



Research Paper

# The effect of leader member exchange on procedural justice civil servant in Medan

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**Abstract**— This study aims to determine the effect of the Leader Member Exchange on Procedural Justice in Civil Servants in Medan. This research uses quantitative methods. The research subjects amounted to 240 employees. Research data were collected using the LMX MDM scale, and The Four-Component Model scale. Based on PLS-SEM analysis, there was positive influence of Leader Member Exchange and Procedural Justice ( $p = .0$ ;  $p < .005$ ). In general, Civil Servants in Medan City have Superior-Subordinate Quality in the high category with a percentage of 58%, namely 180 respondents, for Procedural Justice in the high category with a percentage of 64%, namely 200 participants, and The implication of this research is that to improve Procedural Justice in the company, the company must be able to improve the Leader Member Exchange.

**Keywords**—leader member exchange, procedural justice

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## I. INTRODUCTION

The reciprocal interaction relationship between leaders and subordinates is one of the keys to the success of the organization in achieving its goals, whether it is a business, educational, governmental, or non-governmental organization [1]. In Industrial and Organizational Psychology, the quality of this reciprocal relationship between leaders and subordinates is referred to as the Quality of the Superior-Subordinate Relationship [2]. The better the Quality of Superior and Subordinate Relationships, the higher the performance of subordinates. Leaders also often use the Quality of Superior and Subordinate Relationships as a basis for determining promotions among their subordinates [3]. The reciprocal interaction relationship between leaders and subordinates is one of the keys to organizational success in achieving its goals, whether it is a business organization, education, government, or non-governmental organization [4].

Organizational justice is an employee's perspective in viewing the justice provided by the company both in providing the rights and obligations he receives. Justice is something that must be considered by the company, because organizational justice will provide a perspective that employees are part of the organization. This is supported by research conducted by Krause [5] who found that employees who are treated fairly at work will view positively and appreciate the organization where they work, so that employees will voluntarily succeed the programs in the organization. Also organizational justice will also affect how employees will behave [6].

This organizational justice can also be explained from one of its dimensions, namely Procedural Organizational Justice. Procedural justice is the perception of employees who assess justice through the decision-making process that has been made by the authorities such as superiors. The main assessment of procedural justice is about the decision-making process from the beginning to the end of the decision. This can be explained through 4 aspects of procedural justice, namely Formal Quality of Decision-making Procedure, Formal Quality of Treatment, Informal Quality of Decision-making Procedure, and informal Quality of Treatment. Quality of Decision-Making Procedure discusses the policy-making process made while Quality of Treatment is about the treatment of organizations (Formal) and superiors (Informal) towards employees [7].

## II. PURPOSE AND METHODS

A quantitative approach using the regression analysis method was used in this study with the aim of estimating or identifying the main factors that affect the variables under study. The research sample consisted of 240 Employees working in government institutions. The research sample was selected using a purposive sampling

technique. Research data was collected using *LMX-MDM* scale based on theory proposed by Liden [8]. and *The Four-Component Model* scale based on theory proposed by Blader and Tyler [9]. The scale consisted of 5 answer choice in Likert style ranged 1 (strongly disagree) to 5 (strongly agree).

Before analyzing the research results, a research assumption test is carried out to evaluate the distribution of research data. The assumption test include normality test, convergent validity test, discriminant validity test, collinearity test and model fit test.. The results of each assumption test are presented in Table I. To further check the assumption of normality, will be check the skewness and curtosis score. Based on the assumption test, it can be concluded that the data was normally distributed and there is no violation on the collinearity. Thus, hypothesis testing can be carried out.

**TABLE I. NORMALITY TEST**

Variabel	Indikator	Excess kurtosis	Skewness
Leader Member Exchange (X)	Affect	.213	-.68
	Loyalitas	-.119	-.443
	Percieved Contribution To Exchange	.328	-.591
	Profesional Respect	1.249	-.079
Procedural Justice (Y)	The Formal Quality of Decision Making	.662	-.801
	The Formal Quality of Treatment	.389	-.621
	The Informal Quality of Decision Making	.693	-.9
	The Informal Quality of Treatment	.522	-.755

**TABLE II. STRUCTURAL MODEL VALIDITY TEST**

Variabel	AVE Value	Limit value	Description
Procedural Justice	.874	> .5	Valid
Leader Member Exchange	.658	> .5	Valid

**TABLE III. ASSUMPTION TEST RESULTS**

	Path Coeficients	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
LV scores - LMX -> LV scores – Procedural Justice	0.67	0.669	0.035	19.373	0

**TABLE IV. ASSUMPTION TEST RESULTS**

	LV scores – Procedural Justice
LV scores – LMX	0.873

**TABLE V. ADDITIONAL ANALYSIS**

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
LMX affectt -> Justice Procesdural	.347	.34	.086	4.045	0
LMX loyalty -> Justice Procedural	.122	.124	.071	1.715	.086
LMX percieved contribution -> Justice Procedural	.071	.078	.06	1.193	.233
LMX profesional respect -> Justice Procedural	.262	.261	.074	3.543	0

### III. RESULTS AND DISCUSSIONS

Table III contains the results of the test which shows a significance value of  $p < 0.001$ . In the statistical test of the direct effect of Leader Member Exchange on Procedural Justice, the result of the path coefficient value = .67 (P-value .001 < .05) is significant. This means that the Quality of Superior-Subordinate Relationships has a positive and significant effect on Procedural Justice. The value of  $f^2$  shows a value of .873 which means that the Leader Member Exchange has a large contribution to Procedural Justice.

The results showed that the Leader Member Exchange has a significant influence on Procedural Justice in Medan Civil Servants. This means that the higher the Leader Member Exchange, the employees will perceive all decisions made by the organization as fair decisions. These results are in line with research conducted by Rahmy [10]. who conducted research on the effect of Leader Member Exchange on Procedural Justice in vocational teacher

organizations in Jakarta. She found that there was a positive effect of Leader Member Exchange on Procedural Justice. This shows that the higher the quality of the superior-subordinate relationship, the fairer the employee's perception of the decisions made by the organization and will affect the commitment of the teacher to commit to carrying out the tasks assigned to him.

The results of this study are also in line with Colquitt et.al. [11], he found that Procedural Justice will be good if a superior supervises his subordinates when working. With supervision, it will create a reciprocal relationship between superiors and subordinates that is getting closer and will create a sense of trust between superiors and subordinates, so that the Leader Member Exchange has a positive effect on the Procedural Justice felt by Civil Servants in Medan City.

Specifically, the dimensions of Leader Member Exchange that influence Procedural Justice are Affect and Professional Respect. This states that Civil Servants in building superior-subordinate relationships are more likely to be concerned with the Interpersonal relationships they feel. This is in line with Lefkowitz's [12] research which found that supervisors also tend to rate highly the performance of subordinates they like, And Civil Servants in Medan also tend to view the competence and expertise of each superior or subordinate they have.

#### IV. CONCLUSION

This study aimed to examine the effect of effect of the Leader Member Exchange on Procedural Justice in Civil Servants in Medan. Based on the results of research conducted with a sample of 240 people, Leader Member Exchange has a positive and significant effect on the Procedural Justice. This means that the higher relationship quality between Superior and Subordinates, the employees will perceive all decisions made by the organization as fair decisions. The results of this study are expected to provide information about factors that can influence a person's perception about Justice in Organization.

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