

## TO EXAMINE LEADER-MEMBER EXCHANGE AS MODERATING VARIABLE ON THE INFLUENCE OF EMPLOYEE PSYCHOLOGICAL UNCERTAINTY TOWARD EMPLOYEES' JOB SATISFACTION AND TURNOVER INTENTION

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### ABSTRACT

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This study produces some findings. Firstly, the LMX has been failed to reduce the negative influence of psychological uncertainty towards employee's job satisfaction, although the quality of the LMX was good. employee's job satisfaction is more perceived as personal affective state experienced during the organizational change. Secondly, the LMX has been successfully moderated the positive influence of the psychological uncertainty towards employee's turnover intention. The data were collected by using questioners, distributed to the employees who worked in hospitals in Yogyakarta Province. There were 193 questioners that could be collected and analyzed by using Moderated Regression Analysis (MRA) to test the hypothesis by using SPSS application version 21. The result of the study shows that psychological uncertainty had negative correlation to employee's job satisfaction and positive influence to psychological uncertainty toward turnover intention. Besides, LMX was proven to moderate positive influence of psychological uncertainty toward turnover intention, but it could not moderate negative influence of psychological uncertainty toward job satisfaction.

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## 1. Introduction

Job satisfaction and turnover intention is an issue that is often discussed in the last several decades and has become the main variable in the field of organizational behavior (Robbins & Judge, 2013; Volmer et al., 2011; Maertz Jr. & Boyar, 2012; Loi et al., 2014). To maintain high quality employees to keep staying in the organization, companies need to create job satisfaction of the employees (Hom et al., 1992). High level of job satisfaction and low rate of turnover intention can indicate the quality of employees' management in a company. This will have a great significant impact both on companies such as increasing productivity, commitment, organizational citizenship behavior of the employees and on leading of the customer's satisfaction (Ostroff, 1992; Good et al., 1996; Lepine et al., 2002). The high of job satisfaction and low rate of turnover intentions will lead to high competitiveness of the company.

Under the conditions of organizational change, employees will perceive that the impact of the change may threaten their existence in the organization (Greenhalgh & Rosenblatt, 1984). This employee's perceptions will cause a sense of discomfort about working conditions such as their position after the change, the addition of new tasks, and their ability to adapt to the new environment. The inconvenience caused by this organizational change will further establish the psychological uncertainty of an employee (Nelson et al., 1995; Rafferty, & Griffin, 2006).

Psychological uncertainty of the employees can negatively affect the company. Empirical evidence suggests that the psychological uncertainty has

significant impact on several outcomes including job satisfaction and turnover intentions (Rafferty & Griffin, 2006; Ashford et al., 1989; Moyle & Parkes, 1999). Studies (Moyle & Parkes, 1999; Pollard, 2001; Schweiger & DeNisi, 1991) also mentioned that psychological uncertainty is the antecedent of the relationship between changes in the organizations and employee's welfare. It certainly can be detrimental to the company, and must find a way out considering that the operation of the company must continue to maintain the existence of the company.

Some researchers have conducted empirical studies to overcome the problems arising from organizational change. Studies by Bommer et al. (2005) found that the behavior of transformational leaders can reduce employee's cynicism caused by organizational change. Transformational leadership can also reduce tension and rejection of the employees in a state of organizational change (Carter et al., 2013). Brown & Cregan (2008) stated that the environmental conditions that share information and involve employees in the decision-making will also reduce the cynicism of organizational change. In addition, psychological uncertainty can also be overcome by the fairness of the organizations (Walker et al., 2013), and trust in the organization (Oreg & Sverdlik 2011).

Dimensions that can overcome the problems of organizational changes above can be found in high relationship of LMX, such as (Wang et al., 2005) things which connect LMX with transformational leadership, trust (Liden & Graen, 1980; Chen et al., 2012 ; Jha et al. 2013), and fairness in the organization (Masterson et al., 2000; Erdogan et al.,

2006; Burton et al., 2008). To that end, researchers offered a situational variable which is leader-member exchange (LMX), as a moderating variable to minimize the negative impact of psychological uncertainty toward job satisfaction and minimize the turnover intention of the employees, as has been suggested by Graen & Uhl-bien (1995). Empirical studies have also been successfully made LMX as a moderating variable between tactics in organizational change with the resistance to change (Furst & Cable, 2008). When LMX between leaders and subordinates is high, it will reduce employees to resist the change in the organization.

The addition of LMX variable as a moderating variable is expected to address the issue of psychological uncertainty of organizational change that may be felt by the employees. Besides, other empirical researches have also been proven that LMX can improve job satisfaction (Cogliser et al., 2009; Han & Jekel, 2011; Masterson et al., 2000; Volmer et al., 2011; Epitropaki & Martin, 1999; Harris et al., 2007; Lapiere & Hackett, 2007; Loi et al., 2014; Mayfield & Mayfield, 2009) and reduce the turnover intention (Masterson et al., 2000; Gerstner & Day 1997; Wayne et al., 1997; Ahmed et al., 2013; Deconinck, 2011; Erdogan et al., 2006; Han & Jekel. 2011).

## 2. Literature Review

### 2.1. Psychological Uncertainty of the Employees, Job Satisfaction and Turnover Intention

Over the last few decades, job satisfaction and turnover intentions have become a serious concern for researchers in the field of organizational behavior (Robbins & Judge, 2013; Volmer et al., 2011; Maertz Jr. & Boyar, 2012; Loi et al.,

2014). It considers the impact produced by these two factors to be a particular concern for top management. Employees are the main drivers in the operations of a company. It is important for companies to pay attention to factors that lead to job satisfaction and job dissatisfaction of employees. If the company provides satisfaction to its employees, the employees will reciprocate by improving their performance and confidence and showing good behavior in the organization (Gerstner & Day, 1997).

Robbins & Judge (2013) described the aspects that can affect employee satisfaction, such as the work itself, salary, promotion, supervision and coworkers. Some empirical researches that become the antecedents of the causes of employee satisfaction, such as fairness in the organization (Diekman et al., 2004), organizational support (Randall et al., 1999), and the relationship between the leaders and the subordinates (Volmer et al., 2011). Judging from these factors, job satisfaction of the employees comes from internal aspects of the company controlled by the company. Therefore, the role of organizations and managers will determine job satisfaction of the employees. The application of Health BPJS (Indonesian Public Insurance) can reduce job satisfaction such as too much workload, different working conditions from what is expected by the employees, and the wages that are suitable to the working load of the employees.

The high of turnover intention from the employees indicates that there is a discrepancy like what is expected by the employees with conditions that actually occur. It would be bad for the company. Behaviors like decreasing working performance, increasing absenteeism, increasing violations within the

company, and increasing the protests against the state in the company can be the indicators of turnover intentions of the employee. The management of the company should certainly be keen on seeing the behavior of employees, so high rate turnover intentions of the employees should immediately get the most proper solution in order to avoid the actual turnover. If the rate of turnover intention of the employees is high in a company, the management needs to know the cause of high turnover intentions of their employees.

According to Shaw et al. (1998) stated that the voluntary turnover may be affected by two main factors, namely, the appeal of the work at this time and the availability of other employment alternatives outside the company that is more favorable. Empirical study that becomes the antecedents of turnover intention of the employees is very diverse such as the occurrences of shocking event and harm the employees (Lee et al., 1996), decreasing job satisfaction of employees (Mulki et al., 2008), emotional exhaustion (Mulki et al., 2008), and the psychological uncertainty of organizational changes (Rafferty & Griffin, 2006). Turnover intention of the employees is the result of an event that happened before and did not happen by itself. Thus, the events such as organizational changes that can cause psychological uncertainty of employees can cause turnover intentions of the employees.

One cause of low job satisfaction and high rate turnover intentions is psychological uncertainty caused by changes in the organization. Psychological uncertainty refers to the psychological state of the doubts about an expressed or forecasted events (DiFonzo & Bordia, 1998). Psychological

uncertainty is an individual's inability to predict anything accurately. An individual experiences psychological uncertainty because she/he feels lack of sufficient information to predict the events accurately, or because the individual is not able to distinguish between the relevant data and irrelevant data (Gifford et al., 1979). Organizational change is the antecedent of psychological uncertainty of the employees as that has been demonstrated in several empirical studies (Nelson et al., 1995; Huber et al., 1975; Rafferty & Griffin, 2006; Schweiger & Denisi, 1991; Kim et al., 2013; Waldman et al., 2001).

Psychological uncertainty has been associated with some other outcome variables such as negative correlation of job satisfaction (O'Driscoll & Beehr, 1994; Rafferty & Griffin, 2006; Nelson et al., 1995; Schweiger & Denisi, 1991), information (Huber et al., 1975), commitment (Schweiger & Denisi, 1991), performance (Schweiger & Denisi, 1991; Downey, 1975; Waldman et al., 2001), and positive correlation to the tension felt by employees (Cuyper et al., 2010) and turnover intentions (Rafferty & Griffin, 2006). From these researches results, it can be said that psychological uncertainty is an obstacle to develop an organization. Therefore, the management and company leaders should take serious attention to this issue.

Uncertainties like job insecurity and the threat of dismissal has positive correlation to the tension felt by employees (Cuyper et al., 2010). Tension will cause discomfort felt by employees, which will rise the intention to leave the organization. Moore (2000) states that workload is one of the causes of employee turnover. A research by Kirschenbaum & Weisberg (2002) mentioned that

employees will feel anxious about their future in the company if there are any changes such as the addition of new procedures, technologies, or other changes in their work. From the anxiety, there will be psychological impact on employees like the emotional fatigue that will decrease job satisfaction and increase turnover intention (Mulki et al., 2008). Empirical studies by previous researchers have proved that psychological uncertainty of the employees will be positively associated with turnover intentions and negatively related to employee's job satisfaction (Rafferty and Griffin, 2006; Ashford et al., 1989; Moyle & Parkes, 1999; Pollard, 2001; Schweiger & Denisi, 1991; O'Driscoll & Beehr 1994). From these reasons, the researchers propose hypotheses as follows:

Hypothesis 1: Psychological uncertainty is caused by organizational changes that negatively affect employee's job satisfaction.

Hypothesis 2: Psychological uncertainty of the employees caused by organizational change has positive effect to turnover intentions.

## 2.2 The Role of Moderating Variable LMX to Overcome Psychological Uncertainty of the Employees

Problems caused by the psychological uncertainty that may negatively influence job satisfaction and positively give effect on turnover intentions of the employees, of course, can harm the company. Thus, the researchers added a situational variable which is LMX as a moderating variable that is expected to be able to overcome the problem of employee's psychological uncertainty caused by changes in the organization. In contrast to other theories of leadership that addresses many

personal characteristics of a leader, LMX theory discusses vertical dyad relationship between leaders and their subordinates (Gerstner & Day, 1997). The explanation of LMX itself, according to Scandura et al. (1986), is a system of unity and relationships, which covers both parties to a dyad including the patterns of behavior that are interdependent with each other, sharing knowledge to produce outcomes, producing the concept of about environment, patterns of causation, and values.

LMX is a relationship between leaders and subordinates related to any rules in the working area, which can build a relationship with each other in a long time through the exchange relationship or interaction between the two individuals (Bauer & Green, 1996). Liden & Maslyn (1998) explained that there are four dimensions of quality of the exchange. First, affect is the relationship between an individual with other individuals, which occurs when a boss and subordinates feel comfortable with each other, enjoying the relationship as they become part of the organization, eliciting commitment and a good working relationship. Second, the contribution is defined as the perception of the amount, direction, and quality-oriented activities pursued by individual performance in achieving common goals either implicitly or explicitly. Third, loyalty is the extent to which leaders and subordinates can be loyal to each other, as indicated by giving support to each other. Fourth, professional respect refers to the level of perception of a reputation built on each member of the dyad both inside and outside the organization.

Experts distinguish between high LMX which is referred to as in-group and low LMX as an out-group. Linden & Graen (1980), explained that the in-group

members are selected by their superiors based on some particular assessments such as (a) skills of his subordinates, (b) the extent to which subordinates can be trusted, (c) the motivation of the subordinates in carrying out the responsibilities given to them. Replies given by the leaders or organization to the in-group members is to provide confidence and more responsibility to them. LMX with high quality (in-group) is shown with high confidence among the leaders with subordinates, respect, and responsibility. Vice versa to the LMX with low quality (out-group), it has a low level of these three factors. (Graen & Uhl-Bien, 1995).

High quality relationship of LMX is one alternative to motivate employees through the handling of conflicts together, harmonious relationships, and mutual support between the leaders and their subordinates (Erdogan et al. 2006). Research by Han & Jekel (2011), and Gerstner & Day (1997) stated that employees belonging to the high LMX (in-group) can show the increase of their job satisfaction and low rate of turnover intentions. With the high level of LMX, it is expected that negative effects of psychological uncertainty caused by organizational changes toward job satisfaction and positive influence to turnover intention of the employees will be reduced. Employees are given the trust, fairness and involved in the decision making process and getting clear explanation about the working conditions that occur at the time, so it can weaken the negative influence between psychological uncertainty and job satisfaction and positive influence of psychological uncertainty with turnover intention of the employees. Based on these reasons, the

researchers formulated hypotheses as follows:

Hypothesis 3: LMX moderates the negative effects of psychological uncertainty caused by changes in the organization to job satisfaction, so that the negative effects of psychological uncertainty caused by changes in the organization of work satisfaction will be reduced if the level of LMX is high.

Hypothesis 4: LMX moderates the positive influence of psychological uncertainty caused by changes in the organization to turnover intention, so that the positive effects of psychological uncertainty caused by changes in the organization to turnover intention can be reduced if the level of LMX is high.

### 3. Method

#### 3.1. Samples and Procedures

Data collection in individual level in this study was collected in the healthcare industry, namely three hospitals located in the Province of Yogyakarta, Indonesia. Since the implementation of Public Health Insurance (BPJS Health) in health industry especially in particular hospitals, there were a lot of changes in both working conditions and the hospital management. The researcher distributed 240 questionnaires for the employees of the hospitals, a total of 210 employees (response rate 87.5%), who returned the questionnaire, and the questionnaire could be processed as many as 193 questionnaires (response rate 91.9%). In this study, female employees were 62.7%. The age distribution of most respondents ranged from 32 to 37 years with 32.6%, and the least was between 20 to 25 years. The position of work was majorly dominated by the medical staff with

64.3%. The level of education was dominated by Diploma / S1 with 76.2%.

### 3.2. Measurement

The entire measurement variables in this study used a 5-point Likert scale: 1 representing the answer which strongly disagrees, and 5 represents the answer that strongly agrees. Hospital employees were asked to answer the statements which include psychological uncertainty, job satisfaction, turnover intention and LMX. The researcher used the back-translation to make sure the correct translation of each statement that is adjustable in Indonesian.

**Psychological uncertainty.** The researcher used four items of questions developed by Rafferty & Griffin (2006). The items of the questions developed by Rafferty & Griffin (2006) will measure the psychological uncertainty caused by changes in the organization. Components examined included frequency of changes, plan changes, the scale of change and anxiety felt from the change. The example of items statement is "I often feel the psychological uncertainty in responding to such change". Crombath coefficient alpha of this scale was 0.88.

**Job satisfaction.** To measure employee's satisfaction, researcher used 20 items of instrument statement of Minnesota Satisfaction Questionnaire (MSQ), which has been used by Scott & Taylor (1985). The items in this questionnaire included the questions of internal and external satisfaction. The example of these statements is "My expertise is appreciated in this work". Crombath coefficient alpha of this scale was 0.93.

**Turnover intentions.** The researcher used four items of questions developed by Maertz Jr. & Boyar (2012). This statement items were developed based on research

and theory regarding the turnover, so it can be adjusted to the current company. The example of the question is "I want to get out of this organization". Crombath coefficient alpha of this scale was 0.90.

**Leader-member exchange (LMX).** The instrument to measure the LMX used the 11-item statement developed by Liden & Maslyn (1998) and had been used by Carter et al. (2013) who studied in the context of organizational change. The instrument consists of four dimensions of affect, loyalty, contribution, and respect. To affective dimension, an example is the statement "I am pleased with my boss in person". To the dimensions of loyalty, the sample question is "My boss would defend the action I did for her, even though she sometimes did not know exactly what happened". To the dimensional contribution, the sample question is "I really worked for my boss even though the task was beyond my responsibility". To the dimensions of respect, the sample question is "I am impressed with the knowledge of my superiors with regard to his work". Crombath coefficient alpha of this scale was 0.86.

**Control variables.** In this study, the researcher also tested several control variables that could be expected to affect the job satisfaction and turnover of the employees. Control variables that were tested in this study included: gender (0 = Male, 1 = Female), age (0 = 20-31 years, 1 = > 31 years), working duration (0 = 3-5 years, 1 = > 5 years) and positions (0 = Medical Staff, 1 = Non-medical staff) (Diekmann et al., 2004; Hon et al., 2014).

## 4. Result

### 4.1. Confirmatory Factor Analysis

Before conducting factor analysis, there were some important criteria that must be considered, namely the test results of KMO and Bartlett's test. The conclusion about the appropriateness of factor analysis was conducted to test a particular dimension of the test Kaiser Meyer Olkin (KMO). If the results displayed by KMO with an index are above 0.5, the factor analysis to test the items of a certain dimension is feasible (Hair et al., 2010). The test results of KMO and Bartlett's test showed that the value of KMO was 0.884 with significance ( $\alpha = 0.000$ ). It can be concluded that the factor analysis test can be analyzed further because it has met the criteria. Based on the validity of the test results, it can be concluded that there is a 32 point statement of the 39-point declaration, which is 8 items of LMX, 4 items of turnover intentions, 16 items of job satisfaction and 4 items of psychological uncertainty. Table 1 describes the standard deviation and correlations among variables in this study.

### 4.2. Hypothesis Testing

Data analysis method used in this study was Linear Regression to test the hypotheses 1 and 2, while to test hypotheses 3 and 4 the researcher used Moderated Regression Analysis. The analysis results of testing hypotheses 1 and 3 can be seen in Table 2, and the results of testing hypotheses 2 and 4 can be seen in Table 3 below.

The first hypothesis says that psychological uncertainty had negative effect on employee's job satisfaction. Based on Table 2 on the second step, it can be seen that the psychological uncertainty had significant negative effect to employee's job satisfaction ( $\beta = -0.488$ ;  $t = -10.498$ ;  $p < 0.01$ ). The amount of counting results showed regression coefficient  $R^2$  of 0.453 or 45.3%. This means that 45.3% of the variation change was in the variables of job satisfaction, while 54.7% were caused by other variables which were not included in this research model. This gives support to the hypothesis 1. Employees who feel their increase workload, the wage that is not in accordance with the performance that they provide to the organization and feeling threatened of their position in the

**Table 1:** Mean, Deviation Standard, and Coefficient of Correlation among Variables

Variables	M	SD	LMX	KP	IK	KK
LMX	3.5864	0.588				
KP	3.5220	0.826	0.326**			
IK	2.6503	0.909	0.083	0.469**		
KK	2.6741	0.668	-0.378**	-0.655**	-	0.454**

\*\* Correlation is significant at the 0.01 level (2-tailed).

LMX: Leader-Member Exchange

KP: Psychological Uncertainty

IK: Turnover Intention

KK: Job Satisfaction

company, so their job satisfaction decreased. These results are consistent with research conducted by Rafferty & Griffin (2006) and Ashford et al. (1989) who found that psychological uncertainty also negatively affected to employee's job satisfaction ( $\beta = -0.15$ ;  $p < 0.01$ ;  $\beta = -0.43$ ;  $p < 0.01$ ).

The second hypothesis says that the psychological uncertainty has positive influence on turnover intention of the employees. Based on Table 3 of the second step, it can be seen that the psychological uncertainty has a significant positive effect with turnover intention of the employees ( $\beta = 0.459$ ;  $t = 6.200$ ;  $p < 0.01$ ). The amount of counting results showed regression coefficient  $R^2$  of 0.257 or 25.7%. This means that 25.7% change variation in turnover intentions, while 74.3% were caused by other variables which were not included in this research model. This gives support to the hypothesis 2. Employees who feel their increase workload, their wages that are not in accordance with the performance that they provided to the organization, and threatened their position in the company (internal factors), so the employees may think of leaving the organization. These results are consistent with empirical studies conducted by Rafferty & Griffin (2006), which shows the positive effect of psychological uncertainty with turnover intention of the employees ( $\beta = 0.17$ ;  $p < 0.01$ ).

The third hypothesis states that LMX moderates the negative effects of psychological uncertainty on employee's job satisfaction. The higher level of LMX, the less negative influence of psychological uncertainty on job satisfaction. Hypothesis testing results shown in Table 2 state that the fourth step LMX did not moderate the negative

effects of psychological uncertainty on employee's job satisfaction ( $\beta = -0.121$ ;  $t = -1.539$ ;  $p < 0.50$ ). This means that the third hypothesis is not supported. These results are not in line with the statement Yukl (2010) which stated that a high level of LMX to the employees who get the support and trust will increase employee's job satisfaction (Han & Jekel 2011).

The fourth hypothesis states that LMX moderates the positive influence of psychological uncertainty to turnover intention of the employees. The higher level of LMX, the less positive influence of psychological uncertainty to turnover intention. Hypothesis testing results shown in Table 3 states that the fourth step LMX moderates the positive influence of psychological uncertainty to turnover intention of the employees ( $\beta = -0.270$ ;  $t = -2.125$ ;  $p < 0.05$ ). This gives support to the hypothesis 4. These results also provide support for Yukl's statement (2010) which states that a high level of LMX experienced by the employees who get the support and trust will reduce turnover intention of the employees (Gerstner & Day 1997; Han & Jekel 2011). To clarify in reporting the support of hypothesis testing on the role of moderating variables which is LMX variable in this study, the researcher presented Figure 2, to show the effect of two-way interaction that occurs between the variable of psychological uncertainty with LMX on turnover intention of the employees. Testing this hypothesis supports that when LMX is high, it will reduce the positive effect of psychological uncertainty to turnover intention of the employees.

Figure 2 shows that the slope of the regression line for high LMX (dashed

line), lower than the regression line for the low LMX (solid lines) was seen from turnover intention of the employees. Figure 2 indicates that the positive effect of psychological uncertainty to turnover intention of the employees will be weakened when LMX is high. Based on these results it can be concluded that a good relationship between the leaders and their subordinates in health institutions, especially hospitals, was considered to effectively reduce the intention of hospital employees to get out of the workplace in conditions of psychological uncertainty caused by the application of high Public Health Insurance (BPJS).

## 5. Discussion

The aim of this study is to examine the negative effects of employee's psychological uncertainty caused by changes in the organization toward job satisfaction and positive influence toward turnover intention of the employees. Another goal of this study is to test the role of moderating variables which is LMX that can weaken the negative influence of psychological uncertainty to job satisfaction and positive influence to turnover intentions of the employees. Psychological uncertainty has a significant negative effect to job satisfaction, and a significant positive influence to turnover intention of the employees (Rafferty & Griffin, 2006).

The result of regression analysis showed full support for the hypothesis 1. Psychological uncertainty had negative influence to job satisfaction. This research is in line with several previous studies stating that psychological uncertainty negatively affects the job satisfaction of the employees (O'Driscoll & Beehr, 1994;

Rafferty & Griffin, 2006; Nelson et

al., 1995; Schweiger & Denisi, 1991). This happens because when there is organizational changes that can cause psychological uncertainty, employees will feel that their positions are insecure in the organization (Greenhalgh & Rosenblatt, 1984), so it can reduce job satisfaction of the employees.

**Table 2:** Hypothesis Testing Results 1 and 3

<b>Job Satisfaction</b>			
	$\beta$	t	p
<b>Step 1</b>			
Gender	-0.319	3.356	0.001***
Age	0.253	1.791	0.075*
Tenure	-0.537	-	0.001***
Job	-0.073	3.525	0.444
R <sup>2</sup> = 0.128***		-	
$\Delta$ R <sup>2</sup> = 0.128***		0.767	
<b>Step 2</b>			
KP	-0.488	-	0.000***
R <sup>2</sup> = 0.453***		10.498	
$\Delta$ R <sup>2</sup> = 0.324***			
<b>Step 3</b>			
KP	-0.442	-	0.000***
LMX	-0.210	9.329	0.001***
R <sup>2</sup> = 0.483***		-	
$\Delta$ R <sup>2</sup> = 0.030***		3.288	
<b>Step 4</b>			
KP	-	-	0.922
LMX	0.027	0.098	0.435
KP x LMX	0.228	0.782	0.125
R <sup>2</sup> = 0.489		-	
$\Delta$ R <sup>2</sup> = 0.007		0.121	1.539

\* P < 0.10; \*\* P < 0.05; \*\*\* P < 0.0

N = 193

**Table 3:** Hypothesis Testing Results 2 and 4

<b>Turnover Intention</b>			
	$\beta$	t	p
<b>Step 1</b>			
Gender	0.494	3.749	0.000***
Age	-	-0.614	0.540
Tenure	0.120	1.760	0.080*
Job	0.371	1.663	0.098*
R <sup>2</sup> = 0.104***	0.218		
$\Delta R^2 = 0.104***$			
<b>Step 2</b>			
KP	0.459	6.200	0.000***
R <sup>2</sup> = 0.257***			
$\Delta R^2 = 0.153***$			
<b>Step 3</b>			
KP	0.485	6.268	0.000***
LMX	-	-1.147	0.253
R <sup>2</sup> = 0.263	0.119		
$\Delta R^2 = 0.005$			
<b>Step 4</b>			
KP	1.415	3.184	0.002***
LMX	0.861	1.821	0.070*
KP x LMX	-	-2.125	0.035**
R <sup>2</sup> = 0.280**	0.270		
$\Delta R^2 = 0.018**$			

\* P < 0.10; \*\* P < 0.05; \*\*\* P < 0.01 N = 193

The result of regression analysis showed full support for the hypothesis 1. Psychological uncertainty had negative influence to job satisfaction. This research is in line with several previous studies stating that psychological uncertainty negatively affects the job satisfaction of the employees (O'Driscoll & Beehr, 1994; Rafferty & Griffin, 2006; Nelson et al., 1995; Schweiger & Denisi, 1991). This happens because when there is organizational changes that can cause psychological uncertainty, employees will feel that their positions are insecure in the organization (Greenhalgh & Rosenblatt, 1984), so it can reduce job satisfaction of the employees.

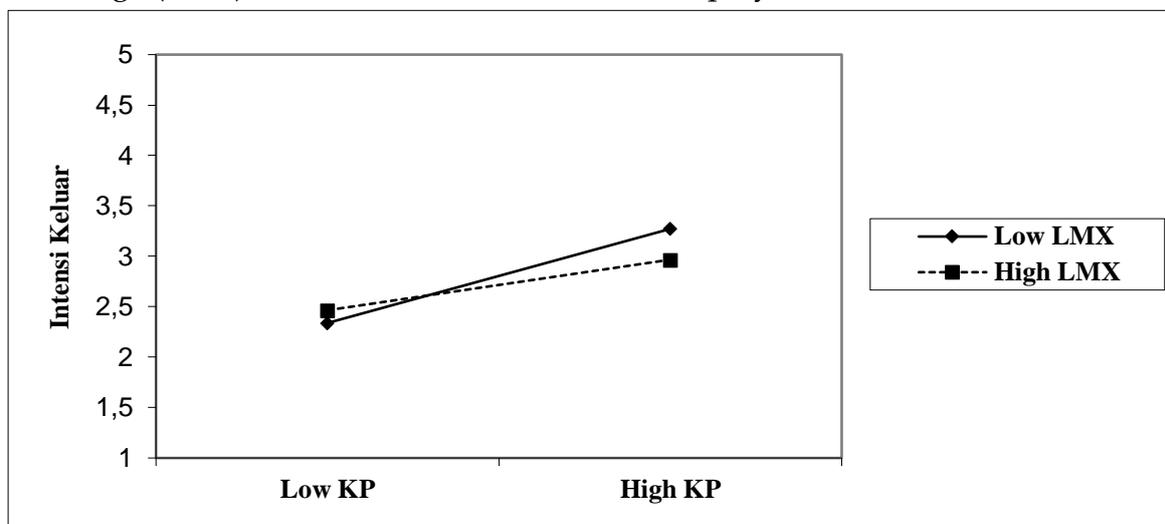
In addition to the negative effect of job satisfaction, psychological uncertainty also affects positively with turnover intention of the employees as shown by

the results of the regression analysis which supported the hypothesis 2. Hypothesis test results support previous research which claimed that psychological uncertainty associated positively with turnover intention of the employees (Moore, 2000; Rafferty & Griffin, 2006). It can be explained that when there is an organizational change that can cause psychological uncertainty, employees will feel that their existence in the organization can be interrupted (Greenhalgh & Rosenblatt, 1984). As described by Shaw et al. (1998), turnover intention can occur when employees feel discomfort from their job at the moment, and would think to look for another job outside the company.

In the context of this study, the application Public Health Insurance (BPJS) had cause psychological uncertainty perceived by employees that prior to the implementation Public Health Insurance) BPJS they feel that the workload they received was in accordance with what they got from the company and in accordance with what was desired by the employees. However, after the implementation of Public Health Insurance (BPJS Health), the load received by the employees increased with increasing number of hospital patients. The condition of organizational change became something that could not be avoided by the companies because organizational change came from external factor of the hospital in which it was a new implementation of government policy about National Health Insurance, so the hospitals as the parties to implement the policy has to make a change.

In further, hypothesis 3 testing stating that LMX moderates positive influence of psychological uncertainty

**Figure 2:** Two Ways Interaction of Psychological Uncertainty with Leader Member Exchange (LMX) to Turnover Intention of the Employees



toward job satisfaction was not supported. The result of this research did not support LMX theory in the dimension of affect, contribution, loyalty, and respect included in high LMX that can weaken its negative influence to psychological uncertainty to job satisfaction. This research also shows employee's response to quite high LMX perception which was 3.5864. However, LMX could not give significant influence in weakening negative influence of psychological uncertainty toward job satisfaction.

Why hypothesis 3 was not supported can be explained by several alternative arguments that possible to happen in hospital environment. The first assumption is the increase of employee's job satisfaction that cannot be shaped by high relationship of LMX, otherwise it can be shaped by other factors like the job itself (Saari & Judge, 2004). The second assumption is low rate of job satisfaction that is shaped by psychological uncertainty caused by organizational change. As a result, although the value of

LMX was relatively high in this research ( $M = 3.5864$ ), it cannot change the condition into normal like what previously happened in the hospital area. The last assumption is the equipment used to measure LMX in this research did not meet the condition of psychological uncertainty caused by organizational change in the hospital. The employees might have various understandings related to LMX, so they a mistake in assessing the behavior and attitude of their superintendents.

Based on the result of regression analysis, hypothesis 4 was supported. LMX has a significant role as moderating variable in influencing positive effect of psychological uncertainty toward turnover intention of the employees. On the other words, the higher the psychological uncertainty felt by the employees caused by organizational change, the higher employee's intention to leave the organization. Its positive impact will be weakened when the employees are given particular trusts, involved in a decision making process,

and given important information of the incoming impact caused by organizational change, which becomes the indication of high rate of LMX.

## 6. Research Implications

### 1.1. Theoretical Implications.

From the results of this research, it can be an empirical evidence to explain the negative influence of psychological uncertainty on job satisfaction and positive influence on turnover intention of the employees in a state of organizational change. Besides, the role of moderating variables, LMX, can make an important contribution to weaken the positive influence of employee's psychological uncertainty to turnover intention of the hospital employees. This study indicates that the LMX was able to provide solutions for healthcare institutions, especially hospitals, in overcoming turnover intention of the employees in conditions of high psychological uncertainty. This research could also be a reference for future research interests with the theme of organizational change.

### 1.2. Practical Implications

The results from this study provide a very important contribution to policy makers in the company, particularly in health institutions. From these results it can be seen that the psychological uncertainty of the application of Public Health Insurance (BPJS) can reduce job satisfaction and increase turnover intentions of the hospital employees. However, the role of leader with a subordinate relationship (LMX) had succeeded in reducing the positive effects of psychological

uncertainty to turnover intention. In which the role of the leaders like giving delegates, working autonomy, and involving employees in strategic decision-making within the company can prevent employees to leave the company. From the results of this study, it can also be a foundation to the hospital's management in relation to training, development and provision of incentives to the employees. In addition, this research was conducted at 3 hospitals located in the Province of DIY, so the results of this study had enough high external validity.

## 7. Research Limitations And Suggestions For Future Research

This study has some limitations/weaknesses that should be corrected in future research. First, the variable selection of turnover intention does not seem to fit the context of research in Indonesia, on the condition of the labor market that is very limited. Therefore, very few alternatives of other jobs made turnover intention of the employees to leave the organization very low although they are not comfortable with their condition. Future studies are expected to choose a variable that is appropriate to the Indonesian context, so it describes the behavior of what employees feel. Secondly, this research has very likely common method bias. The use of assessment methods by self reported to measure perceptions of LMX perceived by employees. However, the researcher had tried as much as possible to reduce the likelihood of bias by giving confidential guarantee of personal data of respondents and to explain as well as to convince respondents to the purpose of

the study that was conducted. Further research is suggested in order to measure variables LMX by not only using the assessment method of self-reported but also using the method of assessment by the employers in order to get a more valid assessment.

Third, psychological uncertainty variable included in this research is devoted only to organizations that are undergoing the change. Future studies are expected to be carried out under normal conditions and can be done in other companies such as industrial manufacturing companies. Fourth, the process of data collection used survey methods the researcher was not able to dig deeper into the answers given by the respondents, so that the answers obtained allow bias among respondents to the actual situation that occurs. Any further research is suggested that researchers are not only using the questionnaire research but also conducting interviews or deep interviews directly to the respondents to obtain a deeper explanation of the phenomenon that is actually happening within the organization.

## 8. CONCLUSION

The purpose of this research is to prove the importance of employees job satisfaction and turnover intention in condition of organizational change. Condition of organizational change will cause psychological uncertainty felt by employees, so that it can reduce job satisfaction and increase turnover intention of employees. Therefore, it takes the role of Leader-Member Exchange (LMX) in order to address the problem. Empirical studies of this research can prove the role of LMX that can reduce employees turnover intention in

condition of psychological uncertainty which is high. However, LMX could not reduce the negative influence of psychological uncertainty toward job satisfaction under condition of organizational change.

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