LEADER-MEMBER EXCHANGE, JOB STRESS, AFFECTIVE COMMITMENT, AND JOB SATISFACTION: IMPLICATIONS FOR TURNOVER INTENTIONS USING COVARIANCE-BASED STRUCTURAL EQUATION MODELING

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Abstract

This study analyzes the effect of LMX on employee job satisfaction, affective commitment, job stress, and turnover intention (TOI). Using a-priori statistical power analysis 300 responses are taken from the manufacturing companies of Karachi, Pakistan. Five different measuring scales were used to ascertain the research objectives. CMV bias was assessed using Harman’s and CLF methods. A covariance-based measurement model was developed using CFA approach which showed high construct reliability, convergent, and discriminant validity. Finally, covariance-based SEM technique is used to test six hypotheses. The results show that LMX and affective commitment reduce TOI however, LMX is found to have a positive impact on satisfaction which has a positive effect on affective commitment. Besides, stress is positively correlated with TOI. The significant original contribution to the knowledge of this study is that LMX can be positively related with occupational stress, particularly in manufacturing companies. Therefore, manufacturing firms should deploy such organizational practices which could reduce job stress and intent to leave the organization.

Keywords: LMX, Stress, Satisfaction, Commitment, Turnover, Manufacturing.

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