DISTRIBUTIVE JUSTICE, JOB SATISFACTION AND ORGANIZATIONAL COMMITMENT AS ANTECEDENTS OF EMPLOYEE PERFORMANCE: A STUDY IN INDONESIA NATIONAL HEALTH INSURANCE WORKERS

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Abstract—The study is aimed to investigate the effects of distributive justice, job satisfaction and organizational commitment toward employee performance. The data were drawn from 80 employees at Indonesia National Health Insurance (call as BPJS) workers. The data is gathered by conducting field survey. The analysis of data using a Smart Partial Least Square to answer the proposed hypotheses. The results of this study indicate that distributive justice positively significant influences on job satisfaction. The distributive justice did not significantly influence on organizational commitment and employee performance. The findings also note that job satisfaction positively significant effects on both organizational commitment and organizational performance. Further, organizational commitment positively significant influences on performance. Managerial implications, limitations and directions for future research are provided in the study.

Keywords— Distributive Justice, Job Satisfaction, Organizational Commitment, Employee Performance

I. INTRODUCTION

Human resource is crucial asset for any organizations. They are important factor for effectiveness and success of organization. Human resource management is a core procedure to manage people in organization which begins from procurement to employee separation or exit from organization. The procedure might affect employees’ perception regarding their relationship with other employers (Huemann, Keegan, & Turner 2007). Human resource management focuses on providing solutions to the problems related to human factor in company. Human factors that influence a company is its employee performance. Performance is a process that significantly affects organizational success with manager and worker roles to work together to set expectations, review results and performance rewards (Mondy et al. 1999). Employee performance might be influenced of perceptions (e.g. perceived of justice) and attitudes (e.g. satisfaction and commitment). Perceptions and attitudes toward the job, such as organisational justice, job satisfaction and organisational commitment can be regarded to be contributory factors effect on employee performance. Organizational justice can be defined as a result of workers perceptions to the integrity and objectivity of the measures in the value of the organization, which is also a degree of fairness and equity in the rights of the employees and their duties, which its explain the relationship between the individuals and the organization (Attaoa, 2003). When employee feels that he or she has been not treated fair in an organization, it is difficult for an employee to satisfy with their job. According to justice theory, employees often judge the perceived fairness from the resources and outcomes (i.e. distributive justice), decision-making procedures (i.e. procedural justice) and interpersonal treatment (i.e. interactional justice) (Erdogan and Bauer, 2010). Distributive justice is represents employee perception of fairness of the outcome that they receive from the organization (Folger and Cropanzano, 1998) which refers to perceived fairness of outcomes such as pay, recognition, promotion, performance appraisal and rewards. When these results are considered unfair, individuals would cognitively distort input and outcome from themselves or others (Adams, 1963) and it would increase deviant behavior due to relative deprivation (Cfollquitt et al., 2001). Leventhal (1976) suggested that results can be distributed based on needs, equity or contributions. therefore individual employees can determine the level of fairness of the distribution through comparison with others (Campbell and Finch,2004). Distributive justice is considered
Distributive justice deals with outcomes related to job, and also distributive justice affects individuals’ attitude like job satisfaction (Lambert, 2003). Distributive justice has positively influence on job satisfaction and negative influence on turnover intentions, research conducted to explain the allocation of resources outcomes in organization which seems to be more satisfying when employee perceived outcomes are fair, people compare the adequacy of outcomes with referred standard (Lee, 2000). Organizational justice namely informational and distributive justice contribute positively towards employee job satisfaction in public and private organization in Pakistan capita (Shah, Waqs, Saleem, 2012). Alkshahi (2004), examine the impact of organizational justice and personal characteristics on job satisfaction and performance an empirical study in the Income Tax Department in Amman. Harvey and Haines (2005) it was clearly supported in this study that perception of fair procedures and human resource decision made during the natural disaster predict later work attitudes like job satisfaction.

A. Hypothesis 1: Distributive justice significantly positive affects on Job Satisfaction

Beugre (2002) claimed that if employees perceive fairness in the organization (all distributive, procedural and interactional), this will create positive results for both the employees and the organization such as job satisfaction, organizational commitment, and reduced turnover intentions. Perception with high levels of justice will promote trust and faith it is a key that drivers to organizational commitment (Hendrix et al., 1998). According to Cowherd and Levine (1992), research findings suggest that when employees perceive high level of fairness they become more committed towards their organizations and their performance improves. Research conducted by Madi et al. (2012), shows that there is a positive relationship between the three dimensions of perceptions or justice including job satisfaction, perceived job characteristics, perceived organizational characteristics and affective commitment.

B. Hypothesis 2: Distributive justice significantly positive effects on Organizational Commitment

Distributive justice becomes best predictor of performance, recent studies highlight this issue that distributive justice has impact on performance and it is still emerging and important issue, even their management increase pay for performance (Chang, 2008). On the other hand the justice leads to increased confidence in the organization management, increase their conviction access to their rights, and improve the performance. Employees are able to establish the extent of fairness of such distribution through comparison with others (Adams, 1965; Cropanzano and Greeberg, 1997; Campbell and Finch, 2004). Distributive justice is an important source of motivation because employees work harder when they believe they are fairly rewarded for their performance.
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(Colquitt et al., 2001). Research result by Lambet (2007) show that distributive justice had a significant effect on stress, employees who have low level of distributive justice expressed high level of job stress, this study indicates that the work overload had largest effect on job stress followed by work on family conflict and distributive justice. Nasurdin and Khaun (2011) the study attempt to examine the Malaysia workforce their linkage between employee perception for organizational justice and their performance and result suggest organizational justice positively influence performance of organizational member and perception for justice is does not fluctuate according to age. The study conducted by Krishnan., et al. (2018) supported that organizational justice associated with job performance.

C. Hypothesis 3: Distributive justice significantly positive effects on employee performance

Job satisfaction makes the employees more motivated and committed towards their organization. Some researchers have claimed that organizational commitment is the antecedent of job satisfaction (Bateman and Strasser 1984). Parker and Kohlmeyer (2005) and Flaherty and Pappas (2000) supported the positive relationship between job satisfaction and organizational commitment. Hackett et al. (1994) found that job satisfaction has a positive influence on affective and normative commitment but has a negative influence on continuance commitment. Konovsky and Cropanzano (1991) also found that job satisfaction has a positive impact on organizational commitment. According to Suma & Lesha (2013) to improve organizational commitment, managers need to improve job satisfaction. But, there is a possibility that a highly committed employee may be dissatisfied with his job.

D. Hypothesis 4: Job satisfaction significantly positive effects on organizational commitment

Job satisfaction is related to job performance (Judge et al., 2001). Career development of employees is not possible without a bright prospectus for the job satisfaction because it has been assessed as highly crucial factor for the growth of both organization and its employees. Job satisfaction has been evolved as an important factor in the workplace because success of an organization can result only on the basis of individual success of its employees. According to Galup, Klien and Jiang (2008) the higher levels of employee satisfaction normally contribute to the success of an organization, while poor job satisfaction may harm it. More satisfied employees usually show more involvement into their work and come-up with different innovative ideas that incorporate continuous quality improvement into their activities and encourage them to participate into the decision making process of the entity (Alessandri, Borgogni & Latham, 2016). Maxham (2010) investigated the relationship among job satisfaction, job performance and customer contact.

Results reveal a positive relationship between job satisfaction and job performance.

E. Hypothesis 5: Job satisfaction significantly positive effects on employee performance

Commitments can be obtained from several levels of organization, including employees who directly involved and that involvement in work will improve performance (Worley, 2005). Organizational commitment is related to one total involvement to organization, both cognitive and affective. Robbins and Judge (2007) defines commitment as a situation where an individual consistent with organization as well as the goals and wishes to maintain his membership within organization. Forehead, (1991) describes commitment effect on performance, with assumption that committed workers are more readily to achieve organizational goals than non-committed workers. Employees with high commitments will have greater contributions to the organization, perform better, engage in organizational citizenship behavior, and less likely to engage in unproductive or destructive behavior (Meyer et al, 1993; 2002). Research results show organizational commitment effect on employee performance. It is supported by findings of Samad (2011). This study refers to Khan, Jan, and Baloch (2011), Rod et al. (2010), Park et al. (2006) which concluded that there is significant relationship between organizational commitment and employee performance.

F. Hypothesis 6: Organizational commitment significantly positive effects on employee performance

On the basis of developing body of the literature, the research proposed the research framework as portray in Figure1.

![Research Framework](image)

III. RESEARCH METHOD

The data were gathered from employees of BPJS in West Sumatra Province, Indonesia with total number 80 respondents. Measurement variable was conducted using existing instrument which was adopted from previous studies. All variables were measured using Likert scale 5 point range from strongly disagree (scale 1) to strongly agree (scale 5). The construct of distributive justice consisted of four items which was adopted from Leventhal (1976) study. The construct of job satisfaction contained six items which adopted from the Vandenabeele (2009). Then, the construct of organizational commitment questionnaire contained.
en ten items which was modified from Meyer and Allen (1991) and the construct of employee performance was measured using six items which was adopted Liao et al (2012). The questionnaire also included which was measured by a nominal and ordinal scale.

Structural Equation Modeling (PLS-SEM) was used to identify author proposed relationship between distributive justice, job satisfaction, organizational commitment and employee performance. In general, PLS is better suited for explaining complex relationships as it is able to avoid two problems, namely, inadmissible solutions and factor indeterminacy (Fornell & Bookstein, 1982). The other statistical tool used in this study was the Statistical Product and Service Solutions (SPSS). Assessment of PLS-SEM followed a systematic evaluation of the recommended two-steps approach, first the measurement model and then followed by the structural model (Joseph F Hair, Ringle, & Sarstedt, 2013). The research model was tested using the statistical application of Smart PLS Version 3.2.7.

IV. RESULTS AND DISCUSSION

The data were obtained through field survey in Indonesia National Health Insurance Company workers. A total of 80 questionnaires and all questionnaire used for further analysis. Based on gender, the respondents consists of 51.2% male and female is 48.8%. Mostly employees in age between 31-35 years old with 36.3%. For marital status employees were single 32.5% and were married 67.5%. Most employees have bachelor degree with 67.5%. Most employees were in implemen ter position with 42.5%. Employees were dominant regular employees with 67.5%. Their average income, it ranged between Rp.5.500.001-Rp.6.500.000 (42.5%). For work experience most of them between 1-3 years with 32.5%.

As for the convergent validity, the variables were tested to analyse the degree of agreement of each indicator in measuring the same variable. The average variance extracted (AVE) values for all variables above 0.5 exceeding the recommended 0.5 threshold (Hair, Anderson, Tatham, & Black, 1998). The last step in assessment of the measurement model was to test the discriminant validity. Table 2 shows the new CR and AVE based on the new latent variable. CR for all variables was more than 0.7 and AVE was more than 0.5 threshold. Results in Table 1 concluded that the data has met the threshold of indicator, internal consistency, convergent and discriminant reliability.

### TABLE 1. RESULTS OF NEW COMPOSITE RELIABILITY AND AVERAGE MEAN EXTRACTED RESULTS OF STRUCTURAL MODEL

<table>
<thead>
<tr>
<th>Variable</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributive Justice</td>
<td>0.830</td>
<td>0.553</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>0.847</td>
<td>0.528</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>0.870</td>
<td>0.573</td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>0.882</td>
<td>0.556</td>
</tr>
</tbody>
</table>

The structural model assessment was then used to test the hypothesized model. This study examined the structural model with one exogenous variable (i.e. Employee Performance) and three endogenous variables (i.e. Distributive Justice, Job Satisfaction and Organizational Commitment). The first step was to analyse the significance and relevance of the path coefficients (one-tailed test t-value more than 1.65 with confidence level of 5%). Table 2 presents the results of testing the hypotheses.

### Table 2. Result of Testing Hypotheses

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Original Sample (O)</th>
<th>Mean Sample (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>Statistic (T/STDEV)</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 Distributive Justice -&gt; Job Satisfaction</td>
<td>0.568</td>
<td>0.581</td>
<td>0.075</td>
<td>7.613</td>
<td>0.000**</td>
</tr>
<tr>
<td>H2 Distributive Justice -&gt; Organizational Commitment</td>
<td>0.119</td>
<td>0.110</td>
<td>0.121</td>
<td>0.986</td>
<td>0.324</td>
</tr>
<tr>
<td>H3 Distributive Justice -&gt; Employee Performance</td>
<td>0.022</td>
<td>0.033</td>
<td>0.115</td>
<td>0.819</td>
<td>0.850</td>
</tr>
<tr>
<td>H4 Job Satisfaction -&gt; Organizational Commitment</td>
<td>0.531</td>
<td>0.548</td>
<td>0.113</td>
<td>4.682</td>
<td>0.000**</td>
</tr>
<tr>
<td>H5 Job Satisfaction -&gt; Employee Performance</td>
<td>0.559</td>
<td>0.551</td>
<td>0.139</td>
<td>4.034</td>
<td>0.000**</td>
</tr>
<tr>
<td>H6 Organizational Commitment -&gt; Employee Performance</td>
<td>0.256</td>
<td>0.269</td>
<td>0.131</td>
<td>1.945</td>
<td>0.052*</td>
</tr>
</tbody>
</table>

Note: ** significant at p value ≤ 0.01; * significant at p value ≤ 0.05

Table 3 shows that four hypotheses (i.e. Hypothesis 1, Hypothesis 4, Hypothesis 5 and Hypothesis 6) were supported and two hypotheses (i.e. Hypothesis 2 and Hypothesis 3) were not supported at 5% significance level. The results in Table 2 showed that the hypothesized relationship between distributive justice and job satisfaction variables (i.e. Hypothesis 1) is supported by the value of P value is 0.000 and t-statistic is 7.613. It is match with the t-statistic requirement it must above 1.65 for one-tailed hypothesis with alpha 0.05. It means that distributive justice has a positive and significant effect on job satisfaction. H4 was found to be supported (t-value = 4.683, p value = 0.000) means that job satisfaction has a positive and significant effect on organizational commitment., H5 (t-value = 4.034 p value = 0.000) means that job satisfaction has a positive and
significant effect on employee performance, and as was H6 (t-value = 1.945, p value = 0.052) means that organizational commitment has a positive and significant effect on employee performance. These suggest that distributive justice has a positive and significant effect on job satisfaction. The result supported by research from Lambert (2003), that show there is positive and significant effect of distributive justice to job satisfaction. H4 supported by research of Konovsky and Cropanzano (1991), and Parker and Kohlmeyer (2005), that show there is positive and significant relationship between job satisfaction and organizational commitment. H5 supported by research of Perera et al. (2014), that show there is significant positive effect of job satisfaction to employee performance. And also H6 supported by research from Khan, Jan, and Baloch (2011), Rod et al. (2010), Park et al. (2006), which concluded that there is significant relationship between organizational commitment and employee performance.

The results of testing hypotheses found H2 and H3 are not supported that indicate the distributive justice does not influence organizational commitment and employee performance. It is supported by the previous study of Konovsky & Cropanzano (1991), shows that commitment to be significantly more strongly related to procedural justice than to distributive justice. It also supported by research of meta-analysis findings of Cohen-Charash and Spector (2001), that show the major determinant of employee performance is procedural justice, with distributive and interactive justice having almost no impact on employee performance. The results of H2 show that the influence of distributive justice variable on organizational commitment have the value of P Value is 0.324 and t-statistic is 0.986. It means that distributive justice has a positive and not significant effect on organizational commitment. For H3 the result show that the influence of distributive justice variable on employee performance have the value of P value is 0.850 and t-statistic is 0.189. It means that distributive justice did not significantly effect on employee performance. After analyzing the path coefficients, the second step was to examine the coefficient of determination R2, then analyzing the effect size by measuring the change in the R2. R2 represents the degree of the effect of exogenous variable on influencing the endogenous variables. Employee performance owns up a value of 0.568 and for job satisfaction exhibit the value of 0.322 and organizational commitment of 0.367. This value means that job satisfaction variance by 32.2% and organizational commitment variance by 36.7% while employee performance variance by 56.8%. The rest of the value is influenced by other variables which is not tested this model. In conclusion, the study found that employee performance is affected by job satisfaction and then followed by organizational commitment. The distributive justice did not play a significant role in employee performance.

This study is purported to investigate effect of distributive justice, job satisfaction and organizational commitment on employee performance. A study conducted by Lambert (2003) supported that there is positive affect of distributive justice on job satisfaction. Distributive justice is pertained to perceptions of fair allocation of outcomes such as pay and promotions offered by the organization (Folger and Cropanzano, 1998). Allocation of resources outcomes in organization which seems to be more satisfying when employee perceived outcomes are fair. When employee feel that he or she has been not treated fair in an organization, it is difficult for an employee to satisfy with their job. However, distributive justice does not have significant effect to organizational commitment and employee performance. The result does not coincide with Cowherd and Levine (1992), ObeidiNama (2012), and Madi et al. (2012). It shows there is a significant relationship between the organizational justice and the dimension of organizational commitment, and also with Leventhal’s (1976), Lambert (2007), and Nasurdin and Khaun (2011) that showed distribution of rewards and resources will effect on performance. The result in line with the meta-analysis findings of Colquitt et al. (2001) that showed distributive justice as predictor of specific behavior, for example satisfaction of reward and job satisfaction, while procedural justice significantly influences on global behavior, for example organizational commitment. It is also supported by research of Cohen-Charash and Spector (2001) that noted the major determinant of employee performance is procedural justice, with distributive and interactive justice having almost no impact on employee performance. Distributive justice has positive relationship with organizational commitment, nevertheless the relationship was not significant. It means that the perception of fairness of employees of BPJS for getting compensation can affect the attachment of employees to the organization. It is because they feel doing work in accordance with the business they have done, but the effect was not significant. Besides, the distributive justice did not significant effect on employee performance because decisions are made by the central government on the basis of government regulation. They did not have opportunity to provide input into these rules and procedures to determination of the procedures used to adjust and distribute outcomes.

The effect of job satisfaction effect organizational commitment supported by research of Konovsky and Cropanzano (1991), and Parker and Kohlmeyer (2005). The study showed there is positive and significant relationship between job satisfaction and organizational commitment. Organization needs to improve job satisfaction in order to increase organizational commitment. Job satisfaction is found as an antecedent of organizational commitment (Inuwa, 2016). The finding supported by Parker and
Kohlmeyer (2005). When employee feel satisfied with their job, the employee will more committed to the organization. The effect of job satisfaction to employee performance have been found consistent with the result of Perera et al. (2014) that show there is significant positive effect of job satisfaction to employee performance. Job satisfaction has been assessed as highly crucial factor for the growth of both organization and its employees. According to Galup, Klien and Jiang (2008) the higher levels of employee satisfaction normally contributes to the success of an organization, while poor job satisfaction may harm it. When employee more satisfied with their work, the employees will show more involvement into their work that incorporate continuous quality improvement into their activities and encourage them to participate in achieving organization goals.

The effect of organizational commitment to employee performance supported by research several studies, for example; Khan, Jan, and Baloch (2011), Rod et al. (2010), Park et al. (2006), which concluded that there is significant relationship between organizational commitment and employee performance. Commitments can obtained from several levels of organization, including employees who directly involved and that involvement in work will improve performance (Worley, 2005). Commitment means for the employees to not only stay in the organization for a longer time, but also to give their best efforts and be loyal to the organization. Organizational commitment will effects on employee performance. Committed workers are more readily to achieve organizational goals than non-committed workers. According to Mowday (1998), employees with high organizational commitment did not have desire to leave the organization, but they will build better relationships with other employees and customers, being more effective, be more adaptable to change, and also work more efficiently.

V. CONCLUSION, IMPLICATIONS, AND FUTURE RESEARCH

The results of testing hypotheses noted that job satisfaction and organizational commitment as good predictor of employee performance. Employee with feeling satisfy with the job and high level of organizational commitment will demonstrates a good performance. Job satisfaction as an attitude associates with organizational commitment. The higher level feeling satisfaction with the job, the stronger organizational commitment. Nevertheless, feeling satisfaction can be contingent on feeling of justice (i.e. distributive justice)

The findings in this study provides several important. First, Organization needs to convince employees of the suitability between providing reward and contributions made by employees by re-socializing the reward system that can motivate employees to increase job satisfaction. When employees feel that they are treated fairly by organization in every aspect they are motivated to show positive attitude and behavior like job satisfaction. Second, organizational commitment become important in organization. Organization can make the employees satisfied with their job which affects in increasing organizational commitment. Third, organization need to pay attention to antecedent of employee performance. Organization might improve employee performance by taking into account components of organizational commitment and job satisfaction. Happier workers are believed to link with productive workers. Employee who is more satisfied with their work will show more involvement into their work that incorporate continuous quality improvement into their activities and encourage them to participate in achieving organization goals.

This research cannot be separated from several limitations which can be taking into account for future research. The sample in this study is still limited and on a relatively small scale. Small sample size may limit the generalizability of the respondents of this research. Future research is expected to expand the scale and multiply the sample by spreading it to other agencies or at a non-government organization that is more dynamic and professional. This study uses a questionnaire that may not reflect actual respondent behavior. It is hoped that further research use mix method approach between quantitative and qualitative approach. The current study limits also analysis of antecedent of organizational performance from justice, commitment and satisfaction. Therefore for further research, it is expected to be able to consider other variables which might affect employee performance.

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