

THE IMPACT OF LOCUS CONTROL AS A MEDIATOR ON JOB SATISFACTION IN XYZ'S NON-FRANCHISE BUSINESS

Yustinus Yuniarto^{1*}, Michael Christian², Celia Paramitha³

^{1,2,3} Universitas Bunda Mulia, Jakarta, Indonesia

¹ yyuniarto@bundamulia.ac.id, ² michaelchristianid@gmail.com, ³ s12180053@student.ubm.ac.id

* Corresponding Author

Abstract

The phenomenon that the work environment and personal aspects of workers, such as work discipline and locus control, should go hand in hand to achieve the expected job satisfaction motivates this research. The purpose of this research is to identify and explain the factors that influence locus control and job satisfaction. Also, to identify and explain the role of locus control as a moderator between non-physical work environment and work discipline on job satisfaction. This quantitative study involves 30 employees from XYZ's non-franchise business in Jakarta and employs a structural model with SmartPLS as an analytical tool. A questionnaire instrument was used in this study's survey. According to the findings of this study, the work environment has a small impact on locus control and job satisfaction. Meanwhile, work discipline affects locus control but not job satisfaction. This finding supports another finding that employees' locus of control at work influences job satisfaction. In the indirect effect, locus control does not serve as a moderator between work environment and job satisfaction or between work discipline and job satisfaction.

Keywords: Job satisfaction; locus control; work environment; work discipline

INTRODUCTION

In the context of work in general, aspects of belief in what is being done now and the results to be obtained can be positive. This means that employees who put forth their best efforts at work will be rewarded for their efforts. However, this must be accompanied by aspects of a positive work environment and consistent work discipline. The significance of locus control in an individual's life is related to several aspects, including psychology [1][2], health [3], and well-being [4][5]. Several studies have identified the locus of control as an indirect effect-forming variable, acting both as a mediating and moderating variable [6][7]. Locus control is used as a mediating variable in this study to explain the path of the effect of work environment and work discipline on job satisfaction. As a result, the purpose of this research is to identify and explain the determinants of locus control and job satisfaction. Another goal of this research is to identify and explain the role of locus control as a moderator between non-physical work environment and work discipline on job satisfaction.

Several previous studies have explained the relationship between job satisfaction and aspects of the work environment, work discipline, and locus control. According to Suprapti et al. [8], the work environment has an impact on worker satisfaction. Furthermore, it was explained that the work environment has an impact on worker performance. This is also consistent with the notion that the non-physical work environment is a working relationship between superiors and subordinates as well as between colleagues [9][10]. In accordance with this, the concept of a non-physical work environment is viewed as a type of work-related conditions with superiors as well as among co-workers [11]. In the context of locus control at work, however, Luki and Lukiastuti [12] explained that the higher the level of locus control implemented, the higher the level of job satisfaction of the employees. Simply put, locus control is a type of individual belief in the outcome of an action or effort undertaken. [6][13]. Furthermore, work discipline is an important aspect of achieving high levels of productivity.

This is consistent with the findings of Suprapti et al. According to [8], work discipline and job satisfaction are inextricably linked.

This study measures and analyzes aspects of the work environment, work discipline, locus control, and job satisfaction using a business disguised as XYZ's business name. XYZ's company sells ready-to-eat processed chicken products and is not a franchise. This company was founded in 2019 and already has more than 5 locations. As a new business, the main issues encountered are high turnover, non-standard communication lines between the center and outlets, employee performance that does not meet the company's expectations, and poor employee service. maximum benefit to the customer Recognizing that there is a link between aspects of the work environment, work discipline, and locus control on job satisfaction is the primary emphasis that makes this research urgent. The novel aspect of this study is the involvement of locus control as a mediating variable. The purpose of this study is to determine and explain whether locus control in the workplace, in addition to acting as an exogenous variable as in most studies, can also play a mediating role in this study.

METHODOLOGY

To collect data for the study, quantitative methods were combined with surveys. The survey instrument is a questionnaire that will be distributed at random in October 2021. The participants in this study must be employees of the XYZ non-franchise business in Jakarta. Because of difficulties in reaching samples during the pandemic, only 30 questionnaires from participants were successfully collected during the questionnaire collection process. This is the sample size for this study. This sample size is still consistent with the central limit theorem approach, which requires a minimum sample size of 30 [14]. SmartPLS is used in this study's structural model analysis. Initially, this study performed reliability and validity tests. In this study, the reliability test used composite reliability (CR) results with conditions $CR > 0.7$ and Cronbach's neglect (CA) results with conditions $CA > 0.7$ [15]. Furthermore, to test the validity, this study uses the outer loading (OL) results with $OL > 0.7$ conditions and the average variance extracted (AVE) results with $AVE > 0.5$ conditions [16]. Furthermore, the validity of this study employs discriminant validity, resulting in a construct correlation value that is greater than the correlation value with other constructs. This study employs the results of the p value with the condition $p < 0.05$ in testing the hypothesis [17].

RESULTS

The Profiles of The Participants

The distribution of the profiles of the participants in this study is shown in Table 1. As can be seen, male participants dominated this study, accounting for more than 60%, with female participants accounting for less than 34%. Furthermore, based on the age profile, participants in this study were dominated by those aged 20-25 years, with a total of 70%, and those under 20 years were followed by as much as 30%. Participants in this study included those who worked for more than a year in the company (more than 55 percent) and those who worked for less than a year in the company (less than 44 percent).

Table 1. Profiles of the Participants

Profile	N	%
Gender		
Female	10	33.33%
Male	20	66.67%
Age (years old)		

18-19	9	30%
20-25	21	70%
Working period		
Less than 1 year	13	43.33%
1 year	17	56.67%

PLS Algorithm

This study employs the previously described series of reliability and validity test results. Table 2 displays the study's reliability and validity results. Cronbach's alpha (CA) and composite reliability (CR) results must be greater than 0.7 to pass the reliability test. Furthermore, the validity test in this study employs outer loading (OL) results that must be greater than 0.7 and average variance extracted (AVE) results that must be greater than 0.5, as well as discriminant validity. Several items fail to meet the requirements during the testing process and must be eliminated and retested. On the job satisfaction variable, all the OL, CA, CR, AVE, and discriminant validity results met the criteria. Furthermore, on the locus control variable, all the OL, CA, CR, AVE, and discriminant validity results met the criteria. Similarly, the results of OL, CA, CR, AVE, and discriminant validity are declared to have met the requirements for the Non-Physical Work Environment variables. The Work Discipline variable indicates that the results of OL, CA, CR, AVE, and discriminant validity also meet the requirements.

Table 2. Reliability and Validity Testing

Variable	Item	OL	CA	R	VE	Discriminant Validity			
						OSAT	OCO	PWE	ODI
Job satisfaction	JOSAT8	0.804	0.817	.892	.733	.856			
	JOSAT9	0.928							
	JOSAT10	0.832							
Locus control	LOCO1	0.949	0.884	.945	.896		.947		
	LOCO2	0.945							
Non-Physical Work Environment	NPWE3	0.822	0.881	.913	.678			.824	
	NPWE4	0.919							
	NPWE5	0.888							
	NPWE6	0.717							
	NPWE8	0.754							
Work Discipline	WODI1	0.822	0.890	.918	.693				.833
	WODI2	0.876							
	WODI4	0.883							
	WODI8	0.776							
	WODI11	0.801							
<p>*JOSAT= Job satisfaction; LOCO= Locus control; NPWE= Non-Physical Work Environment; WODI= Work Discipline. **OL>0.7; CA>0.7; CR>0.7; AVE>0.5</p>									

The Coefficient of Determination

The coefficient of determination in this study is based on R Square results, as shown in Table 3, which explains that the use of non-physical work environment and work discipline as independent variables explains its effect on locus control by 27.6 percent. In addition, the R square on job satisfaction is 0.481, or 48.1 percent. This explains why using non-physical work environment, work discipline, and locus control as independent variables explains 48.1 percent of the effect on job satisfaction.

Table 3. Determinant Coefficient

Variable	R Square
Job Satisfaction	0.481
Locus Control	0.276

Hypothesis Testing

Using the P value results, test the hypothesis in table 4 of this study. $P = 0.031 (<0.05)$ in the path of non-physical work environment locus control. These findings demonstrate that the non-physical work environment has a significant impact on the locus of control, implying that hypothesis 1 is correct. The following path is non-physical work environment job satisfaction, which has a P value of $0.019 (<0.05)$. These findings support hypothesis 2 by demonstrating that the non-physical work environment has a significant impact on job satisfaction. Furthermore, the work discipline locus control path has a $P = 0.001 (<0.05)$. These findings demonstrate that work discipline has a significant effect on locus control, implying that hypothesis 3 is correct. $P = 0.400 (>0.05)$ for the relationship between work discipline and job satisfaction. These findings demonstrate that work discipline has no effect on job satisfaction; thus, hypothesis 4 is rejected. Furthermore, the $P = 0.034 (<0.05)$ for the locus control job satisfaction path. These findings explain why locus control has a significant impact on job satisfaction; in other words, hypothesis 5 is supported. $P = 0.165 (> 0.05)$ for the non-physical effect, where the path of non-physical work environment locus control job satisfaction. According to these findings, locus control does not mediate the effect of the non-physical work environment on job satisfaction; thus, hypothesis 6 is rejected. The indirect effect, on the other hand, where the path of work discipline locus control shows $P = 0.094 (> 0.05)$. These findings indicate that locus control does not mediate the effect of work discipline on job satisfaction; thus, hypothesis 7 is rejected.

Table 4. Hypothesis Testing

Path	Standard Deviation	T Statistics	P Values	Remark
Non-Physical Work Environment → Locus Control	0.199	2.162	0.031	H1: accept
Non-Physical Work Environment → Job Satisfaction	0.217	2.362	0.019	H2: accept
Work Discipline → Locus Control	0.190	3.326	0.001	H3: accept
Work Discipline → Job Satisfaction	0.223	0.843	0.400	H4: reject
Locus Control → Job Satisfaction	0.144	2.130	0.034	H5: accept
Non-Physical Work Environment → Locus Control → Job Satisfaction	0.095	1.391	0.165	H6: reject
Work Discipline → Locus Control → Job Satisfaction	0.116	1.680	0.094	H7: reject

DISCUSSION

In general, as is well known, the work environment is related to the quality of the work performed [9]. According to the findings of this study, the non-physical work environment has an impact on job satisfaction. These findings support the findings of Arab et al. [18], who also explain how the non-physical work environment affects job satisfaction. This is supported by the findings of Sembiring and Purba's study [19] explains how the work environment affects job satisfaction in a similar way. The findings of this study clearly demonstrate that, in the context of work in non-franchise businesses, a positive work environment is critical in shaping workers' locus of control and job satisfaction.

The study's next finding explains how locus control has a significant impact on job satisfaction. These findings contradict the findings of Arab et al. [18], who argue otherwise. A nearly parallel viewpoint explains why there is a strong negative correlation between locus of control and job satisfaction [20]. Yuwono et al. [21], on the other hand, support the findings of this study by demonstrating that locus control influences job satisfaction. Sembiring and Purba [19] conducted another study that found locus control influences job satisfaction. Furthermore, the findings of this study show that employees at the XYZ business, a non-franchise business that sells ready-to-eat processed chicken, believe that the level of locus control at work has no effect on job satisfaction. In this case, job satisfaction is more visible in the workers' sense of security, benefits, or any work facilities obtained. As a result, if these conditions are met, it may influence the highest level of work performance carried out and produced. This is also related to the findings of research that explains aspects of job security, workplace stress, and workload [22]–[26].

According to the findings of this study, work discipline has no effect on job satisfaction. These findings contradict the findings of Arab et al. [18], who claim that work discipline influences job satisfaction. Similarly, according to Yuliandi, 2019 [27], work discipline influences job satisfaction. Excellent work results must come from all parties, specifically workers and businesses. Businesses such as XYZ have undoubtedly created a work environment and established work discipline standards from the start. As a result, employees in this industry should abide by the rules that have been devised to maximize business success.

CONCLUSION

According to this study, the non-physical work environment has a significant impact on locus control. Furthermore, this study explains how the non-physical work environment has a significant impact on job satisfaction. Another finding from this study explains how work discipline affects locus control. The study's next finding explains that work discipline has no effect on job satisfaction. According to the findings of this study, locus control has a significant effect on job satisfaction in relation to workers' trust in upholding positive work principles. This study explains, similarly to aspects of the work environment, that locus control does not mediate the influence of the non-physical work environment on job satisfaction. Other findings from this study show that locus control does not moderate the effect of work discipline on job satisfaction. A positive work environment is critical in shaping workers' locus of control and job satisfaction in non-franchise businesses. The degree of locus control in the workplace that has no effect on job satisfaction. The job satisfaction factor in this case is more visible in the workers' sense of security, benefits, or any work facilities obtained. The important thing to remember in this case is that excellent work results must come from all parties, namely the workers and the company. This study has limitations due to the use of a relatively small sample size, so for future research, a larger and more diverse sample size can be used. The use of micro, small, and medium-sized businesses in other types of businesses can also be considered for research purposes. The business's history, for example, a family-run business for generations, may yield interesting results that complement the findings of this study on locus control and job satisfaction.

REFERENCES

- [1] S. Tagini *et al.*, “Attachment, Personality and Locus of Control: Psychological Determinants of Risk Perception and Preventive Behaviors for COVID-19,” *Front. Psychol.*, vol. 12, no. 634012, 2021, doi: 10.3389/fpsyg.2021.634012.

- [2] J. Xu, J. Twigg, D. Parker, and J. Negus, "The Association Between Anxiety, Depression, and Locus of Control With Patient Outcomes Following Total Knee Arthroplasty," *J. Arthroplasty*, vol. 35, no. 3, pp. 720–724, 2020, doi: 10.1016/j.arth.2019.10.022.
- [3] D. Kesavayuth, J. Poyago-Theotoky, D. B. Tran, and V. Zikos, "Locus of control, health and healthcare utilization," *Econ. Model.*, vol. 86, pp. 227–238, 2020, doi: 10.1016/j.econmod.2019.06.014.
- [4] J. Li, A. Lepp, and J. E. Barkley, "Locus of control and cell phone use: Implications for sleep quality, academic performance, and subjective well-being," *Comput. Human Behav.*, vol. 52, pp. 450–457, 2015, doi: 10.1016/j.chb.2015.06.021.
- [5] Y. Xia and Z. Ma, "Social integration, perceived stress, locus of control, and psychological wellbeing among chinese emerging adult migrants: A conditional process analysis," *J. Affect. Disord.*, vol. 267, pp. 9–16, 2020, doi: 10.1016/j.jad.2020.02.016.
- [6] D. Zigarmi, F. J. Galloway, and T. P. Roberts, "Work Locus of Control, Motivational Regulation, Employee Work Passion, and Work Intentions: An Empirical Investigation of an Appraisal Model," *J. Happiness Stud.*, vol. 19, no. 1, pp. 231–256, 2018, doi: 10.1007/s10902-016-9813-2.
- [7] X. Jiang, X. Hu, Z. Liu, X. Sun, and G. Xue, "Greed as an adaptation to anomie: The mediating role of belief in a zero-sum game and the buffering effect of internal locus of control," *Pers. Individ. Dif.*, vol. 152, no. 109566, pp. 1–6, 2020, doi: 10.1016/j.paid.2019.109566.
- [8] S. Suprapti, J. P. Astuti, N. Sa'adah, S. D. Rahmawati, R. Y. Astuti, and Y. Sudargini, "The Effect of Work Motivation, Work Environment, Work Discipline on Employee Satisfaction and Public Health Center Performance," *J. Ind. Eng. Manag. Res.*, vol. 1, no. 2, pp. 153–172, 2020, doi: 10.7777/jiemar.v1i2.50.
- [9] M. A. G. Candrianto, "Leadership Effect, Non Physical Work Environment and Work Spirit on Employee Performance in PT Telkom Witel West Sumatera," *Int. J. Eng. Adv. Technol.*, vol. 8, no. 5C, pp. 198–203, 2019, doi: 10.35940/ijeat.E1029.0585C19.
- [10] S. Aryee, F. O. Walumbwa, Q. Zhou, and C. A. Hartnell, "Transformational Leadership, Innovative Behavior, and Task Performance: Test of Mediation and Moderation Processes," *Hum. Perform.*, vol. 25, no. 1, pp. 1–25, 2012, doi: 10.1080/08959285.2011.631648.
- [11] A. T. Afandi and A. Ardiana, "Exploration of the Non-Physical Work Environment and Burnout Syndrome for Nurses at the Jember Regional Hospital," *Pakistan J. Med. Heal. Sci.*, vol. 15, no. 1, pp. 256–259, 2021.
- [12] L. G. Djou and F. Lukiastuti, "The Influence of Competence and Locus of Control Towards Government Internal Auditors Performance Mediated by Job Satisfaction at Inspectorate Office of Ende Regency," in *1st International Conference on Science, Health, Economics, Education and Technology (ICoSHEET 2019)*, 2020, pp. 7–14. doi: 10.2991/ahsr.k.200723.003.
- [13] B. M. Galvin, A. E. Randel, B. J. Collins, and R. E. Johnson, "Changing the focus of locus

- (of control): A targeted review of the locus of control literature and agenda for future research,” *J. Organ. Behav.*, pp. 1–14, 2018, doi: 10.1002/job.2275.
- [14] S. G. Kwak and J. H. Kim, “Central limit theorem: the cornerstone of modern statistics,” *Korean J. Anesthesiol.*, vol. 70, no. 2, pp. 144–156, 2017, doi: 10.4097/kjae.2017.70.2.144.
- [15] A. H. Memon and I. A. Rahman, “SEM-PLS Analysis of Inhibiting Factors of Cost Performance for Large Construction Projects in Malaysia: Perspective of Clients and Consultants,” *Sci. World J.*, vol. 2014, pp. 1–9, 2014, doi: 10.1155/2014/165158.
- [16] M. Barati, Z. Taheri-Kharameh, Z. Farghadani, and É. Rásky, “Validity and Reliability Evaluation of the Persian Version of the Heart Failure-Specific Health Literacy Scale,” *Int. J. Community Based Nurs. Midwifery*, vol. 7, no. 3, pp. 222–230, 2019, doi: 10.30476/IJCBNM.2019.44997.
- [17] G. A. Ali, H. Hilman, and A. H. Gorondutse, “Effect of entrepreneurial orientation, market orientation and total quality management on performance Evidence from Saudi SMEs,” *Benchmarking An Int. J.*, vol. 27, no. 4, pp. 1503–1531, 2020, doi: 10.1108/BIJ-08-2019-0391.
- [18] A. M. Arab, S. Nurmayanti, and L. Furqan, “Effect of Locus of Control, Non-Physical Work Environment and Work Discipline on Job Satisfaction,” *Int. J. Humanit. Relig. Soc. Sci.*, vol. 3, no. 2, pp. 17–37, 2019.
- [19] E. Sembiring and S. Purba, “Influence of Interpersonal Communication, Work Environment and Locus of Control on Teachers’ Job Satisfaction,” *Malaysian Online J. Educ. Manag.*, vol. 7, no. 4, pp. 64–81, 2019.
- [20] S. Padmanabhan, “The impact of locus of control on workplace stress and job satisfaction: A pilot study on private-sector employees,” *Curr. Res. Behav. Sci.*, vol. 2, no. 100026, pp. 1–6, 2021, doi: 10.1016/j.crbeha.2021.100026.
- [21] H. Yuwono, A. Eliyana, A. D. Buchdadi, H. Hamidah, T. Sariwulan, and R. J. Handicapilano, “The Effect of Locus of Control on Employees’ Job Satisfaction,” *Syst. Rev. Pharm.*, vol. 11, no. 8, pp. 43–50, 2020, doi: 10.31838/srp.2020.8.7.
- [22] S. Wibowo and Y. Yuniarto, “Measuring Feeling Safety as A Moderating Effect of Worker Skills on Team Performance During The COVID-19 Pandemic,” *J. Bus. Appl. Manag.*, vol. 14, no. 1, pp. 55–68, 2021, doi: 10.30813/jbam.v14i1.2695.
- [23] S. Wibowo, M. Christian, S. Sunarno, and Y. Yuniarto, “Determinants of Stress Recognition and Job Satisfaction in Hospitals For Health Professionals in Indonesia,” *J. Ind. Eng. Manag. Syst.*, vol. 15, no. 1, pp. 26–34, 2022, doi: 10.30813/jiems.v15i1.3601.
- [24] S. Wibowo, “Determinan Kinerja Dosen Pada Pengajaran Metode Daring Pada Masa Pandemi COVID-19 Dengan Faktor Stres Sebagai Pemediasi,” *J. Bus. Appl. Manag.*, vol. 13, no. 2, pp. 131–146, 2020, doi: 10.30813/jbam.v13i2.2227.
- [25] M. Christian, E. Purwanto, and S. Wibowo, “Technostress Creators on Teaching Performance of Private Universities in Jakarta During Covid-19 Pandemic,” *Technol. Reports Kansai Univ.*, vol. 62, no. 06, 2020.

- [26] M. Christian, E. R. Indriyarti, and S. Wibowo, "Investigating Technostress as Moderating Information Quality and E-Learning Effectiveness on Students in Jakarta During the Covid-19 Pandemic," *Ilkogor. Online-Elementary Educ. Online*, vol. 20, no. 4, pp. 46–52, 2021, doi: 10.17051/ilkonline.2021.04.07.
- [27] R. T. Yuliandi, "Work Discipline, Competence, Empowerment, Job Satisfaction, and Employee Performance," *Int. J. Recent Technol. Eng.*, vol. 8, no. 3, pp. 7209–7215, 2019, doi: 10.35940/ijrte.C6221.098319.