JOB SATISFACTION: THE INFLUENCE OF PERSON-JOB FIT AND LEADER-MEMBER EXCHANGE

Le Thi Minh Loan (a), Vu Thu Trang (b)*
*Corresponding author

(a) Faculty of Psychology, University of Social Sciences and Humanities, Vietnam National University, Hanoi, Vietnam, ltminhloan@gmail.com
(b) Faculty of Psychology-Education, Graduate Academy of Social Sciences, Vietnam Academy of Social Sciences, trangvuthu90@gmail.com

Abstract

The effects of person-job fit and leader-member exchange on job satisfaction have been repeatedly found in literature, yet no study has compared these effects between public and private corporations. The purpose of this research is to study the influence of person-job fit and leader-member exchange to job satisfaction of employees in Vietnam and examine if these effects are moderated by sector type. 547 employees in public and private sector in Vietnam reported to 3 measures: person-job fit scale (Chuang, Shen & Judge, 2015), leader-member exchange scale (Lyden & Maslyn, 1998), and job satisfaction scale (Seashore et al, 1982). Results showed that there were positive correlations between person-job fit and job satisfaction, and between leader-member exchange and job satisfaction. There were also significant moderation effects of sector type. Person-job fit has a weaker effect on job satisfaction in the public sector than in the private sector; while leader-member exchange has a stronger effect on job satisfaction in the public sector than in the private sector. Implications of the findings were discussed; in particular, leaders in the public sector need to focus on creating a smooth supervisor-subordinate relationship; while those in the private sector should select people that fit the job.

© 2018 Published by Future Academy www.FutureAcademy.org.UK

Keywords: Leader-member exchange, person-job fit, job satisfaction.
1. Introduction

Job satisfaction is an important outcome that has attracted attention from Industrial/Organizational psychologists for decades. It is also one of the most complex areas that today’s managers have to face (Aziri, 2011). It is not only the ultimate goal of employees but it is also the desirable target of employers as job satisfaction usually implies low turnover rate and higher performance. As a result, it is a common dependent measure in organizational studies (Spector, 1997).

Various factors have been found to predict job satisfaction; notably are leader-member exchange and person-job fit. The relationship between employees and leaders, i.e. leader-member exchange, has been found to shape employee’s work attitude and various attitudinal and performance outcomes, among which is job satisfaction (Dienesch & Liden, 1986; Graen, 1976). This holds true in different cultures (Yeo, Ananthram, Teo & Pearson, 2015). Similarly, person-job fit has been the emphasis of hiring policies in both western and non-western cultures, implying its importance in job performance and satisfaction (Kristof-Brown, Zimmerman, & Johnson, 2005).

However, in the literature, few studies have compared the effect of leader-member exchange or person-job fit on satisfaction in different sectors (public and private). Even fewer studies have looked at both leader-member exchange and person-job fit in a single study to compare their influence on job satisfaction in different sectors.

1.1. Job satisfaction

As the pioneer in job satisfaction research, Hoppock (1935) defined job satisfaction as any combination of psychological, physiological and environmental factors that cause a person to feel satisfied with the job. It is implied in Hoppock’s definition that job satisfaction is an internal, subjective feeling. Later authors defined job satisfaction as an attitude towards one’s job, with 2 components: a cognitive component (the perception that one’s need in the job is fulfilled) and an affective component accompanying the cognition (Fisher, 2000; Thatcher et al., 2003). As a result, job satisfaction is usually reported by self-report of one’s liking or disliking the job (Spector, 1997). Job satisfaction is an important indicator of one’s assessment of the job, and it can predict one’s performance, job attitude, turnover rate, etc. (Mount, 2006).

1.2. Leader-member exchange

Leader-member exchange (LMX) indicates the quality of interaction between leaders and members in an organization (Graen & Scandura, 1987). Leaders here are understood as the direct supervisors. Dienesch and Liden (1986) argued that it was the immediate supervisor who had the power to enforce subordinates’ behaviors and views.

Studies in diverse organizational settings showed that leaders used different leadership style to different employees (Dansereau, Graen, & Haga, 1975; Graen & Cashman, 1975, Liden & Graen, 1980, Graen, Novak, & Sommerkamp, 1982, Graen & Scandura, 1987). In other words, they interact differently with different subordinates. Leaders can trust, share and like certain employees while they may form rigid communication with others (Erdogan et al., 2006; Sparrowe and Liden, 1997). The first leads to high
leader-member exchange, characterized by a strong emotional bond, mutual trust and support between leaders and members. A strong leader-member relationship makes members feel that they belong to a team and have a good connection with team leader, thus encouraging them to have positive perceptions and behaviors (Saeed, Waseem, Sikander & Rizwan, 2014).

The effects of leader-member exchange on job-related outcomes can be explained by social exchange theory. The social exchange theory proposes that reciprocation occurs in a relationship when both parties offer what the other party considers valuable (Graen & Scandura, 1987). When leaders form a good relationship with employees, employees in turn feel the need to reciprocate the favor by having a good work-related attitude and working hard for the leaders (Rockstuhl et al, 2012).

Research shows that high leader-member exchange can lead to positive performance outcomes (for meta-analyses, see Dulebohn et al, 2012; Rockstuhl et al, 2012). Among them are task performance (Martin, Guillaume, Thomas, Lee, & Epitropaki, 2016), positive work behaviors and attitude (Liden et al., 1997), and job satisfaction (Laschinger, Purdy & Almost, 2007; Stringer, 2006). In particular, the positive correlation between leader-member exchange and job satisfaction has been repeatedly confirmed in different samples, from hospital staff (Vecchio et al, 1986), newly recruited staff (Major, Kozlowski, Chao, & Gardner, 1995), to English employees (Epitropaki & Martin, 2005). The findings hold true for both western and non-western samples (Yeo, Ananthram, Teo & Pearson, 2015).

With regard to sector comparison, some studies have found that LMX has a stronger impact on job attitude of public sector workers than private sector workers, although the evidences remain limited in number. Brunetto, Farr-Wharton and Shacklock (2010) found that supervision practices in public hospitals affected public sector nurses’ morale and commitment more than supervision practices in private hospitals. In other words, leader-member exchange relation has a stronger influence to public sector nurses than private sector nurses. Similarly, according to DeSantis and Durst (1996), workers in the public sector felt more satisfied when they perceived their supervisors as competent, while those in the private sector put more stress in salary. Low pay, despite being a common complaint of public sector workers, was not the cause of their dissatisfaction, as they stay on the job for other factors, usually intrinsic (Schneider & Vaught, 1993). Maidani (1991) found that public sector employees value hygiene factors more than private sector companies. Hygiene factors include company policy and administration, technical supervision, working conditions, salary and interpersonal supervision. Brunetto, Farr-Wharton and Shacklock (2010) found that leader-member exchange had more effect to emotional attachment of employees in the public sector than in the private sector.

1.3. Person-job fit

Person-job fit, as the name implies, refers to the match between a person and a job. According to Edwards (1991), person-job fit could be understood in two ways. It can be the fit between job requirements and employee’s abilities and skills; but it can also be the fit between employee’s preferences and job’s reality. The first type of fit is the interest of Industrial/Organizational psychology due to its direct effect on job performance and satisfaction.
Person-job fit is conceptualized in a network of concepts about person – environment fit, such as person-organization fit, person-group fit, person–supervisor fit and person-job fit (Kristof-Brown, Zimmerman, & Johnson, 2005).

Person-job fit has a strong correlation with job satisfaction, organizational commitment and intention to quit. A meta-analysis by Kristof-Brown, Zimmerman and Johnson (2005) found that the correlations were 0.56, .47 and -.46 respectively. Person-job fit is also associated with low attrition from the recruitment process, low voluntary turnover and high work performance (Meglino, Ravlin, & deNisi, 2000; Phillips, 1998). The effect of person-job fit on job performance, including satisfaction, was distinctive to the effect of other types of fit (Kristof-Brown, Zimmerman, & Johnson, 2005; Lauver & Kristof-Brown, 2001; Kristof-Brown, Jansen, & Colbert, 2002).

It is interesting to note that private companies are more likely to reward employees for their skill, knowledge, performance, and innovation than public companies (Boyne, Jenkins & Poole, 1999). People with high person-job fit score higher in skill and knowledge required for the job; thus it is possible to draw the link between person-job fit and reward scheme in public and private companies.

Looking at the literature, it is easy to find support for the link between leader-member exchange and job satisfaction, as well as the link between person-job fit and job satisfaction. However, few studies have compared these relationships in public and private sector. The comparison, where possible, is usually indirect. It is our interest to fill in this gap by studying the effect of leader-member exchange and person-job fit to job satisfaction of employees in the public and private sector.

2. Problem Statement

The effects of person-job fit and leader-member exchange on job satisfaction have been repeatedly found in literature, yet no study has compared these effects between public and private sector. This study sought to fill in this gap by studying the moderation effect of sector type to the relation between LMX and person-job fit to job satisfaction.

3. Research Questions

This study is premised on the following research questions:

• Does person-job fit predict job satisfaction? Is the effect of person-job fit on job satisfaction in public sector lower than in private sector?

• Does leader-member exchange predict job satisfaction? Is the effect of LMX on satisfaction in public sector higher than private sector?

4. Purpose of the Study

The purpose of this research is two-fold:

• To study the influence of person-job fit and leader-member exchange to job satisfaction of employees in Vietnam.

• To examine if sector type moderates the influence of person-job fit and leader-member exchange to job satisfaction.
5. Research Methods

5.1 Subjects

A survey was conducted both at the workplace and at the place of residence of employees. Subjects were 547 randomly selected employees, including 302 employees in public corporations and 245 employees in private corporations. Demographic features of the respondents were reported in Table 01.

Table 01. Demographic information of respondents

<table>
<thead>
<tr>
<th>Feature</th>
<th>Public corporation (N=302)</th>
<th>Private corporation (N=245)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>57.3</td>
<td>27.5</td>
</tr>
<tr>
<td>Female</td>
<td>42.7</td>
<td>72.5</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-25</td>
<td>21.8</td>
<td>73.0</td>
</tr>
<tr>
<td>25-40</td>
<td>45.2</td>
<td>25.7</td>
</tr>
<tr>
<td>Above 40</td>
<td>32.8</td>
<td>1.3</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highschool</td>
<td>16.2</td>
<td>69.3</td>
</tr>
<tr>
<td>Vocational school</td>
<td>13.4</td>
<td>14.4</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>55.9</td>
<td>13.9</td>
</tr>
<tr>
<td>Post-graduate</td>
<td>14.5</td>
<td>0.4</td>
</tr>
<tr>
<td>Marital status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>63.7</td>
<td>55.3</td>
</tr>
<tr>
<td>Single</td>
<td>36.3</td>
<td>44.7</td>
</tr>
<tr>
<td>Working experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-3 years</td>
<td>17.2</td>
<td>30.8</td>
</tr>
<tr>
<td>3-5 years</td>
<td>16.3</td>
<td>27.1</td>
</tr>
<tr>
<td>5-10 years</td>
<td>13.8</td>
<td>18.6</td>
</tr>
<tr>
<td>Above 10 years</td>
<td>52.7</td>
<td>23.5</td>
</tr>
<tr>
<td>Managerial position</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>67.2</td>
<td>93.9</td>
</tr>
<tr>
<td>Manager</td>
<td>32.8</td>
<td>6.1</td>
</tr>
</tbody>
</table>

5.2. Measurements

Three scales were used in the survey.

- Person-job fit scale: We used the person-job fit subscale by Chuang, Shen & Judge (2016), which is a component of the person-environment scale. The person-job fit scale included 4 items, with a Cronbach alpha of 0.64.

- Leader-member exchange scale: We used the leader-member exchange scale by Liden & Maslyn (1998). The scale had 12 items, divided into 4 subscales: emotion, contribution, loyalty and professional respect. There was evidence of good overall reliability with Cronbach's alpha .87. For each of the four subscales, internal consistency was: affect, \( \alpha = .73 \); loyalty: \( \alpha = .66 \); contribution: \( \alpha = .60 \); professional respect: \( \alpha = .81 \).

- Job satisfaction scale by Seashore, Lawler, Mirvis & Cammann (1982). The scale had 3 items, with high reliability (Cronbach alpha = 0.84).
All the above scales were rated on a 5 point likert scale, ranging from 1 (completely false) to 5 (completely true).

5.3. Procedure

The study was divided into 2 stages. In the first stage, 50 employees in the north of Vietnam responded to the survey to check face validity of translated scales. Suggestions were considered and translations adjusted to make the scale more accessible to Vietnamese employees. In the second stage, the completed survey was sent out to 650 employees in both the public and private sector. 547 people responded to the survey, response rate was 84%.

5.4. Data analysis

Data was coded and analyzed using the Statistical Package for the Social Science (SPSS). Inspection of the person-job fit scale, leader-member exchange scale and job satisfaction scale indicated that the scales were normally distributed. To test our hypothesis, we employed the following statistical methods: Bivariate Correlation, Process tool by Hayes (2013) and Linear Regression Analysis.

6. Findings

The findings showed that there were significant differences between the public and private sector in job satisfaction, person-job fit and leader-member exchange (see Table 02). Public sector employees scored higher than private sector employees in all three measurements.

Table 02. Mean score of job satisfaction, person-job fit and leader-member exchange compared by sector type

<table>
<thead>
<tr>
<th></th>
<th>Public corporation</th>
<th>Private corporation</th>
<th>t</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>SD</td>
<td>M</td>
<td>SD</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>3.72</td>
<td>0.70</td>
<td>3.44</td>
<td>0.74</td>
</tr>
<tr>
<td></td>
<td>t(525)= 4.45</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Person-job fit</td>
<td>3.45</td>
<td>0.83</td>
<td>3.21</td>
<td>0.91</td>
</tr>
<tr>
<td></td>
<td>t(534)=3.18</td>
<td>0.002</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leader-member exchange</td>
<td>3.67</td>
<td>0.56</td>
<td>3.35</td>
<td>0.65</td>
</tr>
<tr>
<td></td>
<td>t(524)= 5.98</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Looking at the effect of person-job fit and leader-member exchange to job satisfaction, we found that both person-job fit and leader-member exchange had positive, significant relations with job satisfaction (see Figure 01).
The relationship between person-job fit and job satisfaction was low in the public sector (r=0.22, p<0.01), yet it was moderately strong in the private sector (r=0.43, p<0.01). Relationship between leader-member exchange and job satisfaction in public and private sector were strong (r=0.87 and 0.81 respectively, p<0.01).

We continued to test the moderating effect of sector type to person-job fit and satisfaction relationship and to leader-member exchange and satisfaction relationship. Using Hayes’ process package designed for SPSS, we tested the existence of a moderation effect. The results showed that sector type moderated both relationships. The result showed that the interaction between person-job fit and sector type was significant (p=0.042) and the interaction between leader-member exchange and sector type was also significant (p =0.0039), implying the moderation effect of sector type in both relationships.

Linear regression clarified these moderating effects (see Table 03). The effect of person-job fit on job satisfaction was stronger in private sector than in public sector. Person-job fit explained 18.4% of the variance in job satisfaction of employees in private sector, as compared to 4.4% of the variance in job satisfaction of employees in public sector. On the contrary, the effect of leader-member exchange on job satisfaction was stronger in public sector than in private sector. Leader-member exchange explained 74.9% of the variance in job satisfaction of employees in the public sector, as compared to 66% of the variance in job satisfaction of employees in the private sector.

Table 03. Regression analysis of person-job fit and leader-member exchange on job satisfaction compared by sector type

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized coefficients</th>
<th>Standardized coefficients</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person-job fit and job satisfaction</td>
<td>B</td>
<td>SE</td>
<td>β</td>
<td></td>
</tr>
<tr>
<td>Public sector (R²= 0.044, F=14.35, p=0.00)</td>
<td>.185</td>
<td>.049</td>
<td>.219</td>
<td>3.789</td>
</tr>
<tr>
<td>Constant</td>
<td>3.092</td>
<td>.172</td>
<td></td>
<td>17.955</td>
</tr>
</tbody>
</table>

Figure 01. Correlation between person-job fit, leader-member exchange and job satisfaction by sector type

![Figure 01. Correlation between person-job fit, leader-member exchange and job satisfaction by sector type](image-url)
With regard to our initial research questions, we could sum up the findings as following:

There was a positive correlation between person-job fit and job satisfaction, as well as between leader-member exchange and job satisfaction. These findings supported the previously established relationships between person-job fit and job satisfaction and between leader-member exchange and job satisfaction.

The effect of person-job fit on job satisfaction was stronger in private sector than in public sector. On the contrary, the effect of leader-member exchange on job satisfaction was stronger in public sector than in private sector.

7. Discussion

7.1. Job satisfaction in public and private sector

This study provided support for a higher level of job satisfaction of public sector employees in comparison to private sector employees. This finding can be explained by the differences in performance requirements and job attitude between the public and private sector. Public sector employees tend to enjoy greater job security and a more certain career path than private sector employees (Coyle-Shapiro & Kessler, 2003; Hooijberg & Choi, 2001; Khalid, Irshad & Mahmood, 2012). Job security creates a feeling of safety and long-term commitment, thus increasing workers’ dedication to the firm (Karl & Sutton, 1998; Rainey, 1982). Moreover, public corporations tend to be more flexible in term of working time and work commitment: they require less working hours and they are less likely to exploit employees (Buelens & Van de Borek, 2007; Georgellis, Iossa, & Tabvuma, 2010). This might be the reason why public sector employees felt more satisfied with their work.

7.2. The influence of person-job fit to job satisfaction in public and private sector

In line with previous research, this study found that person-job fit increased job satisfaction in both public and private corporations. When employees’ abilities, skills and knowledge match their job requirements, they are more likely to work productively and adapt to changes better than those who are not fit for the job (Greguras & Diefendorff, 2009). Employees with high job performance score better in
five core job characteristics (as defined by the Job Characteristic Model, Hachman & Oldham, 1976) and have higher job satisfaction (Volmer et al, 2011). Even perception of fit also matters. Employees’ perception of their job fit is positively correlated with innovative work behaviors (Afsar, Badir & Khan, 2015). Moreover, employees who believe that they have high person-job fit receive more favorable feedbacks about their work, making them feel more competent in performing their job than those who have low perception of fit (Greguras & Diefendorff, 2009; Cable & deRue, 2002). In short, person-job fit affects job satisfaction both directly and indirectly. High actual person-job fit leads to high job efficiency, resulting in better rewards for job performance, higher chances of promotion and a feeling of satisfaction. High perceived person-job fit creates a feeling of competence, resulting in higher motivation and confidence in job performance, and a feeling of personal significance in contributing to team achievements.

More importantly, this study provided evidence for a stronger effect of person-job fit on job satisfaction in private corporations than in public corporations. One way to explain this effect is that private corporations are generally more performance-oriented than public corporations; they have clearer goals and easier-to-measure outputs (Hooijberg, Choi & Baldwin, 1987); their skill-based pay, knowledge-based, production-based pay were also higher than in the public sector (Boyne, Poole, & Jenkins, 1999). As a result, private firms put emphasis on finding the right person since the early stage of employee selection. Moreover, private firms tend to have a performance-based reward system, as contrast to the seniority-based reward system in public firms (Buchanan, 1974; Rainey et al, 1976). According to Boyne, Poole and Jenkins (1999), in the private sector, skill-based pay, knowledge-based pay and production-based pay were higher than in the public sector; not to mention that private firms were more likely to reward employees for innovation and creativity than public firms. Workers in private firms therefore enjoy more rewards when their work efficiency is high, which is usually associated with high person-job fit. On the other hand, the link between extrinsic reward and performance in public sector organizations is weaker, thus high person-job fit public sector employees who work well do not receive deserving incentives like in the private sector, making them less satisfied with the job (Porter & Lawler, 1968).

7.3. The influence of leader-member exchange to job satisfaction in public and private sector

In this study, public sector employees scored higher in leader-member exchange than private sector employees. This result is similar to Boyne, Poole & Jenkins (1999) as they found many LMX-related indicators in public sector were higher than in private sector, such as “promote an equal opportunities culture” and “offer assistance to help employees meet personal and family needs”.

The influence of leader-member exchange on job satisfaction lies in the fact that a good relationship with leaders brings more privileges to members. Although by principle, intrinsic and extrinsic rewards in any organization are decided by the organization’s culture and its leaders, yet in fact, leaders play a more active role in reward distribution (Erdogan, Kraimer & Liden, 2002). This is particularly true in the public sector. Employees in the public sector have to report to their direct supervisor more often; and because of the complex hierarchy in public organizations, low-level supervisors in public corporations have more power in evaluating employees’ performance than in private corporations.
Robertson & Seneviratne, 1995). As such, a high-quality leader-member relationship can result in more benefits and resources to employees, such as empowerment, decision influence, salary progress, promotion, and positive socio-emotional experiences (Epitropaki & Martin, 2005). A strong interpersonal relationship also enhances mutual support, such as caring for employees’ needs, occupational and emotional support, and informal rewards (Gerstner & Day, 1997).

With regard to the moderation effect of sector type to leader-member exchange – job satisfaction relationship, there are many plausible explanations. Sector difference in performance evaluation can be a reason. Kacmar, Witt, Zivnuska & Gully (2003) found that at a high level of leader-member exchange, employees who reported to supervisors more often would receive more favorable evaluations. In other words, in high leader-member exchange relationship, frequent communication means better rating. As leader-member exchange and frequent communication in public sector is higher than in private sector, job satisfaction in public sector is thus higher than in private sector.

Another reason is that in eastern culture, relationship plays an important role. Belong to an in-group is fundamental to the self-concept and emotions of eastern people, including the Vietnamese. Moreover, in decision-making, eastern people are more likely to act by emotion than by rationale. As a result, any activities in a Vietnamese organization can be greatly influenced by relationship (Ho Sy Quy, 2005; Tran Ngoc Them, 2000). There is a common saying in Vietnamese culture about the priority of factors affecting one’s career development: first, descendant; second, money; third, relationship; fourth, knowledge. Following this rationale, nepotism is the fastest way to get employed, following by a strong financial capacity (for potential bribery), a good relationship with leaders, and lastly professional ability. Since the first two factors are not easy to achieve, building a strong connection with leaders seems to be the easiest way to get forward in the career path. This effect is enhanced in public organizations as their performance is less outcome-oriented and harder to measure. Building a good relationship with one’s supervisor in a public sector can bring tremendous benefits to an employee, leading to higher satisfaction (Yeo, Ananthram, Teo, & Pearson, 2015).

8. Conclusion and Implications

This research provided evidence for a relationship between person-job fit, leader-member exchange and job satisfaction in both the public and private sector. More importantly, corporation type moderated both of the relationships. In public corporations, person-job fit has a weaker effect on job satisfaction than in private corporations, while leader-member exchange has a more powerful effect. These findings suggest that employers in private organizations need to attend more to employees’ person-job fit in order to enhance their job satisfaction; while those in the public sector need to build stronger relationship with their employees.

Acknowledgments

This is to acknowledge funding from Vietnam National University, Hanoi. This study was conducted as part of the project Organizational commitment of Employees in Vietnam corporations, project code QG.15.45
References


