Conference Paper

The Effects of Leader-Member Exchange and Fun at Work on Work Engagement and Deviant Workplace Behavior in Indonesian Telecommunication Company

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Abstract

This study was conducted to see the effect of leader-member exchange and fun at work on work engagement and deviant workplace behavior in Indonesian Telecommunication Company. Respondents are permanent employees of Telkom Indonesia Company located at the headquarters involving 130 respondents. The data were collected using a set of questionnaires and were analyzed using SEM technique with LISREL 8.80 application. The results showed that leader-member exchange has a positive significant effect on fun at work and work engagement and negative significant effect on deviant workplace behavior. In addition, this study also found that fun at work has a positive and significant effect on work engagement but does not have a significant effect on deviant workplace behavior. This study also compared the direct influence of leader-member exchange on work engagement and deviant workplace behavior with the indirect one through fun at work.

Keywords: leader-member exchange, fun at work, work engagement and deviant workplace behavior

1. Introduction

Based on research by Emond and Ratanjee in Gallup (2013), only 8% of workers in Indonesia have a sense of engagement. The lowest compared to other Southeast Asian countries.

They added that high work engagement is a factor that results in customer satisfaction, productivity and high profit. According to Schaufeli et al. (2002), work engagement is a positive, satisfying and work-related state of mind characterized by vigor, dedication and absorption. Ideally, companies must have employees who have a high sense of work engagement. The difference between companies that have employees with a high sense of work engagement and those who do not is: positive emotions (Schaufeli and
High work engagement can occur due to several factors, namely the support of superiors and coworkers, performance feedback, opportunities to develop careers, a pleasant work environment and others (Bakker and Demerouti, 2007). The theory states that a pleasant work environment or fun at work is one of the factors that influence the creation of work engagement. With a pleasant work environment, which is also supported by superiors, it can help employees relax more at work and make their creative productivity increase.

According to McDowell (2004), fun at work is the involvement of individuals in social activities, interpersonal, or work that is fun and entertaining and cheerful. Fun at work involves social involvement in a variety of funny and spontaneous positive events at work (Fluegge, 2014), such events can later build a healthy working environment for the employees. Fun at work has a variety of forms, such as freedom in dressing in the workplace, casual daily chats between employees, other outbound and bounding activities until given a variety of facilities that are expected to reduce the stress of employees and encourage them to work. Then, according to Deal and Kennedy (1999), if an organization has a high level of pleasure, then employees will pour their hearts and feelings into the things they do so that a sense of attachment arises in their work (work engagement).

Nowadays, a lot of companies have implemented fun at work systems that are useful in developing the work performance of their employees and leading to profits for the company. At the Kodak company headquarters in New York, they provide a "humor
room” so that employees can have fun and rest (Caudron, 1992). Even at IBM, companies give employees play space and imagination space for them to have fun and create fresh and creative ideas (Collinson, 2002). Other companies that implement fun at Bolton (2009) are Cadbury, Herseys and Guinness who do family picnics and family sports day for the families of employees.

However, in addition to the positive things that arise because of the fun at work, there are also bad potentials that can occur (Redman and Matthews, 2002). There is a dark side that can occur with this fun at work, according to (Fineman, 2006) can create a deviant behavior in the workplace (deviant workplace behavior). For example, employees see that culture like this is too forced to create a cynical view that results in withdrawal at work. Meyer (1999) added in his research, one of the disadvantages of the existence of a fun culture in the company is that there are employees who see this as an opportunity for them to waste time and delay work so that it has a negative impact on the company. This includes a deviant workplace behavior. This research is important to do, because at present there is no research that discusses further the bad potential that can arise with the existence of this fun at work and how fun at work can actually reduce this deviant workplace behavior.

As mentioned, ideally a company must have employees with work engagement, the company should also be able to prevent or avoid deviant workplace behavior that can harm the company. If work engagement is a positive working condition that creates employees tied to their work, deviant workplace behavior is the opposite. Deviant workplace behavior is any unacceptable behavior that is intentionally or not potentially negative towards the organization and staff members in that organization. This behavior includes actions such as theft, falsifying sick permission, fraud, sexual harassment, violence, illicit substance use and alcohol, and inappropriate internet use, such as pornography (Fineman, 2006). The increasing deviant workplace behavior is very detrimental to the company.

There are several causes for deviant workplace behavior in the work environment, including the organizations where they work to support or encourage such behavior. Another factor that causes individuals to engage in negative deviations in the workplace is a perverse role model (Appelbaum et al., 2005). Some negative effects of deviant workplace behavior are in addition to poor performance, deviant workplace behavior can also be detrimental to the company in financial terms, as in the United States the negative financial impact arising from this deviant workplace behavior is three out of four employees admit that they one time steal from your boss or the company where they work. In addition, almost 95% of all companies reported some experience regarding this
deviant workplace behavior. Up to 75% of employees have been involved in one or more forms of deviant behavior such as: theft, fraud, embezzlement, vandalism, sabotage or absence (Robinson and Bennett, 1995). The estimated impact of employee theft is reported to have reached $50 billion per year in the United States (Henle et al., 2005). According to Appelbaum et al. (2007) several ways to prevent or reduce the deviant of workplace behavior by providing large incentives both material and non-material.

A survey recently conducted by Robert Half in Higginbottoms (2017) entitled "It's time we all work happy: The secrets of the happiest companies and employees" reveals the reasons behind employee happiness and how businesses can foster a positive work culture. The importance of being happy at work is recognized by most employees. When given questions about who is most responsible for their happiness, most respondents (79%) see it as a balance between employees and superiors. In addition to these factors, respondents also mentioned pride (51%), fairness and respect (51%) and feeling valued (50%) were other determining factors in happiness at work.

From the survey above, it can be said that the relationship between superiors and coworkers is one factor in creating a pleasant working atmosphere. Fun at work cannot work optimally without the support of the boss. Relations between superiors and subordinates or Leader-Member Exchange (LMX) have an influence on the occurrence of fun at work. Leaders - Member Exchange includes reciprocal relationships from superiors and subordinates, in which there is exchange of information, support, trust in each other, and so on. The high quality of the relationship between superiors and subordinates can be seen by high exchange of information, a high level of trust and respect accompanied by support, interaction and mutual influence (Fein et al., 2013). Even though the company implements a system of fun at work in its company, if the employer has not fully supported it, then employees tend to be hesitant in having fun at work and consider such activities to be artificial (Tews et.al, 2013). The existence of good quality LMX in a company is very important because it influences the performance of employees in working. Those who have support from superiors will work better and tend to avoid deviant behavior at work.

One of the companies in Indonesia that applies fun at work is PT. Telkom Indonesia (Persero) Tbk. They have the slogan "Keep Calm and Working Fun at Telkom Group". PT. Telkom Indonesia (Persero) Tbk. realizing the importance of the happiness effect, happy employees will produce happy customers. This implementation can be seen with the facilities provided to support employees to work optimally. Because they have high targets, this will create fatigue and also a high level of stress in employees. Therefore, Telkom applies fun at work to work to avoid this. They held various activities aimed
at strengthening employee relations, providing facilities such as karaoke rooms, gyms, yoga classes and others that can be used at any time to make employees feel excited so that a sense of work engagement arises within them (bumn.go.id).

In this study, the author made PT. Telkom Indonesia (Persero) tbk. as the object of research because Telkom received the Best Companies to Work For in Asia 2018 award, two consecutive years (republika.co.id). Telkom is considered to provide comfort for its employees in pursuing careers. The author wants to see how the culture they are currently applying and what kind of influence can occur because of such a culture. In the current digital era, PT. Telkom Indonesia (Persero) Tbk. adjust to the times. To recruit new employees, especially from the millennial generation, certainly has a difference in the approach with the previous generations. At present, rigid systems such as superiors and subordinates have far-reaching boundaries that are no longer appropriate when applied. The emotional closeness between superiors and subordinates is more needed at this time. Seen from the workspace at PT. Telkom itself is currently open-space which indicates that there is no partition between superiors and subordinates. However, the existence of the digital era can also trigger disruption in work and make employees perform deviant behaviors workplace behavior (deviant) both minor and serious, intentional or not and consciously or unconsciously. The existence of a work culture of fun at work itself with all the positive things that it offers still has other dangerous potential. First, the higher distractions that employees get with the existence of pampering facilities and secondly, employees can misuse and take advantage of the opportunities that exist and have the potential to make work behavior deviations.

Contributions in this study, first, to enrich the literature regarding the influence of involvement of Leader- Member Exchange (LMX) that is of good quality in the system of fun at work and its effects both positive (work engagement) and negative (deviant workplace behavior). The second is an effort to confirm the research that has been done previously related to LMX, fun at work, work engagement and deviant workplace behavior. Although there is some literature that examines the role of fun at work on work engagement, however, until the time this research was written, no literature was found that examined the potential negative effects that could be caused by the existence of fun at work. Then several studies have also discussed fun at work as an independent variable, but in this study, LMX was examined as an independent variable. The researcher also wants to compare the LMX direct relationship to work engagement and deviant workplace behavior and indirectly through fun at work.
2. Literature Review and Hypothesis Development

The research model used is a model developed based on several previous studies regarding direct relationships between leader-member exchanges with work engagement and deviant workplace behavior and indirectly through fun at work. Based on previous research, researchers determined the research model as follows:

![Research Model](image)

Figure 2: Research Model.

2.1. Leader-member exchange and fun at work

Research conducted by Owler et al., (2010) said that there is currently an increase in enthusiasm among practitioners, managers, and some academics in promoting fun at work. With the support given by superiors to subordinates to the culture of fun at work, the employees will be more happy at work.

**H1A: Leader-member exchange is positively related to fun at work.**

2.2. Leader-member exchange and work engagement

LMX that has good quality is believed to produce good job satisfaction (Kacmar et al., 2003; Lee & Jablin, 1995), high work performance (Alexander, Helms, & Wilkins, 1989) and a high sense of commitment to the company. In high-quality relationships, a leader is more likely to provide high-quality communication (more positive relationships, upward openness, and communication of relevant and less negative relationships). This situation causes subordinates in the work group to consider themselves involved in work that has meaning, because that sense of attachment can occur. (Ellemers, Gilder, & Haslam, 1995).
As a result, subordinates in the work group benefit from their superiors with commitment and willing to work harder.

**H1B:** Leader-member exchange is positively related to work engagement.

### 2.3. Leader-member exchange and deviant workplace behavior

Poor relationships between superiors, for example, superiors who perform poorly blame their subordinates and give undue extra pressure to do so can increase feelings of injustice and dissatisfaction. Such attitude can create a deviant workplace behavior (Bennett & Robinson, 2003). The increasing this DWB, the work performance is getting worse and impact the performance of the company. In addition, the existence and subjectivity of superiors to subordinates is one of DWB’s own behaviors. Based on a study by Sias and Jablin (1995), in low quality LMX relationships, employees often talk about their supervisors with their colleagues. They talk about the differences in treatment given by their superiors and create and reinforce bad perceptions about their superiors.

**H1C:** Leader-member exchange is negatively related to deviant workplace behavior.

### 2.4. Fun at work and work engagement

The relationship between fun at work and work engagement was investigated by Fluegge (2014). In this study, fun at work had a positive effect on work engagement. Deal and Kennedy (1999) state that if employees have fun at work, they tend to pour their hearts into their work. So that it is fully concentrated and happily captivated in his work, where time runs fast and someone has difficulty with releasing himself from work.

**H2A:** Fun at work is positively related to work engagement.

### 2.5. Fun at work and deviant workplace behavior

Research by Redman and Matthews (2002) reveals that there is a possibility of a negative potential of fun at work, which can be in the form of deviant workplace behavior. Employees who feel forced fun can actually reduce motivation to work and performance decreases.

**H2B:** Fun at work is negatively related to deviant workplace behavior.
3. Research Methods

3.1. Sample

Respondents in this study were permanent employees of PT. Telkom Indonesia (Persero) Tbk. The sampling method is using non probability sampling technique, that is through a purposive side approach. The number of indicator variables in this study are 14 indicator variables, so for the minimum number of samples that can be taken are 70 people. In this study, the respondents involved consisted of 130 employees.

3.2. Measures

Leader-member exchange was measured using Liden dan Maslyn’s questionnaire (1998) that has four dimensions, such as, affect, loyalty, contribution dan professional respect. Participants were asked to rate the degree to which he/ she agreed with each of the statements using a 6-point Likert scale (1 = strongly disagree and 6 = strongly agree).

Fun at work was measured using McDowell’s questionnaire (2004) that has four dimensions, such as, socializing with coworkers, celebrating at work, personal freedoms and global fun at work with one additional dimension, which is, facilities, because it adapts to research needs. For the first three dimensions, participants were asked to rate the degree to which each of the following items occurs in their workplace using a 6-point Likert scale (1 = never to 6 = always). In the case of global fun at work and facilities, participants were asked to rate the degree to which he or she agreed with each of the statements using a 6-point Likert scale (1 = strongly disagree and 6 = strongly agree).

Work engagement was measured using Schaufeli and Bakker’s questionnaire (2003) that has three dimensions, such as, vigor, dedication and absorption. Participants were asked to rate the degree to which each of the following items occurs in their workplace using a 6-point Likert scale (1 = never to 6 = always).

Deviant workplace behavior was measured using Bennett & Robinson’s questionnaire (2000) that has two dimensions, such as DWBI dan DWBO. Participants were asked to rate the degree to which he/ she agreed with each of the statements using a 6-point Likert scale (1 = strongly disagree and 6 = strongly agree).
4. Results

According to the results of hypothesis 1A test, leader-member exchange (LMX) has a positive and significant effect on fun at work (FAW). So, based on the research it can be concluded that the higher the quality of superior - subordinate relationships will increase the fun at work.

According to the results of the 1B hypothesis test, leader-member exchange (LMX) has a positive and significant influence on work engagement. So, based on the research it can be concluded that the higher the quality of the boss-subordinate relationship will increase the work engagement.

According to the results of the 1C hypothesis test, leader-member exchange (LMX) has a negative and significant effect on deviant workplace behavior. So, based on the research it can be concluded that the higher the quality of superior-subordinate relationships will reduce the level of deviant workplace behavior.

According to the results of hypothesis 2A test, fun at work has a positive and significant influence on work engagement. So, based on the research it can be concluded that the higher the level of fun at work in the company, the higher the level of work engagement of the employees.

According to the results of hypothesis 2B test, fun at work does not have a significant effect on deviant workplace behavior. The item deviant workplace behavior that has the greatest value is in the DWBO dimension, that is, having taken equipment and work
equipment without prior permission. So, even though companies implement fun at work, theft and work equipment can still occur. Both intentional and unintentional.

Based on the comparison of influence between leader-member exchange and fun at work on work engagement, the improvement of work engagement is better focused on fun at work because indirect effects are greater than direct influences. Whereas, based on the comparison of influence between leader-member exchange and fun at work on deviant workplace behavior, the reduction in deviant workplace behavior is better focused on leader-member exchange because it has a significant effect than fun at work which does not significantly influence deviant workplace behavior.

Based on the results of the t-test, it was found that in this case the differences in sex affect one's absorption level, which is one dimension of work engagement. Men have more concentration on their work than women. While the existence of differences in marital status affects the likelihood of a person committing acts of deviation from the organization either intentionally or unintentionally, consciously or unconsciously. Where unmarried employees have a higher tendency to commit this violation.

Based on the ANOVA test, the existence of differences in position status, long time to know the immediate supervisor and collaborating with direct superiors, did not have a variable with an average answer that was significantly different. Then, based on the ANOVA test, it can be seen that the longer an employee works in a company (> 20 years), the higher their sense of work attachment, and the lower the level of deviant workplace behavior that can occur.

4.1. Practical Implications

1. One dimension of leader-member exchange, affect, has the strongest influence in creating good leader-member exchange. The more subordinates feel that they want to be friends and like to their boss, the higher the quality of the relationship between their superiors and the lower the tendency of employees to commit deviant behavior in the workplace. One that can be applied is the presence of team building. This activity is generally carried out by PT. Telkom Indonesia (Persero) Tbk. in Witel (telecommunications area) by involving top leaders with all employees. The aim is to build cross-unit cooperation so that synergies arise. Then, clear assessment and career planning are carried out fairly. So that subordinates feel more valued hard work and more motivated in work. As well as reducing cynicism towards superiors because they are considered unfair in the assessment.
2. One dimension of fun at work, celebrating at work, has the most powerful influence in creating work engagement. The existence of a small celebration at each success of the company’s target is considered important for employees. So that employees feel that their work has been valued so far and has made their work attachments increase. In addition, companies can also provide other celebrations such as birthday party and goal celebration.

4.2. Limitations

While this study contributed to the expanding literature, there are also some limitations that provide opportunities for further research.

1. This research is only conducted at the head office of PT. Telkom Indonesia (Persero) Tbk. There may be cultural differences and facilities as well as the impact related to fun work that is applied in regional areas.

2. This research is only done in companies engaged in the digital field, there may be differences in implementation and the impact on fun at work in companies with different fields.

3. This study uses a questionnaire method in terms of collecting data so that it depends on the emotions of respondents when answering questions.

4.3. Future Research

Despite these limitations, the study results point to a number of suggestions for future research.

1. Further research in regional areas, because there may be differences in terms of facilities and culture applied.

2. Research further about the application and impact that can occur in companies engaged in other fields.

3. Add other methods such as additional interviews with respondents involved.

5. Conclusion

Based on research on the The Effects of Leader-Member Exchange and Fun at Work on Work Engagement and Deviant Workplace Behavior, five main conclusions can be obtained, namely: (1) leader-member exchange has a positive and significant influence
on fun at work, (2) leader-member exchange has a positive and significant influence on work engagement, (3) leader-member exchange has a negative and significant influence on deviant workplace behavior, (4) fun at work has a positive and significant influence on work engagement and (5) fun at work has a negative but not significant effect on deviant workplace behavior, which means that fun at work is not strong enough to influence deviant workplace behavior.

Based on this study, the trajectory coefficient of fun at work on work engagement is greater than that of leader-member exchange on work engagement. This shows that the culture of fun at work that is fully supported by superiors can create higher work attachments.

In further analysis it was found that in this case the differences in sex affect one’s absorption level, which is one dimension of work engagement, whereas the difference in marital status affects the likelihood of a person committing a deviation from the organization intentionally or unintentionally, consciously or unconsciously. Where unmarried employees have a higher tendency to commit this violation. Then, it can be seen that the longer an employee works in the company for (> 20 years), the higher the sense of attachment of their work, and the lower the level of deviant workplace behavior that can occur.

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