

December 16, 2019  
SRY\_1073\_Dec-2019

Dear Authors

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We would like to inform you that your manuscript id SRP-OCT1073 has been accepted for publication in **SYSTEMATIC REVIEWS IN PHARMACY (ISSN 0975-8453)**. Your paper will be published in January 2020 issue.

**TITLE: What Role Perceived Red Tape, Job Goal Clarity, and Leader-Member Exchange Can Play in Organizational Commitment? An Empirical Study of Indonesian Pharmaceutical Sector**

Thanks for submission of your work with us.

Regards,  
**Professor Dr. Lucius,**



Associate Editor

**SYSTEMATIC REVIEWS IN PHARMACY (ISSN 0975-8453)**

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## Review Report [SysRevPharm]

The title of manuscript, " **What Role Perceived Red Tape, Job Goal Clarity, and Leader-Member Exchange Can Play in Organizational Commitment? An Empirical Study of Indonesian Pharmaceutical Sector** " Authors: Rahmi Widyanti and Basuki

Reviewer	Improvement
<p>Add reference to other studies that used the same methods of research or that have enhanced your approach to the study.</p>	<p>While the core approach in this research is achieved to differentiate between agencies and central government which are owned by government and organizations which are owned by privately such as a businesses. Furthermore, the differentiation between the agencies and central government can be described with dimensional approach and such description of agencies based on its independence. For example, Albeit is a government owned and agencies are work under the terms of business and expected to perform like businesses (Abesiga, Netswera, &amp; Zziwa, 2015; Burg-Brown, 2016; Rauch, Wiklund, Lumpkin, &amp; Frese, 2009; Sukresna, 2014; Tate, Ellram, &amp; Kirchoff, 2010). Under the department responsibility of central government the agencies, as mention above, work, although these agencies are change from central government and act as independent from any organization(Selin, 2015).</p>
<p>Add the methodology and the way you measure your research.</p>	<p>The employees were invited to fill online web-based survey using personal code to assure anonymity. The online invitations were sent on their email which were get through the HR department of companies. Among total 309 participants, 52.4% respondents were male and 47.6 % respondents were females. To get the data, the convenience sampling technique was used that is based on the convenience of researcher to collect the data. Initially, 400 invitation were sent to employees, among which 309 respondents made the valid sample size.</p> <p>To test the hypothesis, the structural equation model run, which also estimate the regression coefficient of model. All the aforementioned tests are run on AMOS. Besides, SPSS is also employed in study to presents the frequency distribution, descriptive analysis, and reliability factor analysis.</p>

<p>Adding explanation the Results and Discussion segment of the study. Elaborate on the findings of your study.</p>	<p>The findings of the results have indicated and proved that the perceived red tape, as well as job clarity, has a significant impact on organizational commitment in a positive way. This has indicated that the more strict will be rules, regulations, and clarity in job title, the more effective and significant would be organizational commitment and vice versa. The results further also discussed that the leader-member exchange has also a significant mediating effect in the relationship between perceived red tape and job clarity with organizational commitment. This result has indicated that the companies that majorly focus on a set of rules, policies, and regulations have a positive connotation in popular culture.</p>
<p>Please elaborate the implication segment of the research. Try to explain how your results have expanded the current knowledge on the topic and how it can be used to further the research</p>	<p>The findings of the study have also discussed the procedures that remain in force and entail a compliance burden for the organization. At the same time, the study has provided benefits to the government and regulators to formed policies and regulations regarding HRM in all groups. The findings have also states and provide the benefits that government organizations can benefit from the adoption of “business-like” HRM practices. Thirdly, the study and findings of the research have provided benefits for the individuals as well as. The employees have determined and understand the role and significance of perceived red tape that directly affect the organizational commitment and work-life balance.</p>

Oct, 2. 2019

**Editor-in-Chief**

Dr.Ayad F. Alkaim

University of Babylon, College of Science for Women, Babylon, Scopus Author ID: 55255310600, Iraq

Thank you very much for the valuable comments the deficiencies our manuscripts.  
We glad to opportunity publish in the Systematic Reviews in Pharmacy journal. I hope next time could be opportunity publish our manuscript in your journal.

Best regards,

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----- **REVIEW 1** -----

**Review Decision 1:** Accepted

----- TEXT:

1. Originality: 79%
2. SCOPE: 78%
3. Results: Satisfactory
4. References are Cited Properly

----- **REVIEW 2** -----

**Review Decision 2:** Accepted

1. Originality: 78%
2. SCOPE: 79%
3. Results: Satisfactory
4. References are Cited Properly

Editor-in-Chief

Dr. Ayad F. Alkaim  
University of Babylon, College of Science for Women, Babylon, Scopus Author ID: 55255310600, Iraq

[SysRevPharm] Submission Acknowledgement  
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**To:**Rahmi Widyanti, and Basuki <rahmiwidyanti@yahoo.com>

Tue, 8 January 2019 at 11:05 pm

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Dear Rahmi Widyanti,

You has submitted the manuscript, "**What Role Perceived Red Tape, Job Goal Clarity, and Leader-Member Exchange Can Play in Organizational Commitment? An Empirical Study of Indonesian Pharmaceutical Sector**" to our Journal Systematic Reviews in Pharmacy.

If you have any questions, please contact me. Thank you for considering this journal as a venue for your work.

Editor-in-Chief

Dr.Ayad F. Alkaim

**To:**Rahmi Widyanti, and Basuki <rahmiwidyanti@yahoo.com>

Wed, 8 July 2019 at 10:05 pm

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Dear Rahmi Widyanti,

Your manuscript, "**What Role Perceived Red Tape, Job Goal Clarity, and Leader-Member Exchange Can Play in Organizational Commitment? An Empirical Study of Indonesian Pharmaceutical Sector**" have been review in Journal Systematic Reviews in Pharmacy. Please get it in attachment below and you should be improvement your manuscript regarding revision from reviewer.

If you have any questions, please contact me. Thank you for considering this journal as a venue for your work.

Editor-in-Chief

Dr.Ayad F. Alkaim

- **Attachment**

[SysRevPharm] Revised Manuscript

Yahoo Mail/Inbox

To: Editor <editor@sysrevpharms.com>

Wed, 23 July 2019 at 09:05 am

Dear Editors,

I have been revision my manuscript.

I hope my work that's good and you could be accept my manuscript to publish in your journal.

Thank you in advance.

Kindly regards,

Rahmi Widyanti

To: Rahmi Widyanti, and Basuki <rahmiwidyanti@yahoo.com>

Mon, 8 Oct 2019 at 10:05 pm

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Dear Rahmi Widyanti,

We would like to further extend our congratulations to you that your paper is accepted for publication in upcoming issue of SysRevPharm Journal. Kindly email us your final paper and scanned copy of copyright form. The blind peer review process results are given below

----- **REVIEW 1** -----

----- Second evaluation -----

**Review Decision 1:** Accepted

----- TEXT:

5. Originality: 79%

6. SCOPE: 78%

7. Results: Satisfactory

8. References are Cited Properly

----- **REVIEW 2** -----

**Review Decision 2: Accepted**

5. Originality:78%
6. SCOPE: 79%
7. Results: Satisfactory
8. References are Cited Properly

**Final Decision: Accepted**

Thank You for Your Publication with Systematic Reviews in Pharmacy

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**Systematic Reviews in Pharmacy** <editor@sysrevpharms.com>

**To:** Rahmi Widyanti <rahmiwidyanti@yahoo.com>

Fri, 15 May 2020 at 2:37 am

Dear Author,

Thank you for your manuscript publication with the Journal of Systematic Reviews in Pharmacy. We are very grateful for the contribution you have made to the journal by providing your quality manuscript.

On behalf of the Editorial Team Journal of Systematic Reviews in Pharmacy, we appreciate the valuable and efficient contribution that gives to the Journal and we hope that we may call upon you again to publish your manuscript with us.

Feel free to contact us on [editor@sysrevpharms.com](mailto:editor@sysrevpharms.com)

Kind Regards!

Editorial Team

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# WHAT ROLE PERCEIVED RED TAPE, JOB GOAL CLARITY, AND LEADER-MEMBER EXCHANGE CAN PLAY IN ORGANIZATIONAL COMMITMENT? AN EMPIRICAL STUDY OF INDOONESIAN PHARMACEUTICAL SECTOR

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## Abstract

The front-line employees in every organization typically experience job goal clarity, leader-member exchange, and perceived red tape. This study has an important aim to check and examine the direct impact on commitment of organization related to perceived red tape and clarity of job goal, while the leader-member exchange has played an important mediating role between them. The data has been collected from almost 309 individuals, these are the front-line employees of the pharmaceutical companies. The data has been mainly analyzed by applying various software such as AMOS and SPSS. Moreover, the major data analysis techniques that have been used are SEM and CFA. The analysis and discussion have shown that all hypotheses have accepted. The results have shown that leader-member exchange act as mediator and has an important and positive effect in the relationship between the direct impacts of perceived red tape in addition with job goal clarity on organizational commitment. Moreover, the given study is original and new because no previous study has checked the mediating role of leader-member exchange in the relationship between the direct perceived red tape impact, job goal clarity and organizational commitment. The study is also effective in terms of theoretical, managerial and practical implications. The study has helped employees, companies, and managers to understand job goal clarity, organizational commitment, and impact of perceived red tape, in a company.

**Keywords:** Perceived red tape, job goal clarity, leader-member exchange, organizational commitment.

## 1 Introduction

Manufacturing and service firms are a key area of development of an economy. Developed countries pay special attention to the firms serving to general public in order to improve their performance. Indonesia is ranked seventh in expected GDP. This expected gross domestic product was measured on the basis of purchasing power parity in economy. In this list, Indonesia is among other largest economies of the world like China, United States of America, India, Japan, Germany and Russia. This position shows that country has potential of development. The government can raise this number by effective policies. The organization, on the other hand can help economy achieving higher position through their competitive performance. Indonesian firm owner are trying hard to make themselves successful as well as the country. Along with other sectors, continuous development and growth have seen in pharmaceutical sector of Indonesia.

This continuous growth of this sector show that pharmaceutical firms of Indonesia are serving well. Moreover, it is clear from statistics that demand is increasing for domestic pharmaceutical firms. The performance of this sector is related to one of the basic need of society, which is health. So, developed countries try to provide competitive services as they are linked with people's life. Indonesian pharmaceutical firms are also trying to offer best to their domestic customers.

Organizations are not independent in their performance. They are influenced by various internal and external factors. One of these factors is the work performed by employees. To improve the tasks performed by employees, organization make various rule and policies. The rationale behind these rules is to make performance better. Likewise, organizations adopt and employ various procedures in order to make the work performed more effective. However, in reality these procedures and policy often hinders the performance. Instead of making task accomplishment easy, they make it worst to achieve. This is



why, these procedure and policy are known as red tape. It is necessary to identify the way and methods that can boost performance and not make it difficult to move further. Along with these, organizations try to confirm those employees are aware about the goals they have to achieve. Goal clarity is linked with effective performance as if employees are ambiguous about the aim to achieve, they will not perform competently. The hurdles and problems can be rectified with the help of efficient leadership. The leadership, being a human resource is one of the key factors to make employee satisfied and faithful to organization. Successful firms try to create a bond between management and employee in order to make them rely on each other in presence of challenges. When employees feel pleased with their belongingness with organization, they work hard to make their firm successful. This way performance enhances as employee are committed.



Figure 1: Leader member change in Indonesian pharmaceutical companies

Indonesian firms are trying their best to serve, however, the increase demand of their products require them to be effective in what they are producing. Top increase their production and serve better, these firms often feel problems from employee side. The policies that firm introduce to be competent make them less effective. Likewise, employees in these organizations are often unaware that what actually the purpose of their job is. With less goal clarity, they are unable to work competently. It is necessary for Indonesian firms to create a strong bond between the top management and employees. Without emotional attachment, employee cannot produce the desired product. Indonesian firms need to pay attention to these aspects of organizational performance to increase organizational commitment in employees. With the absence or low degree of organizational commitment, these firms will not be able to achieve the high standard of performance that is achieved by successful firms. So by keeping in view the challenges mentioned above purpose of this study is to achieve following objectives.

1. To analyze the impact of perceived red tape on organizational commitment in pharmaceutical sector of Indonesia.
2. To examine the impact of job goal clarity on organizational commitment in pharmaceutical sector of Indonesia.
3. To analyze the mediating role of leader member exchange between perceived red tape, job goal clarity and organizational commitment in pharmaceutical sector of Indonesia.

Studies conducted on perceived red tape show that it slow down the process of development of organization. However, leader member exchange is found in an effective relationship with organizational

growth. So, management of firms with high sales and profits, utilize the strong leader member exchange in their organization.

In this study, after introduction, there is chapter of literature review. This chapter review the existing studies related to the variables of this study. Chapter three clarify the methodological ways adopted for this study. Chapter four analyze data collected for this study. Last chapter is chapter five. Chapter five conclude the study on the basis of results obtained from data collected.

## 2 Literature Review

### 2.1 Central Government, Businesses, and the Position of Agencies Theory

Researchers used various methods to differentiate the public as well as private organizations, in last ten years. many of the methods have either the core or dimensional approach (Dahler & Larsen & Foged, 2018). In the core approach, the basis of legal type used for the differentiation of public and private owned firms from firms of government owned. While dimensional approach explained that at some extent each organization term as public. Though in various researched as independently explained that both of the approaches have their merit and they act supplement rather than alternatives (Merritt, Cordell, & Farnworth, 2017). While the core approach in this research is achieved to differentiate between agencies and central government which are owned by government and organizations which are owned by privately such as businesses. Furthermore, the differentiation between the agencies and central government can be described with dimensional approach and such description of agencies based on its independence. For example, Albeit is a government owned and agencies are work under the terms of business and expected to perform like businesses (Abesiga, Netswera, & Zziwa, 2015; Burg-Brown, 2016; Rauch, Wiklund, Lumpkin, & Frese, 2009; Sukresna, 2014; Tate, Ellram, & Kirchoff, 2010). Under the department responsibility of central government the agencies, as mention above, work, although these agencies are change from central government and act as independent from any organization (Selin, 2015). Agencies are considered to operate under conditions related to business, have organization's autonomy, and mostly have personality of legal personality. In addition, it is consider that agencies are responsible for the implementation of polices which were develop by central government (Savignon, Gnan, Hinna, & Monteduro, 2018). There are three kinds of agencies are consider on the basis of legal personality and autonomy of managers (Van Thiel, 2012). In this research, the first two types are discussed which are completely owned by government. In agency Type 1, there is no legal independence but have small degree of managerial autonomy, like in the United Kingdom the Next Steps Agencies. In Europe, the most common of type of agencies is Type 2 agencies which have managerial autonomy as well as legal independence and consider the most common types of agencies in Europe for example in Italy and France the public establishments, and in the United Kingdom no departmental public bodies. Many of agencies existed from a long time, while mostly have been started from 1980s to 2000s during New Public Management (NPM) heydays.

### 2.2 Incommitment of organization the role of Perceived Red Tape

Due to failing to differentiate between bad and good rules, therefore failing attempts to clearly explain re negative phenomenon that is red tape. The most efficient description of red tape which remain in force given by Bozeman that red tape have no any efficiency for the rules of functional objects but have procedures, rules along with regulation and also have a burden for the organization (Kaufmann, Borry, & DeHart & Davis, 2019). later the definition of red tape was revised and gave more succinct burdensome, definition, administrative procedures and rules that have negative impacts on the performance of the organization (Chen, Bozeman, & Berman, 2019).

In public sector, absence of profitability and markets is one of the most significant highly striking differentiation between organizations of privately and government owned is (Blom, 2019). Instead, control of governmental mostly indicate the extensive use of formal and legal constraints, moving to red tape's

**Comment [M1]:** Please reference to other studies that used the same methods of research or that have enhanced your approach to the study.

high perceptions (Hattke, Hensel, & Kalucza, 2019). Whereas the red tape in initial researches for the organization considered as a concept of comparatively neutral, detrimental or beneficial (Kim, Šimo, Vancová, Urban, & Park, 2019), while in today researchers generally coincide the term pathology for red tape which also relate with organization (Borry, 2016; T. D. Bozeman, 2012; Tummers, Weske, Bouwman, & Grimmelikhuijsen, 2016). For organizations the red tape defined detrimental to the organization. Furthermore, red tape explained as rules, procedures and regulation which continue in its actions, meanwhile red tape remain as burden of compliance but in the way of legitimate it do not advance the rules which are serve, according to Bozeman, (T. D. Bozeman, 2012). various studies have calculated the red tape with the help of only one questions to respondents on the basis of previous work and identified the level of red tape from zero to ten in their organization (Kjeldsen & Hansen, 2018). Although for the simplicity, the commended measure of red tape also debated for its multidimensionality lack(B. Bozeman & Feeney, 2014; Feeney, 2012). In addition to this concept it is the fact that respondents are acquaint about red tape term that have a connotation as negative in popular culture, possibly creating bias (B. Bozeman & Feeney, 2014). In recent studies, red tap measures have developed on the basis of above arguments, these measures want to capture the nature of multidimensional. For example, Borry (2016) developed the scale for organization's rules how related to unnecessary, ineffective and burdensome and term as Three-Item Red Tape (TIRT) whichalso have items to examine. For the job-centered, in addition, a scale for measurement of red tape's absence of functionality and compliance burden extentfor the rules of organization which must accomplish by the respondents. Organizations were granted autonomy, the main reason behind this is that perceived red tape with high level is overcome (Dan & Pollitt, 2015), such red tape was more in public employees rather than private(Hansen & Kjeldsen, 2018). The central government allowed the agencies to do disaggregation in environment of less politicized, in the same way with formal constraints and less hierarchy the disaggregation also done, this would perceived the lower levels of red tape. Politics along with government's control have the agencies responsibility. In agencies, due to the presence of both government control and organizational autonomy, their employees perceive more red tape than business' employee but less red tape than employees of central government(Blom, 2019).

**H1:** Perceived Red tape have negative impact on organizational commitment.

### **2.3 Job goal clarity in organizational commitment**

Clarity of Goal can be simply described as your ability to identify a specific and clear objective that all parties which are affected understand and can work towards obtaining. Clarity of Job goal is positively linked to performance. All goals required to be concise, action-oriented, be expressed and clear in such a manner that there can be small doubt related to specific outcome that is being sought. Commitments of Organizations is mostly mentioned are based on clarity of goal, influenced by the presence of politics and the lack of markets (Jung, 2011). Mainly, the organizations have aims that what the values of organizations which enable the employees to get directions and meaning, while detrimental for organization existence is absence of clear goals of organizations(Blom, 2019). Similarly, at level of strategic the aims of organizations also impacts the employees, the reason is that these employee become a reason of direction and inspiration at that level and that are at operational level mainly cascades down. On the behalf of this, outcomes of performance and behavioral on the level of job become difficult to explain due to conflicting and vague organizational goals, moving to lower goal of job clarity. on the clarity of job level various variations exist, like specificity of job and role ambiguity (Karim, 2017), many share the concept that clarity of goal related to job which link to the employees' capability to describe their own performance and behavior, when such goals become specific with behavior and outcomes show clearance it enhance the capability of the employee. As organization's goals become hard to measure and less tangible when they found in central government as compared with businesses (Blom, 2019), similarly, the clarity of job is less in central government. On the contrary, single purpose agencies having specific task to carry are said to be predominantly organizations (Dulabic, 2012). Hence, goal clarity of organization will be more and, resultantly, so will be clarity of job goal. However, in

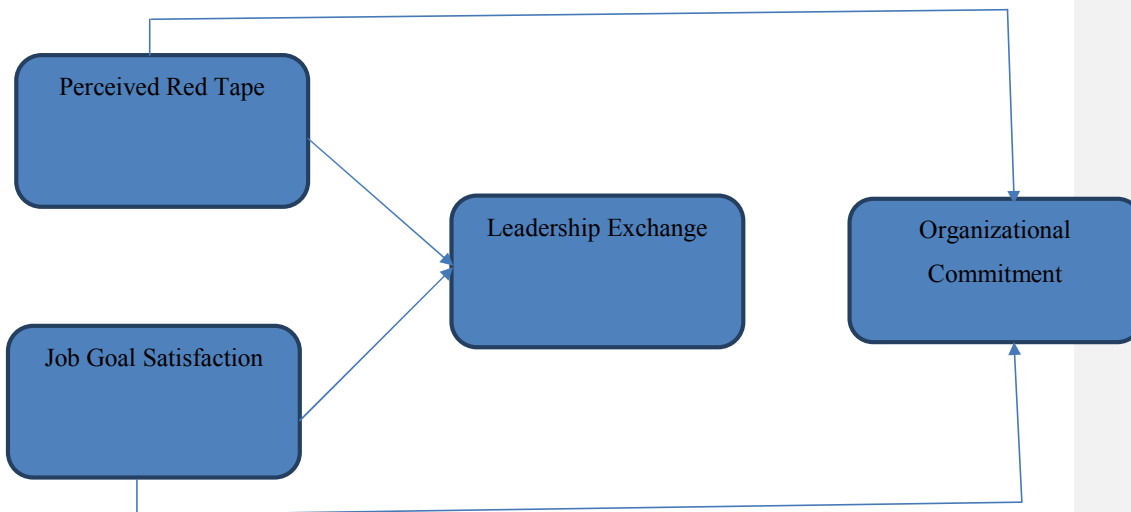
comparison with in businesses the profitability goals, adjusting the goals in public organizations comes with peculiar challenges (Blom, 2019). The clear goals performance in both agencies as well as in central government become difficult due to above discussed complexity rather than in businesses.

**H2:** job goal clarity have a significant impact on an organizational commitment.

#### 2.4 Leader membership Exchange in organizational commitment

Exchange relationship's quality is explained by Leader membership, which is developed between employees and its supervisors (Sparrowe, 2018). In Leader member exchange the constraints on the time of supervisor and resources which limit the quality exchange associations in high number that subordinate with the help of supervisor. The supervisor reciprocates the resources with an inferior group, those resources are socio emotional, respect, mutual trust and increase the liking. The selected subordinates provided by social exchange relationship along form the supervisor the increased resources and affords the supervisor with promise of employee related to high performance and loyalty. On the contrary, relationships with less quality are delimited with exchange resources of specified contractual (Eisenberger et al., 2010). The most constantly research have results of Leader member exchange involves an emotional association, affective commitment of employees to the firms that enhance the performance and reduce the turnover and absenteeism. Recent study, reviewed by Eisenberger et al. (2010), has suggested commitment of organization to be related to psychological and physical well-being of employees (Widyanti R. et al., 2012). Therefore, with the help of relationship which build between organizational commitment and Leader member exchange (LMX), the organizations along with employees achieved an important implication. Many studies found a direct relationship between Leader member exchange (LMX) and organizational commitment (Eisenberger et al., 2010). Meanwhile, variation in this still unexplained by meta-analysis and those changes may be related to quality of employee's interpretation, their Leader member exchange (LMX) relationship with organization is indication of an exchange relation which gave affective organizational commitment's outcomes.

**H3 :** Leader membership exchange have a significant impact on organizational commitment



### 3 **Methodology**

#### 3.1 **Data**

Primary data was collected to investigate the impact of perceived red-tapism and job goal clarity on commitment of organization. To collect the data, the survey was conducted from the employees of the leading pharmaceutical companies in Indonesia. **The employees were invited to fill online web-based survey using personal code to assure anonymity. The online invitations were sent on their email which were get through the HR department of companies. Among total 309 participants, 52.4% respondents were male and 47.6 % respondents were females. To get the data, the convenience sampling technique was used that is based on the convenience of researcher to collect the data. Initially, 400 invitation were sent to employees, among which 309 respondents made the valid sample size.**

#### 3.2 **Measures**

To conduct the survey, the researcher adopted the scales of measures from the past studies and research. However, the study aligned the survey items according to the scope of this particular research. All the survey-items were recorded on five point Likert scale from strongly disagree to strongly agree.

##### 3.2.1 *Red tap*

Red tape is the independent variable, which measure is developed by imitating the scale of (Vermeeren & van Geest, 2012) that comprised on six survey items. The items adopted to measure red tape are duly aligned with the connotation of this particular research. That includes questions on complying all procedures and regulations and difficulty in complying all regulations in job. The reliability of each survey item is greater than 0.7.

##### 3.2.2 *Job goal clarity*

This is another independent variable which is based on the scale of (Wright & Kim, 2004). It is measured by two survey items which elicit response on performance goals measurement and feasibility of organization goals. The reliability factor of each item is adequate to endorse the validity of construct.

##### 3.2.3 *Organizational Commitment*

The organizational commitment is the dependent variable that is measured by adopting the scale of (Jaros, 2007). The measured is based on four-items that elicit responses of participants in the context of the impact of red tapism and job goal clarity on organizational commitment. For instance one survey item states that I own the problem of this organization. The reliability factor of each item is greater than 0.7.

##### 3.2.4 *Leader member exchange*

The leader member exchange describe the association between follower with its leader, it is also consider as mediating variable which is a measure of (LMX theory).The measure is constructed by using six survey item in this research. Each item response is recorded on five point Likert scale from strongly disagree to strongly agree. The item recorded the responses of participants of broader dimensions of leader member relationship. The measures reliability is adequate to confirm its validity.

#### 3.3 **Estimation**

**Comment [M2]:** Please add the methodology and the way you measure your research.

To test the fitness of latent construct, the study employed a confirmatory factor analysis (CFA) of each measures that test the correlation between latent construct and observed measures. Moreover, the model fitness tests are also run to test the health and strength of empirical framework. To test the hypothesis, the structural equation model run, which also estimate the regression coefficient of model. All the aforementioned tests are run on AMOS. Besides, SPSS is also employed in study to presents the frequency distribution, descriptive analysis, and reliability factor analysis.

#### 4 Data Analysis and Interpretation

##### 4.1 Demographic Details

The aim of the study was to know the impact of perceived red tape on organizational commitment, impact of job goal clarity on organizational commitment and the study also took leader member exchange as a mediator. The study took a total sample of 309 individuals, out of which 162 were males and 147 were females. The percentage of males was higher than the females in sample. Out of 309 individuals, 37 were under graduation, 134 were graduates, 104 had master’s degree and 34 had some other degree. Out of 309 individuals, 73 were between 21 to 30 years of age, 90 were between 31 to 40 years of age, 97 were between 41 to 50 years of age and 49 were above 50 years of age.

##### 4.2 Descriptive Statistics

**Table 1: Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
PeReTap	309	1.00	4.90	3.5505	1.08886	-.826	.139
JoGoCla	309	1.00	5.00	3.5685	1.15129	-.797	.139
LeMeEx	309	1.00	5.00	3.3800	1.16256	-.448	.139
OrgCom	309	1.00	5.00	3.5259	1.14624	-.716	.139
Valid (listwise)	N 309						

The table 1 above is showing the descriptive details of the study, there is a complete summary about the explanations of the variables, the descriptive coefficients are being shown in the above table. The data given in the table is a representation of the whole population in the form of a sample. It can be seen through the data that no outlier is present in it, because the maximum values and the minimum values lie exactly in the threshold range of the 5-point Likert scale. The values for skewness are present between -1 to +1 and so it can be observed that it is present in the threshold range of normality. The given data is proved to be normal and valid and can be proceeded for further testing.

##### 4.3 Factor Loading and Convergent Validity

**Table 2: Factor loading and convergent validity**

	1	2	3	4	CR	AVE
RT1		.704			0.943	0.733
RT2		.784				
RT3		.843				
RT4		.865				
RT5		.833				
RT6		.827				
JG1				.838	0.902	0.822

JG2			.860		
LM1	.827			0.911	0.803
LM2	.869				
LM3	.904				
LM4	.902				
LM5	.911				
LM6	.909				
OC1		.826		0.939	0.795
OC2		.861			
OC3		.863			
OC4		.845			

The above table 2 is showing the factor loading and the convergent validity of the given variables. All of the indicators have a factor loading of more than 0.7, which shows that all of the indicators are reliable and also eligible for further testing and analysis. All of the factors are in a suitable threshold level and all of the factors are in a suitable and valid sequence and range as well. This data is good to go for further testing and analysis, data is reliable.

#### 4.4 Discriminant Validity

**Table 3: Discriminant Validity**

	LM	RT	JG	OC
LM	<b>0.896</b>			
RT	0.480	<b>0.856</b>		
JG	0.430	0.531	<b>0.907</b>	
OC	0.353	0.616	0.604	<b>0.892</b>

The validity master sheet is used to confirm the convergent and discriminant validity of the variables of the research model. The discriminant validity provided the discrimination between variables while the convergent validity was measured with the help of composite reliability and average variance extracted. The outcomes and the convergence of each of the variable is more than 70%. Average variances extracted are more than 50%, while the discriminant validity showed that the loading of each of the variable has a discrimination from the other one. All of the variables have maximum loading with itself as compared with other, so collected data is authentic.

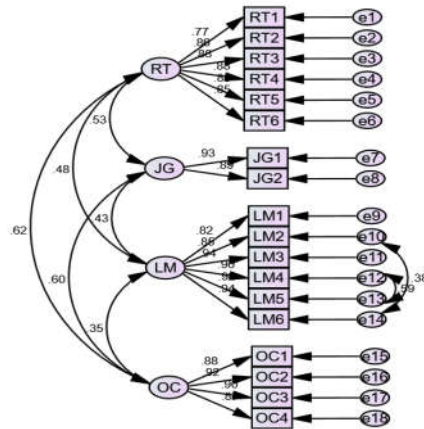
#### 4.5 Confirmatory Factors Analysis and KMO

**Table 4: Confirmatory Factors Analysis and KMO**

CFA Indicators	CMIN/DF	GFI	IFI	CFI	RMSEA	KMO
Threshold Value	≤ 3	≥ 0.80	≥ 0.90	≥ 0.90	≤ 0.08	0.6 – 1.0
Observed Value	2.344	0.901	0.971	0.971	0.066	0.917

The table 4 is showing results for confirmatory factor analysis and KMO, the table is showing that CMIN is less than 3, GFI is more than 0.80, CFI is more than 0.90, IFI is more than 0.90, and RMSEA is less than 0.08. All of the results showed that the data is in valid range and is good to go for further testing. Following is the screen shot of CFA in figure one.

Figure 1: CFA



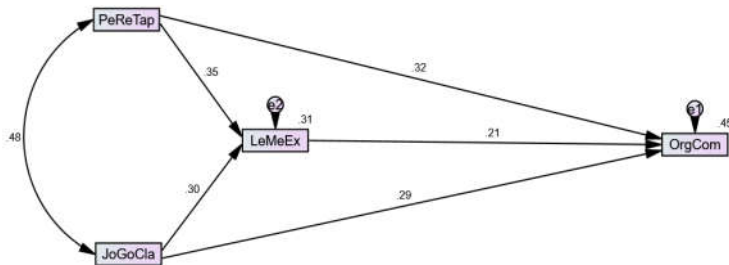
#### 4.6 SEM

Table 5: Structural Equation Modeling

Hypothesis	B-Value	SE	P-Value	Decision
RT→OC	.320	.054	.000	Accepted
JG→OC	.293	.051	.000	Accepted
RT→LM→OC	.073	.026	.015	Accepted
JG→LM→OC	.062	.025	.017	Accepted

The table 5 above is showing the relationships among the different variables, it can be seen that the value of significance for relationship between RT and OC, JG and OC, which is significant because the p value is less than .05. Also, the mediations are significant.

Figure 2: SEM





## 5 Discussion and Conclusion

### 5.1 Discussion

The aim of the study was to know the impact of perceived red tape on organizational commitment, impact of job goal clarity on organizational commitment and the study also took leader member exchange as a mediator. The first hypothesis proposed by the study was that, “The impact of RT on OC is significant.” This hypothesis is accepted as the p value is less than .05 and the study of (Sohn, 2015) also support the same results. The second hypothesis proposed by the study was that, “The impact of JG on OC is significant.” This hypothesis is accepted as the p value is less than .05 and the study of (Sidharta & Affandi, 2016) also support the same results. The third hypothesis proposed by the study was that, “The mediating impact of LM between RT and OC is significant.” This hypothesis is accepted as the p value is less than .05 and the study of (Rentschler & Kornejew, 2018) also support the same results. The fourth hypothesis proposed by the study was that, “The mediating impact of LM between JG and OC is significant.” This hypothesis is accepted as the p value is less than .05 and the study of (Plummer & Boyle, 2016) also support the same results.

### 5.2 Conclusion

The fundamental objective of the given paper is to identify the impact of perceived red tape and job clarity on organizational commitment through the mediating role of leader-member exchange. The total frequency of the study from the data that has been collect is 309. Furthermore, the multiple tests have been applied t analyze the results in a significant way. **The findings of the results have indicated and proved that the perceived red tape, as well as job clarity, has a significant impact on organizational commitment in a positive way. This has indicated that the more strict will be rules, regulations, and clarity in job title, the more effective and significant would be organizational commitment and vice versa. The results further also discussed that the leader-member exchange has also a significant mediating effect in the relationship between perceived red tape and job clarity with organizational commitment. This result has indicated that the companies that majorly focus on a set of rules, policies, and regulations have a positive connotation in popular culture.** Thus, the result has indicated that job clarity and perceived red tape has a significant effect on organizational performance. The results and findings of the study have helped tounderstand the facts of social exchange theory which represent the practices of HRM and its direct influence on employee performance.

### 5.3 Policy Implications

The perceived red tape has different contexts and effects in different firms. Commonly, the perceived ted tape has a significant effect on organizational commitment as well as the efficiency of the organizations. The findings and results of the given study have detailed and provided the benefits in terms of setting out the rules, regulations and different policies regarding public administration. **The findings of the study have also discussed the procedures that remain in force and entail a compliance burden for the organization. At the same time, the study has provided benefits to the government and regulators to formed policies and regulations regarding HRM in all groups. The findings have also states and provide the benefits that government organizations can benefit from the adoption of “business-like” HRM practices. Thirdly, the study and findings of the research have provided benefits for the individuals as well as. The employees have determined and understand the role and significance of perceived red tape that directly affect the organizational commitment and work-life balance.**

### 5.4 Limitations

Every research has some of the limitations that further improve in other studies. One of the primary and significant limitations of the currents study is the lack of significant variables that might not be used in

**Comment [M3]:** Please explain the results and discussion segment of the study. Elaborate on the findings of your study.

this research. The study should include some of the significant and direct impact variables to analyze the direct impact. The future studies that might add some of the variables could be such as the role of job clarity and red tape perceived on organizational performance and efficiency through the mediating role of HRM. Moreover, the study has also applied a few tests in the analysis section to analyze the variables. The future studies should conduct a detailed analysis through apply various number of results.

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# What Role Perceived Red Tape, Job Goal Clarity, and Leader-Member Exchange Can Play in Organizational Commitment? An Empirical Study of Indonesian Pharmaceutical Sector

*by* Rahmi Widyanti

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# What Role Perceived Red Tape, Job Goal Clarity, and Leader-Member Exchange Can Play in Organizational Commitment? An Empirical Study of Indonesian Pharmaceutical Sector

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## ABSTRACT

The front-line employees in every organization typically experience job goal clarity, leader-member exchange, and perceived red tape. This study has an important aim to check and examine the direct impact on commitment of organization related to perceived red tape and clarity of job goal, while the leader-member exchange has played an important mediating role between them. The data has been collected from almost 309 individuals; these are the front-line employees of the pharmaceutical companies. The data has been mainly analyzed by applying various software such as AMOS and SPSS. Moreover, the major data analysis techniques that have been used are SEM and CFA. The analysis and discussion have shown that all hypotheses have accepted. The results have shown that leader-member exchange act as mediator and has an important and positive effect in the relationship between the direct impacts of perceived red tape in addition to job goal clarity on organizational commitment. Moreover, the given study is original and new because no previous study has checked the

mediator role of leader-member exchange in the relationship between the direct perceived red tape impact, job goal clarity and organizational commitment. The study is also effective in terms of theoretical, managerial and practical implications. The study has helped employees, companies, and managers to understand job goal clarity, organizational commitment, and impact of perceived red tape, in a company.

**Keywords:** Perceived red tape, job goal clarity, leader-member exchange, organizational commitment

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## INTRODUCTION

Manufacturing and service firms are a key area of development of an economy. Developed countries pay special attention to the firms serving to general public in order to improve their performance. Indonesia is ranked seventh in expected GDP. This expected gross domestic product was measured on the basis of purchasing power parity in economy. In this list, Indonesia is among other largest economies of the world like China, United States of America, India, Japan, Germany and Russia. This position shows that country has potential of development. The government can raise this number by effective policies. The organization, on the other hand can help economy achieving higher position through their competitive performance. Indonesian firm owner are trying hard to make themselves successful as well as the country. Along with other sectors, continuous development and growth have seen in pharmaceutical sector of Indonesia.

This continuous growth of this sector show that pharmaceutical firms of Indonesia are serving well. Moreover, it is clear from statistics that demand is increasing for domestic pharmaceutical firms. The performance of this sector is related to one of the basic need of society, which is health. So, developed countries try to provide competitive services as they are linked with people's life. Indonesian pharmaceutical firms are also trying to offer best to their domestic customers.

Organizations are not independent in their performance. They are influenced by various internal and external factors. One of these factors is the work performed by employees. To improve the tasks performed by employees, organization make various rule and policies. The rationale behind these rules is to make performance better. Likewise, organizations adopt and employ various procedures in order to make the work performed more effective. However, in reality these procedures and policy often hinders the performance. Instead of making task accomplishment easy, they make it worst to achieve. This is why, these procedure and policy are known as red tape. It is necessary to identify the way and methods that can boost performance and not make it difficult to move further. Along with these, organizations try to confirm those employees are aware about the goals they have to achieve. Goal clarity is linked with effective performance as if employees are ambiguous about the aim to achieve, they will not perform competently. The hurdles and problems can be rectified with the help of efficient leadership. The leadership, being a human resource is one of the key factors to make employee satisfied and faithful to organization. Successful firms try to create a bond between management and employee in order to make them rely on each other in presence of challenges. When employees feel pleased with their belongingness with organization, they work hard to make their firm successful. This way performance enhances as employee are committed.



Figure 1: Leader member change in Indonesian pharmaceutical companies

Indonesian firms are trying their best to serve, however, the increase demand of their products require them to be effective in what they are producing. Top increase their production and serve better, these firms often feel problems from employee side. The policies that firm introduce to be competent make them less effective. Likewise, employees in these organizations are often unaware that what actually the purpose of their job is. With less goal clarity, they are unable to work competently. It is necessary for Indonesian firms to create a strong bond between the top management and employees. Without emotional attachment, employee cannot produce the desired product. Indonesian firms need to pay attention to these aspects of organizational performance to increase organizational commitment in employees. With the absence or low degree of organizational commitment, these firms will not be able to achieve the high standard of performance that is achieved by successful firms. So by keeping in view the challenges mentioned above purpose of this study is to achieve following objectives.

1. To analyze the impact of perceived red tape on organizational commitment in pharmaceutical sector of Indonesia.
2. To examine the impact of job goal clarity on organizational commitment in pharmaceutical sector of Indonesia.
3. To analyze the mediating role of leader member exchange between perceived red tape, job goal clarity and organizational commitment in pharmaceutical sector of Indonesia.

Studies conducted on perceived red tape show that it slow down the process of development of organization. However, leader member exchange is found in an effective relationship with organizational growth. So, management of firms with high sales and profits, utilize the strong leader member exchange in their organization.

In this study, after introduction, there is chapter of literature review. This chapter review the existing studies related to the variables of this study. Chapter three clarify the methodological ways adopted for this this study. Chapter four analyze data collected for this study. Last chapter is chapter five. Chapter five conclude the study on the basis of results obtained from data collected.

## LITERATURE REVIEW

### Central Government, Businesses, and the Position of Agencies Theory

Researchers used various methods to differentiate the public as well as private organizations, in last ten years. many of the methods have either the core or dimensional approach (Dahler-Larsen & Foged, 2018). In the core approach, the basis of legal type used for the differentiation of public and private owned firms from firms of government owned. While dimensional approach explained that at some extent each organization term as public. Though in various researched as independently explained that both of the approaches have their merit and they act supplement rather than alternatives (Merritt, Cordell, & Farnworth, 2017). While the core approach in this research is achieved to differentiate between agencies and central government which are owned by government and organizations which are owned by privately such as businesses. Furthermore, the differentiation between the agencies and central government can be described with dimensional approach and such description of agencies based on its independence. For example, Albeit is a government owned and agencies are work under the terms of business and expected to perform like businesses (Abesiga, Netswera, & Zziwa, 2015; Burg-Brown, 2016; Rauch, Wiklund, Lumpkin, & Frese, 2009; Sukresna, 2014; Tate, Ellram, & Kirchoff, 2010). Under the department responsibility of central government the agencies, as mention above, work, although these agencies are change from central government and act as independent from any organization (Selin, 2015). Agencies are considered to operate under conditions related to business, have organization's autonomy, and mostly have personality of legal personality. In addition, it is consider that agencies are responsible for the implementation of polices which were develop by central government (Savignon, Gnan, Hinna, & Monteduro, 2018). There are three kinds of agencies are consider on the basis of legal personality and autonomy of managers (Van Thiel, 2012). In this research, the first two types are discussed which are completely owned by government. In agency Type 1, there is no legal independence but have small degree of managerial autonomy, like in the United Kingdom the Next Steps Agencies. In Europe, the most common of type of agencies is Type 2 agencies which have managerial autonomy as well as legal independence and consider the most common types of agencies in Europe for example in Italy and France the public



establishments, and in the United Kingdom no departmental public bodies. Many of agencies existed from a long time, while mostly have been started from 1980s to 2000s during New Public Management (NPM) heydays.

### Incommitment of organization the role of Perceived Red Tape

Due to failing to differentiate between bad and good rules, therefore failing attempts to clearly explain re negative phenomenon that is red tape. The most efficient description of red tape which remain in force given by Bozeman that red tape have no any efficiency for the rules of functional objects but have procedures, rules along with regulation and also have a burden for the organization (Kaufmann, Borry, & DeHart-Davis, 2019). later the definition of red tape was revised and gave more succinct burdensome, definition, administrative procedures and rules that have negative impacts on the performance of the organization (Chen, Bozeman, & Berman, 2019).

In public sector, absence of profitability and markets is one of the most significant highly striking differentiation between organizations of privately and government owned is (Blom, 2019). Instead, control of governmental mostly indicate the extensive use of formal and legal constraints, moving to red tape's high perceptions (Hattke, Hensel, & Kalucza, 2019). Whereas the red tape in initial researches for the organization considered as a concept of comparatively neutral, detrimental or beneficial (Kim, Šimo, Vancová, Urban, & Park, 2019), while in today researchers generally coincide the term pathology for red tape which also relate with organization (Borry, 2016; T. D. Bozeman, 2012; Tummers, Weske, Bouwman, & Grimmelikhuisen, 2016). For organizations the red tape defined detrimental to the organization. Furthermore, red tape explained as rules, procedures and regulation which continue in its actions, meanwhile red tape remain as burden of compliance but in the way of legitimate it do not advance the rules which are serve, according to Bozeman, (T. D. Bozeman, 2012). various studies have calculated the red tape with the help of only one questions to respondents on the basis of previous work and identified the level of red tape from zero to ten in their organization (Kjeldsen & Jensen, 2018). Although for the simplicity, the commended measure of red tape also debated for its multidimensionality lack (B. Bozeman & Feeney, 2014; Feeney, 2012). In addition to this concept it is the fact that respondents are acquaint about red tape term that have a connotation as negative in popular culture, possibly creating bias (B. Bozeman & Feeney, 2014). In recent studies, red tap measures have developed on the basis of above arguments, these measures want to capture the nature of multidimensional. For example, Borry (2016) developed the scale for organization's rules how related unnecessary, ineffective and burdensome and term as Three-Item Red Tape (TIRT) which also have items to examine. For the job-centered, in addition, a scale for measurement of red tape's absence of functionality and compliance burden extent for the rules of organization which must accomplish by the respondents. Organizations were granted autonomy, the main reason behind this is that perceived red tape with high level is overcome (Dan & Pollitt, 2015), such red tape was more in public employ rather than private (Hansen & Kjeldsen, 2018). The central government allowed the agencies to do disaggregation in environment of less politicized, in the same way with formal constraints and less

hierarchy the disaggregation also done, this would perceived the lower levels of red tape. Politics along with government's control have the agencies responsibility. In agencies, due to the presence of both government control and organizational autonomy, their employees perceive more red tape than business' employee but less red tape than employees of central government (Blom, 2019).

**H1:** Perceived Red tape have negative impact on organizational commitment.

### Job goal clarity in organizational commitment

Clarity of Goal can be simply described as your ability to identify a specific and clear objective that all parties which are affected understand and can work towards obtaining. Clarity of Job goal is positively linked to performance. All goals required to be concise, action-oriented, be expressed and clear in such a manner that there can be small doubt related to specific outcome that is being sought. Commitments of Organizations is mostly mentioned are based on clarity of goal, influenced by the presence of politics and the lack of markets (Jung, 2011). Mainly, the organizations have aims that what the values of organizations which enable the employees to get directions and meaning, while detrimental for organization existence is absence of clear goals of organizations (Blom, 2019). Similarly, at level of strategic the aims of organizations also impacts the employees, the reason is that these employee become a reason of direction and inspiration at that level and that are at operational level mainly cascades down. On the behalf of this, outcomes of performance and behavioral on the level of job become difficult to explain due to conflicting and vague organizational goals, moving to lower goal of job clarity. on the clarity of job level various variations exist, like specificity of job and role ambiguity (Karim, 2017), many share the concept that clarity of goal related to job which link to the employees' capability to describe their own performance and behavior, when such goals become specific with behavior and outcomes show clearance it enhance the capability of the employee. As organization's goals become hard to measure and less tangible when they found in central government as compared with businesses (Blom, 2019), similarly, the clarity of job is less in central government. On the contrary, single purpose agencies having specific task to carry are said to be predominantly organizations (Dulabic, 2012). Hence, goal clarity of organization will be more and, resultantly, so will be clarity of job goal. However, in comparison with in businesses the profitability goals, adjusting the goals in public organizations comes with peculiar challenges (Blom, 2019). The clear goals performance in both agencies as well as in central government become difficult due to above discussed complexity rather than in businesses.

**H2:** job goal clarity have a significant impact on an organizational commitment.

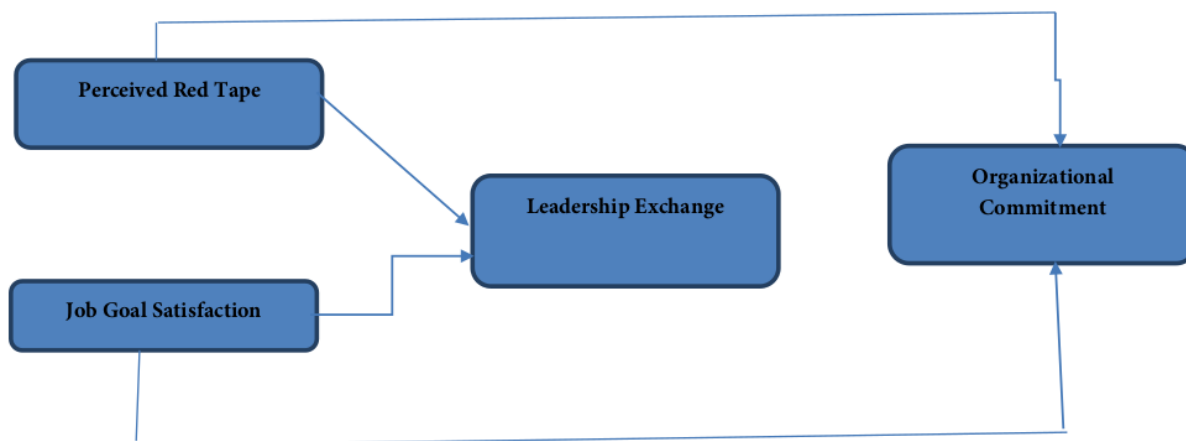
### Leader membership Exchange in organizational commitment

Exchange relationship's quality is explained by Leader membership, which is developed between employees and its supervisors (Sparrowe, 2018). In Leader member exchange the constraints on the time of supervisor and resources which limit the quality exchange associations in high number that subordinate with the help of supervisor. The supervisor

reciprocates the resources with an inferior group, those resources are socio emotional, respect, mutual trust and increase the liking. The selected subordinates provided by social exchange relationship along form the supervisor the increased resources and affords the supervisor with promise of employee related to high performance and loyalty. On the contrary, relationships with less quality are delimited with exchange resources of specified contractual (Eisenberger et al., 2010). The most constantly research have results of Leader member exchange involves an emotional association, affective commitment of employees to the firms that enhance the performance and reduce the turnover and absenteeism. Recent study, reviewed by Eisenberger et al. (2010), has suggested commitment of organization to be related to psychological and physical well-being of employees (Widyanti R.et al., 2012). Therefore, with the help of

relationship which build between organizational commitment and Leader member exchange (LMX), the organizations along with employees achieved an important implication. Many studies found a direct relationship between Leader member exchange (LMX) and organizational commitment (Eisenberger et al., 2010). Meanwhile, variation in this still unexplained by meta-analysis and those changes may be related to quality of employee' interpretation, their Leader member exchange (LMX) relationship with organization is indication of an exchange relation which gave affective organizational commitment's outcomes.

**H3 :** Leader membership exchange have a significant impact on organizational commitment



## METHODOLOGY

### Data

Primary data was collected to investigate the impact of perceived red-tapism and job goal clarity on commitment of organization. To collect the data, the survey was conducted from the employees of the leading pharmaceutical companies in Indonesia. The employees were invited to fill online web-based survey using personal code to assure anonymity. The online invitations were sent on their email which were get through the HR department of companies. Among total 309 participants, 52.4% respondents were male and 47.6 % respondents were females. To get the data, the convenience sampling technique was used that is based on the convenience of researcher to collect the data. Initially, 400 invitation were sent to employees, among which 309 respondents made the valid sample size.

### Measures

To conduct the survey, the researcher adopted the scales of measures from the past studies and research. However, the study aligned the survey items according to the scope of this particular research. All the survey-items were recorded on five point Likert scale from strongly disagree to strongly agree.

### Red tap

Red tape is the independent variable, which measure is developed by imitating the scale of (Vermeeren & van Geest, 2012) that comprised on six survey items. The items adopted to measure red tape are duly aligned with the connotation of this particular research. That includes questions on complying all procedures and regulations and difficulty in complying all regulations in job. The reliability of each survey item is greater than 0.7.

### Job goal clarity

This is another independent variable which is based on the scale of (Wright & Kim, 2004). It is measured by two survey items which elicit response on performance goals measurement and feasibility of organization goals. The reliability factor of each item is adequate to endorse the validity of construct.

### Organizational Commitment

The organizational commitment is the dependent variable that is measured by adopting the scale of (Jaros, 2007). The measured is based on four-items that elicit responses of participants in the context of the impact of red tapism and job goal clarity on organizational commitment. For instance one survey item states that I own the problem of this organization. The reliability factor of each item is greater than 0.7.



### Leader member exchange

The leader member exchange describe the association between follower with its leader, it is also consider as mediating variable which is a measure of (LMX theory).The measure is constructed by using six survey item in this research. Each item response is recorded on five point Likert scale from strongly disagree to strongly agree. The item recorded the responses of participants of broader dimensions of leader member relationship. The measures reliability is adequate to confirm its validity.

### Estimation

To test the fitness of latent construct, the study employed a confirmatory factor analysis (CFA) of each measures that test the correlation between latent construct and observed measures. Moreover, the model fitness tests are also run to test the health and strength of empirical framework. To test the hypothesis, the structural equation model run, which also estimate the regression coefficient of model. All the

above mentioned tests are run on AMOS. Besides, SPSS is also employed in study to presents the frequency distribution, descriptive analysis, and reliability factor analysis.

### Data Analysis and Interpretation

#### Demographic Details

The aim of the study was to know the impact of perceived red tape on organizational commitment, impact of job goal clarity on organizational commitment and the study also took leader member exchange as a mediator. The study took a total sample of 309 individuals, out of which 162 were males and 147 were females. The percentage of males was higher than the females in sample. Out of 309 individuals, 37 were under graduation, 134 were graduates, 104 had master's degree and 34 had some other degree. Out of 309 individuals, 73 were between 21 to 30 years of age, 90 were between 31 to 40 years of age, 97 were between 41 to 50 years of age and 49 were above 50 years of age.

### Descriptive Statistics

Table 1: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
PeReTap	309	1.00	4.90	3.5505	1.08886	-.826	.139
JoGoCla	309	1.00	5.00	3.5685	1.15129	-.797	.139
LeMeEx	309	1.00	5.00	3.3800	1.16256	-.448	.139
OrgCom	309	1.00	5.00	3.5259	1.14624	-.716	.139
Valid (listwise)	N 309						

The table 1 above is showing the descriptive details of the study, there is a complete summary about the explanations of the variables, the descriptive coefficients are being shown in the above table. The data given in the table is a representation of the whole population in the form of a sample. It can be seen through the data that no outlier is present in it, because

the maximum values and the minimum values lie exactly in the threshold range of the 5-point Likert scale. The values for skewness are present between -1 +1 and so it can be observed that it is present in the threshold range of normality. The given data is proved to be normal and valid and can be proceeded for further testing.

### Factor Loading and Convergent Validity

Table 2: Factor Loading and Convergent Validity

	1	2	3	4	CR	AVE
RT1		.704			0.943	0.733
RT2		.784				
RT3		.843				
RT4		.865				
RT5		.833				
RT6		.827				
JG1				.838	0.902	0.822
JG2				.860		
LM1	.827				0.911	0.803
LM2	.869					
LM3	.904					
LM4	.902					
LM5	.911					
LM6	.909					
OC1			.826		0.939	0.795
OC2			.861			
OC3			.863			
OC4			.845			

The above table 2 is showing the factor loadings and the convergent validity of the given variables. All of the indicators have a factor loading of more than 0.7, which shows that all of the indicators are reliable and also eligible

for further testing and analysis. All of the factors are in a suitable threshold level and all of the factors are in a suitable and valid sequence and range as well. This data is good to go for further testing and analysis, data is reliable.

**Discriminant Validity**

TABLE 3. Discriminant Validity

	LM	RT	JG	OC
LM	<b>0.896</b>			
RT	0.480	<b>0.856</b>		
JG	0.430	0.531	<b>0.907</b>	
OC	0.353	0.616	0.604	<b>0.892</b>

The validity master sheet is used to confirm the convergent and discriminant validity of the variables of the research model. The discriminant validity provided the discrimination between variables while the convergent validity was measured with the help of composite reliability and average variance extracted. The outcomes and the convergence of

each of the variable is more than 70%. Average variances extracted are more than 50%, while the discriminant validity showed that the loading of each of the variable has a discrimination from the other one. All of the variables have maximum loading with itself as compared with other, so collected data is authentic.

**Confirmatory Factors Analysis and KMO**

TABLE 4. Confirmatory Factors Analysis and KMO

CFA Indicators	CMIN/DF	GFI	IFI	CFI	RMSEA	KMO
Threshold Value	≤ 3	≥ 0.80	≥ 0.90	≥ 0.90	≤ 0.08	0.6 – 1.0
Observed Value	2.344	0.901	0.971	0.971	0.066	0.917

The table 4 is showing results for confirmatory factor analysis and KMO, the table is showing that CMIN is less than 3, GFI is more than 0.80, CFI is more than 0.90, IFI is more than

0.90, and RMSEA is less than 0.08. All of the results showed that the data is in valid range and is good to go for further testing. Following is the screen shot of CFA in figure one.

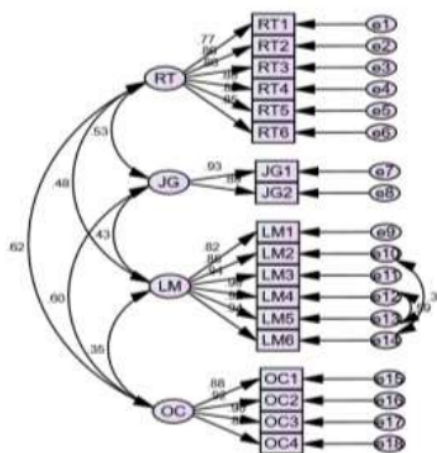


Figure 1: CFA

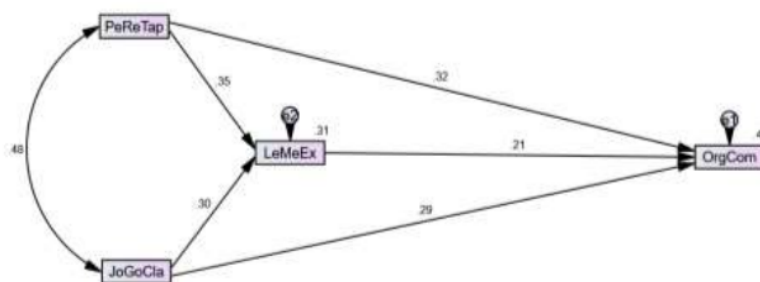
**SEM**

TABLE 5. Structural Equation Modeling

Hypothesis	B-Value	SE	P-Value	Decision
RT→OC	.320	.054	.000	Accepted
JG→OC	.293	.051	.000	Accepted
RT→LM→OC	.073	.026	.015	Accepted
JG→LM→OC	.062	.025	.017	Accepted

The table 5 above is showing the relationships among the different variables, it can be seen that the value of significance for relationship between RT and OC, JG and OC, which is

significant because the p value is less than .05. Also, the mediations are significant



1 Figure 2: SEM

## DISCUSSION AND CONCLUSIONS

### DISCUSSION

The aim of the study was to know the impact of perceived red tape on organizational commitment, impact of job goal clarity on organizational commitment and the study also took leader member exchange as a mediator. The first hypothesis proposed by the study was that, “The impact of RT on OC is significant.” This hypothesis is accepted as the p value is less than .05 and the study of (Sohn, 2015) also support the same results. The second hypothesis proposed by the study was that, “The impact of JG on OC is significant.” This hypothesis is accepted as the p value is less than .05 and the study of (3 dharta & Affandi, 2016) also support the same results. The third hypothesis proposed by the study was that, “The mediating impact of LM between RT and OC is significant.” This hypothesis is accepted as the p value is less than .05 and the study of (Rentschler & Kornejew, 2018) also support the same results. The fourth hypothesis proposed by the study was that, “The mediating impact of LM between JG and OC is significant.” This hypothesis is accepted as the p value is less than .05 and the study of (Plummer & Boyle, 2016) also support the same results.

### CONCLUSIONS

The fundamental objective of the given paper is to identify the impact of perceived red tape and job clarity on organizational commitment through the mediating role of leader-member exchange. The total frequency of the study from the data that has been collect is 309. Furthermore, the multiple tests have been applied t analyze the results in a significant way. The findings of the results have indicated and proved that the perceived red tape, as well as job clarity, has a significant impact on organizational commitment in a positive way. This has indicated that the more strict will be rules, regulations, and clarity in job title, the more effective and significant would be organizational commitment and vice versa. The results further also discussed that the leader-member exchange has also a significant mediating effect in the relationship between perceived red tape and job clarity with organizational commitment. This result has indicated that the companies that majorly focus on a set of rules, policies, and regulations have a positive connotation in popular culture. Thus, the result has indicated that job clarity and perceived red tape has a significant effect on

organizational performance. The results and findings of the study have helped tounderstand the facts of social exchange theory which represent the practices of HRM and its direct influence on employee performance.

### Policy Implications

The perceived red tape has different contexts and effects in different firms. Commonly, the perceived ted tape has a significant effect on organizational commitment as well as the efficiency of the organizations. The findings and results of the given study have detailed and provided the benefits in terms of setting out the rules, regulations and different policies regarding public administration. The findings of the study have also discussed the procedures that remain in force and entail a compliance burden for the organization. At the same time, the study has provided benefits to the government and regulators to formed policies and regulations regarding HRM in all groups. The findings have also states and provide the benefits that government organizations can benefit from the adoption of “business-like” HRM practices. Thirdly, the study and findings of the research have provided benefits for the individuals as well as. The employees have determined and understand the role and significance of perceived red tape that directly affect the organizational commitment and work-life balance.

### Limitations

Every research has some of the limitations that further improve in other studies. One of the primary and significant limitations of the currents study is the lack of significant variables that might not be used in this research. The study should include some of the significant and direct impact variables to analyze the direct impact. The future studies that might add some of the variables could be such as the role of job clarity and red tape perceived on organizational performance and efficiency through the mediating role of HRM. Moreover, the study has also applied a few tests in the analysis section to analyze the variables. The future studies should conduct a detailed analysis through apply various number of results.

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