships. This, in turn, may lead to dissatisfaction and a decreased sense of fairness, particularly when employees feel they must continually adapt to different leadership styles.

2.2 Perceptions of justice

Colquitt (2001) identified a strong relationship between the quality of Leader-Member Exchange (LMX) and the dimensions of distributive, procedural, and interactional justice within organizations. Distributive justice refers to employees' perceptions of fairness regarding the allocation of resources and rewards, while procedural justice relates to their perceptions of the fairness of decision-making processes. Interactional justice, on the other hand, focuses on the quality of treatment employees receive during interpersonal interactions with their leaders. High-quality LMX fosters more positive perceptions of justice across all three dimensions.

In organizational environments that frequently experience leadership changes, such as the Religious Courts in the Ex-Banyumas Residency, the issue of fairness becomes increasingly critical. Frequent leadership transitions can create uncertainty and pose challenges in maintaining employees' perceptions of justice. Repeated leadership transfers can affect the quality of procedural and interactional justice, particularly if employees perceive inconsistent treatment from one leader to the next (Cropanzano, Bowen, & Gilliland, 2007).

The relationship between justice and the quality of interactions between leaders and team members (LMX) has also been explored in research by Erdogan and Liden (2002). They found that LMX quality acts as a mediator in the relationship between justice and employee outcomes. When LMX quality is high, employees are more likely to feel treated fairly, which positively influences their attitudes and work behaviors. Conversely, when LMX quality is low, employees may feel neglected or unfairly treated, leading to decreased Job Satisfaction and Perception of justice.

2.3 Job Satisfaction

Job Satisfaction is a key variable frequently studied in management and organizational behavior research. It refers to the extent to which individuals feel content with their overall work experience, encompassing various aspects such as relationships with colleagues, salary, work environment, opportunities for advancement, and organizational policies (Locke, 1976). Employee Job Satisfaction significantly influences motivation, performance, Perception of justice, and the intention to remain with the organization in the long term.

According to Locke (1976), Job Satisfaction is a positive emotional state resulting from an individual's evaluation of their work. This concept implies that Job Satisfaction encompasses cognitive, affective, and behavioral aspects. When employees feel that their expectations regarding their jobs have been met, they experience Job Satisfaction. Conversely, if there is a gap between their expectations and the reality of their work, employees are likely to feel dissatisfied.

Several theories explain the factors that contribute to Job Satisfaction. Herzberg's Two-Factor Theory (1966) distinguishes between motivators (such as recognition, responsibility, and achievement) and hygiene factors (including working conditions, company policies, and salary). According to this theory, motivators are linked to increased Job Satisfaction, while hygiene factors, if unmet, can lead to dissatisfaction but do not necessarily enhance Job Satisfaction when fulfilled.

Job Satisfaction is also influenced by the quality of relationships between leaders and members within an organization. Previous research has shown a positive correlation between Leader-Member Exchange (LMX) quality and Job Satisfaction levels (Gerstner & Day, 1997). When the quality of interactions between leaders and subordinates is high, employees feel more valued, heard, and supported, which ultimately enhances their Job Satisfaction. Conversely, low LMX quality often results in job dissatisfaction, as employees may feel neglected or treated unfairly.

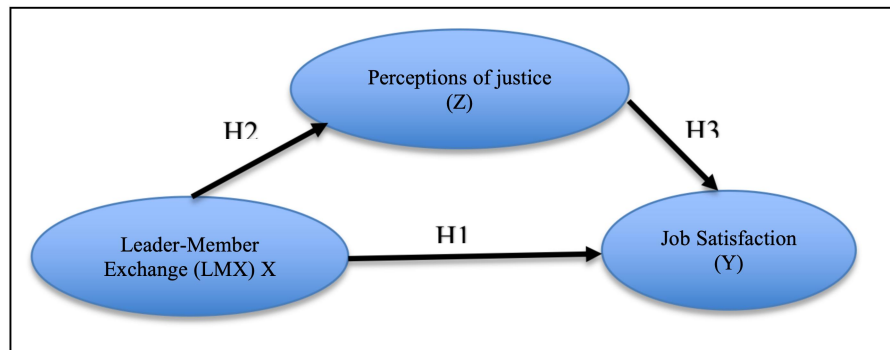


Figure 1. Conceptual Framework

Hypothesis

- H1 : Leader-Member Exchange (LMX) variables should have a significant impact on Job Satisfaction variable
- H2 : Leader-Member Exchange (LMX) variables should have a significant impact on Perceptions of justice variable
- H3 : Perceptions of justice variable should have a significant impact on Job Satisfaction variable

3. Research Methodology

3.1 Research Approach

This study employs a quantitative approach to analyze the impact of Leader-Member Exchange (LMX) quality on employees' perceptions of justice and Job Satisfaction in the Religious Courts

within the Ex-Banyumas Residency. The quantitative method was chosen because it allows researchers to measure and test the relationships among variables using numerical data and statistical techniques. Furthermore, this approach enables the generalization of research findings from the sample to a broader population.

3.2 Population and Sample

The target population for this study encompasses all personnel employed by the Religious Courts situated within the former Banyumas Residency. A stratified random sampling methodology was adopted to ensure that the sample included proportionate representation from each stratum, specifically level III officials, level IV officials, and executive staff. As a result, a sample size of 101 employees from diverse Religious Courts within the region was determined.

3.3 Data Collection Techniques

Data were collected via a structured questionnaire comprising several sections. Demographic information, including age, gender, tenure, and job title, was gathered in the initial section. The quality of leader-member exchange (LMX) was assessed using the validated LMX-7 scale (Graen & Uhl-Bien, 1995). This scale, consisting of seven items rated on a 5-point Likert scale, measures the quality of relationships between supervisors and subordinates. Perceptions of distributive justice were measured using the scale developed by Colquitt (2001). Finally, Job Satisfaction was evaluated using the Job Satisfaction Survey (JSS) (Cook et al., 1981), which assesses factors such as compensation, work environment, promotion prospects, and interpersonal relationships with colleagues.

3.4 Data Analysis Technique

3.4.1 Validity Test

The validity of a research instrument refers to its ability to accurately measure the intended variable. As noted by Daryono et al. (2024), one common approach to assessing validity in structural equation modeling (SEM) is to examine both convergent and discriminant validity.

3.4.2 Reliability Test

Reliability refers to the consistency and dependability of a measurement instrument. To assess the reliability of the variables in a study, researchers often examine Cronbach's alpha and composite reliability.

3.4.3 Test Coefficient of Determination (R Square)

The R-squared value is a statistical measure that indicates the proportion of variance in the dependent variable that can be explained by the independent variable(s). A higher R-squared value suggests a stronger relationship between the variables, while a lower value indicates a weaker relationship.

3.4.4 Partial Significance Test (T Test)

The t-test is used to assess the statistical significance of the relationship between independent and dependent variables. In SmartPLS 3.0, the t-test is calculated using path coefficients, which represent the strength and direction of the relationships. Bootstrapping is employed to estimate the significance of these path coefficients, providing a non-parametric approach that is particularly useful for smaller sample sizes or when assumptions about normality are not met.

4. Results

The final stage of the SEM analysis involved model modification to optimize the relationships between the latent variables. The image below illustrates the resulting model, including the standardized path coefficients and significance levels

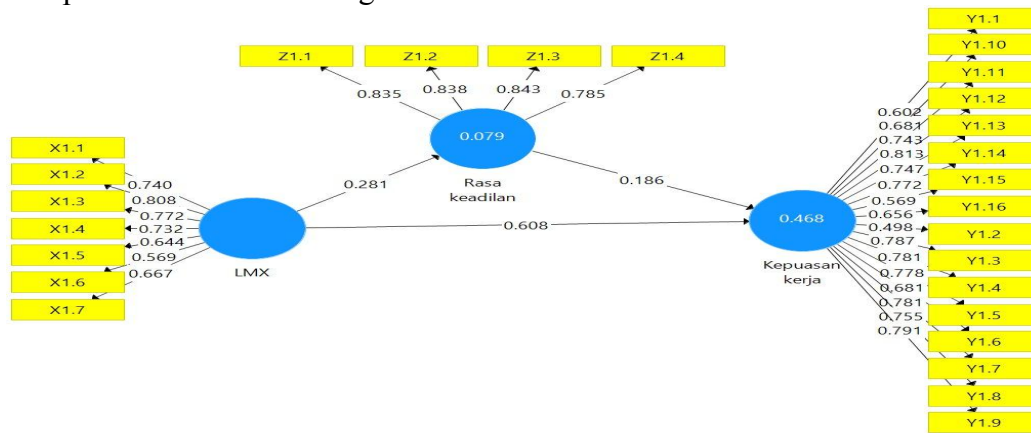


Figure 2. Results Model

4.1 Demographic Respondent

Table 1. Demographic Respondent

Demographic Variable	Value	Percentage
Age		
20 – 30 years	25	24,8 %
31 – 40 years	33	32,7 %
>41 years	43	43,5 %
Job level		
Upper	7	6,9 %
Middle	28	27,7 %
Low	35	24,7 %
Lowest	31	30,7%
Number of years in the organization		
0 – 5 years	47	46,5 %
6 – 10 years	23	19,8 %
More than 10 years	31	30,7 %

Based on the table above, it can be concluded that the respondents obtained in this study are dominated by low job level respondents, with the most professions as an employee, ages more

than 41 years, and number of years in the organization ranging 0-5 years.

4.2 Descriptive Data Analysis

4.2.1 Validity Test

Table 2. Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)
<i>Job Satisfaction</i>	0,519
<i>Perception of justice</i>	0,682
<i>LMX</i>	0,502

The AVE value of the Job Satisfaction variable is 0.519, the AVE value of the Perception of justice variable is 0.682, and the AVE value of the LMX variable is 0.502. This states that the three variables used in the study are valid because they get $AVE > 0.5$ results and can be continued for further testing.

4.2.2 Reliability Test

Table 3. Cronbach's Alpha and Composite Reliability

	Cronbach's Alpha	Composite Reliability
<i>Job Satisfaction</i>	0,937	0,944
<i>LMX</i>	0,834	0,875
<i>Perception of justice</i>	0,844	0,895

The Cronbach's alpha and Composite Reliability values of the Job Satisfaction variable are 0.937 and 0.944. Cronbach's alpha and Composite Reliability values of the Perception of justice variable are 0.844 and 0.895. Cronbach's alpha and Composite Reliability values of the LMX variable are 0.834 and 0.875. Based on these values, it can be concluded that the three variables have Cronbach's alpha and composite reliability values > 0.7 . These results indicate that the three variables have good reliability values.

4.2.3 Test Coefficient of Determination

Table 4. R Square and R Square Adjusted

	R square	R square adjusted
<i>Job Satisfaction</i>	0,468	0,458
<i>Perception of justice</i>	0,079	0,07

From the R square data, the dependent variable (Y), Job Satisfaction is influenced by 0.458 by LMX and the mediating variable (Z) Perception of justice is influenced by 0.07 by the LMX variable (X). The R square JOB SATISFACTION value of 0.458 means that the dependent variable Job Satisfaction is influenced by 45.8% by the LMX variable (X). While 54.2% is influenced by other factors outside the variables studied. Then, the R square value of Perception of justice 0.07 means that the Perception of justice variable is 7% influenced by the LMX variable (X). While 93% is influenced by other factors outside the variables studied.

4.2.4 Partial Significance Test (T Test)

Table 5. T Tests

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
<i>Perception of justice -> Job Satisfaction</i>	0,186	0,184	0,088	2,115	0,035
<i>LMX -> Job Satisfaction</i>	0,608	0,619	0,054	11,356	0
<i>LMX -> Perception of justice</i>	0,281	0,299	0,09	3,11	0,002

The T Statistic value shows that if the T Statistic value of a correlation > 1.96, then this value indicates a positive effect of the correlation of these variables. Then, if the P values of a correlation < 0.05, then the value indicates a significant influence. Based on the table above, we can see that the three correlations have a T statistics value > 1.96 and a P Values value < 0.05. This shows that each correlation has a positive and significant effect.

5. Conclusion and Implications

This study emphasizes the crucial role of Leader-Member Exchange (LMX) quality in shaping employees' perceptions of fairness and job satisfaction within the Religious Courts of the Ex-Banyumas Residency. The frequent leadership transitions in this environment present significant challenges, often disrupting the development of strong LMX relationships between leaders and employees. The findings reveal that when LMX quality is high, employees experience a more positive perception of fairness. Conversely, low-quality LMX, especially in contexts with frequent leadership rotations, is associated with reduced job satisfaction and heightened perceptions of unfairness. These results highlight the importance of fostering strong leader-subordinate interactions to ensure organizational stability and improve employee well-being.

Theoretical Implication

The findings of this study add to the growing literature on Leader-Member Exchange (LMX) and organizational justice by illustrating the mediating role of LMX in the relationship between leadership transitions and employees' perceptions of fairness. The study provides empirical evidence supporting the idea that the quality of leader-subordinate relationships is a critical determinant of organizational outcomes. This is consistent with prior research, such as Graen and Uhl-Bien (1995), which underscored the significance of LMX in shaping employees' work attitudes and behaviors. Moreover, this study expands justice theory by showing how the quality of LMX directly impacts various forms of justice—distributive, procedural, and interactional. Importantly, the findings suggest that frequent leadership changes do not have to lead to negative consequences, as strong LMX relationships can help mitigate the potential disruptions caused by such transitions.

Practical Implication

From a practical standpoint, this study provides valuable insights for human resource management and leadership development, particularly in government organizations that experience frequent leadership transitions. First, improving the quality of Leader-Member Exchange (LMX) relationships should be a priority, with leadership development programs focused on fostering trust, open communication, and mutual respect. Training for new leaders should help them quickly integrate into the organization's culture and dynamics, facilitating the establishment of strong relationships with their teams from the start.

Second, organizations should implement policies to support employees during leadership transitions. This can include structured onboarding processes for new leaders and strategies to maintain consistency in leadership styles and decision-making. Such measures can prevent employees from feeling neglected or uncertain during these transitional periods.

Finally, the study highlights the importance of continuously monitoring employee perceptions of justice and job satisfaction. Regular feedback mechanisms, such as surveys or interviews, can identify where leadership practices may be lacking and where improvements in LMX quality are needed. By prioritizing the cultivation of strong LMX relationships, organizations can not only boost employee satisfaction and perceptions of fairness but also strengthen overall organizational performance and resilience in the face of leadership changes..

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