

## The effect of organizational justice on employee performance by job satisfaction as an intervening variable

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### ABSTRAK

Keadilan organisasi, kepuasan kerja dan kinerja pegawai merupakan hal penting yang harus diperhatikan dalam mengelola pegawai. Keadilan organisasi yang baik harus diperhatikan karena keadilan organisasi dapat mempengaruhi kepuasan kerja dan kinerja yang membuat pegawai merasa ingin memberikan usaha terbaik dan ikut berjuang bersama untuk mencapai tujuan organisasi. Penelitian ini bertujuan untuk menguji peran mediasi kepuasan kerja pada pengaruh keadilan organisasi terhadap kinerja pegawai di bidang anggaran pengeluaran dan sekretariat pada Badan Pengelolaan Keuangan dan Aset Daerah provinsi Sumatera Utara. Sampel dari penelitian ini adalah seluruh pegawai tetap Kantor Wilayah Ditjen Perbendaharaan provinsi Sumatera Utara yang berjumlah 84 orang. Hasil penelitian menunjukkan bahwa keadilan organisasi berpengaruh positif dan signifikan terhadap kinerja pegawai Badan Pengelolaan Keuangan dan Aset Daerah Provinsi Sumatera Utara. Kepuasan kerja berpengaruh positif dan tidak signifikan terhadap kinerja pegawai pada Badan Pengelolaan Keuangan dan Aset Daerah Provinsi Sumatera Utara. Keadilan organisasi berpengaruh positif dan signifikan terhadap kepuasan kerja pegawai Badan Pengelolaan Keuangan dan Aset Daerah Provinsi Sumatera Utara. Kepuasan kerja tidak memediasi pengaruh keadilan organisasi terhadap kinerja pegawai.

### ABSTRACT

*Organizational justice, job satisfaction and employee performance are an important thing to consider in managing employees. Good organizational justice must be considered because organizational justice can affect job satisfaction and performance which makes employees feel like they want to give their best effort and join the struggle together to achieve organizational goals. This study aims to see whether job satisfaction mediates the influence of organizational justice on employee performance in the field of expenditure budget and the secretariat at the regional financial and asset management agency of North Sumatra province. Sample of this research is all permanent employees of the regional office of the Directorate General of Treasury of North Sumatra province, which may be 84 people. The results showed that organizational justice had a positive and significant effect on the performance of the employees of the regional financial and asset management agency of North Sumatra province. Job satisfaction has a positive and insignificant effect on employee performance at the regional financial and asset management agency of North Sumatra province. Organizational justice has a positive and significant effect on job satisfaction of employees of the regional financial and asset management agency of North Sumatra province. Job satisfaction does not mediate the effect of organizational justice on employee performance.*

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## INTRODUCTION

In this modernization era, human resources (HR) still have the strongest role in an organization or company. HR is the main key owned by the company so that the company can compete with other companies. In a book is written by (Arianty, *et al.*, 2016) she says that human resources are resources that have reason and feelings, desires, skills, knowledge, encouragement and work that can be produced for the company. Human resources are also employees who are ready, capable, and alert, in achieving organizational goals. Human resources are very important in an organization or company because the effectiveness and success of an organization or company is very dependent on the quality and performance of human resources in the organization or company. Human resources (HR) are valuable assets in organizations, both formal and non-formal organizations, whether they are profit organizations, because with the presence of human resources in the organization, it can run well (Prayogi, *et al.*, 2019). In addition, Sunyoto, (2012)) states that every company must be professional in managing company resources. Human resources (HR) play the most important role in an organization or company compared to other resources. Organizational effectiveness depends on the management of human resources in the organization which is shown by the quality of employees. Employee welfare needs to be demonstrated in organizational management, because employee welfare will provide satisfaction to employees and ultimately have an impact on organizational commitment. With an increase in job satisfaction and organizational commitment, organizations can retain employees and gain competitive advantage from an organization.

Employee performance is the result of an employee's quality and quantity of work in carrying out his responsibilities in accordance with his responsibilities. In the work process, performance appraisal is also needed, where the purpose of job appraisal is an activity carried out by the company to evaluate the current and past performance of employees on the work that has been done by employees (Arianty, 2016). Performance is the degree to which employees achieve job requirements. When discussing employee performance, most of them are divided into in-role performance and extra-role performance. Performance in a role means how an employee performs his specific tasks according to a formal contract. Meanwhile, extra-role performance is performance beyond the basic job requirements and requires individual willingness and desire to perform (Simamorang, 1995).

According to Haryani & Hidayah, (2015) Performance is the result of a person's work in terms of quality and quantity in carrying out his duties or work in accordance with the responsibilities that have been assigned to him, and it is the result of work that has been accomplished by someone with predetermined standards; with these standards, it is expected that a person's performance in an organization will be able to produce good quality. The relationship between performance and fairness has a long history and the two have been found to be closely related. Performance is a sign of the success or failure of a person or group in carrying out real work that has been set by an organization (Jufrizen, 2018).

Organizational justice is an employee's perception of the fair treatment they receive, both related to attitudes, treatment and compensation. Justice should be felt by all parties in the organization but all of that cannot be realized easily, there are even employees who feel they have been treated unfairly. Injustice can be motivated by many things including, the supply of labor is much higher, and the demand for employees which results in the weak bargaining power of employees to the company on organizational output policies and the work output they receive. Then the organizational output and promotion policies are low. This has an impact on inadequate compensation, an unpleasant work atmosphere and inequality in the treatment received by employees.

According to Robbins, (2014) organizational justice focuses more broadly on how workers feel the authority and decision-making in the workplace in treating them, for the most part workers evaluate how fairly they are treated. According to Dessler, (2015) organizational justice is generally divided into three, namely organizational justice as justice for results, second organizational justice as justice for process or regulatory aspects, then third interactional justice as justice for interactions given by superiors to subordinates. The existence of organizational justice is an important issue for the success of an organization. This will certainly have an impact on employee satisfaction and performance. According to Hasibuan, (2018) Job satisfaction is defined as a job the extent to which a person likes his job or in other words, employee performance will deteriorate if a person's work environment does not get what is expected such as good income, promotion opportunities, coworkers and superiors who pleasure and satisfaction with the work itself. According to Rivai, (2005), job satisfaction is real behavior expressed by people in the form of work performance generated by employees and relevant to their role in the company.

According to Muhadi, (2007) states that job satisfaction is influenced by the role and position of employees in the business, with higher-ranking individuals feeling more happy because they have more autonomy, work that is more varied, and the ability to make their own judgements. Meanwhile, lower-level employees are more likely to experience dissatisfaction and boredom due to less challenging work and lower autonomy. This usually happens to lower-level employees who are highly educated but get jobs that are not commensurate with their abilities and expertise, one of which is non-manager level employees. (Siagian, 2015) revealed that employees who do not feel satisfied in their work will have a negative impact on their productivity. There are several factors that affect the level of employee job satisfaction such as the level of work, workload, work situation, leadership, and salary levels. In this case the organization needs to pay attention to the factors that affect employee job satisfaction and know that an employee is working expecting needs to be met. If this condition is realized, it will lead to satisfaction, comfort, and the desire to survive in the organization. One way to make it happen is to establish fairness in the work environment. In general, employees have high productivity and uphold fair treatment in the workplace. Employees who are satisfied and decide to commit to an organization will have their own opinions and perceptions about whether or not the decisions taken by the organization are fair. When employees feel fair in the treatment they receive, employee commitment tends to be stronger and employee satisfaction levels increase. According to Handoko, (2012) job satisfaction is a favorable or unfavorable view of employees towards their work. These feelings will be seen from the positive attitude of employees towards work and everything they face in their work environment. Based on the description above, researchers are interested in conducting research at the Regional Financial and Asset Management Agency of North Sumatra Province (BPKAD North Sumatra Province). This is based on the observations of researchers during internship activities in the Budget and Secretariat of BPKAD. The researcher observed that there were employees who did not come on time, employees who returned to work beyond the specified rest time, employees who procrastinated work.

## LITERATURE REVIEW

### **Organizational justice**

Justice could be a universal norm and a person's right, as a result of the existence of each person in any scenario and context desires to be treated fairly by alternative parties, as well as in organizations. structure justice is that the results of somebody's subjective perception of the treatment he receives compared to others around him. In the organizational behavior literature, the concept of justice is divided into three, namely distributive justice, procedural justice, and interactional justice (Koopman, 2003). According to Colquitt, *et al.*, (2012), organizational justice is generally divided into three, namely distributive justice as justice for results, second procedural justice as justice for process or regulatory aspects, then third

interactional justice as justice for interactions given by superiors against subordinates. However, distributive justice is not entirely built by absolute results, but by the comparison of the proportion allocated to individuals relative to the proportion allocated to group members (Handoko, 2017). Distributive justice is a stronger predictor of job satisfaction than procedural. Distributive justice is an important predictor of employee personal behavior, such as job satisfaction.

According to Dessler, (2015) the factors that affect organizational justice are: 1) Task characteristics, 2) Subordinate trust level, 3) Feedback frequency, 4) Managerial performance and 5) Organizational climate. According to Lestari (2018), reward justice or distributive justice is an assessment that people make regarding the rewards they receive compared to the rewards received by other people who are their reference. With the existence of distributive justice, the assessments of employees or rewards are given to each employee in a group according to the level of employee performance shown. Distributive justices as an assessment of how fair the applicable regulations relating to the results are received by a person are.

According to Lambert & Hogan (2008) indicators of organizational justice are task characteristics, organizational trust, and frequency of feedback, managerial performance and organizational culture. Meanwhile, according to Handoko, (2017) indicators of organizational justice are fair promotion opportunities, recognition of hard work, fair performance appraisal procedures, fair supervisor attitudes, appropriate performance appraisals and rewards based on skills and education. According to Singodimedjo, (2017), organizational justice is generally divided into three, namely distributive justice as justice for results, second procedural justice as justice for process or regulatory aspects, then third interactional justice as justice for interactions given by superiors to subordinates.

### **Employee performance**

Performance is the success of the responsibility center or personnel in realizing the strategic goals that have been set with the expected behavior. Performance achievement in a government agency (including local government) is often measured from the perspective of each stakeholder, for example legislative institutions, government agencies, customers, suppliers, and the general public. Ideally, the performance measurement is used by government agencies is compiled after obtaining input from constituent institutions, so that a consensus is obtained on what stakeholders expect of the organization. In order to achieve organizational goals and objectives, the organization is organized into smaller work units, with a clear division of labor, work systems and mechanisms (Tampubolon, 2015).

Human resources are very important for an organization in managing and managing employees so that they can function productively to achieve organizational goals. To obtain optimal performance from the presence of employees in the organization, the organization needs to determine the right strategy, namely by thinking about how to manage employees in order to achieve the company's goals that have been set. According to Jufrizen & Rahmadhani, (2020) they say that performance is a sign of the success or failure of a person or group in carrying out real work that has been set by an organization. According to Mangkunegara, (2017) performance (work achievement) is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him.

In achieving high performance, several influencing factors become a reference for whether employee performance is high or low. Factors that affect employee performance according to Mangkunegara, (2016) are ability and motivation factors. The indicators that can improve employee performance according to Wirawan, (2010) are: work skills, quality of work, responsibility, initiative,

discipline, cooperation, and quantity of work. Meanwhile, according to Suharyanto, *et al.*, (2014) the work indicators are: 1) quality, 2) quantity, 3) timeliness, 4) effectiveness, 5) independence, 6) work commitment. Meanwhile, according to Mangkunegara, (2013), the performance indicators are: quality, quantity, reliability and attitude.

### **Job satisfaction**

By definition, job satisfaction is an employee's positive attitude towards his work, which arises based on an assessment of the work situation (Robbins, 2014). A pleasant work state of affairs is fashioned if the character and sort of labor to be done is in accordance with the wants and values of the staff. Thus, satisfied employees prefer their work situations than dissatisfied employees, who do not like their work situations. Job satisfaction is the first aspect that is achieved before an employee has organizational commitment.

According to Rivai, (2005), job satisfaction may be a real behavior that's displayed by everybody as work performance created by workers in accordance with their role within the company. According to Robbins, (2014) Job satisfaction is the difference between the amount of rewards an employee receives and the amount they believe they should receive, as well as a general attitude toward one's work. Another opinion says Bintaro & Daryanto, (2017) job satisfaction is a general attitude which is the result of several special attitudes including work factors, self-adjustment and individual social relationships outside of work. The job satisfaction is felt by the employee is influenced by two factors, namely (Sutrisno, 2009) :1) Intrinsic factors are factors that come from within the individual that are brought by each employee since starting to work in their workplace, and 2) Extrinsic factors are factors related to - things that come from outside the employee, such as the physical condition of the work environment, interactions with other employees, the payroll system, and so on. Meanwhile, according to (Luthans, 2016) there are five dimensions that affect job satisfaction, namely: the work itself, salary, promotion opportunities, supervisory supervision, and coworkers.

Employee job satisfaction is an important thing to get attention from the company which can affect employee discipline. Likewise with achievement, according to Samsuddin, (2017) job satisfaction that is carried out well and closed will be able to help increase work motivation and organizational loyalty of employees. This of course will benefit the organization concerned. At least the employees will know to what extent and how their job satisfaction is assessed by their superiors or assessment team. According to Hasibuan, (2012) an employee's job satisfaction indicators can be seen from several things, namely: enjoying his job, loving his job, positive work morale, work discipline and work performance.

Another opinion suggests indicators of job satisfaction according to Anwar, *et al.*, (2019), namely: 1) The work itself, which includes responsibility (responsibility), interest (interest), and growth (growth). 2) Quality of supervision, which includes technical assistance (technical help), and social support (social support). 3) Relationships with co-workers, which include social harmony and respect. 4) Promotion opportunities, including opportunities for further advancement. 5) Pay, in the form of payment coverage (adequacy of pay), and a feeling of justice towards others (perceived equity others).

Fair treatment is what employees expect once they have invested their time and energy in the organization. Based on the results of research is conducted by Nielwaty, (2017) concluded that organizational justice has a positive effect on employee performance with organizational commitment as an intervening variable. Organizational justice also has a positive effect on employee performance. In addition, an organizational commitment is needed to provide the best for improving employee

performance in achieving company goals. The results of research conducted by (Kristanto, 2015) and (Sarianti, *et al.*, 2017) show that organizational justice has a positive effect on employee performance. Thus, the research hypothesis is formulated, namely:

**H1:** *Organizational justice affects employee performance.*

Wahono & Mustaqim, (2016) stated that organizational justice is a treatment, as well as actions received by every employee the same regardless of position or position and can be said to be fair if employees get their rights in accordance with what they contribute to the company. Employee satisfaction can be an asset to the organization. Satisfaction is influenced by personal, organizational, and non-organizational factors. In organizations, factors such as human resource management strategies, workplace benefits, work climate, employee welfare, interpersonal relationships, and the nature of supervision contribute to satisfaction (Dessler, 2015). The results showed that organizational justice had a positive and significant effect on employee job satisfaction (Wiratama & Suana, 2015) and (Rato & Leda, 2020). Thus, the research hypothesis is formulated, namely:

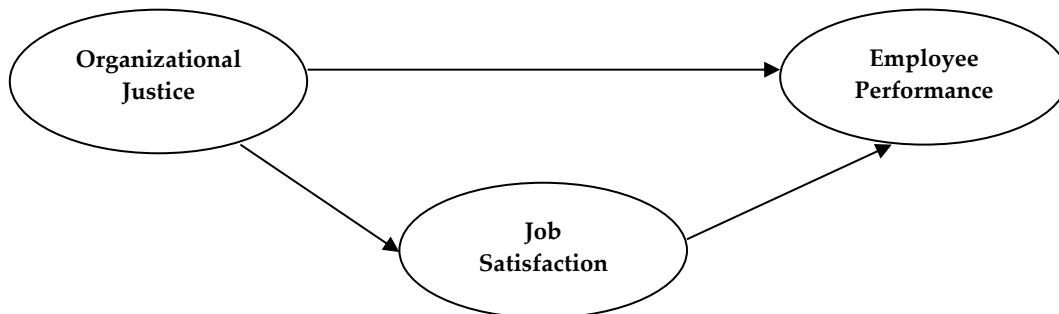
**H2:** *Organizational Justice Affects Job Satisfaction.*

Job satisfaction is influenced by personal, organizational, and non-organizational factors. In organizations, factors such as human resource management strategies, workplace benefits, work climate, employee welfare, interpersonal relationships, and the nature of supervision contribute to satisfaction (Dessler, 2015). Based on the research results of Arianty, (2016), Jufrizen, (2017), Jufrizen, (2017), Syahputra & Jufrizen, (2019), Adhan, *et al.*, (2020), Jufrizen, *et al.*, (2017), Jufrizen *et al.*, (2018) and Arda, (2017) which state that there is a positive and significant effect between job satisfaction on performance. Thus, the research hypothesis is formulated, namely:

**H3:** *Job satisfaction has an effect on employee performance.*

Employees will feel very valued at work if the work they do which is highly valued and there are no differences between fellow employees. Therefore, the job satisfaction at work will greatly improve performance and excellent work discipline to achieve company goals. The results of research by Fu & Deshpande, (2014) prove that job satisfaction has an effect on employee performance. Furthermore, research by Palaiologos, *et al.*. (2011) proves that organizational justice affects job satisfaction. Likewise, the results of research by Zainalipour, *et al.*, (2010) prove that organizational justice has an effect on job satisfaction. Meanwhile, the results of Suharyoko, (2016) demonstrate that employee performance and organizational justice are mediated by job satisfaction. Thus, the research hypothesis is formulated, namely:

**H4:** *Job satisfaction mediates the effect of organizational justice on employee performance.*



**Figure 1. Conceptual Framework**

## METHOD

### Research approach

This study uses a quantitative approach. According to Yusuf (2017) Quantitative research is looking at predictable human behavior and social reality, objective and measurable. This type of research is survey research, because it takes a sample from one population. The variables of this study consist of independent variables, dependent variables and intervening variables. Where for the independent variable of organizational justice while the dependent variable is employee performance and the intervening variable is job satisfaction.

### Population and sample

The population in this study was employees of the Regional Financial and Asset Management Agency of North Sumatra Province. Sampling technique is taking a sample in general to find out how many samples and the population to be studied. The authors choose nonprobability sampling technique to calculate how many samples and populations to study. The population is a collection of all measurements, individual objects being studied (Suharsimi, 2017). So, the population of this study is all permanent employees of the Regional Office of the Directorate General of Treasury of North Sumatra Province, totaling 84 people. Non-probability sampling is saturated sampling, in which every member of the population is sampled.

### Operational definition

To determine the significance of the variables studied in marketing, operational concepts are put forward to promote and guide the problem being analyzed. Operational understanding according to Sugiyono, (2012) determines the contract or nature to be studied in such a way that it becomes a measurable variable. In this study, the authors used the independent variables of organizational justice (X) employee performance (Y), job satisfaction (Z) with mediating variables. The operational definition of this research variable is as follows.

**Table 1. Operational Definition**

	<b>Research Variable</b>	<b>Variable Definition</b>	<b>Indicator</b>
(Y)	Employee Performance	Performance is a sign of success or failure of a person or group in carrying out real work that has been set by an organization	<ol style="list-style-type: none"> <li>1. Quality</li> <li>2. Quantity</li> <li>3. Reliable or unreliable</li> <li>4. Attitude</li> </ol>
(X)	Organizational Justice	Organizational justice is a social situation when all norms regarding rights and eligibility are fulfilled	<ol style="list-style-type: none"> <li>1. Duty characteristic</li> <li>2. Organizational trust</li> <li>3. Feedback frequency</li> </ol>

			4. Managerial performance
			5. Organizational culture
(Z)	Job satisfaction	Job satisfaction may be a real behavior that's displayed by everybody as work performance created by employee per their role within the company	1. Work itself 2. Monitoring quality 3. Relationships with colleagues 4. Promotion opportunities 5. Paid

**Data collection technique**

In this study, the authors used a questionnaire to collect data from the respondents as a technique. Questionnaire is a data collection technique carried out by presenting respondents with a series of questions or written statements (Sugiyono, 2012). A questionnaire that has a Likert scale index is used in this study.

**Data analysis technique**

There are two group stages in analyzing the SEM-PLS, which include the following:

1. Study of the measurement model (outer model)

The analysis of the measurement model (outer model) tries to test the construct variables tested, namely the validity of the variables (accuracy) and reliability (reliability), including: (1) internal consistency (composite reliability), (2) convergent validity (convergent validity/average variances extracted/ AVE), and (3) discriminant validity (Hair, Hult, Ringle, & Sarstedts, 2014)

2. Study of structural model (inner model)

The purpose of structural model analysis is to test the research hypothesis. In this structural model, there are at least three parts that need to be studied, namely: 1) colinearity (inflation factor variance collinearity/VIF), and 2) examine the importance of structural model path coefficients (structural model path coefficient).

**RESULT AND DISCUSSION**

**Measurement model analysis (outer model)**

Analysis of the measurement model analysis (outer model) uses 2 tests, including: (1) Construct reliability and validity and (2) Discriminant validity following the test results.

*a. Construct reliability and validity*

Construct validity and reliability is a test to measure the reliability of a construct. The reliability score of the construct should be high enough. The criteria for composite reliability are > 0.6 (Juliandi, 2018)

**Table 2. Composite Reliability**

Composite Reliability	
X	0,847
Y	0,810
Z	0,936

Source: Data of SEM-PLS 2021



The conclusion of the composite reliability test is that the organizational justice variable (X) is reliable, because the composite reliability value of organizational justice (X) is  $0.847 > 0.6$ . Job satisfaction variable (Z) is reliable, because the composite reliability value of job satisfaction (Z) is  $0.917 > 0.6$ . And the performance variable (Y) is reliable, because the composite reliability performance value (Y) is  $0.810 > 0.6$ .

**b. Discriminant Validity**

Discriminant validity is the extent to which a construct is completely different from another construct (a construct is unique). The best new measurement criterion is to look at the Heretroit-Monotrait Ratio (HTMT) value. If the HTMT value is  $< 0.90$  then a construct has good discriminant validity (Juliandi, 2018).

**Table 3. Heretroit-Monotrait Ratio (HTMT)**

	<i>Heretroit-Monotrait Ratio (HTMT)</i>		
	X	Y	Z
X			
Y	0,792		
Z	0,637	0,459	

Source: Data of SEM-PLS 2021

The conclusions of the Heretroit-Monotrait ratio (HTMT) test are as follows: (1) Variable Y to X the Heretroit Monotrait ratio value is  $0.792 > 0.90$ , meaning that the discriminant validity is good, or completely different from other constructs (the construct is unique); (2) Variable Z to X has a Heretroit Monotait ratio of  $0.637 > 0.90$ , meaning that the discriminant validity is either completely different from other constructs; (3) Variable Z to Y value Heretroit-Monotrait ratio  $0.459 > 0.90$ , meaning that the discriminant validity is good, or completely different from other constructions (the construct is unique).

**Structural Model Analysis (Inner Model)**

Structural model analysis uses 5 tests, including: (1) R-square; (2) F-square; (3) mediation effects: (a) direct effects; (b) indirect effects and (c) total effects. Here are the test results.

**1. R-Square**

R-Square is a measure of the proportion of variation in the value of the affected variable (endogenous) which can be explained by the variable that influences it (exogenous). This is useful for predicting whether the model is good/bad (Juliandi, 2018). The criteria for the R-Square are: (1) if the value of  $R^2$  (adjusted) =  $0.75 \rightarrow$  the model is substantial (strong); (2) if the value of  $R^2$  (adjusted) =  $0.50 \rightarrow$  the model is moderate; (3) if the value of  $R^2$  (adjusted) =  $0.25 \rightarrow$  the model is weak (bad) (Juliandi, 2018).

**Table 4. R-Square**

	<b>R-Square</b>	<b>R-Square Adjusted</b>
Y	0,592	0,587
Z	0,175	0,166

Source: Data of SEM-PLS 2021

The conclusion from testing the R-square value of Table 4 is as follows: (1) R-Square Adjusted Model path I = 0.587. This means that the ability of the variable X (organizational justice) in explaining Z (job satisfaction) is 58.7%, thus the model is classified as weak (poor); and (2) R-Square Adjusted Model

Path II = 0.166 which means the ability of variables X (organizational justice) and Z (job satisfaction) in explaining Y (employee performance is 16.6%, thus the model is classified as weak (poor).

**2. F-Square**

Measurement of F-Square or  $f^2$  effect size is a measure used to assess the relative impact of an influencing variable (exogenous) on the affected variable (endogenous). The measurement  $f^2$  (f-square) is also called the effect of the change in  $R^2$ . That is, changes in the value of  $R^2$  when certain exogenous variables are removed from the model can be used to evaluate whether the omitted variables have a substantive impact on the endogenous construct (Juliandi, 2018).

The F-Square criteria according to (Juliandi, 2018) are as follows: (1) If the value of  $f^2 = 0.02 \rightarrow$  Small effect of exogenous variables on endogenous variables; (2) If the value of  $f^2 = 0.15 \rightarrow$  Moderate effect of exogenous variables on endogenous variables; and (3) If the value of  $f^2 = 0.35 \rightarrow$  The large effect of the exogenous variable on the endogenous. The conclusion of the F-Square value that can be seen in Table 5 is as follows: (1) Variable X (organizational justice) against Y (performance) has a value of  $f^2 = 1.449$ , hence the small effect of exogenous variables on endogenous variables; (2) Variable Z (job satisfaction) to Y (performance) has a value of  $f^2 = 0.213$ , so the effect is moderate/moderate from exogenous to endogenous variables.

**Table 5. F-Square**

	X	Y	Z
X		0,084	
Y			
Z		0,213	

Source: Data of SEM-PLS 2021

**Mediation effects**

The mediation effects analysis contains 3 sub-analyses, including: (a) direct effects; (b) indirect effects; and (c) total effects. Here are the results.

**a. Direct effect**

The purpose of the direct effect analysis is to test the hypothesis of the direct effect of a variable that affects (exogenous) on the variable that is influenced (endogenous) (Juliandi, 2018). The criteria for testing the direct effect hypothesis are as shown in the section below.

First, the path coefficient: (a) If the path coefficient value is positive, then the influence of a variable on other variables is unidirectional, if the value of a variable increases/increases, then the value of other variables also increases; and (b) If the path coefficient is negative, then the influence of a variable on other variables is in the opposite direction, if the value of a variable increases/increases, then the value of other variables will decrease/lower. Second, the value of probability/significance (P-Value): (1) If the value of P-Values  $< 0.05$ , then it is significant; and (2) If the P-Values  $> 0.05$ , then it is not significant (Juliandi, 2018).

**Table 6. Direct effect**

	Original sample	P-Values
X $\rightarrow$ y	0,249	0,025
X $\rightarrow$ z	0,267	0,016
Z $\rightarrow$ Y	0,109	0,415

Source: Data of SEM-PLS 2021

The path coefficient in Table 6 shows that all path coefficient values are positive (as seen in the original sample), including: (1) X to Y: path coefficient = 0.249 and P-Value = 0.025 (<0.05) meaning, the effect of X (organizational justice) on Y (performance) is positive and significant; (2) X to Z: path coefficient = 0.267 and P-Value = 0.016 (<0.05), meaning that the effect of X (organizational justice) on Z (job satisfaction) is positive and significant; (3) Z to Y: Path coefficient = 0.109 and P-Values = 0.415(>0.05), meaning that the effect of Z (job satisfaction) on Y (performance) is positive and not significant.

Graphically, a summary of the results of the direct effect above can be seen in Figure 2.

**1) Indirect effect**

The purpose of the indirect effect analysis is useful for testing the hypothesis of the indirect effect of a variable that affects (exogenous) on an affected variable (endogenous) which is mediated/mediated by an intervening variable (mediator variable) (Juliandi, 2018).

The criteria for determining the indirect effect (Juliandi, 2018) are: (1) if the P-Values <0.05, it is significant, meaning that the mediator variable (Z/job satisfaction) mediates the effect of the exogenous variable (X/organizational justice) to the endogenous variable (Y/Performance). In other words, the effect is indirect and (2) if the P-Values value > 0.05, then it is not significant meaning that the mediator variable (Z/job satisfaction) does not mediate the effect of an exogenous variable (/) on an endogenous variable (Y/performance). . In other words, the effect is direct.

**Table 7. Indirect effect**

	<b>Original Sample</b>	<b>P-Values</b>
X→Z→Y	0,261	0,469

Source: Data of SEM-PLS 2021

Thus, it can be concluded that the indirect effect value shown in Table 7, the indirect effect (1) X→Z→Y is 0.029, with P-Values 0.469>0.05 (not significant), then Z (job satisfaction) does not mediate the effect of X (organizational justice) to Y (employee performance).

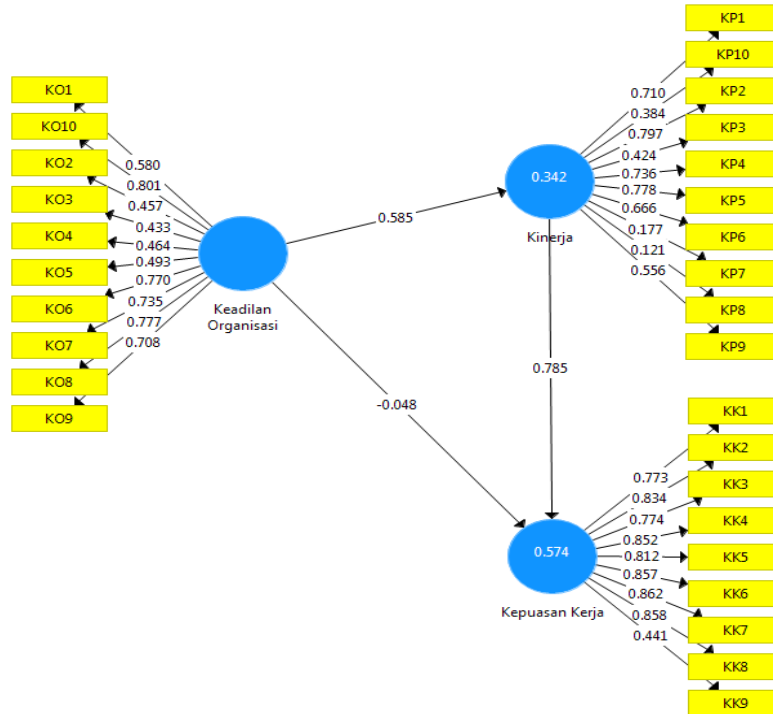
**2) Total Effect**

The total effect is the total of direct effects (direct effects) and indirect effects (indirect effects) (Juliandi, 2018).

**Table 8. Total effect**

	Original Sample	P-Values
X → Y	0,626	0,004
X → Z	0,582	0,016
Z → Y	0,417	0,415

Source: Data of SEM-PLS 2021



**Picture 2. Mediation Effect**

The conclusions of the total effect value in Table 8 are as follows: (1) the total effect for the relationship between X (organizational justice) and Y (employee performance) is 0.626; (2) the total effect for the relationship X (Organizational Justice and Z (job satisfaction) is 0.582; (3) the total effect for the relationship Z (job satisfaction) and Y (employee performance) is 0.417.

Furthermore, from Figure 2 it can be seen that the relationship of X to Y is 0.342, the relationship of X to Z is 0.574. It can be concluded that there is a significant effect of organizational justice on employee performance with job satisfaction as an intervening variable.

**Discussion**

**The effect of organizational justice on employee performance**

Based on the results of data processing, it is known that there is a positive and significant influence between Organizational Justice on employee performance at the Regional Financial and Asset Management Agency of North Sumatra Province. This finding means that a positive value indicates that if Organizational Justice is adequate, then employee performance also increases. This significant value means that Organizational Justice affects employee performance as one of the supporting factors for the implementation of employee work. These results prove that if the organization applies justice to all employees, a sense of fasting will arise from the employee. This is also in line with the results of research conducted by Kristanto, (2015);

Sarianti *et al.*, (2017); (Ali, 2016); (Tangka, *et al.*, 2017); (Aditya, 2019); (Juarsah, *et al.*, 2019) showing organizational justice has a positive effect on employee performance.

### **The Effect of Organizational Justice on Employee Job Satisfaction**

Based on the results of data processing, it is known that there is a positive and significant influence between Organizational Justice on employee job satisfaction at the Regional Financial and Asset Management Agency of North Sumatra Province. This finding means that a positive value indicates that if Organizational Justice is adequate, then employee performance also increases. This significant value means that Organizational Justice affects employee performance as one of the supporting factors for the implementation of employee work. These results prove that if the organization applies justice to all employees it will be able to improve employee performance. This is also in line with the results of research showing that organizational justice has a positive and significant effect on employee job satisfaction (Widyaningrum, 2010); (Wiratama & Suana, 2015); (Tran, 2020) and (Rato & Leda, 2020).

### **The Effect of Job Satisfaction on Employee Performance**

Based on the results of data processing conclude that the effect of job satisfaction on employee performance at the Regional Financial and Asset Management Agency of North Sumatra Province is positive and not significant. These results mean that a positive value indicates that job satisfaction increases, so employee performance also increases. Job satisfaction is very important for the company's success in achieving its goals. The higher the job satisfaction, the employee's performance will increase, this means that the increase in employee job satisfaction will provide a very significant increase in employee performance in carrying out their work. However, the results of this study showed an insignificant effect which indicated that employee job satisfaction had not been able to affect employee performance at work. The compensation received, work facilities, security and achievements received by employees of the Regional Financial and Asset Management Agency of North Sumatra Province have not been maximized. This can be seen from the small additional income, the supporting facilities in carrying out work are still minimal so that job satisfaction does not affect employee performance, this is because employees are used to working monotonously and doing the same thing throughout the year. The results of this study are in line with the results of research by Adiyasa & Windayanti, (2019) and Sutopo, (2018) which show that job satisfaction has no effect on performance. The results of this study are not in line with other results which state that there is a positive and significant influence between job satisfaction on performance (Arianty, 2016), (Jufrizen, 2017), (Jufrizen, 2017), (Syahputra & Jufrizen, 2019), (Adhan *et al.*, 2020), (Jufrizen, *et al.*, 2017), (Jufrizen *et al.*, 2018) (Sembiring, *et al.*, 2021) and (Arda, 2017).

### **The Effect of Organizational Justice on Employee Performance through Job Satisfaction**

Based on the results of the study conclude that the indirect effect of organizational justice on employee performance is mediated by job satisfaction is not significant. This means that job satisfaction does not act as an intervening variable (mediator), especially in this study. In scientific logic, job satisfaction should mediate the relationship between organizational justice and performance. The stages, adequate organizational justice will make employees further increase their job satisfaction so that their performance will increase. Thus, this study cannot be generalized to the entire population of employees at the study site but only describes the sample under study. The results of research by Fu & Deshpande, (2014) prove that job satisfaction has an effect on employee performance. Furthermore, research by Palaiologos *et al.*, (2011)

proves that organizational justice affects job satisfaction. Likewise, the results of research by Zainalipour *et al.*, (2010) prove that organizational justice has an effect on job satisfaction. Meanwhile, the results of Suharyoko, (2016) prove that job satisfaction mediates the effect of organizational justice and employee performance.

## CONCLUSION

Based on the analysis and discussion of the research results, the authors conclude that organizational justice has a positive and significant effect on the performance of the employees. Job satisfaction has a positive and significant effect on employee performance. Organizational Justice has a positive and significant effect on job satisfaction of employees and Organizational Justice on employee performance through job satisfaction has no significant effect at of the Regional Financial and Asset Management Agency of North Sumatra Province. The advice given in this study is that the Regional Financial and Asset Management Agency of North Sumatra Province should apply work decisions more evenly and consistently to all employees. This is intended to increase the perception of fairness felt by all employees. To increase employee job satisfaction, the Regional Financial and Asset Management Agency of North Sumatra Province to increase employee job satisfaction, the North Sumatra Province Regional Financial and Asset Management Agency should give awards to employees who excel both personally and institutionally, so that employees feel satisfied because leaders and organizations pay attention to themselves, create a conducive work environment both physically and psychologically such as maintaining cooperative relationships between fellow employees in order to achieve the expected goals, developing and fostering good, open, mutual trust and mutually beneficial cooperation between fellow employees and employees. The other members of the organization have to be united the vision and mission to achieve common goals. In improving performance, the Regional Financial and Asset Management Agency of North Sumatra Province should pay attention to employee job satisfaction factors related to compensation received, work facilities, security and achievements received, so that employee performance can improve in the future. Further researchers are expected to add independent variables to be studied.

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