

LMX and Trust interactional influence on Employee Career Satisfaction

Dr. Henry Jonathan¹, Sebastian Cyprian², Kassim M. Mwakichui³

1 (HRM Department; Local Government Training Institute, Tanzania)

2 (HRM Department; Local Government Training Institute, Tanzania)

3 (HRM Department; Local Government Training Institute, Tanzania)

Corresponding Author: Dr. Henry Jonathan1

Abstract: *This study investigated Leader - Member Exchange (LMX) and Trust interactional influence on Career Satisfaction in Tanzanian context. It focused in analyzing the manner LMX transmits the effect of Trust on Career Satisfaction. Consequently; a model that articulated LMX as a mediator in Trust – Career Satisfaction association was designed. Data was collected in Tanzanian Local Government Authorities (LGAs) across the country on convenient approach; attracting a total of 421 respondents. Hierarchical Regression Analysis was employed to estimate interactional influence in Trust – Career Satisfaction association. Results suggested that LMX transmitted the effect of Trust on Career Satisfaction. Thus, sound Employee Career Satisfaction was due to Trust and LMX interaction; than absence of the latter in the crafted model. Recommendations for improvement and future studies formed part of this study.*

Keywords: *Career Satisfaction, LMX, Trust and Tanzania*

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I. Introduction

In recent years the world has witnessed steady call for changes in government institutions leading to restructuring and other reforms to match dynamics in performance and so service delivery⁸. Such restructuring and reforms have renewed the significance of managing employee career significantly²⁶. Thus far; career satisfaction has emerged as critical human resource strategy to strengthen government performance and accountability¹⁸. Of late; Local Government Authorities (LGAs) in Tanzania faced various challenges including lack of required quantity and quality of employees. Despite government deliberate effort to recruit new employees on annual basis; employee gap still persist. Consequently, it erodes required ability to offer expected services to the general community. Given salary levels and incentive structures in government organizations; challenges in improving career satisfaction is becoming more significant⁹. Though previous studies have reported career satisfaction antecedents; literature suggests limited studies that cover the role of Trust in peers and LMX. For example;²³; indicated presence of studies that focus in antecedents of career satisfaction; but very little are vigorous in indirect or interactional mechanisms contributing to career satisfaction.

Apparently; preceding researches, on the other hand, seems to suggest indirectly; LMX interactional effect clues in Trust-Career Satisfaction association. For instance empirical evidence suggest positive Trust – Career Satisfaction association^{4,25}; positive Trust – LMX association²⁰ and positive LMX – Career Satisfaction association²¹. Given this triangular relationship; it is substantial to suspect interactional effect; empirically known as mediating effect²⁷. Certainly; in more overt terms; LMX is found to reinforce trust-satisfaction relationship when introduced as a third variable; which Han⁹ termed as mediating effect. Conversely, other studies found different results in the same relationship either. For example; post Han⁹ researches reported non-significance Trust-Career Satisfaction association⁵ Thus, it would be grossly delicate to suggest any interactional effect, of any variable, leave alone LMX. Of course, in obvious ways, interactional effect clues come into being when significant relationship between independent and dependent variable is obvious²⁷. Much as; Han⁹ findings fall beyond Tanzanian boundaries; yet, interactional effect clues (as derived using Baron and Kenny model) requires concrete confirmation; and, that limited studies exist in Tanzania; this study should be natural gape filler. It attempted to bridge discovered research gap by investigating Leadership Quality (LMX) and Trust interactional influence on Career Satisfaction in Tanzanian context.

II. Literature Review

Empirical evidence suggests Career Satisfaction to have strong influence on overall employee decision making about their professional prospect. For example, it has been discovered; when an employee makes decision to join or stay with an organization; is vitally influenced by potentials for career satisfaction². Perhaps;

that could be the main reason as to why it has been studied for several years to determine both its antecedents and consequences. Given turbulent labour market; not only employees in lower levels of the ladder are troubled by career satisfaction; but also employees in top levels of management⁶. In such state of affairs; needs incredibly looms to improve employees' career satisfaction in organizations⁹. Of course, in obvious ways, an attempt to improve employees' career satisfaction is fuelled by the importance employee career satisfaction has on rejuvenating work-related outcomes²³

Studies on the Trust, Leadership Quality (LMX) and Career Satisfaction relationship suggested mixture of findings so far. For example; Fard & Karimi³ conducted a study to investigate among other variables; the trust-satisfaction relationship. Structural Equation Modeling found; trust explained lesser satisfaction in direct model than it does in indirect model (interactional effect). Meanwhile, previous studies found trust to vastly correlate organizational support; including quality in leader-employee satisfaction relationship; such that it added value in employee general satisfaction¹⁵. Suffice here to say, satisfaction in employees respond more when third variable is involved; where interaction with main variable occurs. Primarily; this findings reinforced earlier findings sealed by Han⁹. Han investigated the impact of trust on career satisfaction while analyzing interactional effect that could be offered by Leadership Quality; in this case LMX. She found positive trust-career satisfaction relationship. However, further analyses suggested trust explains more career satisfaction in interactional model; than in direct model. In other words; positive trust-career satisfaction association has to be reinforced by Leadership Quality (LMX) interactional effect; empirically termed as mediating effect. As Han precisely put; Trust is regarded as driver to quality supervisor-employee relationship that influences more than average career satisfaction.

Contrary, other studies has registered dissenting findings as to the mediating effect in trust-satisfaction relationship. For instance; Gibson⁵ investigated trust-satisfaction relationship while testing interactional effect discharged by the third variable. Regression summaries for mediation analysis suggested trust-satisfaction relationship was not statistically significant and thus according to Baron & Kenny²⁷, there was no third variable mediation. This is to say, much as trust had nothing to do with satisfaction; it should be principally not viable to suggest any interactional/mediating effect in whatsoever third variable; leave alone LMX. To this end; presence of contradicting findings on the interactional effect of the third variable in trust-satisfaction relationship call for further investigation in the area.

III. Method

The broad population of the study at hand was Tanzanian Local Government Authorities (LGAs). Quantitative research approach using closed ended questionnaire was employed using convenient approach in data collection. Questionnaire included a total of 14 items where five (5) were for Career Satisfaction; seven (7) for Leadership Quality and two (2) for Trust in Peers. Using five points scale; respondents were asked to rate items on the scale ranging between Strongly Disagree (5 points) and Strongly Agree (1 point). With the assistance of field practical students and human resource officers across the country; questionnaires were administered in range of local government authorities

600 questionnaires were distributed and 421 completed questionnaires were returned (Check Table 1: Response distribution by zones). 25 of them were invalid on different reasons including incomplete filling on some sections; thus decision to discard was of essence. This made response rate of properly completed questionnaires to 66%; which is certainly sound in social science studies. On top of each questionnaire, were the descriptions of objectives of the study; narrated in fussy style. Accompanied to the study objectives; were explanations on the voluntary nature and anonymity to respondents. Data collection lasted for one month where collectors worked in Local Government Authorities as interns students. Overall, the study attracted 67.7% men and 32.3 women. Unexpected response were on the age variable where most of respondents were aged below 35 (90.4%) and the rest were old employee aged above 35. Collected data were analysed in SPSS software where important descriptive were drawn for interpretation purposes. All three variables passed Cronbach alpha coefficient test as they crossed .70 traditional rule of thumb criteria.

Table 1: Response distribution by zones

ZONE	CENTRAL	COASTAL	LAKE	NOTHERN	SOUTHERN	WESTERN
NO.	118	78	95	41	66	23
TOTAL	421					

IV. Model Specification

According to Han⁹; positive association between Trust in peers and Employee Career Satisfaction is mediated by high leadership quality (LMX). In mathematical terms; Employee Career Satisfaction (CS) is a function of LMX and Trust in peers (TP) represented as:

$$\text{Career Satisfaction} = f(\text{LMX}, \text{Trust in peers})$$

To determine mediation due to LMX in Trust - Employee Career Satisfaction association; interaction term must be introduced in the function²⁷. In more plain terms; it should be shown that while LMX is caused by the initial Trust in peers and Trust in peers is a cause of Career Satisfaction, the initial Trust in peers loses its significance; partly or in whole; when the LMX is included¹⁰. In further explicit terms; determination of mediation requires four conditions to be met clearly²⁷. The said conditions include:- *First condition*: the predictor or independent variable (Trust) has to be significantly related to the dependent variable (Career Satisfaction). *Second condition*: Predictor Variable has to be significantly associated with the mediator (Leadership Quality). *Third condition*: mediator has to be significantly associated with dependent variable. *Fourth condition*: for full mediation; the coefficient symbolizing the predictor-outcome relationship should fall to zero or reduce in some margin. Consequently, study model to this paper is stated in four equations (based on mediation conditions) as follows:-

Condition one (1)

$$CS = \beta_0 + \beta_1TP + \varepsilon \dots\dots\text{Equation 1}$$

Where TP = Trust in peers (predictor variable); CS = Career Satisfaction (dependent variable); β_0 = Constant coefficient; β_1 = Coefficient of X (Regression coefficient) and ε = Error factor

Condition two (2)

$$LMX = \beta_0 + \beta_1TP + \varepsilon \dots\dots\text{Equation 2}$$

Where TP = Trust in peers (predictor variable); LMX = Leader-Member Exchange (dependent variable); β_0 = Constant coefficient; β_1 = Coefficient of X (Regression coefficient) and ε = Error factor

Condition three (3)

$$CS = \beta_0 + \beta_1LMX + \varepsilon \dots\dots\text{Equation 3}$$

Where LMX = Leader-member Exchange (predictor variable); CS = Career Satisfaction (dependent variable); β_0 = Constant coefficient; β_1 = Coefficient of X (Regression coefficient) and ε = Error factor

Condition four (4)

$$CS = \beta_0 + \beta_1TP + \beta_2LMX + \varepsilon \dots\dots\text{Equation 4}$$

Where TP = Trust in Peers (Predictor Variable); LMX = Leader-member Exchange (Mediator Variable); CS = Career Satisfaction (dependent variable); β_0 = Constant coefficient; β_1 = Coefficient of TP (Regression coefficient); β_2 = Coefficient of LMX (Regression coefficient) and ε = Error factor

V. Variables

As it has been indicated in the model specifications above; the study had concrete three variables namely Career Satisfaction (Dependent Model); LMX (Mediating Variable) and Trust in peers (Independent Variable). With regard to Career Satisfaction; it is defined as the affective reaction to apparent perceived career success¹⁴. In other words; it refers to the positive work and psychological outcomes following employees' work-related perceived trend and experience¹⁹. Career Satisfaction data was collected using data collecting instrument developed by Greenhaus⁸; involving five (5) items. Conversely; LMX refers the quality of two way supervisor-subordinate relationship and focus in exploiting organizational success through employing constructive interface between parties²². It has established itself between several leadership theories due to its focus in dyadic leader-subordinate relationship²⁴. LMX data was collected using data collecting instrument developed by Graen⁷; involving seven items (7). Alternatively; Trust in Peers refers desire of one individual to become vulnerable to the conduct of another individual with anticipation that another person will execute something important to vulnerable party¹⁶. As such, trust in peers unfolds in two components namely cognitive and affective components. While cognitive component accrue from cogent and lucid evaluation of another individual's consistency; affective component originate from poignant and emotional bond between the two party executing trust¹⁷. Trust in peers data, on the other hand, was gathered using questionnaire developed by²⁸; having two (2) constructs. Prior selection of instruments; assessment of internal consistency history was conducted in accordance with³⁰ guide. Kehoe proposed sound instrument internal consistency fall with the region of at least .50 Cronbach's alpha. Instruments use history suggested Cronbach's alpha .95; .91 and .89 for LMX; Career Satisfaction and Trust in peers respectively⁹. It was thus safe to employ the three instruments to collect data used in this study.

VI. Results

Study results were preceded by instruments check in terms of reliability as recommended by Pallant²⁹. Though there are number of ways to check instruments reliability; internal consistency takes huge stake. According to Pallant²⁹; internal consistency can be assessed by Cronbach alpha values of or more than .70. In explicit expressions; such alpha levels suggest; instrument under scrutiny measures intended constructs. Thus, giving go ahead permission to report the instrument was worthy for use in data collection. Employing alpha value approach, this study found Cronbach alpha value .74 (Trust scale); .85 (LMX scale); and .86 (Career Satisfaction scale) and thus the scale was worthy reliable

Results in Table 1 reports R, R², R² Change and Beta values associated with equation one (1) to equation four (4) as crafted in model specification section. As a matter of fact; R² Change value is pivotal in determining interactional effect in the model; given satisfaction of other conditions indicated in the model. Results revealed, in this case, employee Peer Trust have a significant positive relationship with employee Career Satisfaction (F = 430.51; p < .05). Regression analysis (Analysis one - Equation 1) showed that 52.2% of variance in Career Satisfaction was attributed by employee Peer Trust and thus supporting mediation condition one. Results also showed the relationship between Peer Trust and LMX was positive and significant (F = 559.471; p < .05). 58.7% of the variance in LMX (Regression analysis one - Equation 2) was accounted by Trust in Peers; thus supporting mediation condition two.

Table 1: Interaction/Mediation Analyses Summary

Equations	R	R ²	R ² CHANGE	BETA
Analysis One [Equation 1]				
Peer Trust	.723	.522		.723
Analysis Two [Equation 2]				
Peer Trust	.766	.587		.766
Analysis Three [Equation 3 & 4]				
Step 1: Total LMX	.766	.587		
Step 2: Total Trust	.807	.651	.064	.360

Hierarchical Regression Analysis was conducted to discover the Trust in Peers – Career Satisfaction relationship nature given research objective demand. Chiefly, there were two steps of Hierarchical Regression Analysis as indicated in Table 1. In the step one; LMX as mediator variable was entered in the first analysis block and accounted for 58.7% of the variance in Career Satisfaction (F = 559.471; p < .05). In the second step; Peer Trust as independent variable was entered after LMX and accounted for 65.1% of the variance in Career Satisfaction (F = 366.598; p < .05). The two steps of analysis in Hierarchical Regression Analysis supported the last two mediation conditions suggesting mediator (LMX) to have significant impact on dependent variable (Career Satisfaction) and when the effect of mediator was controlled for; Independent variable (Peer Trust) predicting ability should cease or fall significantly. Indeed, results pattern in Table 1 indicated a significant change in R² (.064) and significant fall in beta from .510 to .360 when the effect of mediator (LMX) on dependent variable (Career Satisfaction) was controlled for. Such fall in beta; confirmed partial mediation exerted by LMX; caused by interactional effect registered by LMX and Trust in peers.

VII. Discussion And Conclusions

The purpose of this study was to investigate Leadership Quality (LMX) and Trust interactional influence on Career Satisfaction association in Tanzanian context. It focused in analyzing the manner LMX transmits the effect of Trust on Career Satisfaction. Hierarchical regression results revealed Trust in Peers explained lesser variances in Career Satisfaction when the effect of LMX was held up. However, Trust in Peers explained more variances in Career Satisfaction when the influence of LMX was left to operate. According to Baron & Kenny²⁷; this variable behaviour suggested presence of interactional effect in mediating fashion of the third variable (Leadership Quality) following successful Trust-LMX interaction. Consequently, it reasonable to suggest Leadership Quality partially mediated Trust in Peers – Career Satisfaction association. It is, thus, sensible to suggest LMX accounted for or modified Peer Trust – Career Satisfaction relationship; following interactions of the variable of interest. In other words; Peer Trust influenced LMX which in turn influenced Career Satisfaction. Precisely putting, LMX relatively explained some, as opposed to all, of the association between Trust in Peers and Career Satisfaction association. Overall; results indicated that LMX transmitted the effect of Trust on Career Satisfaction by LMX-Trust interaction. Thus, there is not only a significant LMX and Career Satisfaction association, but also some noted Trust in Peers – Career Satisfaction direct association. That is to say, any attempt to improve Career Satisfaction takes indirect rout through LMX. Trust in peers discharges more significant influence on Career Satisfaction; when successful interaction with LMX features. Neglecting LMX, therefore, render such attempt a strategy in defeat ‘Ab initial’. Such result establishes the significance of decision makers; to take on board both Trust in Peers and Leadership Quality (LMX); in strengthening employee Career Satisfaction. Indeed, results to this study reinforces previous findings such as^{15,9,3}; that indicated partial LMX mediating effect caused by interaction with the third variable.

Much as Enrichment in Peers Trust and enhanced Leadership Quality (LMX); create collective interactional influence in better Career Satisfaction; managers may wish to craft strategies to improve them as well. According to³¹ sound Career Satisfaction in employees influences better performance, either. Probably most managers should be attracted by improved Career Satisfaction on this basis. Previous findings suggest presence of huge number of strategies to take employee trust high, in one hand. However, among several; it seems trust need to be taken as life-long endeavour and natural obligation¹. According to Boe; improving trust

using any strategy; and neglect to put monitoring and evaluation commitment; trust may end up decreasing further. On the other hand; improving Leadership Quality (LMX) is somehow a tricky task as it is LMX which carries three components namely leader characteristics, follower and leader maturity⁷. Notwithstanding the importance of other strategies; high Leadership Quality may be gained by enriching mutual trust, respect and commitment which results in employee job undertaking beyond what listed in Job Descriptions¹³.

VIII. Study Limitations And Future Studies

It is imperative to acknowledge few limitations associated to this study. *First*, this study was conducted in Tanzanian Local Government Authorities that has unique human resource architect. Thus, one must be careful in generalizing these findings³. *Secondly*, the study at hand opted quantitative approach and thus automatically missed out qualitative information from respondents. Future studies may wish to combine quantitative and qualitative approach to take on board left out qualitative information¹. *Thirdly*, this study employed closed ended questionnaire and so collected data based on respondents' self-report means. However, closed ended questionnaire is not free from potential bias accruing from perceptual differences¹¹. Therefore other means to complement closed ended questionnaire is recommended. Despite presence of the mentioned limitations; still findings to this study remain worthy for Career Satisfaction improvement.

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