The Influences of Quality of Work Life and Organizational Justice on the Employees Performance of the State Owned Enterprises (SOEs) in South Sulawesi

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Abstract- This research aims to analyze: a) the effect of quality of work life on job satisfaction; b) the effect of organizational justice on job satisfaction; c) the effect of quality of work life on employees performance; d) the effect of organizational justice on employees performance; e) the effect of job satisfaction on employees performance. 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 State owned Enterprises (SOEs), locally called BUMN, consisting of PT. Perusahaan Listrik Negara (Persero), PT. Pertamina (Persero), PT. Telekomunikasi Indonesia, Tbk. (Persero), PT. Pelindo IV (Persero), PT. Bank Negara Indonesia, Tbk (Persero) located in the South Sulawesi. The sample in this study was 255 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 SOEs in Sulawesi Selatan.

Index Terms: Quality of Work Life, Organizational Justice, Job Satisfaction, Employees Performance

I. INTRODUCTION

The firms adopting a high performance work system may produce high organizational performance in workplaces where the employees have high job satisfaction. Generally, employees are attentive to justice of events and situations in their daily lives and across a variety of contexts (Gopanzano, 2009).

Life and the continued of any system and social institution depend on the strong bonds between its constituent elements. The firms adopting a high performance work system may produce high organizational performance in workplaces where the employees have high. This link is affected by the degree of justice in the system. Evaluation of individuals’ response about what they get in the organization, in contrast to what they provide to organization is the matter a lot of social study in field of justice (Poorezzat, 2006).

Since its inception, distributive justice has been rooted in Adams’ (1963) equity theory. Adams’ theory of equity stipulates that a fair balance must be created between an employee’s inputs and an employee’s outputs. In understanding Adams’ (1963)
theory, it is important to recognize that the theory is created on the belief that employees become de-motivated if they feel that inputs outweigh outputs. Inputs relate to items such as hard work, enthusiasm, skill level, commitment and dedication, whereas outputs are the rewards achieved such as pay, benefits, and recognition. Fairness theory is about injustice and justice is concerned with moral virtue. Fairness theory attempts to integrate the distinct components of justice into a global theory of fairness (Folger & Cropanzano, 2001).

In terms of quality of work life is the most substantial work related behavioural phenomenon which has positive impact on production, work culture and effectiveness of the organization. Quality of work life is one of the most important workplace issues of the modern times. The literature indicates strong relationship between employees’ well-being at work and performance of such organizations. The summaries of quality of work life variables captured are applicable to almost all organizations. The importance of considering quality of work life, organization performance and motivation is demonstrated in the strong relationship between employee’s well-being at work and performance of such organizations (Akeeth et al. 2012). Quality of work life refers to an employee’s satisfaction with the working life (Raduan et al. 2006).

Job Satisfaction is what organizations always focus and form time it has taken the place of importance. Job satisfaction is all about how a person likes the job. Today it is a world of competition and when job satisfaction is not felt by an employee it leads to turnover. Salary is a contributor to job satisfaction but not always. There are many other factors which help in achieving job satisfaction. Often, in order to achieve optimum job satisfaction (Satpathy et al. 2014).

Affecting factors such as job satisfaction, organizational commitment and confidence to supervisor on quality of work life of the organization, the role of perception is important, for example job satisfaction and the general attitude of the staff related their job and associated with the individual needs Silvertorne (2004). When employees have high autonomy, receive feedback about their performance and have an important, identifiable piece of work to do, which requires skill variety, they may experience feelings of happiness and therefore intrinsic motivation to keep performing well (Porter and Smith, 1970).

II. LITERATUR REVIEW

2.1. Quality of Work Life

The term quality of work life gained importance in the late 1960s as a way of concerns about effects of job/work on health and general well-being and ways to positively influence the quality of a person’s work experience. Up until the mid 1970s, employer’s concern was on work design and working conditions improvement. However, in the next decade of 1980s, the concept of QWL included other aspects that affect employees' job satisfaction and productivity and these aspects are, reward systems, physical work environment, employee involvement, rights and esteem needs (Mageswari and Prabhu, 2012). Quality of work life refers to an employee’s satisfaction with the working life (Raduan et al. 2006). Quality of work life is a multi-dimensional construct, made up of a number of interrelated factors that need careful consideration to conceptualize and measure (Rethinam, 2008). Quality of work life influence quality of life of employees in organization job satisfaction and productivity, reward systems, physical work environment, employee involvement, rights and esteem needs, hours and working conditions, describing the “essentials of a good quality of work life” as; safe work environment, equitable wages, equal employment opportunities and opportunities for advancement (Naerhan et. al. 2014; Cummings & Worley, 2005; Mirvis & Lawler, 1984). Some studies suggest the importance of job satisfaction and identifies the association of satisfaction at work with a better quality of life, (Kaleem, et al., 2011; Shakoorzadeh, 2015; Diab, 2015, Akeeth, et al., 2012; Sheel et al., 2012).

2.2. Organizational Justice

Early research in organizational justice has focused on two primary constructs: distributive and procedural justice. Distributive justice, based on Adam’s equity theory (1965). Originally, organization justice was viewed from two dimensions namely; distributive justice and procedural justice. Bies et al. (1986), suggested a third organizational justice dimension; interactional justice. Organizational justice theories center on perceived fairness in the workplace. The concept is generally analyzed in three categories: distributive, procedural and interactional justice. 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). Interactional justice is a unique perception of fairness in the interpersonal treatment of employees by an organization (Bies, 2005).

Organizational justice refers to people’s (employees) perceptions of fairness in organizations (Greenberg et al., 2005). This fairness has been demonstrated to have effects on various attitudinal and behavioural outcomes (Colquitt et al., 2001; Cohen-Charash et al., 2001). If the employees perceive a decision as being fair, the employment relationship is more likely to comprise higher commitment and greater job satisfaction (Colquitt et al., 2001). Finding the right person for the job is an important task to be filled by the human resources professionals (Alniaicik et al. 2013). Employees evaluate their experiences at work in terms of whether these experiences are fair and whether organizations show interest as an individual (Lind & Tyler, 1988). Some studies have examined the causes and consequences of organizational justice and its interrelationships with other important job related variables (Zu’bi et al., 2010; Diab, 2015; Bhakshi et al., 2009).

2.3. Job Satisfaction

Locke (1976) argued that there job satisfaction represents a combination of positive or negative feelings that workers have towards their work. It is influenced by a series of factors including the nature of work, salary, advancement opportunities, management, work groups, work conditions. Negative and unfavorable attitudes towards the job indicate job dissatisfaction (Armstrong, 2006). Job dissatisfaction can be one factor that will increase costs, produce time delays and generally reduce productivity on most types of projects (Borcherding & Oglesby, 1975). Factors resulting in job dissatisfaction and quality of working life, including: poor working environments, resident aggression, workload, unable to deliver quality of expected (Ellis and Pompl, 2002). So satisfaction is worth paying attention to, especially since it is potentially under your control – unlike some
of the other causes of abstenteism (Sweney and McFarlin, 2005). Several studies the influence of job satisfaction on employees performance. For example, (Chen, 2014; Talasaz, 2014; Al-ahmadi, 2009; Dugguh et. al., 2014) in their research indicated that job satisfaction and employees performance have significant relationship.

2.4. Employees Performance

Employee performance is a function of ability, effort, skill, environment, and motivation. The performance of employees is considered very significant in the achievement of organizational goals. (Ackah, 2014). By treating workers with respect and as capable and intelligent individuals, organizations find that organization and more trustful of management, which will result in improved performance (Walton, 1985). Increasing employee performance or to find out the ways through which high level of employee’s performance can be achieved is becoming one of the decisive factors for any organization success. managing and retaining promising employees’ is an important fundamental mean of achieving competitive advantage among the organizations (Walker, 2001).

III. CONCEPTUAL FRAMEWORK AND HYPOTHESES

3.1. Conceptual Frameworks

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.

![Conceptual Framework](image)

3.2. Hypotheses

This study has 5 hypotheses that are going to be tested. These five hypotheses are as follows:

H1 Quality of work life influences the job satisfaction.
H2 Organizational justice influences the job satisfaction.
H3 Quality of work life influences the employees performance.
H4 Organizational justice influences the employees performance.
H5 Job satisfaction influences the employees performance.

IV. RESEARCH METHOD

4.1. Population and Sample

The purpose of this study was to investigate 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 State Owned Enterprises (SOEs) that is 739 people. Sampling method is simple random that is chosen the 255 People, 173 men and 82 women will form the samples for this study.

4.2. Methods and tools data collection

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 overall model fit was assessed statistically by the chi-square ($X^2$) test. In the study, questionnaires was measured using by five-point Likert scale from 1 strongly disagree to 5 strongly agree.

4.3. Analytical method Used
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). This relationship formed in the structural model that is a construct relationships between dependent and independent (Yamin & Kurniawan, 2009).

V. RESULTS AND DISCUSSION

The results of the study in terms of the GFI (Goodness of fit index), adjusted GFI (AGFI), Tucker Lewis Index (TLI), CFI (Comparative of fit index), and RMSEA both for individual model and general model as well as confirmatory factor analysis (CFA) are described as follows.

5.1. Quality of Work Life (X1) & Organizational Justice (X2)
As shown at Figure 5.1 below, it can be seen that each indicator of the quality of work life and organizational justice was fit as the model or fit between the data model. In general it can be explained that the above model shows a good level of acceptance. Therefore, it can be concluded that the model is acceptable.

![Figure 5.1 CFA Variable Quality of Work Life & Organizational Justice](image)

Furthermore, to determine the variables that can be used as an indicator of quality of work life and 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>
<thead>
<tr>
<th>Indikator Variabel</th>
<th>Loading Factor (λ)</th>
<th>Critical Ratio (C.R)</th>
<th>Prob. (p)</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of Work Life</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X2.1</td>
<td>0.742</td>
<td>11.873</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>X2.2</td>
<td>0.793</td>
<td>12.769</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>X2.3</td>
<td>0.780</td>
<td>12.544</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>X2.4</td>
<td>0.708</td>
<td>11.308</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>X2.5</td>
<td>0.685</td>
<td>10.910</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>X2.6</td>
<td>0.743</td>
<td>11.904</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>X2.7</td>
<td>0.753</td>
<td>12.067</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>X2.8</td>
<td>0.782</td>
<td>12.570</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>X2.9</td>
<td>0.735</td>
<td>Fix</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Organizational Justice</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X3.1</td>
<td>0.731</td>
<td>12.178</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>X3.2</td>
<td>0.786</td>
<td>13.281</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>X3.3</td>
<td>0.774</td>
<td>Fix</td>
<td>0.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source. Calculated from the data collected.

5.2. Job Satisfaction (Y1)
The results of CFA and the Goodness Fit of the model showed that the indicator of the variable job satisfaction fit to the model at Figure 5.2 below. Hence, this model can be accepted for further analysis.

Figure 5.2 CFA Variable Job Satisfaction

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 (λ) and the level of significance at table 5.2.

Table 5.2 Values of Loading Factor (λ)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Y1.1</td>
<td>0.692</td>
<td>10.396</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Y1.2</td>
<td>0.711</td>
<td>10.715</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Y1.3</td>
<td>0.754</td>
<td>10.473</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Y1.4</td>
<td>0.793</td>
<td>11.034</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Y1.5</td>
<td>0.774</td>
<td>Fix</td>
<td>0.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source. Calculated from the data collected.

5.3. Employees Performance (Y2)

Similarly, in terms of employees performance, the results of CFA and the Goodness Fit of the model showed that the indicator of this variable is fit to the model (Figure 5.3 and Table 5.3). Hence, this model can be accepted for further analysis.

Figure 5.3 CFA Variable Employees Performance

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 (λ) and the level of significance at table 5.3.

Table 5.3 Values of Loading Factor (λ)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Y2.1</td>
<td>0.732</td>
<td>Fix</td>
<td>0.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>
Source. Calculated from the data collected.

5.4. Results of Hypothesis Testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Variabel Independen</th>
<th>Variabel Dependan</th>
<th>Standardized</th>
<th>C.R</th>
<th>p-value</th>
<th>Etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>H-1</td>
<td>Quality of work life</td>
<td>Job Satisfaction</td>
<td>0.239</td>
<td>1.970</td>
<td>0.049</td>
<td>Significant</td>
</tr>
<tr>
<td>H-2</td>
<td>Organizational Justice</td>
<td>Job Satisfaction</td>
<td>0.171</td>
<td>2.076</td>
<td>0.038</td>
<td>Significant</td>
</tr>
<tr>
<td>H-3</td>
<td>Quality of work life</td>
<td>Employees Performance</td>
<td>0.212</td>
<td>1.975</td>
<td>0.048</td>
<td>Significant</td>
</tr>
<tr>
<td>H-4</td>
<td>Organizational Justice</td>
<td>Employees Performance</td>
<td>0.099</td>
<td>1.317</td>
<td>0.188</td>
<td>Not Significant</td>
</tr>
<tr>
<td>H-5</td>
<td>Job Satisfaction</td>
<td>Employees Performance</td>
<td>0.181</td>
<td>2.090</td>
<td>0.037</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source. Calculated from the data collected.

- Hypothesis (H-1) is accepted, p-value is 0.049 < 0.05 (cut of value), and CR value is 1.970. Thus, it can be concluded that this hypothesis is significant (acceptable). That is, the effect quality of work life on job satisfaction is significant. The results of this study in line with (Kaleem, et al., 2011; Shakoorzadeh, 2015; Diab, 2015; Akecht, et al., 2012; Sheel et al., 2012) indicate that various aspects of quality of work life are strongly associated with job satisfaction.

- Hypothesis (H-2) 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 (Zu’bi et al., 2010; Diab, 2015; Bhakshi et al., 2009) stated organizational Justice has a significant influence on job satisfaction.

- Hypothesis (H-3) is accepted, p-value is 0.048 < 0.05 (cut of value), and CR value is 1.975. Thus, it can be concluded that this hypothesis is significant (acceptable). That is, the effect quality of work life on employees performance is significant. Correlations between quality of work life and job performance have been unexpectedly high and strong for professional jobs with little supervision, low and weak for manual supervised jobs (Spector, 1997). In a similar vein, (Rubel, 2014; Akecht, et al., 2012; Sheel et al., 2012) conduct a study to identify the effect quality of work life on employees performance it is revealed that there was significant and positive relationship of quality of work life and employees performance.

- Hypothesis (H-4) is rejected, p-value is 0.188 > 0.05 (cut of value), and CR value is 1.317. Thus, it can be concluded that this hypothesis is insignificant (rejected). That is, the influence organizational justice on employees performance is not significant. The findings of the study regarding the impact of organizational justice on employee performance are in line with prior studies as well (Bakshi, et al., 2019; Wang, et al., 2010) which found that organizational justice has no effect on employees performance.  

- Hypothesis (H-5) 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 (2004); Koemosono (2014); Fisher, 2003; Faroqui (2014); Rose (2009); Arifin (2015), Funnimilola (2011). Their results of a research indicate that various aspects of job satisfaction are strongly associated with employees performance.

VI. CONCLUDING NOTES

Referring to result of analysis and discussion, then the following conclusion as follows. First, quality of work life has strong influence on the job satisfaction. This suggests that an improvement of the quality of work life will improve job satisfaction employees the SOEs. Second, organizational justice has positive and significant influence on the job satisfaction under survey. The results are quite according to our hypotheses. Our research shows that all the variables of organizational justice have a significant relationship with job satisfaction. Third, quality of work life has positive and significant influence on the employees performance SOEs. It thus implies that if an organization has good quality life ty of w policies and system the sustainability and attrition can be managed well. Fourth, organizational justice is not significant influence on the employees performance, important to note about the study findings is the fact that the influence organizational justice of employees performance is not significant. Overall, the allocation of resources and rewards to employees should be revised to bring more justice to the increase distributive justice, procedural justice and interactional justice that should improve in the studied SOEs. Fifth, the job satisfaction has positive
and significant influenced on the employees performance. Satisfied employees have positive attitudes regarding their jobs. The positive attitudes will increase the quality and quantity of employees’ performance. If SOEs can be more concerned about the job satisfaction of employees, better performances can be increasing. This aspect should be given more consideration by the managers in order to improve employees performance.

REFERENCES


