

DOES PROCEDURAL JUSTICE AND DISTRIBUTIVE JUSTICE MEDIATE THE EFFECT OF JOB SATISFACTION ON ORGANIZATIONAL COMMITMENT?: CASE STUDY OF EDUCATION INSTITUTION

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ABSTRACT

This study investigates job satisfaction and its effects on organizational commitment, where procedural justice and distributive justice are used as mediation variables. The method used in this study is a case study on employees of educational institutions in Purwokerto. Questionnaires were given to 74 employees from the management level to the staff level as respondents. Data analysis technique used is the analysis of PLS (Partial Least Square) using SmartPLS 3.0. The results showed that Job Satisfaction has a significant effect on Procedural Justice and Distributive Justice, Procedural Justice has no significant effect on Commitment of Organization, while Distributive Justice has a significant effect on Organizational Commitment. It also proves that distributive justice mediates the relationship between job satisfaction and organizational commitment, but procedural justice can not mediate the relationship between job satisfaction and organizational commitment.

Keywords: distributive justice, job satisfaction, organizational commitment, procedural justice.

I. Introduction

The management literature has a long history of investigating employee job satisfaction. There is a broad consensus regarding the idea that lecturers are one of the main factor that contributes to learning among students. To improve the quality of the learning process and progress within the university organization itself, it needs an increase in lecturer professionalism. In other words, the lecturers not only have to improve his

knowledge but also to have a strong commitment in his university organization.

This study contributes to the literature by describes job satisfaction and its effects on organizational commitment, where procedural justice and distributive justice are used as mediation variables. Second, this study extends the literature by investigating the effect of job satisfaction to organizational commitment, and how job satisfaction mediate the relationship between procedural justice and distributive justice to organizational commitment.

II. Literature Review

Organizational justice as a concept of balance in treating employees is expected to be applied by organization with aims of triggering the growth of a sense of commitment in the employee. (Shore and Martin, 1989) stated that organizational commitment refers to an employee's loyalty to the organization and involvement in the organization. (Lambert, Hogan, and Barton: 2002) argue that organizational commitment is a bond to the whole organization and not just to the job, work group, or belief in the importance of work itself.

Many researchers have demonstrated the connection between distributive and procedural justice to organizational commitment (Demir, 2015; Iqbal and Ahmad, 2016; Murtaza etc., 2011). However, they paid little attention on validating the similar connection within the context of Indonesian university organization. Understanding and promoting commitment to employees in the organization is essential to the efficiency and effectiveness of the organization (Griffin and Hepburn, 2005). Employees who are treated unfairly will show negative behavior towards the organization in the form of low commitment and desire to leave the organization. Meanwhile, the willingness of employees to contribute and commit to the workplace is strongly influenced by the organization's ability to meet the goal of employee expectations (Mary and Wijaya, 2016).

(Colquitt, 2001) stated that organizational justice can be defined as a combination of the fairness of the procedures used by leaders to determine outcome distributions or allocation (procedural justice), and the fairness of outcome distributions or allocations (distributive justice). Those two types of justice are used because it link to outcome of work which can have impact on

organizational commitment. Therefore, this study will try to test the connection between procedural justice and distributive justice or the basic justice obtained by employees based on the wages they get and the work they do, to employee organizational commitment.

Distributive justice exist when employees base their evaluations of supervisor partially on the extent to which they perceive organizational outcomes (Nix and Wolfe, 2016), such as salary and promotion decisions, as being distributed evenhandedly across the organization (i.e., such decision are not based on individual characteristics or "who you know"). Typically, distributive justice exists when the expectations for outcomes and actual outcomes are equal (Clay, Hegtvedt and Roman, 2005). In general, people expect outcomes to be commensurate with outputs (e.g., experience, ability, and effort).

Procedural justice, on the other hand, focuses on the decision process taken to determine the outcome of work that is seen as reasonable (Sholihin, Pike, Mangena and Li, 2011). It refers to fairness in the means by which distributions or decisions are made (Hegtvedt and Markovsky, 1995). For most employees, procedural justice reflects the perceived fairness of the process by which distributive outcomes are determined such as the way by which pay, rewards, evaluation, and/or opportunity to develop themselves are decided.

The other objectives in this study are to test the effect of job satisfaction to organizational commitment, and how job satisfaction mediate the relationship between procedural justice and distributive justice to organizational commitment. Job satisfaction, in general, is the positive or negative attitudes towards job (Bayarcelik and Findikli, 2016). Some previous research showed that job satisfaction has a positive and significant relationship (Ariani, 2014; Lok and Crawford,

2011; Tarigan and Ariani, 2015). (Karami etc, 2014) found that supervisors required to definitely develop their company's job satisfaction for workers to obtain an advanced level of organizational commitment. According to (Eslami and Gharkhani, 2012), job satisfaction is a determinative of organizational commitment. The main difference between organizational commitment and job satisfaction is that, while organizational commitment can be defined as the emotional responses which an employee has towards his organization, job satisfaction is the responses that an employee has towards any job. It is considered that these two variables are highly interrelated. In other words, when an employee has positive feelings towards the organization, its values and objectives, usually he is satisfied with the job he has in the organization.

In study by (Poggi, 2010) indicated that participant who are satisfied with pay, promotion, supervision, relationship with co-workers, nature of the work, and communication (organizational and job-specific) seem to feel more emotionally attached and involved with their respective organization. It can be said that employees perceived on distributive and procedural justice will have high job satisfaction and then commit to organization voluntarily.

Based on the description that stated in introduction and research objective, the proposed hypotheses are:

- H1: Job satisfaction has positive effect on procedural justice.
- H2: Job satisfaction has positive effect on distributive justice.
- H3: Procedural justice mediate the relationship between job satisfaction and organizational commitment.
- H4: Distributive justice mediate the relationship between job satisfaction and organizational commitment.

III. Research Methods

This study used quantitative approach. Survey method is used in this using self-report questionnaire which personally administered to employees at an educational institution in Purwokerto. An explanatory cover letters and questionnaires were acquired from 74 employees from the management level to the staff level. Data analysis used in this study is Partial least squares (PLS) analysis.

Job Satisfaction

According to (Locke, 1969), job satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. Job satisfaction was measured using nineteen items developed by (Brayfield and Rothe, 1951).

Procedural Justice

Procedural fairness refers to the fairness of all aspects of the organization's procedures that are used by the superior to evaluate the subordinate's performance, to communicate performance feedback and to determine the subordinate's rewards such as promotion and pay increases (Jena, 2014). This variable is measured using six items instrument developed by (Folger and Konovsky, 1989).

Distributive Justice

Distributive justice is defined as the fairness of outcome distributions or allocation [9]. This variable is measured using six items instrument developed by (Tang and Baldwin, 1996).

Organizational Commitment

Organizational commitment is the employee's level of involvement and identification with the organization in which he or she works (Reilly and Chatman, 1986). Measuring instrument used for this variable is

by using a questionnaire developed by (Reilly and Chatman, 1986).

IV. Results and Discussion

Hypothesis Testing

The hypothesis testing is done by using 95% ($\alpha = 0,05$) significance level. From the result of Partial Least Square analysis, it can be seen that job satisfaction has significant effect on procedural justice and the first hypothesis which states that job satisfaction had significant effect on procedural justice, was supported. The result of generates the value of factor loading at 0,634 which means that 63,4% of procedural justice could be explained by job satisfaction.

The result of Partial Least Square analysis also showed that job satisfaction has significant effect on distributive justice and second hypothesis which states that job satisfaction had significant effect on distributive justice, was supported. The result of generates the value of factor loading at 0,549 which

means that 54,9% of distributive justice could be explained by job satisfaction.

From the result of Partial Least Square analysis, it can be seen that procedural justice has not significant effect on organizational commitment and the third hypothesis which states that procedural justice had significant effect on organizational commitment, was not supported. The result of generates the value of factor loading at 0,610 which means that 61,0% of organizational commitment could be explained by job satisfaction.

Mediation Effect

This study used the Sobel test to find out whether the mediation variable significantly affects the independent variable to the dependent variable. From Sobel Test results shown in Table 5, it can be concluded that distributive justice can mediate the relationship between job satisfaction and organizational commitment. Will remain procedural justice unable to mediate the relationship between job satisfaction and organizational commitment.

Table 5. Result of Sobel Test

| | Job Satisfaction → Procedural Justice → Org. Commitment | Job Satisfaction → Distributive Justice → Org. Commitment |
|----------------------|--|--|
| A | 0.634 | 0.545 |
| B | 0.006 | 0.363 |
| SE _A | 0.092 | 0.112 |
| SE _B | 0.211 | 0.131 |
| Sobel Test Statistic | 0.02843578 | 2.40794305 |
| One-tailed prob. | 0.48865729 | 0.00802134* |
| Two-tailed prob. | 0.97731459 | 0.01604268* |

V. Conclusion, Suggestion, and Limitation

Job Satisfaction has a significant influence on procedural justice and distributive justice to employees who work at Muhammadiyah University of Purwokerto. The

more employees feel satisfied the employees will work according to what is instructed by the University, although sometimes not in accordance with the level of education and previous field work.

Procedural justice has no significant effect on organizational commitment. This shows that performance evaluation has been less effective to assess employee performance results. Better communication is required as employee performance feedback, including promotions and raises and rewards as rewards to employee performance. Distributive justice has a significant influence on organizational commitment. It shows that employees feel the satisfaction of what has been received now is in accordance with the work they do. The researcher hopes for further research by developing other variables such as leadership style and organizational culture that will be compared with organizational commitment.

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