

## REVIEW FOR RELATIONSHIPS AMONG LMX, MEMBER'S JOB SATISFACTION, LONG-TERM ORIENTATION, PHYSICAL ENVIRONMENT

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### ABSTRACT

The service industry is characterized by a very high proportion of human resources, and tangible and intangible services are provided to customers in a complex manner so that the quality of services provided to customers is influenced by the quality of human services. In other words, the personality and manners of employees for customer satisfaction are very important, and companies need employees with a strong service spirit. This paper is organized as follows. First, a definition review based on the existing research on LMX (leader-member exchange relationship), member's job satisfaction and long-term orientation, respectively. Second, it reviews the existing studies on the relationship between LMX, employees' job satisfaction and long-term orientation. Third, I would like to suggest future research directions.

**Keywords:** LMX, member's job satisfaction, long-term orientation, physical environment

### I. INTRODUCTION

In the midst of intensifying competition, it is difficult for companies to achieve their own external competitiveness and corporate internal management simultaneously. As such, the change in the business environment is intensifying the importance of human resources, which also raises the expectations required of members of the organization [1]. Eventually, the burden that members feel is also increasing. Since the burden felt by members places a lot of burden on not only individual members but also the organization, effective management at the organizational level is emerging as a very important task [2]. Attempts are being made to find a way to solve this problem in the role of a leader [3].

The importance of human resources to create a new competitive advantage by fusing these technologies and innovations is becoming more and more important than innovative technologies for service companies. In order not to be cut off from such intensifying competition, the preemption of securing human resources is becoming an essential element. In the end, who moves quickly to a strategy that is more suitable for the market situation is becoming an important competitive strategy for a company's survival [4]. Therefore, in order for a company in an uncertain environment to secure a competitive advantage and further achieve sustainable growth, understanding of the members of the organization is essential in order to satisfy members through the continuous development of relationships between leaders and members, and to derive the will to remain in the organization. It must be preceded.

### II. REVIEWS ABOUT PREVIOUS RESEARCHES OF LMX, MEMBER'S JOB SATISFACTION, LONG-TERM ORIENTATION AND PHYSICAL ENVIRONMENT

#### 1. LMX

LMX, which was first introduced through Graen and Cashman [5], Dansereau, and Graen and Haga [6], is different from the previously known theory. Role-making theory and social exchange theory are based on LMX as the theory that each member develops into a different relationship between each member and one person [7]. In other words, LMX means that a leader and a member have a different supervisor or role relationship in a pair relationship [6]. LMX's leadership is a conceptualized process that centers on the interaction between leader-members, and in LMX, the leader is viewed as the most influential role-transmitter in the process of delivering roles to members [8].

According to LMX, supervisors do not treat all employees in the same way, and each employee develops a variety of exchange relationships, from low-level LMX relying solely on employment relationships to high-level LMX such as goodwill, mutual trust, reciprocity, and respect Will [7, 9].

In traditional research, leadership was viewed as a phenomenon occurring at the group level, and this was referred to as the average leadership type.

Mcclane [10] and Phillips and Bedeian [11] mentioned that the concept of introversion and introversion is a major antecedent variable in LMX in a study to identify the antecedent variables that determine LMX. In other words, various results, such as the enthusiasm of members [11], organizational commitment [12], empowerment [13], organizational citizenship behavior [14], and creativity of the team [15], by using LMX as a leading variable. We are looking at the relationship with variables.

Research on leadership theory has emerged as a major topic of interest to many researchers, but the development of leadership theory remains in place. It is believed that the responses of members to the leader appear the same, and in the case of the leader acting to the members, all members are treated with the same standard [16]. This assumption is called the Average Leadership Style (ALS), and it is pointed out that it can be applied as a factor that hinders the development of leadership research by evaluating leadership based on the average [17]. As an alternative to this problem, a new leadership study that focuses on the relationship between individual leaders and subordinates, that is, Vertical Dyad Linkage (VDL), has begun [8].

Graen and Uhl-Bien [18] suggested the relationship between superiors, members, and the two as three elements of leadership, and presented the development process of LMX research in four stages. The VDL (Vertical Dyad Linkage) theory emerged from a critical point of view that the existing ALS theory does not view the relationship between the leader and members differently, but sees leadership as the average value of the responses of all members to the leader's behavior. This means that each member perceives the same leader differently [19].

**Table 1.** Development of LMX theory research [18]

step	Emergence theory	Research subject	Contents
Step 1	Vertical Binary Linked Theory (VDL)	Dyad with work unit	Vertical Binary Linked Theory (VDL) Dyad with work unit
Step 2	Leader-member exchange relationship	Leader-member pair	Formation of differentiated relationships that affect organizational performance
Step 3	Leadership formation	Leader-Member Pair	Advancement of the existing theory and the theory of dual linkage
Step 4	Team network formation	Collective as Aggregations of dyad	A study on the union of Dyads as an enlarged community

## 2. MEMBER'S JOB SATISFACTION

In other words, depending on the level of job satisfaction perceived by members of the organization, they can feel positive about the organization and can feel negative emotions. Since services are labor-intensive, the service industry must create an environment where employees can be satisfied with their jobs [20].

HOPPOCK [21], who first studied job satisfaction, defined job satisfaction as a combination of the psychological, physiological, and environmental situations of members of the organization. Later, in the initial definition of job satisfaction, he defined it as a good emotional state or feeling of satisfaction obtained by evaluating his job and experience gained through his job [22].

Looking at the factors that affect the satisfaction of members, external factors have a close relationship with satisfaction rather than internal factors [23]. In general, the factors that induce the satisfaction of employees are divided into internal factors directly related to the job and external factors such as wages, status stability, supervision, role conflict, organizational structure, and job atmosphere. It is classified by factors [24].

Although the importance of employee satisfaction in the service industry is increasing, analysis and research on the factors that influence it are insufficient [25]. Most of the existing research on members focused on manufacturing workers, not service company workers. Existing studies mainly focus on the role of workers and job satisfaction. There is a limit to applying the results to the service industry. Unlike the manufacturing industry, in the service industry, the boundaries between members and customers are weak and the penetration power is strong [26]. In the service industry, members and customers come into contact with each other frequently, observe each other, and share experiences they have experienced during work, and have a close mental relationship.

The satisfaction of employees depends on the criteria for value judgment and the overall work situation, and when essential factors of satisfaction are combined, the level of satisfaction is determined according to the individual's characteristics [27]. Members with high satisfaction maintain smooth human relationships in the internal and external environments of the organization and exhibit outstanding productivity. Since this can affect not only the organizational life of the members, but also the family life and leisure life, it is a priority task to improve the environment and job satisfaction of the members in order to provide quality services for customers.

### 3. LONG-TERM ORIENTATION

Companies regard it as their top goal for their members to remain in the organization for a long time and establish a relationship with the company. In other words, from a marketing point of view, the strategy is to establish a long-term relationship rather than a single transaction relationship, interact for a long time, and maintain a lasting relationship. This view can be explained by the concept of long-term relationship orientation [28].

Long-term orientation (LONG-TERM ORIENTATION) is to consider the continuation of the relationship with multiple transactions rather than a one-time transaction in the transaction relationship between companies [29]. It is also interpreted as an intention to maintain stable and continuous transactions with a specific transaction target [30]. In order to keep employees in the organization for a long and long term, companies must take care of their members sincerely, not outwardly, and provide corresponding rewards to those who are loyal.

Looking at the flow of research on long-term orientation, it mainly reveals the leading variables of long-term orientation in B2B transaction relations. Long-term orientation, first initiated in B2B, refers to the desire to maintain a long-term relationship between buyers and suppliers [31](GANSEAN, 1994), which is not concerned with short-term performance in short-term trading relationships, but by pursuing long-term relationships. They are interested in more results [32]. Specifically, trust [33, 34], satisfaction [33], service quality [35]. We studied variables that positively affect long-term orientation such as commitment [36]. In B2B, long-term orientation means waiting for the continuation of the relationship between the supplier and the purchaser [32], and a long-term transaction formed by expecting that the performance between trading partners will bring positive benefits to the company. It means the intention to continue [34]. Therefore, long-term orientation implies the expectation that each other's transactions will bring benefits from a long-term perspective in the transactional relationship between buyers and sellers [31].

### 4. PHYSICAL ENVIRONMENT

Kotler [37] conducted research with the first interest in the importance of the service environment, and referred to the service environment as the atmosphere, which included perceptions of the visual, auditory, smell, and tactile senses. He said it should be done. In consumers' purchasing activities, the environment influences consumers' perception through sensory organs in specific physical and spatial aspects [38]. How to provide efficient environmental conditions can be said to be very important because customers make a number of decisions in the final purchasing environment. In particular, the physical environment surrounding customers is through sensory organs such as sight, touch, and hearing. It has an effect on product perception, and these customers make various decisions in the final purchasing environment, reflecting this to create an effective physical environment [39].

Davis [40] puts the physical environment in the organization into dimensions such as physical structure, symbolic sculpture, and physical stimulation. It has been defined as a broad perspective from the perspective of

that it is human factors and social relations. Rosenbaum and Montoya [41] defined it as a built consumption environment that can stimulate humans, and Lingard and Lin [42] argued that it influences the perception of customer behavior with visual, olfactory, and auditory cues. Hwa-jin Kim and Jin-soo Han [43] defined it as an artificially constructed physical service environment in the plane.

Shin [44] stated that the service physical environment consists of tangible and specific factors so that the person providing the service can design and control it in order to reinforce the behavior of consumers and employees. It was argued that these constituent factors could include noise, color, lighting, symbols, smell, style of furniture, signs, temperature, arrangement, quality of self-control, and many more. Hyungryong Lee, Sangsang Wang, and Taegu Kim [45] stated that the physical environment is a place where service providers provide services and products, and employees and customers participate to induce services. Seung-Ryun Lee [46] defined the service place as a service place that artificially creates an environment where the service occurs and affects the emotional response of consumers. Kwon [47] defined the physical environment as an artificial and planned service environment created by service providers in order to influence the sensory aspects of consumers using the service environment and further influence their decision making.

The physical work environment, designed to facilitate proper space arrangement and arrangement, has a positive effect on the physiological reactions of members and at the same time improves the degree of immersion in organizational work [48]. This shows that it is essential to create a physical work environment at the corporate level in order to increase the activeness of the work activities of the members and the efficiency of the members required by the organization. The physical environment is a factor that affects the cognitive response of the organizational members, and in particular, the comfort related to the cleanliness of the work environment and the convenience related to work efficiency are the main factors of the physical environment.

Lim Chang-seop [49] organized the physical environment of a family restaurant into six factors: cleanliness, service, attractiveness, convenience, comfort, and entertainment. In the relationship between resort service scape and cognitive response, Yang [50] composed the physical environment, which is a servicescape, with convenience indicating the suitability of facilities, working spaces, devices, and movement, and convenience was partially adopted for cognitive response. This shows that resort workers are categorized and visible factors influence cognitive responses. In the study of and Kyungseok, Young Ji, SeongWoo Choi [51], the LMX concept was applied to coffee shops to analyze the moderating effect of convenience and comfort in the physical environment in the relationship between LMX and employee satisfaction.

### III. CONCLUSION

In this paper, existing studies on LMX, employees' job satisfaction, long-term orientation, and the physical environment of the workplace are summarized. In addition to the definition of these variables, research on their characteristics, interrelationships, and importance are included. In addition, the contents of existing studies on the research model established based on these variables are also included.

In a future research project, a research model and hypothesis are constructed based on the core variables of this thesis, LMX, employees' job satisfaction, long-term orientation, and the physical environment of the work place, and an expansion study is planned to see what kind of significant relationship they have with each other. For example, in common sense, the significance of hypotheses is verified by setting LMX as an independent variable as a parameter for member's job satisfaction, long-term orientation as an independent variable, and a physical environment as a control variable between LMX and member's job satisfaction. Recently, in a situation where the management situation of the service sector is difficult due to COVID-19, these follow-up studies can be said to be meaningful research activities.

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