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Abstract

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# The Effect of Organizational Justice on Job Satisfaction Mediated by Organizational Commitment

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## ABSTRACT

The purpose of this study was to determine the impact of organizational justice on organizational commitment mediated job satisfaction. This research was conducted at XYZ Company by distributing questionnaires via google form with 60 respondents. This study uses the SEM (Structural Equation Modeling) method with SmartPLS software to test the validity and reliability of the analysis. The results show that organizational justice has no effect on job satisfaction, organizational justice has a positive and significant impact on organizational commitment, organizational commitment has a positive and significant impact on job satisfaction, and organizational justice has a positive and significant impact on organizational commitment. In addition, the firm will get benefit by how organizational can improve as well as increase job satisfaction. In order to achieve organization goals, company can understand the employee's job satisfaction.

**Keywords:** *Organizational Justice, Organizational Commitment, Job Satisfaction*

## 1. INTRODUCTION

In an organization, human resources are needed to direct and regulate the operational activities of the company to achieve the goals of the organization. Human Resource Management (HRM) is the process of recruiting, training, evaluating and rewarding employees and considering their industrial relations, health and safety, and equity issues [1].

To achieve organizational goals, job satisfaction is required. Employees satisfaction can be used in order for them to accomplish their jobs better and evidence recommends that increasing problem solving and decision making, as well as improving memory and recalling of certain types of information could be gained by having positive feelings [2].

Many factors can affect job satisfaction, but a study Shimamura, Fukutake, Namba, & Ogino [3] found that organizational justice – procedural justice did no effect on increasing job satisfaction. Therefore, a critical question arises, namely what can increase job satisfaction. To address this research gap, this study adopts organizational commitment theory Sareshkeh, Ghaziani, & Tayebi [4] “Impact of Organizational Justice Perceptions on Job Satisfaction and Organizational Commitment: The Iranian Sports Federations Perspective” which explains the existence of a commitment. The logic is that organizational justice will affect the level of organizational commitment of an employee which will then affect the level of job satisfaction.

The purpose of this research is to develop a theory on how to increase improvement to increase job satisfaction. This model was developed by adding the organizational commitment variable as a mediating variable.

**Table 1** Number of Employees Resign

Year	Number of Employees Resign
2018	7
2019	8
2020	11

Source: Internal Data of the XYZ Company

Based on Table 1 above, the number of employees who resigned increased in 2020. Table 1.1 above, it shows that the job satisfaction of the employees of the Administrative Bureau and the Tax Consultant Setia Utama is not optimal, causing employees to leave the workplace. Based on the above background, the researcher wants to conduct research on job satisfaction of the XYZ Company. For this reason, the researcher will put it in a scientific paper in the form of a thesis with the title EFFECT OF ORGANIZATIONAL JUSTICE ON JOB SATISFACTION MEDIATED BY ORGANIZATIONAL COMMITMENT.

## **2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

Human resources are almost always the most valuable resource where managers are responsible for getting work done through employees and the overall concept of employee commitment is bigger than only focusing on employee job satisfaction since it can be combined with job satisfaction, capability, and willingness to execute jobs for the organization at a high level and for a long duration of time [5].

### **2.1. Job Satisfaction**

According to Luthans. F et al [6], Job satisfaction is the outcome of the perspective of the employees how well the jobs that according to them can be categorized as crucial. Spector [7] defines job satisfaction as people's feelings and attitudes toward various aspects of their jobs. Job satisfaction is the rewards a person receives and the difference between rewards and expectations.

### **2.2. Organizational Justice**

According to David [8] organizational justice is a description of how employees view justice in an organization. Schultz & Schultz [9] defines organizational justice as how fairly employees feel they are being treated by the company. If they believe that they are not being treated fairly, their performance, job satisfaction, and organizational commitment may decline.

### **2.3. Organizational Commitment**

According to Jehanzeb & Mohanty [10], organizational commitment can be viewed as a psychological activity between an organization and an individual that drives the organization to achieve its goals, which in itself can improve employee retention. Organizational commitment is the degree to which employees agree to a particular organization and wish to maintain their membership in the organization. Employees with organizational commitment identify with a particular organization and its goals, and want to continue to be part of the organization [11]

### **2.4. The Effect of Organizational Justice on Job Satisfaction**

Sia & Tan [12] in the article "The Effect of Organizational Justice on Job Satisfaction in Hotel Settings" concluded that distributive and interactional justice had a positive effect on employee job satisfaction, while procedural justice had no significant effect. Sembiring, Nimran, Astuti, & Utami [13] in the article "Effects of emotional intelligence and organizational justice on job satisfaction,

climate of concern, and performance of criminal investigators" found that there was a positive relationship between emotional intelligence and job satisfaction; organizational justice and job satisfaction.

### ***2.5. The Effect of Organizational Justice on Organizational Commitment***

Rahman et al [14] in the article "Effects of Organizational Justice on Organizational Commitment" stated that the contribution of distributive justice is very influential on organizational commitment. Mensah, Asiamah, & Mireku [15] in the article "The effect of organizational justice delivery on organizational commitment: Controlling for key confounding variables" state that The relationship between OJ and OC did not influence on the period of how long the worker work or by the level of their education.

### ***2.6. The Effect of Organizational Commitment on Job Satisfaction***

Adekola [16] in the article "The Impact of Organizational Commitment on Job Satisfaction: A Study of Employees at Nigerian Universities" concluded that job satisfaction increases or decreases as organizational commitment increases or decreases. In terms of organizational commitment; Significant differences are seen between State and Private Universities. Renyut, Modding, Bima, & Sukmawati [17] in the article "The effect of organizational commitment, competence on Job satisfaction and employees' performance in Maluku Governor's Office" stated that job satisfaction is positively and significantly affected by organizational commitment

### ***2.7. The Effect of Organizational Justice on Job Satisfaction mediated by Organizational Commitment***

Mete & Sökmen [18] in the article "The Mediating Role of Organizational Commitment in the Organizational Justice's Effect on Job Satisfaction and Turnover Intention: A Research on Academic Staff" concluded that organizational justice directly impacts the retention rate of academic staff through important organizational behaviors. such as organizational commitment, job satisfaction. Harandi, Ghortani, & Harandi [19] in the article "The Study of Mediating Role of Organizational Commitment between Organizational Justice and Job Satisfaction with Teacher's Unethical Behaviors" conclude that negative behavior is negatively correlated with job satisfaction, satisfaction with pay.

## **3. METHODOLOGY**

In this research, the author is using quantitative research as the method to analyze the data which means that the research will be focusing on collected measured data and performed statistical, mathematical, or computational techniques [20]. To understand the result of the research, the author will use this method to collect and classify the data obtained. Simple random sampling will be utilized which is also called as infinite probability sampling which means that every subject has an equal opportunity to be selected as sample. In this study, the authors used simple random sampling, also known as infinite probability sampling, or in other words, each item in the population has a known and equal chance of being selected as a subject. The sample size in this study was 60 respondents, employees of the XYZ Company of the 60 respondents, the majority were female (78.3%) and male (21.7%). The majority of respondents were aged 31-40 years (43.3%) with a working period of 6-10 years (53.3%) and had a bachelor's degree (68.3%).

This study will use research tools with questionnaires to investigate three types of variables, namely dependent variables, independent variables and mediating variables. Taking organizational justice as the independent variable, job satisfaction as the dependent variable, and organizational commitment as the mediating variable. In this study, the authors chose an interval scale to measure the data using the Likert scale method, which is equally applicable to various responses questions.

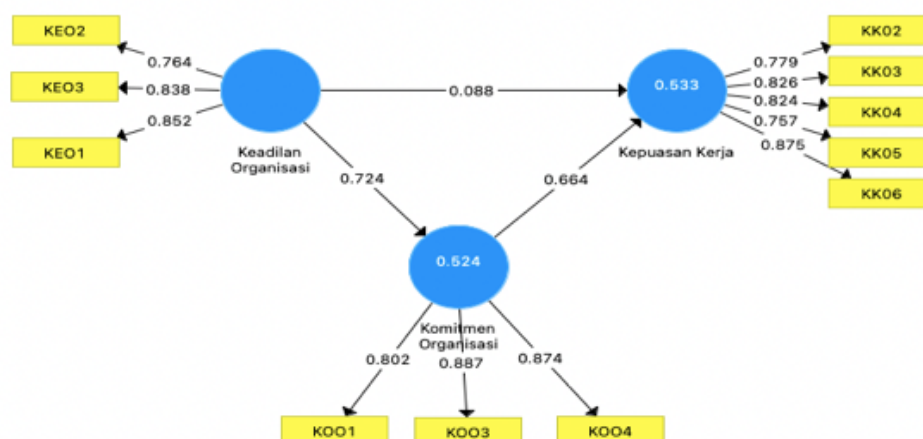
The analysis technique of this study used SmartPLS software for validity and reliability analysis. Convergent validity analysis results, i.e. AVE values of 0.50 [21] and factor loadings > 0.70) [22] and discriminant validity, i.e. Fornell-Larker criteria and cross-loading values and the composite reliability value, which is > 0.6 and the Cronbach's Alpha value, which is > 0.6, shows that all research indicators have met the minimum required values of the measurement method used.

**Table 2** Variable Operationalizations

Variable	Indicator
Job Satisfaction (Crow, Lee & Joo, 2012) [23]	1. The work itself 2. Feeling of pleasure at work 3. Employees use their time to work hard 4. Appreciation for work 5. Be proactive at work 6. Work is the most important thing in life
Organizational Justice (Niehoff & Moorman, 1993) [24]	1. Fair remuneration 2. Fair rewards 3. Job decisions are applied consistently 4. Superiors respect the rights of subordinates and can be honest
Organizational Commitment (Crow, Lee & Joo, 2012) [23]	1. Self-Identity with the organization 2. There is a feeling of being tied to the organization 3. Work is very valuable to employees 4. There is a feeling that the organization is part of the family 5. Staying with the job until retirement

#### 4. FINDINGS AND DISCUSSIONS

Figure 1 describes the results of the validity of each variable. The results of the validity test show that all indicators used to measure the variables in this study are said to be effectively convergent because the external load value is greater than 0.5. In addition, it is also declared convergently valid because the average value of variance extraction (AVE) for each variable is > 0.5. Therefore, the conclusions drawn based on the discriminant validity test are that the variables and indicators used are all valid and refer to cross-loading.



**Figure 1** Output SmartPLS Loading Factor  
 Source: Data Processing Results using SmartPLS 3.3.5

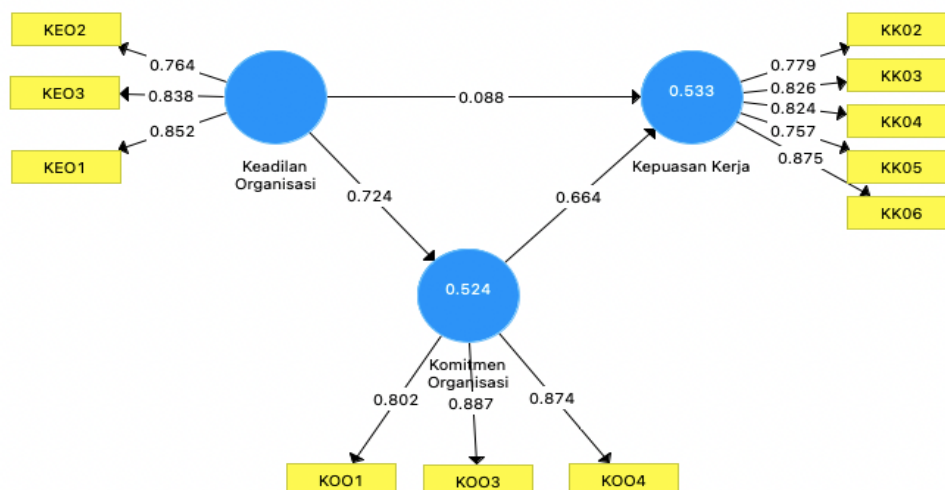
**Table 3** The Reliability Test Results on the Value of Composite Reliability and Cronbach's Alpha

Variable	Composite Reliability	Cronbach's Alpha	Conclusion
Organizational Justice	0.859	0.754	Reliable
Job Satisfaction	0.907	0.872	Reliable
Organizational Commitment	0.891	0.814	Reliable

Source: Data Processed by Researchers

The reliability test results showed that all variables used in this study were reliable, with composite reliability and Cronbach Alpha value > 0.07. Therefore, it can be concluded that each indicator used in this study is reliable.

The results of the R square ( $R^2$ ) test produced by the job satisfaction variable are 53.3%, which means that 53.3% of the job satisfaction variable can be explained by organizational justice and organizational commitment, while the remaining 46.7% can be explained by variables not examined in this study. For the results of the R square ( $R^2$ ) test produced by the organizational commitment variable, it is 52.4%, which means that 52.4% of the organizational commitment variable can be explained by job satisfaction, while the remaining 47.6% can be explained by variables not examined in this study. this research.



**Figure 2** The Output of SmartPLS Bootstrapping  
 Source: Data Processing Results using SmartPLS 3.3.5

**Table 4** Hypothesis Testing Results

	Hypothesis	Original Sample	T- Statistics	P-Values
H1	OJ → JS	0.088	0.555	0.579
H2	OJ → OC	0.724	9.821	0.000
H3	OC → JS	0.664	5.179	0.000
H4	OJ → OC → JS	0.481	4.023	0.000

Source: Data Processed by Researchers

Based on the results of the first hypothesis test, the organizational justice variable on job satisfaction has a T-Statistics value of 0.555 or  $< 1.96$  and a p-value 0.579 or  $> 0.05$ , which means that organizational justice has no effect on job satisfaction. Therefore, mediating variables need to be added in order to strengthen the relationship between organizational justice and job satisfaction. This is not in accordance with previous research conducted by Sembiring, Nimran, Astuti, & Utami [13] which concluded that there is a positive relationship between emotional intelligence and job satisfaction. work; organizational justice and job satisfaction.

According to the results of the second hypothesis test, the t-statistic value of the organizational justice variable for organizational participation was 9.821 or  $> 1.96$ , and the p-value was 0.000 or  $< 0.05$ , indicating that organizational justice has a significant impact on organizational obligations. When employees feel they are being treated fairly in the organization, employees are more likely to stay in organizations where connections are formed. This is consistent with previous research by Jameel, Mahmood, and Jwmaa [25], who pointed to a positive and important relationship between organizational justice and organizational participation. Employees who feel they are being treated fairly in the organization often want to continue working in the organization.

Based on the results of the third hypothesis test, the variable organizational commitment to job satisfaction has a T-Statistics value of 5.179 or  $> 1.96$  and a p-value of 0.000 or  $< 0.05$ , which means that organizational commitment has a significant impact on job satisfaction. Employees who feel they are part of an organization tend to have high job satisfaction. This is in accordance with previous research conducted by Renyut, Modding, Bima, & Sukmawati [17] who explained that organizational commitment has a positive and significant effect on job satisfaction. Organizational commitment provides positive reinforcement on feelings of pleasure, feeling, thinking, emotionally attached, caring, belonging, few choices, alternative, sacrifice, loyalty, commitment, hardworking, organized, wise and contributes greatly to Job Satisfaction.

Based on the results of the fourth hypothesis test, the t-statistic value of the organizational justice variable on job satisfaction through organizational participation was 4.023 or  $> 1.96$ , and the p-value was 0.000 or  $< 0.05$ , indicating that organizational justice has a significant effect on job satisfaction. through organizational commitment. When employees experience equal justice and feel respected, they feel part of the organization and are satisfied with their work, and vice versa. This is consistent with previous research by Mete & Sökmen [18] that organizational justice has a direct impact on organizational commitment and job satisfaction. It is important to maintain fairness in the organization and then influence the overall function by creating valuable assets for the organization.

## **5. CONCLUSIONS AND SUGGESTIONS**

Based on the results of the above analysis, this study concludes that organizational justice has no effect on job satisfaction. This may suggest that organizational equity is not affected by job satisfaction. To strengthen the relationship between organizational justice and job satisfaction, a mediator variable needs to be added. Organizational justice has a positive and significant impact on organizational commitment. This suggests that a high level of organizational justice increases employee organizational engagement. Organizational commitment has a significant positive effect on job satisfaction. This suggests that high organizational commitment increases employee job satisfaction. Organizational justice has a significant positive effect on job satisfaction through organizational commitment as a mediator. This suggests that organizational justice has no direct impact.

Suggestions for the company is where the company is expected to continue to provide motivation and direction that can increase the spirit of organizational goals can be achieved. And suggestions for further researchers are expected to expand the scale of research in a wider industry so that the population increases and can strengthen research results.

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