

The Effect of Conflict of Interest and Leadership Style on Employee Satisfaction (Case Study of a Private Hospital in Cimahi City)

Ronald Sebastian*, Muhammad Faiz Dzikir, Fathur Rahman Alfitrah, Wildan Nugeraha, Herman Sofyandi

Widyatama University, Bandung, Indonesia

*ronald.sebastian@widyatama.ac.id

ABSTRACT

This study aims to determine the effect of conflict of interest and leadership style on employee job satisfaction at Cimahi City Private Hospital. This study used a descriptive verification approach, and 89 employees were sampled using multiple regression analysis assisted by SPSS 23 software. Primary data from this study were obtained from questionnaires and interviews. Meanwhile, secondary data is obtained through notes and publications and literature. The results showed that there was an influence between the variables of conflict of interest and leadership style on employee job satisfaction at private hospitals in Bandung. However, the influence of the conflict of interest variable does not indicate high job satisfaction, but this influence has a negative effect on employee job satisfaction, resulting in most employees resigning from the company. Meanwhile, a good leadership style can increase employee job satisfaction.

Keywords

Conflict of interest, leadership style, employee job satisfaction

Article Received: 18 October 2020, Revised: 3 November 2020, Accepted: 24 December 2020

Introduction

The human resource of every organization is the most important thing without which all other resources do not work effectively (Moses & Fred, 2018). According to Mullins (2010), Human resources provide an important role for every organization. It means that employees have important social demands to achieve organizational goals (Snell, 2013). The sustainable profitability of an organization depends on workforce satisfaction and organizational commitment. Employee job satisfaction can increase motivation, performance, and reduce high turn-over. According to Ali (2013), Job satisfaction is the attitude of an employee about his job and the organization in which he performs. The work by Aristovnik and Tomazevi (2014), employee job satisfaction is highly correlated with the salary received, benefits, recognition, promotion, co-workers, management support, working conditions, type of work, job security, and managerial leadership style (Samuel & Yolanda, 2019).

Managerial leadership behavior plays an important role in job satisfaction and employee commitment (Snell, 2013). Leadership is seen as a management function that deals with social

interactions. It is a process that influences a group of people to achieve organizational goals. According to Sofyandi (2013), Leadership is a manager's ability to influence, motivate, and enable employees to contribute to organizational success. Managers can take advantage of a variety of leadership styles to lead and direct their employees including autocratic, bureaucratic, laissez-faire, charismatic, democratic, participative, transactional, and transformational leadership styles (Bakare, 2014). Different leadership styles are needed for different situations. Effective leaders must know when to demonstrate a certain approach.

Good human resource management will encourage employee satisfaction and loyalty (Dedahanov & Bozorov, 2019). Effective human resource management can also have a significant effect on employee satisfaction. In the hospital industry, satisfied and committed employees provide better care, which results in better outcomes and higher patient satisfaction (Bruce, 2015). However, employee satisfaction will greatly decrease and even be disloyal if there are various kinds of conflicts of interest in the organization. A conflict of interest is a situation where several people, either individuals or groups,

are in a certain relationship with one or more decisions. On another view, conflicts of interest can affect employee job satisfaction and even result in employees who have the potential to leave the organization (Moses & Ebezener, 2018). A conflict can occur not only in a certain position; it can occur between coworkers or family relationships. At the top management level, conflicts of interest strongly influence organizational decisions which result in structures often changing (Chen & Huang, 2010). According to Davis (2001), interest is defined as a situation where personal interests clash with the company's formal duties and responsibilities. The impact of this conflict of interest is that it results in all policies or decisions that are decided to be wrong or wrong so that it becomes a question for the employees in it. According to Larry (2007), there are two things that make conflicts of interest a big problem in organizations, (1) influencing employees for personal gain, (2) influencing decisions with personal interests.

In the midst of the covid-19 pandemic that occurred, many companies are trying to survive in the current situation. According to Djillali (2019), there are many conflict of interest practices that occur in every organization, resulting in many employees resigning from the organization. According to Snell (2013), there are several factors that can cause job satisfaction to decrease, this can be seen in Table 1:

Table 1. Factors that lead to decreased satisfaction (Snell, 2013)

No.	The Factors Resulting in Decreased Satisfaction	(%)
1	Salary	15%
2	Environment	20%
3	Conflict	35%
4	Leadership style	30%

The negative consequences that arise from conflict must be avoided, as this can have a direct effect on work life. A conflict that arises will lead to changes in the productivity level of its employees. For this reason, it is only natural to pay attention to the existence of employees from the start. Employees who are one of the most

important assets of the company need to be considered seriously so that conflicts that occur can be managed properly so that they are expected to be able to produce performance according to the company's wishes, as argued by Nitisemito (2000) which states that conflicts that occur in the daily life of the company If it is not handled seriously, it will have a very significant impact on the efforts to achieve company goals, including the low overall employee performance and loss of job satisfaction. One of them is a private hospital in the city of Cimahi, where the data obtained by the hospital shows a high turnover, this can be seen in Table 2 as follows:

Table 2. Turnover of private hospital employees in Cimahi City
2019 s.d 2020

Information	Year	
	2019	2020
The initial number of employees	142	121
Incoming employees	139	118
The employee is leaving	25	30
Final number of employees	117	91
Percentage	19,3%	28,3%

Source: HR Department, 2020

According to Rivai in Sofyandi (2013), if the turnover is more than 10% then the company is said to be not good, and this can be seen from the reality in the field which shows that employee job satisfaction has decreased so that many of the employees resigned from the company. Employees do not appreciate what they do, do not dare to accept work challenges given by the leadership, there is no leadership concern or are not appreciated for the work achieved and lack of incentives for employees to complete the work given (Burton, 2009).

Based on the background of the problems above, this study was proposed to examine the extent of the influence of conflict of interest and leadership style on employee job satisfaction. As for the formulation of the problems in this study are, (1) Does conflict of interest affect employee job satisfaction, (2) Does leadership style affect

employee job satisfaction, (3) Does conflict of interest and leadership style affect employee job satisfaction.

Literature Review

Conflict of Interest

According to Michael Davis (2001) explains that conflict or conflict can occur between individuals and individuals, individuals with groups or groups with individuals. According to Larry (2007), conflict within an organization is the mismatch between two members or an organization that arises because they have to share in getting limited resources. Furthermore, Netisemito (2000) explains that a conflict arises because there are differences of opinion, misunderstanding, feeling aggrieved, and feelings that are too sensitive. Sofyandi (2013) stated that conflict is part of organizational life that cannot be avoided. The definition of conflict according to Denis (2016) is a process where an attempt is made deliberately by a person or a unit to prevent another party which results in failure to achieve the goals of the other party or to continue its interests. Another definition put forward by Bosch et al. (2013) is conflict means the existence of opposition or disagreement between people, groups or organizations.

A conflict of interest is a situation where several people, both individuals and organizations, are in a certain relationship with one or more decisions. In Eisner and Humphreys (2011), conflicts of interest require various parties to assess other parties who have special interests. According to Gorman (2007), there are four types of conflicts that occur in organizations, namely intra-individual conflicts, inter-individual conflicts, inter-group conflicts, and organizational conflicts. If a conflict occurs in an organization, it will result in decreased company performance, stunted growth, and result in high turnover for the organization. In addition, according to MacCoun (2005), conflicts that occur greatly affect job satisfaction for employees, so that employees who have the potential can leave the organization where they work. According to Eisner (2011), there are five dimensions in organizational

conflict, namely potential incompatibility (communication, structure, and personality), cognition and personalization (perceived and perceived conflict), intent (competing, collaborating, and compromising), behavior (open and closed), results (individual and group performance).

Leadership Style

Leadership as a reciprocal social influence process, where leaders and subordinates influence each other to achieve organizational goals. Mullins (2010) defines leadership as the process of influencing people so that they try with their own will and enthusiasm to achieve group goals. According to Sofyandi (2013), Leadership is a very important management skill, which involves the ability to push a group of people towards a common goal. A leader and his effectiveness in achieving goals is very complex, this involves a leadership style which is defined as a characteristic in which a person leads others. Leadership style is seen as a combination of various characteristics, traits and behaviors that are used by leaders to interact with their subordinates. Bruce (2015) considers leadership as a pattern related to managerial behavior, which is designed to integrate organizational or personal interests and effects to achieve certain goals. According to Ali (2013), leadership styles can be categorized as autocratic, democratic, laissez faire, and toxic leadership styles.

Employee Job Satisfaction

Job satisfaction is an emotion and feeling that someone has about their job (Moses & Fred (2018). Job satisfaction is correlated with retention and performance. Job satisfaction has long been recognized as an important variable in explaining organizational performance and employee intention to move. According to Kwesi and Koomson (2013), one of the factors responsible for job satisfaction and dissatisfaction is management at the company itself as well as the inability of managers to identify these factors causing poor performance and high turnover rates (Adigun, 2017). Armstrong (2009) explains satisfaction work as consisting of one's feelings

and attitudes about one's job including all aspects of a particular job, good and bad, positive and negative, which are likely to contribute to the development of feelings of satisfaction or dissatisfaction or turnover intentions. Job satisfaction or dissatisfaction is based on different factors. isar on the work itself or the environmental and human aspects of the organization.

Research Conceptual Framework

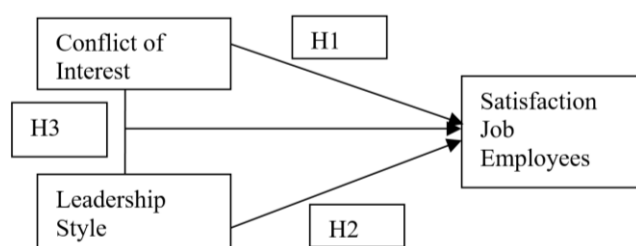


Figure 1. Conceptual framework

Hypothesis Development

The influence of conflict of interest on employee job satisfaction

According to Sofyandi (2013), there is a relationship between conflicts of interest and job satisfaction. This shows that job satisfaction is strongly influenced by the level of conflict that occurs and is felt by the organization. Reducing conflict in the organization can improve work quality and productivity which ultimately increases satisfaction. Research by Moses (2018) shows that there is an influence between conflict of interest on the level of employee job satisfaction.

H1. Conflict of interest affects employee job satisfaction

The influence of leadership style on employee job satisfaction

The leader is someone who has a role in influencing every employee or subordinate. According to Sofyandi (2013), a leader must be able to give confidence to his subordinates with the abilities they have to be able to create a good job, as well as give appreciation of every result achieved. In this case, leadership power greatly

affects employee job satisfaction. Sarinah and Loviandi (2020) shows that leadership style can affect employee job satisfaction.

H2. Leadership style affects employee job satisfaction

The influence of conflict of interest and leadership style on employee job satisfaction.

A conflict of interest is a situation where several people, both individuals and organizations, are in a certain relationship with one or more decisions. According to Moses (2018), conflicts of interest require various parties to assess other parties with special interests. The leadership style greatly influences the company's environmental situation which can lead to conflict. In the end, this conflict resulted in high turnover and had an impact on employee job satisfaction (Fariq & Prahyawan, 2019)

H3. Conflict of interest and leadership style simultaneously affect employee job satisfaction.

Methodology

This research was conducted with a quantitative approach. In this study, 89 samples consisting of employees were selected to be the sample. The sampling method used was purposive sampling technique. Primary data used in this research is data collected through questionnaires and interviews with related parties. Meanwhile, secondary data were collected from several journal publications and textbooks. The data analysis used was descriptive statistical verification analysis by adopting multiple linear regression analysis techniques using SPSS 23 software.

Results and Discussion

Data from the responses of 89 respondents indicated that the results were obtained as follows:

Table 3. Profile of respondents

Respondent Profile		Percentage
Gender	Male	15%
	Woman	85%
Age	20- 30 year	60%

Education	31 - 40 year	25%
	> 40 year	15%
	S2	-
	S1	35%
Marital status	D3	65%
	Single	27%
	Married	65%

Data processed: 2020

Based on the table above, it is found that there are more women than men by 85%. Based on the age

of the respondents, the age in the range of 20 to 30 is more with 60% gain, this shows that this age is a productive age. As for education, on average, respondents had a d3 education with a gain of 65%.

Validity Test

The validity test of each variable is shown in Table 4, which shows that each statement is valid.

Table 4. Validity test

Variable	Statement	Count R	Table R	Information
Conflict of Interest	X1.1	0,613	0.3	Valid
	X1.2	0,537		
	X1.3	0,645		
	X1.4	0,501		
Leadership Style	X2.1	0,628	0.3	Valid
	X2.2	0,548		
	X2.3	0,543		
	X2.4	0,512		
Job Satisfaction	Y1.1	0,651	0.3	Valid
	Y1.2	0,587		
	Y1.3	0,573		

Data processed: 2020

Reliability Test

The reliability test on each variable shows that the statement items are reliable.

Table 5. Reliability test

Variable	Cronbach Alpha (>0,70)	Information
Conflict of Interest	0,736	Reliable
Leadership Style	0,873	Reliable
Employee Job Satisfaction	0,845	Reliable

Data processed: 2020

Multicollinearity Test

Based on the results of calculations using SPSS 23, it can be seen that the value shows that there is no problem in terms of multicollinearity between the variables, this can be seen in the table below:

Table 6. Multicollinearity Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	Conflict of Interest (X1)	.653	1.642
	Leadership Style (X2)	.851	1.721

a. dependent variable: Employee job satisfaction (Y)
Data processed: 2020

Determination Coefficient Test**Table 7. Determination coefficient test Model Summary^b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.789 ^a	.571	.571	.341

a. Predictors: (Constant), Conflict of Interest, Leadership Style

b. Dependent Variable: Employee Job Satisfaction

Table 7 shows the value of the Adjusted R Square of 0.571. This result means that there is an influence of 57.1% conflict of interest, leadership style on job satisfaction.

Goodness of Fit Test

The Goodness of fit test uses the F statistical test on the research model

$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$ by using the help of the SPSS 23 for Windows application, the results are obtained as shown in the table. From the table F test results obtained F count of 4,720 with a significance level of 0.000. Because the significance value obtained is $0.000 < 0.05$, it can be concluded that the model has met the Goodness of fit requirements. Thus, the model is ready to use.

Table 8. Goodness of fit test results ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	5,857	2	2,928	4.720	.000 ^b
Residual	202,463	86	4,308		
Total	208,320	88			

a. Dependent Variable: Employee Job Satisfaction (Y)

b. Predictors: (Constant), Leadership Style (X2), Conflict of Interest (X1)

Multiple Regression Analysis

the test results of multiple regression analysis can be seen in the table below:

Based on the calculation results obtained from the questionnaire using SPSS 23, it can be seen that

Table 9. Multiple regression analysis Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	21,463	2,485		8,274	.000
	Conflict of Interest	.321	.160	.126	1,821	.007

Leadership Style ,408 ,148 ,296 1,734 ,017
Data processed: 2020

Based on the results of the calculation, the value of the constant (a) is 21.463 and the value of the conflict of interest variable is 0.321 and the value of the leadership style variable is 0.408. That way, the regression equation is obtained as follows:

$$Y = 21,463 + 0,321X_1 + 0,408X_2$$

This shows that conflict of interest has an effect on employee job satisfaction but has a negative impact. Conversely, a good leadership style will have a positive effect on employee job satisfaction.

Kolmogorov-Smirnov Normality Test

The normality test is used to determine whether the data in the study is normally distributed or not.

Table 10. Kolmogorov-Smirnov normality test results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		89
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	2,03251846
Most Extreme Differences	Absolute	,083
	Positive	,052
	Negative	-,083
Test Statistic		,083
Asymp. Sig. (2-tailed)		,200 ^{c,d}

Data processed: 2020

Based on Table 10, the Kolmogorov-Smirnov normality test shows a significance value of $0.200 > 0.05$. So, it can be concluded that the data is normally distributed.

Discussion

- From the results of the Goodness of Fit test or F test, it can be seen that the value of count is $4.720 > F$ table is 3.103, so that it is known that the two independent variables, namely conflict of interest (X_1) and leadership style (X_2) have a significant effect on employee job satisfaction (Y).
- From the results of multiple regression tests, the following equation is obtained:

$$Y = 21,463 + 0,321X_1 + 0,408X_2$$

Meaning:

- Job Satisfaction of Hospital Employees will be 21,463, which amount is not influenced by the variable of conflict of interest and leadership

style. However, this amount is influenced by other variables outside the model.

- Variable conflict of interest has an effect on job satisfaction of hospital employees by 32.1%. However, the conflict of interest that occurs in this case will have a negative effect on job satisfaction of hospital employees such as emotional conflicts which can change the employee's view of the leadership in the hospital.
- The leadership style variable has an influence of 40.8% on job satisfaction of hospital employees. This means that with the increase in the quality of the leadership style or good leadership style, the job satisfaction of hospital employees will increase because of the good employee's perspective on the leadership style of the hospital.

Conclusion

- Based on the results of the F test it can be seen that the two independent variables X_1 (*conflict of interest*) and X_2 (Leadership Style) has a

significant influence simultaneously on Y (Employee Job Satisfaction).

2. Based on the results of multiple regression tests, it is known that the independent variables consist of X_1 (*conflict of interest*) and X_2 (Leadership Style) has a partial effect but Conflict of Interest has a negative influence on employee job satisfaction and a good leadership style has a positive influence on employee job satisfaction.

Suggestions

For hospital employees, conflict of interest creates unfavorable views which cause them to not focus at work. Therefore, employees are expected to continue to provide positive feedback to the hospital and resolution of conflicts of interest is the responsibility of the hospital management. For the hospital, in addition to efforts to resolve the conflict of interest that occurs, it is hoped that the leadership style will be further improved so that employees can provide maximum performance to the hospital as a result of job satisfaction that has been fulfilled.

References

- [1] Adigun, A. O., Rotimi, I. A, And Hamzat, B. S. (2017). Influence of Job Satisfaction on Employees' Performance in MTN Nigeria. *International Journal of Emerging Research in Management & Technology*, 6(7), 138 -141.
- [2] Armstrong, M. (2009). *A Handbook of Human Resource Management Practice*. London: Kogan.
- [3] Aristovnik, A.; Tomazevi, N.; Seljak, J (2014) Factors Influencing Employee Satisfaction in the Police Service: The Case of Slovenia. *Pers. Rev.*, 43, 209–227.
- [4] Ali, M & Masoud, F (2013) Leadership, Job Satisfaction and Organizational Commitment in Healthcare Sector: Proposing and Testing a Model. *Materia Socio-Medica*, 25(2), 121.
- [5] Bakare, K, Quadri, & Ismail (2014) Leadership and Decision-Making: A Study On Reflexive Relationship Between Leadership Style and Decision-Making Approach. *Journal of Education, Society and Behavioural Science*, 473-484.
- [6] Burton, L. J., & Peachey, J. W. (2009). Transactional or transformational? Leadership preferences of Division III athletic administrators. *Journal of Intercollegiate Sport*, 24(2), 245–259.
- [7] Bruce, J & Myron, D (2015) *Human Resources in Healthcare Managing for Success-Health*. Health Administration Press, Chicago, Illinois Association.
- [8] Bosch, X., Pericas, J. M., Hernandez, C., & Doti, P. (2013). Financial, Nonfinancial and Editors' Conflicts of Interest in High-Impact Biomedical Journals. *European Journal of Clinical Investigation*, 43,660 – 667.
- [9] Chen, C.J.; Huang, J.W.; Hsiao, Y.C. Knowledge Management and Innovativeness: The Role of Organizational Climate and Structure. *Int. J. Manpow.* 2010, 31, 848–870.
- [10] Djillali, A, Nicholas, L, Sylvain (2019) *Academic Conflict of Interest*. Springer.
- [11] Dedahanov, A.T.; Bozorov, F.; Sung, S.H. Paternalistic Leadership and Innovative Behavior: Psychological Empowerment as a Mediator. *Sustainability*, 2019, 11, 1770.
- [12] Denis, M (2016) Can We Trust Positive Findings of Intervention Research? The Role of Conflict of Interest. *Prevention Science*, 19(3), 295-305.
- [13] Eisner, M., & Humphreys, D. (2011). Measuring conflict of interest in prevention and intervention research: A feasibility study. In T. Bliesener, A. Beelman, & M. Stemmler (Eds.), *Antisocial Behavior and Crime: Contributions of Developmental and Evaluation Research to Prevention and Intervention*. Cambridge: Hogrefe, pp. 165 – 180.
- [14] Fariq, M., Prahyawan, W., & Akhmadi. (2017). The Impact of Transactional Leadership Styles and Organizational Culture on Employee Performance Through Motivation as Intervening Variables. *Journal of Business and*

Management Research Tirtayasa, 1(1), 51–64.

Tazkya Journal of Psychology, 8(1), 56-63.

- [15] Gorman, D. M., & Conde, E. (2007). Conflict of Interest in the Evaluation and Dissemination of B Model School-Based Drug and Violence Prevention Programs. *Evaluation and Program Planning*, 30, 422 – 429.
- [16] Larry, D (2007) A Review of Conflict of Interest, Competing Interest, and Bias for Toxicologists. Sage Publications.
- [17] Moses, S, Fred, P & Ebezener (2018) Effect of Work Conflict on Employees Job Satisfaction: The Case of College of Distance Education, University of Cape Coast. *European Scientific Journal*, 14(7), 313-323.
- [18] Maccoun, R. (2005). Conflicts of interest in public policy. In D. A. Moore, D. M. Cain, G. Loewenstein, & M. Bazerman (Eds.), *Conflicts of Interest: Challenges and Solutions in Business, Law, Medicine, and Public Policy*. London: Cambridge University Press, pp. 233 – 262.
- [19] Michael Davis, Andrew Stark (2001) *Conflict of Interest in The Professions*. Oxford University Press on Demand.
- [20] Mullins, L. J. (2010). *Management & Organisation Al Behaviour*. Harlow, England: Pearson Education Limited.
- [21] Nitisemito, Alex S., 2000. *Manajemen Personalia (Manajemen Sumber Daya Manusia)*. Jakarta, Penerbit Ghalia Indonesia.
- [22] Samuel, F.S.; Yolanda, N.A.; Gabriela, T (2019) On The Relationship Between Perceived Conflict and Interactional Justice Influenced by Job Satisfaction and Group Identity. *Sustainability*, 11, 7195.
- [23] Sofyandi, H, Rd, and Garniwa, I (2013) *Manajemen Sumber Daya Manusia*. Graha Ilmu Press. Yogyakarta.
- [24] Sofyandi, H, Rd and Garniwa, I (2007) *Prilaku Organisasional*. Graha Ilmu.
- [25] Sarinah, L, Loviandi, Cristi, & Josua (2020) Impact of Transactional Leadership Style on Employee Job Satisfaction.