

## **The Influences of Organizational Justice on the Employees Performance: the Mediating Effect of Job Satisfaction**

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**ABSTRACT:** *In every job employees is expected to show increase higher job performance. This research aims to analyze: 1) the effect of organizational justice on job satisfaction; 2) the effect of job satisfaction on employees performance; 3) the effect of organizational justice on employees performance through job satisfaction. This analysis method used on this research is path analysis which is included Structural Equation Modeling (SEM) AMOS versi 5.00. The unit analysis of this study was the employees of the PT. Telekomunikasi Indonesia, Tbk Drive VII Sulawesi located in the South Sulawesi. The sample in this study was 115 employees collected by using convenience sampling method. The data was collected by using questionnaire. The study found that the quality of work life and organizational justice have significant positive influences on the job satisfaction and employees performance of the PT. Telekomunikasi Indonesia, Tbk Drive VII Sulawesi.*

**KEYWORDS:** *Organizational Justice, Job Satisfaction, Employees Performance*

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### **I. INTRODUCTION**

Organizations of modern era are trying to obtain competitive advantage through human force (Baig, et al 2017). Human were attended as an important factor in organization's success. in the way, improving quality of human resource in service organization is very essential issue wethere they are most important factor of produktivity (Zaghi, et al, 2014). The existence of organizational justice is a critical issue for the success of an organization. It has a direct link with the performance of its employees (Wright & Cropanzano, 1998). The existence of society revolves around the principles of justice. Similarly, without justice expecting employees to do well is too difficult (Iqbal, et al, 2017).

Greenberg (1990) explained the term organizational justice as the fairness that is being considered by employees in the organization. Distributive justice means how end results and outcomes are understood along with how the final decisions are undertaken once appraisal process ends. Secondly procedural justice means fairness of procedures with respect to the processes and methods adopted to reach to the point of how these outcomes have been reached. Thirdly, Interactional justice means how people interact and communicate with one another. Organization justice refers to the extent to which employees perceive workplace procedure, interactions, and outcomes to be fair in nature (Mohamed, 2014). Organizational justice research, which focuses on the role of fairness as a consideration in the workplace, has demonstrated that fair treatment has important effect on individual employee attitudes, such as satisfaction, absenteeism, and commitment (Colquitt, et al, 2001). The impact of organizational justice perceptions on performance is believed to stem from equity theory. This would suggest that when people perceive in justice they seek to restore justice. One way that employees restore justice is by altering their level of performance (Cohen-Charash & Spector, 2001).

When employee feel that he or she has been not treated fair process in an organization it's difficult for an employee that he must be satisfied from his job (Lambert, 2003). Spectur (1996) job satisfaction refers to extent a person like his job. Zu'bi (2010) positive level of job satisfaction shown by employee towards their work give an impression of the level of organizational justice available in those companies.

Cohen-Charash and Spector (2001), who conducted a meta-analysis on the impact of organizational justice on employee performance, established that the major determinant of employee performance is procedural justice, with distributive and interactional justice having almost no impact on employee performance. On the other hand, Shakoorzadeh, et al. (2015), determined that distributive and procedural justice have a significant and positive impact both on employees performance but interactional justice no impact on the employees performance. Bakhshi, et al. (2009) determined that organizational justice no impact on the employees performance.

The objective of this research is to examine the perceptions of organizational justice pertaining to the employees working in the PT. Telekomunikasi Indonesia, Tbk Drive VII Sulawesi affect their job satisfaction and employees performance at work. While examining the effect of organizational justice on the employees

performance, the means of satisfaction at work pertaining to employees is considered to be the mediator. There are many studies have investigated the link between organizational justice and job satisfaction, and also several studies investigate the relationship between job satisfaction and employees performance. However, that studies have concentrated on telecommunication sector. This could give a light on recognizing that the relationship between organizational justice, job satisfaction and employees performance in industrial sector is limited. Therefore, this study focuses on the relationship between organizational justice, job satisfaction and employees performance in companies telecommunication sector.

## II. LITERATUR REVIEW

### 2.1. Organizational Justice

Fairness or justice is one of our daily preoccupations in many aspects of life, including our home- and work-lives. When decisions are made regarding allocating money or hiring people for jobs, both decision-makers and the people who are affected by these decisions are concerned with their fairness. (Colquitt, Greenberg, & Zapata-Phelan, 2005). Organizational justice start with Adams' Equity Theory (1965). Equity theory emphasis that people always evaluate themselves in context of community and in comparison to others and if they feel have been treated them unfairly, are excited to establish justice among themselves. Employees and members of organization compare themselves to others. The employee compare their data rate with efficient than others (Ghorbani, 2011). The concept is generally analyzed in three categories: distributive, procedural and interactional justice (Moorman, 1991). Distributive justice refers to the perceived fairness of the amounts of outcomes employees receive. Procedural justice relates to a person's judgments about the fairness of the process of making outcome allocations decisions (Greenberg, 1990). The third organization justice dimension interactional justice. Interactional justice, represents the perceptions of the individuals in regard to the quality of behaviours hey confront while the organizational procedures are being applied (Colquitt & Greenberg, 2003).

### 2.2. Job Satisfaction

Job satisfaction is a very important attribute which is frequently measured by organization (Kavita, et al., 2012). Job satisfaction is the positive or negative emotional evaluation of the employee regarding to what extent his job (Spector, 1997; Locke, 1976; Mathur, et al., 2011; Davis & Newstrom, 2000; Greenberg & Baron, 2003). According to Judge, et al., (2001) Employees satisfied with their job are more efficient than those in which employees that are dissatisfied with their job.

### 2.3. Employees Performance

A group of peoples that work together for achieving common goals under a structured system is called organization. For the achievement of these goals there is also a need of effective managers or employees. Now organizations are considering human resource as the most precious asset for them because human resource is an important factor for effectiveness and success of organization (Akram, et. al., 2015). Moreover Griffin, et al., (2007) stated that task performance is traditionally defined as the capability of an employee to fulfill his tasks and responsibilities as laid out in the role description.

## III. CONCEPTUAL FRAMEWORK AND HYPOTHESES

Based on the critical review of literature, it is clear that employee performance literature, the conceptual framework of the study can seen at figure below:



**Figur 3.1 Conceptual Framework**

### 3.1. Organizational Justice and Job Satisfaction

Suliman (2007) stated that organizational member who tend to show high level of job satisfaction have positive feeling towards distributive and procedural justice. Perception of organizational justice correlated strong with job satisfaction, when employee feel satisfied with their current work assignment this is called job

satisfaction on distributive scale. Distributive justice have positive impact on the employee's job satisfaction. It mean if employees find the level of existence of distributive justice in the organization employee feels more satisfied in term of pay ,rewards etc. employee is more satisfied when they perceived their outcomes and rewards to be fair as compared to those employees who consider their reward and outcomes as unfair. There is positive significant relationship between distributive justice and job satisfaction (Akram, et al., 2015; Almansour, 2012)

**(H-1 Organizational Justice has a positive and significant influence on Job Satisfaction)**

### 3.2. Job Satisfaction and Employees Performance

Job satisfaction is the favorableness or unfavorableness with which employees view their work. If better performance leads to higher rewards and if these rewards are seen as fair and equitable, then results in improved satisfaction. Inadequate rewards can lead to dissatisfaction. The total performance-satisfaction relationship is a continuous system, making it difficult to assess the impact of satisfaction on motivation or on performance, and vice-versa (Srivastava & Kanpur, 2014). Some studies suggest the importance of job satisfaction and identifies the association of satisfaction at work with employee performance (Carmeli et al., 2004; Sangadji, 2014; Kuswandi, 2015; Bakotic, 2016; Kavita, et al., 2012).

**(H-3 Job Satisfaction has a positive and significant influence on Employees Performance)**

### 3.3. Organizational Justice and Employees Performance Through Job satisfaction

Bakhshi, et. al. (2009) Organizational justice it has a positive impact on performance of employees, specifically justice deals with the circumstances in which employees match their job activities and how it influence their performance related to the work. Level of perceived fairness of an individual would be changed from context to context and positively affect relevant work outcome; performance, satisfaction, turn over etc. (Bowen, et. al., 1999 & Russelm, et. al., 2006). Moreover, findings of study McFarlin & Sweeney (1992) and Diab (2015) that perceptions of distributive and procedural justice had interactive effects on job satisfaction and employees performance.

**(H-3 Organizational Justice has a positive and significant influence on Employees Performance Through Job satisfaction)**

## IV. RESEARCH METHOD

The purpose of this study was to investigates the impact of quality of work life and organizational justice on the employees performance. This study is a survey. Population of the study will formed all employees of the PT. Telekomunikasi Indonesia, Tbk Drive VII Sulawesi. Sampling method is simple random that is chosen the 115 People. To get the information of desired population the questionnaire method has been used that is a direct method for this study. The questionnaire for this study is a researcher made questionnaire. Responses to the questionnaires were coded and entered into the AMOS software and used Confirmatory Factor Analyses to test the proposed four factor model. Confirmatory factor analysis was conducted using AMOS to determine whether the data supported the proposed four-factor structure for perceived and desired organizational values. The main instrument of this research is the structured questionnaires distributed to respondents. The instrument contains questions measured on a Likert scale, with five alternative answers ranging from "completely disagree" (scored 1 point) to "completely agree" (scored 5 points). The analytical method used is by using Structural Equation Modeling (SEM). SEM has the ability to describe the pattern of the relationship between the latent construct (unobserved) and manifest variables or variable indicator individual model and general model as well as confirmatory factor analysis (CFA).

## V. RESULTS AND DISCUSSION

The test result of each variable is evaluated based on goodness of fit indices presented criteria model and its critical value:

### Organizational Justice

Furthermore, to determine the variables that can be used as an indicator of organizational justice, the study found that each indicator of the conceptual competence are significant as shown from the value of the loading factor or coefficient lambda at table 5.1 below. Hence, this variable can be analyzed further.

**Table 5.1** Values of Loading Factor ( $\lambda$ )

Indikator Variabel	Loading Factor ( $\lambda$ )	Critical Ratio (C.R)	Prob. (p)	Sig.
1.1	0,731	12.178	0,000	Significant
1.2	0,786	13.281	0,000	Significant
1.3	0,774	Fix	0,000	Significant

Source. Calculated from the data collected.

### Job Satisfaction

The result of CFA test of job satisfaction variable on the overall model in the attachment. The result of test of variable of job satisfaction is evaluated based on goodness of fit indices in the following table with presented model criteria and its critical value. Furthermore, to determine the indicator of teamwork competence that can be used in the variable as a model, the study confirmed that all indicator in the variable is valid as shown from the value of the loading factor or coefficient lambda ( $\lambda$ ) and the level of significance at table 5.2.

**Table 5.2** Values of Loading Factor ( $\lambda$ )

Indikator Variabel	Loading Factor ( $\lambda$ )	Critical Ratio (C.R)	Prob. (p)	Sig.
2.1	0,692	10.396	0,000	Significant
2.2	0,711	10.715	0,000	Significant
2.3	0,754	10.473	0,000	Significant
2.4	0,793	11.034	0,000	Significant
2.5	0,774	Fix	0,000	Significant

Source: Calculated from the data collected

Job satisfaction variable shows the highest result of job promotion indicator that is 2.4 is 0,793 which indicate that employees get job security and prospect future higher, with responsibility and organizational level. Conversely Y1.1 indicator gives the lowest contribution of only 0.692. This condition indicates that the satisfaction indicator on payment is still low, the employee perceives the payment as fair and undoubtedly in accordance to the expectations. If the company carries out a career system and a fair remuneration, it will motivate employees to work well to show that the employee's performance is high. According to Robbins (2006) employees have the opportunity to develop themselves and expand work experience, with the opening of opportunities for promotion.

### Employee Performance

The result of employee performance variable construct test is evaluated based on goodness of fit indices in the following table with presented criteria model and its critical value.

**Table 5.3** Values of Loading Factor ( $\lambda$ )

Indikator Variabel	Loading Factor ( $\lambda$ )	Critical Ratio (C.R)	Prob. (p)	Sig.
3.1	0,732	Fix	0,000	Significant
3.2	0,825	12.142	0,000	Significant
3.3	0,834	12.235	0,000	Significant
3.4	0,722	10.766	0,000	Significant

Source: Calculated from the data collected

Employee performance variable shows the result of the highest job knowledge indicator that is 3.3 equal to 0.834 which reflects that the level of employee knowledge related to the tasks assigned to him is in accordance with the ability and skill of employees in improving their performance. On the other hand the 3.4 indicator gives the lowest contribution of only 0.722.

### Results of Hypothesis Testing

The hypothetical test is reflected on the channel coefficient test on the structural equation model. The acceptance or rejection of the hypotheses were based on the estimation coefficient value (regression direction estimation), with a critical ratio of  $> 1.96$  and a probability on a significance level of 5%.

**Table 5.4** Hypothesis Testing

Independent Variabel	Dependent Variabel	Direct Effect			
		Standaridize	C.R	p-value	Ket.
Organizational Justice	Job Satisfaction	0,171	2.076	0,038	Signifikan
Job Satisfaction	Employees Performance	0,181	2.090	0,037	Signifikan

Source: Calculated from the data collected

- a) Hypothesis (H-1) is accepted, p-value is  $0,038 < 0,05$  (cut of value), and CR value is 2.076. Thus, it can be concluded that this hypothesis is significant (acceptable). That is, the effect organizational justice on job

satisfaction is significant. The results of this study in line with supported (Diab, 2015 & Bhakshi et al., 2009) stated organizational Justice has a significant influence on job satisfaction.

- b) Hypothesis (H-2) is accepted, p-value is  $0,037 < 0,05$  (cut of value), and CR value is 2.090. Thus, it can be concluded that this hypothesis is significant (acceptable). That is, job satisfaction have a significant effect on employees performance. This finding is in consistency with the findings of other researchers (Carmeli et, al., 2004; Sangadji, 2014; Kuswandi, 2015; Bakotic, 2016; Kavita, et al., 2012). Their results of a research indicate that various aspects of job satisfaction are strongly associated with employees performance.

### Evaluation of Indirect Effect

The standardized indirect effect variable table below shows the effect of indirect effect on the influence of variables. The standardized indirect effect value represents the strangeness of the relationship between the researches constructs that can be described as follows:

**Table 5.7** Value of Standardized Indirect Effect Variable

Variabel Independen	Variabel Intervening	Variabel Dependen	Standardized	Ket.
Organizational Justice	Job satisfaction	Employee performance	0,027	Sig.

Source: Calculated from the data collected

The result of interpretation of indirect relationship between construct variables assumed in the research model is described as follows, Organizational justice on employee performance by considering job satisfaction showed a positive and significant effect of 0,027. It is illustrated that a good Organizational Justice will improve employee performance of job satisfaction by 2.7%. The results of this study consistently Bakhshi, et. al. (2009) & Diab (2015) that perceptions of distributive and procedural justice had interactive effects on job satisfaction and employees performance. Organizational justice it has a positive impact on performance of employees, specifically justice deals with the circumstances in which employees match their job activities and how it influence their performance related to the work.

## VI. CONCLUDING NOTES

In this research titled “The Influences of Organizational Justice on the Employees Performance: The Mediating Effect of Job Satisfaction”. In reference to the objectives of this research, the contribution it now offers are as follows: 1) Organizational justice has strong influence on the job satisfaction. This suggests that an improvement of the organizational justice will improve job satisfaction employees the company. 2) Job satisfaction has positive and significant influence on the employee performance under survey. The results are quite according to our hypotheses. 3) Organizational justice have a positive and significant effect on employee performance through job satisfaction. Thus, job satisfaction variable is a strong predictor that connects organizational justice in improving employee performance.

The findings of this research had a number of limitations: 1) the study was focused on PT. Telekomunikasi Indonesia, Tbk Drive VII Sulawesi located in Sulawesi Selatan, thus the generalization of conclusions drawn here is limited; 2) the questionnaires used in the study were prone for perception bias, because the assessment was based on constructs analyzed on the basis of users’ personal judgments; 3) data collection was limited on certain certain timeframes, thus situational changes in different time periods were impossible to assess.

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