



The influence of organizational justice on employee performance mediated work engagement

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ABSTRACT

The ability of organizations to work effectively and efficiently to achieve their goals and to be successful is possible with employees, who are the most valuable human capital, good organizational management, and the application of modern management principles and functions. Optimally activating employee performance is a challenge for organizations. This study examines the mediating effect of work engagement on organizational justice and employee performance. The method used in this research is a quantitative method with a causality approach. The sample used was 43 respondents. The results of this study show that organizational justice partially influences employee performance and work engagement. In contrast, work engagement significantly affects employee performance, and as expected, engagement can mediate between organizational justice and employee performance.

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1. INTRODUCTION

Organizations want to increase their productivity in today's world, where competition is fierce. On the other hand, to be a pioneer, properly providing and retaining employees is necessary. The presence of human resources is inseparable from achieving organizational excellence, and it becomes paramount. This is why organizations that understand the importance of the human factor want to retain quality human resources.

Organizations' performance directly depends on their employees' performance (Tatli et al., 2023; Velasco Vizcaino et al., 2023; Wahyudi, Kurniasih, et al., 2022). For this reason, it has become a necessity to plan employee performance to achieve organizational success, evaluate performance according to this plan, identify if there are any negative deviations from planned performance, and develop employee shortcomings. The system, which includes the organization's planning, evaluation, and employee development activities, has been called a performance management system in recent years. Performance is an important issue for managers in organizations and results from employee work behavior (Hamouche & Parent-Lamarche, 2023; Haryadi et al., 2021; Wahyudi, 2021). Performance can be defined as a measure of the total qualitative and quantitative contribution of an employee or group to the unit and the organizational goals associated with it (Koopmans et al., 2016; Pradhan & Jena, 2017; Ramos-Villagrasa et

al., 2019). Performance is the expenditure of time and effort to achieve what employees want due to performing tasks and responsibilities within a company to meet their needs.

In addition, performance should be organized so that employees make the necessary efforts when doing their jobs, can fulfill the work assigned to them at the desired standard, and create an atmosphere in which the organization can provide individual support to employees and prevent conflicts. The concept of performance is a concept that determines what is obtained as a result of purposeful and planned activities in general, quantitative or qualitative (Danilova et al., 2023; Wahyudi, Rozi, et al., 2022). Performance is goods, services, or ideas submitted to fulfill tasks and achieve goals in a way that meets predetermined steps within the framework of the task. Performance can also be expressed as the result of the interaction between individual abilities and motivation. Performance can be defined as the evaluation of all efforts made to achieve business goals. Since performance is "the result obtained by the employee by fulfilling the tasks assigned to him within a certain period," if this result is positive, it is accepted that the employee has successfully fulfilled the tasks and responsibilities assigned to him and, therefore, has a high performance, and if the result is negative, the employee is not successful, and his performance level is low. However, many factors can affect employee performance, one of which is the organizational justice felt by employees.

The concept of organizational justice is a critical issue in determining what employees think about their organization and what kind of attitude and behavior they will have towards their organization in line with this thinking (Avery et al., 2023; Khan et al., 2023; Mahmood et al., 2023). Thus, it has been observed that if employees do not perceive their organization reasonably, they experience a decrease in job satisfaction, motivation, and performance levels, which are important factors influencing their productivity. In addition, it was observed that employee absenteeism and their intention to leave the job increased, and it was determined that the stress and tension experienced in the organization reached the highest levels. The concept of organizational justice, which is very important in determining employees' attitudes and behaviors towards their organization and organizational efficiency, is an issue that organizations should pay attention to. Some researchers mentioned that organizational justice can have a strong influence on improving optimal employee performance (Ahamed et al., 2023; Ekingen, 2023). Justice is, therefore, an indispensable need in any environment where people need to live together in harmony. Organizations, where resources are distributed in the light of organizational procedures and constant interaction with employees, are fertile environments for developing concern and interest in fairness. Employees' evaluation of organizational justice influences their attitudes and behaviors. However, there is a gap between several studies, some say that organizational justice has a significant effect, while others say it has no significant effect (Ekingen, 2023; Karam et al., 2019; Widya et al., 2021). Therefore, this study makes the work engagement variable a mediating variable. In addition, work engagement is significant in improving employee performance (Al Badi et al., 2023).

2. RESEARCH METHOD

The research method used in this study is a quantitative method with a causality approach that relies on Partial Least Squares Structural Equation Modeling (PLS-SEM) (Legate et al., 2023; Sarstedt et al., 2023). This research was conducted at PT Nikomas Gemilang Tbk with a total sample of 43 people. The data collection technique is by distributing questionnaires, which are directly distributed to respondents. The indicators in the questionnaire were adapted from several studies; for example, the organizational justice variable was adapted from the research of Farid et al. (2023) with a total indicator of 15 items, while the employee performance variable was adapted from the research of Naqshbandi et al. (2023) with a total indicator of 3 items, while the work engagement variable is adapted from the research of Lupsa et al. (2019) with a total indicator of 9

items. The measurement scale of the indicator is measured on a scale of 5. The analytical tool used is SmartPLS version 3. The tests carried out are validity, reliability, AVE, R-Square, and bootstrapping testing to determine the effect. The research model can be seen in Figure 1.

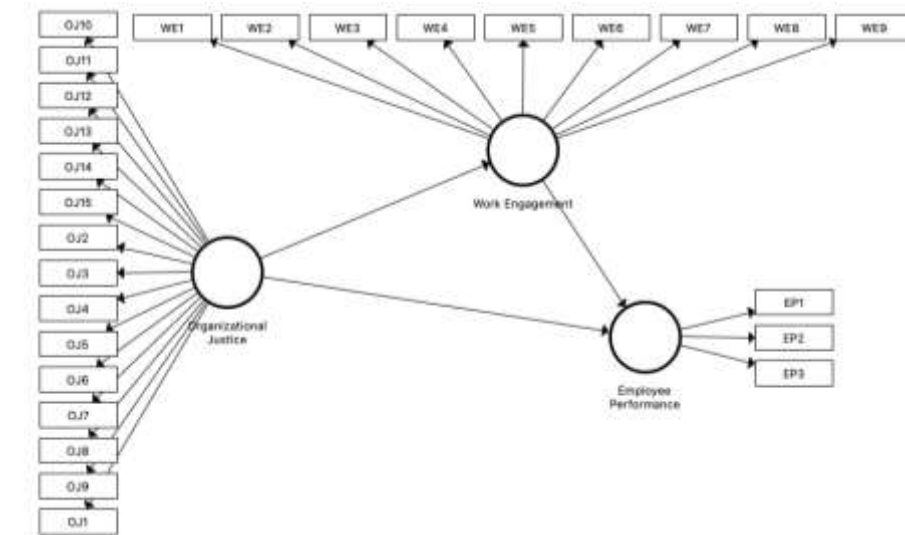


Figure 1. Research Model

Hypothesis:

H1: Organizational justice has a significant effect on employee performance.

H2: Organizational justice has a significant effect on work engagement

H3: Work engagement has a significant effect on employee performance

H4: Work engagement can mediate between organizational justice in improving employee performance.

3. RESULTS AND DISCUSSIONS

The provisions in validity testing refer to Quddus et al. (2020), which states that validity testing can be seen from discriminant validity, implying that a construct is unique and captures phenomena not represented by other constructs in the model. Specifically, the indicator's external loading on the related construct must be greater than all cross-loadings (i.e., its correlations) on other constructs. It can be seen in Table 1 that all indicators of the variables under study meet the requirements of qualified validity.

Table 1. Cross Loadings

	Employee Performance	Organizational Justice	Work Engagement
EP1	0,690	0,502	0,494
EP2	0,885	0,751	0,697
EP3	0,812	0,566	0,445
OJ1	0,566	0,812	0,445
OJ2	0,727	0,729	0,644
OJ3	0,480	0,669	0,621
OJ4	0,590	0,742	0,696
OJ5	0,573	0,750	0,716
OJ6	0,591	0,829	0,713
OJ7	0,465	0,651	0,433
OJ8	0,414	0,674	0,575
OJ9	0,497	0,747	0,562
OJ10	0,441	0,657	0,442
OJ11	0,270	0,601	0,243

OJ12	0,408	0,710	0,568
OJ13	0,497	0,768	0,703
OJ14	0,361	0,660	0,524
OJ15	0,553	0,699	0,674
WE1	0,444	0,511	0,631
WE2	0,620	0,740	0,771
WE3	0,598	0,780	0,872
WE4	0,476	0,498	0,673
WE5	0,298	0,501	0,646
WE6	0,737	0,740	0,831
WE7	0,476	0,613	0,757
WE8	0,403	0,632	0,659
WE9	0,459	0,619	0,632

Furthermore, after validity testing, it can be continued for reliability testing. Reliability testing is a tool used to measure the consistency of a questionnaire, which is an indicator of a variable or construct. A questionnaire can be reliable if someone's answer is consistent or stable over time. Reliability testing can be seen in Cronbach's alpha and composite reliability. Both can be considered in reliability testing. Many researchers suggest that suitable reliability can be seen from composite reliability because Cronbach's alpha has a more underestimated value following the recommendations of Hair et al. (2019), which provides a limit to the value of reliability, which is at least 0.70. The results of the reliability test can be seen in Table 2.

Table 2. Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	AVE
Employee Performance	0,711	0,812	0,597
Organizational Justice	0,825	0,889	0,538
Work Engagement	0,877	0,902	0,511

Table 2 explains that all variables have qualified reliability, with a reliability value above 0.70. In addition, the AVE value is also acceptable because it has a value above 0.50 (Hair et al., 2019). Furthermore, to determine the value of the coefficient of determination, the bootstrapping technique can be carried out with 5000 subsamples following the recommendations of Hair et al. (2017). The coefficient of determination in this study's results is shown in Table 3.

Table 3. R Square

	R Square
Employee Performance	0,641
Work Engagement	0,790

Table 3 explains that the coefficient of determination of employee performance is 0.641; this value is considered moderate, while the R2 value on work involvement produces a value of 0.790, considered substantial (Hair et al., 2019). Furthermore, the significance value of the hypothesis built can be found in Table 4.

Table 4. Hypothesis test

	Original Sample	T Statistics	P Value
Organizational Justice → Employee Performance	0.760	3.660	0.000
Organizational Justice → Work Engagement	0.801	7.421	0.000
Work Engagement → Employee Performance	0.533	2.232	0.002
Organizational Justice → Work Engagement → Employee Performance	0.410	2.209	0.006

Based on Table 4, all hypotheses proposed can be accepted because T Statistics exceeds the value of 1.96, and the P-value is less than 0.05. Where organizational justice has a positive and significant effect in improving employee performance ($\beta = 0.760$, $t = 3.660$, $p < 0.000$); organizational justice has a positive influence in building work

engagement ($\beta = 0.801$, $t = 7.421$, $p < 0.000$); Work engagement can strengthen positively and significantly in improving employee performance ($\beta = 0.533$, $t = 2.232$, $p < 0.002$); while work engagement can mediate the influence between organizational justice on employee performance positively and significantly.

The study of fairness in psychology began with Adams' work on equity theory. These studies focused on perceived fairness in job outcomes. The study of organizational justice deals with perceptions of fairness, especially in organizational decisions and decision-making processes. When equity theory and other distributive justice models did not explain and fully predict employee reactions to perceived injustice, research shifted toward procedural justice. Meanwhile, the study of interactional justice began when researchers realized that people perceive interpersonal relationships as a form of justice.

Organizational justice has been the subject of much research and it has been suggested that organizational justice is an organizational variable that may be related to a large number of positive business outcomes. Organizational justice is one of the most researched topics in organizational psychology and human resource management, especially in the last decade. An important reason for this is that increased perceptions of justice can improve organization-related outcome variables such as work engagement and employee performance. It is also because perceptions of fairness have significant consequences on employee behavior and attitudes. Yean & Yusof (2016) have studied how it can affect various other variables that exist in the organization; they say that organizational justice can have an effect on building trust, fostering employees' OCB, and, most importantly, it can have an effect on job performance. In conclusion, Yean & Yusof (2016) emphasized that it is essential for organizations to implement justice in the workplace so that it will ultimately benefit the organization, namely increasing employee performance to the maximum. Fiaz et al. (2021) researched in Pakistan with 433 respondents, showing that organizational justice has a significant effect on employee performance. Therefore, Fiaz et al. (2021) emphasized that organizational justice significantly improves employee performance. Some studies also explain that organizational justice significantly improves employee performance (Ahamed et al., 2023; Ekingen, 2023).

Perceptions of organizational justice begin with the occurrence of any event in the work environment, evaluations are made by employees depending on existing rules and standards and end with individuals reaching a judgment about whether the outcome is fair or not. Since employees shape their behavior according to how they perceive it, employees' perception of whether the organization is fair or not increases the importance of organizational justice. Employees' perception of an unfair situation in the organization leads to negative behaviors (Jacobs et al., 2014; Khattak et al., 2019; Lee, 2022). In Romania, Lupsa et al. (2019) conducted research involving 193 respondents to test the six hypotheses proposed, and all hypotheses proposed are acceptable, including organizational justice, which can significantly affect work engagement. Likewise, Sharma & Kumra (2020) research states that organizational justice can positively and significantly influence encouraging work engagement. Finally, this study has confirmed previous research, which results that if organizational justice can be appropriately applied to employee perceptions, this will help encourage employees to continue to be involved in the work that has become their responsibility.

Work engagement is a process that allows employees to voice their opinions regarding decisions that affect their work. When employees are involved in decision-making, they have more control over their work and workplace. On the other hand, employees who feel engaged tend to be more productive because they are focused on their work. A high level of solemnity results in efficiency and effectiveness in carrying out daily tasks. High engagement triggers creativity and innovation. Employees who feel engaged are more likely to seek new solutions, contribute to process improvements, and provide fresh ideas for organizational development. High work engagement at the individual employee level can ultimately impact the organization's overall performance. Engaged

employees become productive human resources and contribute positively to achieving company goals. Research by Al Badi et al. (2023) involving as many as 2369 people showed that work engagement can boost maximum employee performance. This is also in line with research conducted by Naqshbandi et al. (2023), who argued that those involved will display positive behavior in their work. Therefore, this research also supports previous research. In addition, work engagement can also strongly influence mediating between organizational justice in improving employee performance positively and significantly. Therefore, management needs to understand the importance of employee work engagement.

4. CONCLUSION

Organizational justice can significantly influence employee performance due to the perception that each individual is treated fairly in the work environment. Organizational justice builds trust and credibility among employees. The implication is that employees who believe that management decisions and systems are fair will more readily accept responsibility and confidently follow directions. Likewise, in work engagement, employees who are always involved in organizational activities, such as decision-making, will have a strong influence in improving employee performance to the maximum. Collaboration and teamwork can improve when employees believe that all team members are treated fairly. Organizational justice creates an environment where employees feel safe to share ideas, work together, and support each other. However, this research has limitations. The limitation of this study is that there is only one company in the sampling. Therefore, future research can expand the sampling, for example, to two or three companies to make the results more robust.

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