

Effect of Leader Member Exchange, Organizational Culture on Organizational Citizenship Behavior Study on Msmes in Semarang City

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Abstract. This study aims to determine how leader member exchange and organizational culture affect organizational citizenship behavior in managers or owners of micro, small and medium businesses in the city of Semarang. This study will use a survey method with respondents who are managers or owners of micro, small and medium enterprises spread throughout the city of Semarang. Since these businesses are spread all over the city and the population cannot be identified, the non-probability sampling method with simple sampling method is used. In this study, 120 respondents were targeted to represent the city of Semarang. Research shows that leader member exchange and organizational culture are positive and significant to organizational citizenship behavior.

Keywords: leader member exchange, organizational culture, organizational citizenship behavior

INTRODUCTION

Under law number 20 of 2008 micro small, and medium-sized enterprises (MSMEs) are defined as profitable companies owned by people or legal organizations that meet the requirements for microenterprises. MSMEs are significant to Indonesia's economy. MSMEs in Indonesia account for 60.5% of the country's GDP and 96.9% of all employment. MSMEs not only foster economic expansion but also employment creation, the reduction of social inequity, and regional development. Semarang City as one of the big cities in Indonesia has great potential in developing the MSMEs sector Semarang City is one of the big cities in Indonesia which has a lot of potential to develop its MSME industry. The Semarang City Government is obliged to provide guidance to business actors in the city of Semarang through the cooperative and MSME services. In its implementation, MSMEs in the city of Semarang continue to face a number of problems including lack of access to capital, inadequate human resources, limited marketing opportunities, and suboptimal use of technology (Coordinating Ministry for Economic Affairs of the Republic of Indonesia, 2022). This phenomenon of the role of MSMEs has encouraged this research to analyze the influence of the Leader Member Exchange (LMX) and organizational culture on Organizational Citizenship Behavior (OCB).

According to (Budihardjo, 2014; Nahrisah & Imelda, 2019) OCB is voluntary behavior that increases organizational performance, not related to system rewards[9]. In other words, OCB is the behavior of an employee not because of the demands of his duties but rather based on his own free will. Most research shows that OCB has a significant impact on organization, productivity, competence, and effectiveness, apart from increasing employee morale (Demirel, et al., 2018) [10].

One component that influences OCB in MSMEs is the Leader Member Exchange (LMX). LMX denotes the quality of interpersonal exchange relationships between leaders and their members (Sa'adah & Rijanti, 2022)[1]. In organizations with high LMX, the relationship between leaders and subordinates shows friendship, loyalty,

professional respect and contribution to the organization. On the other hand, organizations with low LMX show a relationship between leader and subordinates lacking in friendship, loyalty, and professional respect (Liden & Maslyn, 1998; Kartika, et al 2016)[2]. The results of the study (Prabawa and Rozak 2016) show that LMX has a positive and significant effect on organizational citizenship behavior[3]. However, it is different from research conducted by Suci, et al. (2021) which shows that there is no effect of LMX on organizational citizenship behavior[4].

Apart from LMX, organizational culture also influences OCB in MSMEs, (Hofstede, 1990; Mahayasa, et al 2018) states that culture is related to values and that value systems are the basis of culture. These values include all ideas about symbols, heroes and rituals[5]. According to (Robbins, 2006; Husodo, 2018), organizational culture consists of a system of shared meaning shared by members of the organization, which makes it unique from other organizations[6]. The results of the study Rini, et al. (2013) state that organizational culture has a significant positive relationship with OCB[7]. In contrast to research (Khan and Rashid 2012) which states that organizational culture has no significant effect on OCB[8].

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

ORGANIZATIONAL CITIZENSHIP BEHAVIOR

According to (Budihardjo, 2014; Nahrisah & Imelda, 2019) OCB is voluntary behavior that increases organizational performance, not related to system rewards[9]. In other words, OCB is the behavior of an employee not because of the demands of his duties but rather based on his own free will. Most research shows that OCB has a significant impact on organization, productivity, competence, and effectiveness, apart from increasing employee morale (Demirel, et al., 2018) [10]. OCB consists of five dimensions; altruism, namely behavior that likes to help; courtesy behavior related to decency; conscientiousness, namely behavior related to timely attendance and high attendance above normal requirements; civic virtue, namely behavior related to a sense of responsibility and being actively involved in organizational development or change; and sportsmanship, namely behavior that does not like to protest or dissatisfaction with small problems within the organization (Organ et al., 2006; Yulianti & Widiaswendra, 2019)[11].

LEADER MEMBER EXCHANGE

High LMX quality indicates that the relationship between the leader and his subordinates is characterized by friendship, loyalty, professional respect and contribution to the organization. On the other hand, low LMX quality indicates that the relationship between the leader and his subordinates lacks friendship, loyalty and professional respect. LMX has 4 dimensions consisting of; Professional Affection, Loyalty, Contribution and Respect. affective indicators; Employees are considered friends by leaders, and leaders like employees in personal relationships. The indicator is loyalty; Employees support decisions made by their leaders, employees assist leaders when needed, and employees defend leaders when they make unintentional mistakes. Contribution Indicator; Leaders provide everything employees need to get their jobs done, and leaders are willing to put in more effort to help employees achieve their goals. Professional respect indicators; Leaders respect the knowledge, competence, and work expertise possessed by employees. (Liden & Maslyn, 1998; Kartika, et al 2019)[2].

ORGANIZATIONAL CULTURE

(Hofstede, 1990; Mahayasa, et al 2018) Stating that culture involves values and culture is the basis of the value system. These values include all concepts about symbols, heroes and rituals[5]. According to (Robbins, 2006; Husodo, 2018) organizational culture is a system of shared meaning shared by members of the organization, which distinguishes the organization from other organizations[6]. Dimensions of organizational culture according to (Robbins, 2011; Handaru and Ajiningtyasasih, 2011) namely: innovation and courage to take risks, attention to detail, result-oriented, human-oriented, team-oriented, aggressiveness, stability[12].

RELATIONS BETWEEN VARIABLES

EFFECT OF LMX ON OCB

Research conducted by Mayasari (2019) concerning the effect of Leader Members Exchange on Organizational Citizenship Behavior[13]. The results of this study show a positive effect of LMX on OCB. This research is supported by Handayani and Daud (2023) regarding the effect of the Leader Member Exchange on Organizational

Citizenship Behavior[14]. The results of the research conducted showed that the LMX had a positive effect on OCB. Based on the conclusions of previous studies, the first research hypothesis is as follows:

H₁ : LMX has a positive effect on OCB

The effect of Organizational Culture on OCB

Research conducted by Saputra and Supartha (2019) concerning the effect of organizational culture and on organizational citizenship behavior[15]. This study shows that organizational culture has a positive and significant impact on the behavior of organizational members. with respect to the studies carried out by Prasetyo and Mas'ud (2021) regarding the effect of organizational culture on organizational citizenship[16]. The results of this study indicate that organizational culture has a positive and significant effect on organizational citizenship behavior. Berdasarkan temuan penelitian sebelumnya, hipotesis kedua dapat ditemukan sebagai berikut:

H₂ : Organizational Culture has a positive effect on OCB

The following is the conceptual framework of the above hypothesis:

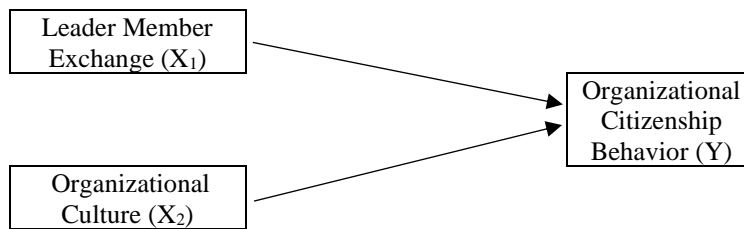


FIGURE 1. Conceptual Framework

$$Y = \beta_1.X_1 + \beta_2.X_2 + e$$

Where:

Y = Organizational Citizenship Behavior (Dependent Variable)

X₁ = Leader Member Exchange (Independent Variable)

X₂ = Organizational Culture (Independent Variable)

E = Error (Residual value)

METHODS

This research is quantitative. In this study using primary data. The primary data for this study came from questionnaires given to MSME managers or owners spread throughout the city of Semarang. Non-probability and convenience samples were used. The targeted number of respondents is 120 people spread throughout the city of Semarang. The instrument used in data collection is a survey method. In principle, the survey instrument is divided into two parts, namely first identifying the profile of MSMEs, and secondly questions related to variables using a Likert scale ranging from strongly disagree to strongly agree. In addition, the test used is the regression analysis test, and the model test consists of a coefficient of determination test, f test, and t test. Questionnaires were distributed online via the Instagram and WhatsApp platforms. Furthermore, the respondents' answers were processed using SPSS. Question items totaled 55 questions. This question is made based on indicators that refer to expert opinion.

TEST MODELS

DETERMINATION COEFFICIENT TEST (R²)

The coefficient of determination is used to determine how much the percentage of the independent variable in the model can be explained by the dependent variable.

GOODNESS OF FIT TEST (TEST F)

The goodness of fit (F) test was conducted to find out whether all the independent variables included in the model together (simultaneously) can affect the dependent variable. The decision criterion for testing the hypothesis with the F test is the value <0.05.

HYPOTHESIS TESTING (T TEST)

The t test was conducted to determine the effect of each independent variable partially on the dependent variable. This test is used to see whether the hypothesis in the study is accepted or rejected. Testing is done using a significance of 0.05.

RESULTS AND DISCUSSION

DESCRIPTION OF RESPONDENTS

The sample of this research includes 120 respondents was dominated by women (61.7%) and men (38.3%) and was dominated by respondents aged less than 30 years (36.7%). Based on educational background, it was dominated by SMA/SMK/Pursue Package C (47.5%). In addition, according to length of business, it was dominated by 8 years and over (35%), and 57.5% of respondents based on reasons for opening a business were dominated by professional calling reasons.

VARIABLE DESCRIPTION

LEADER MEMBER EXCHANGE (X1)

The LMX variable consists of 13 statements, all statements have a mean of 6.1 which means that the average response agrees with the LMX statements, while the mode value of all statements is 6.3 while the median of all statements is 6. Thus it can be concluded that the tendency of respondents to answer statements in the range of agree. From the respondents' answers, the highest statement is (X1.7), that is, I try to work as much as possible according to the tasks set by the organization or company. And the lowest statement in (X1.8) is that I am willing to work extra beyond others to meet/achieve work goals if asked by my boss or co-workers.

ORGANIZATIONAL CULTURE (X2)

The organizational culture variable consists of 14 statements, all statements have a mean of 6.06, which means that the average response agrees with the organizational culture statements, while the mode value of all statements is 6.07 while the median of all statements is 6. Thus it can be concluded that the tendency of respondents to answer statements in the range of agree. From the respondents' answers, the highest statement is (X2.7), that is, I always do my job seriously. And the lowest statement in (X2.1) is that at my workplace, employees must have initiative in carrying out work assignments.

ORGANIZATIONAL CITIZENSHIP BEHAVIOR (Y)

The OCB variable consists of 28 statements, all statements have a mean of 5.9, which means that the average response agrees with the OCB statements, while the mode value of all statements is 6, while the median of all statements is 6. Thus it can be concluded that the tendency of respondents to answer statements in the range of agree. From the respondents' answers, it shows the highest statement in (Y.18), that is, at work I take part in maintaining and preserving the workspace inventory. And the lowest statement in (Y.1) is that I want to replace the duties of a co-worker who is absent from work.

VALIDITY AND RELIABILITY TEST RESULTS

Overall the question indicators for the LMX, Organizational Culture, and OCB variables are considered valid based on the results of the validity test. This is shown by the total value of KMO in this study > 0.5 . The KMO results on the OCB variable were 0.922, the LMX variable was 0.947, and the Organizational Culture variable was 0.923. That is, the sample in this study can be said to be sufficient. The results of the reliability test on all indicators of LMX statements, Organizational Culture, and OCB in this study can be said to be reliable. This is indicated by Cronbach alpha > 0.70 . The results of the reliability test for the OCB variable were 0.968, the LMX variable was 0.950, and the Cultural Organization variable was 0.955. Reliable results show that all variables are reliable for use at different times and different places. The results of the regression analysis can be seen in **TABLE 1**.

The following multiple linear regression equations can be created based on the regression results:

$$Y : 0.399 + 0.512 + e$$

The results of the agreement mentioned earlier can be explained as follows:

LMX has an effect on OCB has a beta value of 0.399 the first hypothesis with a significance level of 0.000 means that the first hypothesis is accepted and proven. The better the LMX, the OCB of MSME managers or business owners in Semarang City will increase.

Organizational culture has an effect on OCB with a beta value of 0.512 with a significance level of 0.000, meaning that the second hypothesis is accepted. This shows that the higher the organizational culture, the higher the OCB of MSMEs managers or business owners in Semarang City.

TABLE 1. Multiple Linear Regression Results

Model	Adjusted R ²	F test		Betas	t test		Information
		F	Sig		T	Sig	
LMX (X1) to OCB (Y)	0,728	160,475	0,000	0,399	5,410	0,000	H1 accepted
Organizational Culture (X2) to OCB (Y)				0,512	6,940	0,000	H2 accepted

COEFFICIENT OF DETERMINATION (R²)

Based on table 1, the Adjusted R² value is 0.728, this means that the OCB variable can be explained by LMX and Organizational Culture variables by 72.8% and the remaining 27.2% (100% -72.8%) is explained by variables outside the model , LMX, Organizational Culture and so on.

F TEST

The F test value is 160.475 with a significant probability of 0.000 and a probability value of less than 0.05 indicates that LMX and organizational culture have an effect on OCB, as shown in table 1.

T TEST

Based on the regression test in table 1 it can be explained as follows:

Effect of LMX on OCB

Based on the hypothesis test shows a beta value of 0.399 with a significance of 0.000. This means that LMX (X1) has a positive and significant effect on OCB (Y). So that the hypothesis which states that there is a positive influence between LMX (X1) on OCB (Y) for MSME managers or business owners in Semarang City is accepted.

Effect of Organizational Culture on OCB

The hypothesis test shows a beta value of 0.512 with a significance of 0.000. Due to its nature, organizational culture (X2) has a positive impact on OCB (Y), suggestions about the positive influence of organizational culture (X2) on OCB (Y) for MSME managers or business owners in Semarang City are accepted.

DISCUSSION

EFFECT OF LMX ON OCB

With a regression coefficient of 0.399 and a significance of 0.00 which is smaller than 0.05. LMX research shows that OCB has a positive and significant impact on MSME owners or managers in Semarang City. These results indicate that testing the LMX hypothesis has an effect on the LMX value on OCB, so it can be concluded that if LMX increases, the better the OCB level of MSME owners or managers in the city of Semarang. The statement that the highest average (mean) score is at (X1.7), which shows that I am trying my best to complete the tasks given by my organization or company. The results of this study are in line with the results of Prabawa and Rozak's research (2016). An indication that LMX has a positive and significant impact on OCB [3]. However, this contradicts a study conducted by Suci et al. (2021), which shows that LMX does not affect OCB [4].

EFFECT OF ORGANIZATIONAL CULTURE ON OCB

The results of the study of organizational culture show that OCB has a positive and significant impact on owners or managers of MSMEs in Semarang City, with a regression coefficient of 0.512 and a significance of 0.00, which is less than 0.05. These results indicate that testing the organizational culture hypothesis has an influence between organizational cultural values on OCB, so it can be concluded that the better the organizational culture, the better the OCB level of MSME owners or managers in the city of Semarang. This result is supported by the statement that the highest average (mean) score is at (X2.7), that is, I always do my job seriously. These results are in accordance with previous studies conducted by Rini et al. (2013) found that there is a positive relationship between OCB and organizational culture [7]. However, it is different from the research conducted by Khan and Rashid (2012) which states that organizational culture has no significant effect on OCB[8].

CONCLUSIONS

LMX has a positive impact on OCB, because the higher the LMX owned by MSME owners or managers in the city of Semarang, the better their OCB. Organizational culture influences OCB. This means that if the organizational culture of MSME owners or managers in Semarang is better, their OCB is higher.

A good Leader Member Exchange (LMX) and a supportive organizational culture have a positive impact on Organizational Citizenship Behavior (OCB) for MSMEs in Semarang City. As an MSME leader, it is important to build good relationships with team members and promote a culture that supports collaboration, fairness, and rewards positive behavior. That way, team members will be more motivated to participate actively in activities outside of their main duties. This not only has a positive impact on the success and growth of these MSMEs, but also strengthens the involvement of team members and creates a more harmonious and productive work environment.

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