



Influence of Climate and Justice on Commitment Organizational with Job Satisfaction as Intervening Variable at Regional Revenue Agency Denpasar City

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ABSTRACT

Employee commitment is influenced by organizational climate and fairness to be able to grow and develop within an organization. The purpose of this study was to analyze and determine the effect of organizational climate and organizational justice on organizational commitment, with job satisfaction as an intervening variable at the Denpasar City Revenue Service. The hypotheses proposed based on existing theoretical studies and the existence of the phenomena summarized in the problem formulation are: organizational commitment is positively affected by organizational climate; organizational justice has an effect on organizational commitment as positively; organizational climate has an effect on job satisfaction as positively; job satisfaction is positively influenced by fairness organization; and organizational commitment is positively effected by job satisfaction. The design of this research system is oriented to the pattern of calculating quantitative data on the existence of questionnaires distributed to 83 respondents. The data used are primary and secondary data both qualitative and quantitative which are then analysed by PLS-based SEM, while the results found are as follows: organizational commitment is positively and significantly affected by organizational climate; organizational justice has an effect on organizational commitment is positively and significantly; job satisfaction is positively and significantly affected by organizational climate; organizational justice has an effect on organizational justice is positively and significantly; and organizational commitment is positively and significantly influenced by job satisfaction.

Keywords: Organizational Climate, Organizational Commitment, Organizational Justice, Job Satisfaction

INTRODUCTION

Civil Servants (PNS) are state servants and employees who faithfully and obediently adhere to Pancasila, the 1945 Constitution, state and government, carry out government and development tasks. The success of carrying out the duties of government employees and national development is very dependent on the performance of the state apparatus. As the main element of human resources, civil servants have a very strategic role in carrying out government duties and national



development. The ideal civil servant figure is a professional and noble civil servant. Civil servants are also expected to be aware of their responsibilities as state administrators and state servants in realizing good governance. An important problem in public management administration is the community's demand for the government's good governance in line with the increasing public knowledge. The old pattern of governance is no longer compatible with changes in the social order.

Employee commitment is influenced by organizational climate and fairness to be able to grow and develop within an organization. If the climate in the organization is less supportive, for example, lack of facilities, less harmonious working relations, lack of social security, then automatically the commitment of employees to the organization will fade (Kuntjoro, 2002). This is supported by McGuire and McLaren (2009), which stated that organizational climate is positively related to employee commitment to the organization. This study revealed results stating that the provision of inadequate equipment and poor working conditions affect employee commitment and intention to remain in the organization (McGuire and McLaren, 2009). If employees feel their needs and expectations are being met, they will certainly try to maintain their membership, identify, and devote themselves fully to the goals and objectives of the organization.

Observations made at the Denpasar City Revenue Service show that the main problem related to organizational commitment is the weakening of organizational commitment along with the decreasing level of concern, limited participation of each employee in solving various problems at work. Lack of motivation, resulting in obstacles in completing work. The phenomenon that occurs in connection with organizational commitment is a sign that the Denpasar City Revenue Agency cannot meet expectations as desired by employees. Therefore, it will be difficult for employees to maintain their commitment when faced with other job alternatives that promise higher expectations. This low employee commitment is a big loss for the Denpasar City Regional Revenue Agency, especially for employees who have been widely educated by the Denpasar City Regional Revenue Agency. This phenomenon is in accordance with the results of previous studies that provide information related to this research such as that of Sapitri (2016) which shows that employee performance is significantly affected by organizational commitment. Likewise, research conducted by Nurandini and Backgrounduva (2014) shows that employee performance is significantly influenced by organizational commitment.

One of the efforts to improve the performance of the employee is organizational climate, both large and small companies should be able to build a sense of occupational security and satisfaction (Quality of work) so that human resources in their environment become competitive. In all companies, workers need open two-way communication within the limits of their respective powers and responsibilities. Good communication can create positive work motivation. In general, there are three main sources that affect the effectiveness of a person's performance, namely individual factors, organizational factors, and environmental factors which include organizational climate (Castetter, 2011).



Organizational commitment is an attitude showing one's loyalty to an organization. It refers to an ongoing process where a person expresses his/her concern for the organization. In addition, organizational commitment is about the degree to which one engages in the organization and the strength of his/her identification with a particular organization. It reflects the relationship between employees and the organization shown by a strong inclination to maintain membership in an organization, involving themselves in company activities, achieving the values and goals of the organization and intending to work hard to achieve the goals and survival of the organization.

If the organization has a conducive situation and fairness, which can affect employee commitment in an organization, then the organization or institution will find it easier to attract prospective employees, retain employees and motivate them to improve their performance, which in turn will foster the employees' commitment to work and feel the existence of justice in the organization, it will be supported by the level of satisfaction of an employee at work. Job satisfaction is an individual thing affecting employee organizational commitment because each individual has a different satisfaction level according to the values they apply. In short, it refers to unhappy or happy feelings about the work and work environment. Job satisfaction can be improved by providing positive working environment, rewards and recognition to the employers and employees (Ragu, et. al, 2019). The more aspects of the job that are in accordance with the wishes of the individual, the higher the level of perceived satisfaction.

Sopiah (2008) suggested that employees have a high organizational commitment when they have confidence in and accept the goals and values of the organization, have a desire to strive towards achieving organizational goals. Seeing several definitions of organizational commitment from several experts, organizational commitment understands employee loyalty to the organization, which is reflected in their high involvement in achieving organizational goals. Employee loyalty is reflected through the willingness of employees to always try to be part of the organization, as well as a strong desire to remain in the organization. Sinambela (2016) suggested three organizational commitment dimensions: normative commitment, continuance commitment, and affective commitment.

Stringer in Wirawan (2010, p.123) stated that the organizational climate dimensions or characteristics can affect the motivation of organization members to act in a particular way. He also mentioned six necessary dimensions: structure, standard, responsibility, confession, support, and commitment.

Meanwhile, indicators of organizational justice according to Lambert and Hogan (2008, p. 115) are as follows: recognition of hard work; fair promotion opportunities; fair performance appraisal procedures; fair superior attitude; appropriate performance appraisals; rewards based on skills and education; reflected by fair rewards based on the level of education and work skills of employees; and rewards based on responsibility.



Indicators of employee job satisfaction according to Hartono (2013) are as follows: 1) Satisfaction with the salary provided by the company for handling work; 2) Satisfaction with the work itself, means for employees to be able to use and hone their abilities; 3) Satisfaction with colleagues and superiors, namely the people who work in that environment.

A conducive organizational climate will provide a sense of security and allow employees to work optimally. A harmonious organizational climate can create better employee performance. Affective commitment is correlated with eight organizational climate components: organizational structure/design, leadership, communication, cooperation, culture, motivation, decision making, and job satisfaction. Nikpour (2017), also examined the organizational climate effect on commitment. The indicates that an appropriate organizational climate has a direct impact on commitment through the mediation of job satisfaction. Wambugu's research (2014) revealed that organizational climate values have an influence on employee commitment as significantly. Based on the description, the first hypothesis is:

H1: Organizational commitment is positively influenced by organizational climate.

Organizational justice is employee perception about the fairness given by the organization, both in terms of results and procedures to obtain them. According to Ivancevich (2010, p.159), organizational justice is a person's perception (employees) of how fairly they are being treated in social transactions at work. Fair rewards can also be adjusted to the employee's job responsibilities at the company. This study uses indicators from Lambert and Hogan (2008, p.115) to measure organizational justice. The indicator which consists of 7 items was chosen because it is in accordance with the characteristics of this study. Merdasari in her research (2018) found that organizational justice has a positive and significant effect on employee organizational commitment at PT. Bank Capital Indonesia TBK Branch of Kuningan Tower Jakarta. Likewise, research conducted by Usmani and Jamal (2013), organizational commitment is positively and significantly affected by organizational justice through mediating employee job satisfaction. Based on the description, the second hypothesis is:

H2: Organizational commitment is positively influenced by organizational justice.

Organizational climate shows the perceptions, feelings and attitudes of organizational members that reflect the norms, values, attitudes, and culture of the organization. This pleasant organizational climate makes employees feel that their work environment creates an atmosphere that brings them to achieve activities well, thus providing energy or power for themselves to show optimal performance and if an employee's activities can meet their needs, then they will behave or being sincerely supportive of the activities they do and try to make it happen. Employees who are shown to have a strong desire to maintain membership in an organization, involve themselves in company activities, accept the values and goals of the organization, and are willing to work hard to achieve the goals and to remain in the organization. This is in accordance with the research conducted by Mohammad, Quoquab, and Alias (2011) contending



that organizational climate has a significant effect on job satisfaction. The same result comes from research conducted by Qazi, Miralam, and Bhalla (2017), which showed that there is a significant positive correlation between organizational culture and job satisfaction. Indrasari, Newcombe, Eliyana and Yunus (2015) showed that job satisfaction has an affected by organizational climate is positively and insignificantly of Bojonegoro Community Higher Education lecturers. Based on the description, the third hypothesis is:

H3: Job satisfaction is positively affected by organization climate.

Greenberg and Baron (1993, p. 88) defined organizational justice as a general idea of employees' perceptions of the extent to which they are being treated fairly. Organizational justice is defined as the overall perception of what is fair in the workplace (Robbins & Judge, 2011, p. 249). Employees will consider their organization fair when they believe that the results, the way they are received are reasonable. Meanwhile, Lambert and Hogan (2008) defined organizational justice as employee perception level related to the justice the organization gives both in terms of results and procedures used. According to Ivancevich, Gibson, Jhon and Donnelly (2008, p. 159), organizational justice is a person's perception (employees) of how fairly they are being treated in social transactions at work. The results of the research conducted by Bakhshi, Kumar and Rani (2009), found that employee job satisfaction has an effected by organizational justice is positively and significantly. Research conducted by Afrinaldo (2019) showed that organizational justice affects employee satisfaction and performance positively and significantly. Based on the description, the forth hypothesis is:

H4: Job Satisfaction is positively affected by organizational justice.

Hasibuan (2018, p. 132) described job satisfaction as a psychological aspect that reflects someone's feelings towards their job, workers will feel satisfied with the suitability of their abilities, skills, and expectations they face. Satisfaction received and felt by an employee, will affect their achievement in working. Job satisfaction affects employee organizational commitment is in line with the results of Ndulue and Ekechukwu (2016), which revealed a linear relationship between job satisfaction and organizational commitment. Based on the description, the fifth hypothesis is:

H5: Organizational commitment is positively influenced by job satisfaction.

RESEARCH METHOD

The location of this research was conducted at the Denpasar City Regional Revenue Agency. The scope of the research is to examine the effect of organizational climate, organizational justice on organizational commitment with job satisfaction as an intervening variable. Data collection techniques in this study were carried out in several ways, namely: interviews, questionnaires, observation, and documentation. The population in this study was all employees of the Denpasar City Regional Revenue Agency, there were 83 employees used as a sample. The descriptive analysis technique in this study is intended to obtain an overview of the characteristics of



research respondents from several aspects. The inferential analysis method was used to test the measurement and the structural models simultaneously with 95 respondents for distributing questionnaires. The data is processed using an analytical technique called SEM-PLS with the SmartsPLS 3.0 program. In the structural model, the relationship between latent variables is called the inner model, while the measurement model (reflexive or formative) is called the outer model.

RESULTS AND DISCUSSION

Results of Partial Least Square Analysis with Mediating Variable

The measurement model was evaluated to assess its validity and reliability. The construct measurement model analysis with reflection indicators can see each indicator's validity and test the construct reliability. The test results of the outer model, including convergent validity, discriminant validity and composite reliability can be explained as follows:

Convergent Validity

Based on the tests carried out using the SmartPLS 3.0 application, it shows that the organizational climate variable which consists of six statements has an outer loading value greater than 0.5, which means it is valid. The 6th item organizational climate variable has the best outer loading value of 0.983. The organizational justice variable which consists of 6 statement items has an Outer Loading value above 0.5 which means it is valid. The item 1 organizational justice variable has the best outer loading value of 0.962. The job satisfaction variable which consists of 6 statement items has an outer loading value above 0.5, which means it is valid. The third item job satisfaction variable has the best outer loading value of 0.874. The organizational commitment variable which consists of 3 statement items has an outer loading value above 0.5, which means it is valid. The second item organizational commitment variable has the best outer loading value of 0.941.

Discriminant Validity

For discriminant validity testing, it can be seen from the Average Variant Extracted (AVE) value in each indicator. Conditions for a good model required a value higher than 0.5. The results are presented in Table 1:

Table 1. Average Variant Extracted (AVE)

Variable	Root AVE	$\sqrt{\text{AVE}}$
Organizational Climate (X1)	0,880	0,942
Organizational Justice (X2)	0,808	0,899
Job Satisfaction (Y1)	0,632	0,795
Organizational Commitment (Y2)	0,859	0,927

Source: Data analysis result



Based on the results of the analysis, the four variables used in this study have an AVE value above 0.50. All variables have an AVE root value better than the correlation coefficient between one variable and another variable. Hence, the data have good discriminant validity.

Composite Reliability

The variable is said to have good reliability if the composite reliability value is above 0.70. In the table, the Composite Reliability value is presented in Table 2 as follows:

Table 2. Composite Reliability

Variable	Composite Reliability
Organizational Climate (X1)	0,979
Organizational Justice (X2)	0,967
Job Satisfaction (Y1)	0,911
Organizational Commitment (Y2)	0,948

Source: Data analysis result

Table 2 shows that all variables have met the reliable criteria because they have values above 0.7. Based on the evaluation results of the composite reliability test, it can be concluded that the indicators used as a measure of the latent variable have met the valid and reliable criteria.

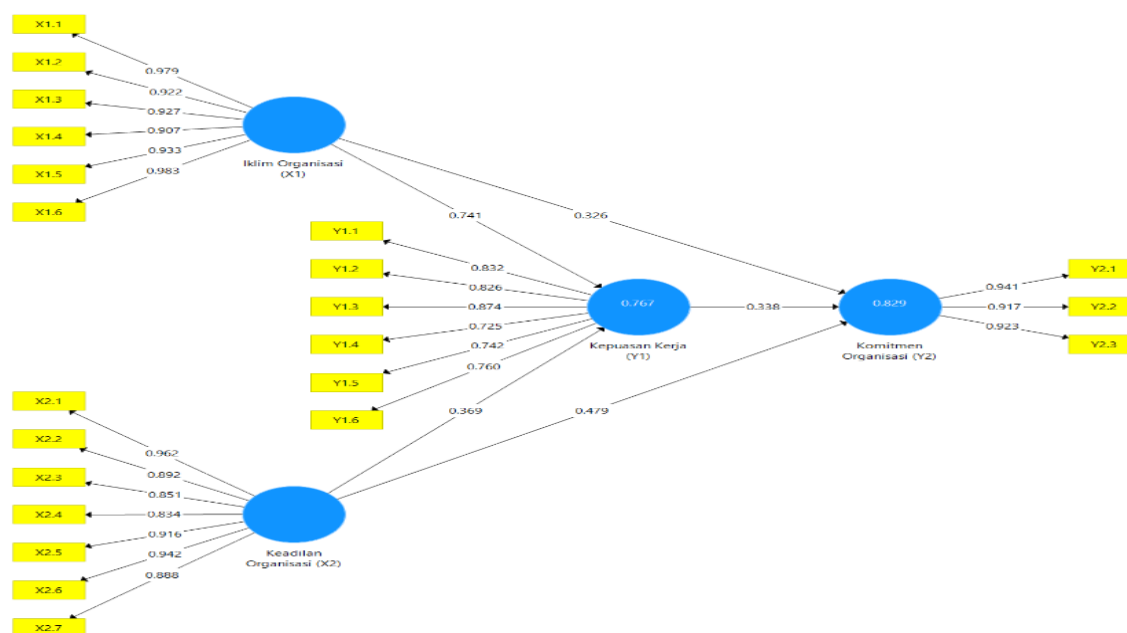
Goodness of Fit

The goodness of fit model uses the Q-Square predictive relevance on the structural model, by measuring the values generated by the model and the estimated parameters. If the Q-square value > 0 , The model has predictive relevance; The model has no predictive relevance if the Q-Square value ≤ 0 . The Q-Square Predictive Relevance (Q2) calculation is 0.919. This means that the model shows good observations, where 96.1 percent of organization commitment is influenced by variables in the model, and the remaining 3.9 percent was influenced by other factors outside the research model.

Based on the results of tests, Figure 1 shows the research model of PLS Bootstrapping analysis or inner model evaluation:



Figure 1. Full Model Structural (PLS Bootstrapping)



The evaluation of the inner structural model as measured by Predictive Relevance (Q2) and Goodness of Fit (GoF) shows that the construct model has a good category. The significance of the estimated parameters explains about the relationship between the research variables. The weight value of hypothesis test contained in the output results is presented in Table 3.

Table 3. Hypothesis Testing Result Direct Effect

Variable	Path Coefficient (Boostrapping)	T-Statistics	Sig.	Conclusion
Organizational Climate (X1) -> Job Satisfaction (Y2)	0,741	13,130	0,000	H1 accepted
Organizational Climate (X1) -> Organizational Commitment (Y2)	0,326	3,819	0,000	H2 accepted
Organizational Justice (X2) -> Job Satisfaction (Y1)	0,369	4,899	0,000	H3 accepted
Organizational Justice (X2) -> Organizational Commitment (Y2)	0,479	7,571	0,000	H4 accepted
Job Satisfaction (Y1) -> Organizational Commitment (Y2)	0,338	3,417	0,001	H5 accepted

Source: Data analysis result

The results of testing the research hypothesis based on the table above are as follows:



- a. Job satisfaction is positively influenced by organizational climate. This is proven by the t-statistic value of 13,130 which is above 1.96 and the value of sig (0.000) < 0.05. It can be concluded that hypothesis 1 is acceptable.
- b. Organizational commitment is positively influenced by organizational climate. This is proven by the t-statistic value of 3,819 which is above 1.96 and the value of sig (0.000) < 0.05. It can be concluded that hypothesis 2 is acceptable.
- c. Job satisfaction is positively affected by organization justice. This is proven by the t-statistic value of 4,899 which is above 1.96 and the value of sig (0.000) < 0.05. It can be concluded that hypothesis 3 is acceptable.
- d. Organizational commitment is positively affected by organizational justice. This is proven by the t-statistic value of 7,571 which is above 1.96 and the value of sig (0.000) < 0.05. It can be concluded that hypothesis 4 is acceptable
- e. Organizational commitment is positively influenced by job satisfaction. This is proven by the t-statistic value of 3,417 which is above 1.96 and the value of sig (0.001) < 0.05. It can be concluded that hypothesis 5 is acceptable.

Mediation Effect Test with Intervening Variable

Mediation effect using organizational commitment variable as an intervening variable is explained in Table 4 below.

Table 4. Test Results for Intervening Variable

No.	Job Satisfaction Variable Mediation (Y1) on:	Effect				Des
		(A)	(B)	(C)	(D)	
1	Organizational Climate (X ₁) → Organizational Commitment (Y ₂)	3,137 (Sig)	3,417 (Sig)	7,571 (Sig)	13,130 (Sig)	<i>Partial Mediation</i>
2	Organizational Justice (X ₂) → Organizational Commitment (Y ₂)	3,248 (Sig)	4,899 (Sig)	3,819 (Sig)	13,130 (Sig)	<i>Partial Mediation</i>

Source: Data analysis result

Based on the data from Table 4 above, it can be concluded that: job satisfaction is able to mediate the effect of organizational climate and organizational justice on organizational commitment, with the mediating effect being partial mediation.

CONCLUSIONS

Job satisfaction (Y1) is positively influenced by organizational climate (X1). This shows that the better the organizational climate (X1) in an organization, the higher the level of employee job satisfaction (Y1). Vice versa, the worse the organizational climate, the lower the level of employee job satisfaction.

Organizational commitment (Y2) is positively influenced by organizational climate (X1). the better the organizational climate in an organization (X1) it will increase



organizational commitment (Y2). Vice versa, the worse the organizational climate, the organizational commitment will decrease.

Job satisfaction (Y1) is positively affected by organization justice (X2). This shows that an increase in fairness (X2) in an organization will lead to an increase in job satisfaction (Y1). Vice versa, the worse the organizational justice, the lower the level of employee job satisfaction.

Organizational commitment (Y2) is positively affected by organizational justice (X2). This shows that the better organizational justice (X2) in an organization will lead to an increase in organizational commitment (Y2). Vice versa, low equity in the organization will reduce organizational commitment.

Organizational commitment (Y2) is positively influenced by job satisfaction (Y1). This shows that the higher the level of job satisfaction (Y1) in an organization, the higher the organizational commitment (Y2). Vice versa, low job satisfaction will reduce organizational commitment.

Job satisfaction (Y1) is able to partially mediate the effect of organizational climate (X1) on organizational commitment (Y2). This shows that job satisfaction can strengthen the relationship between organizational climate (X1) and organizational commitment (Y2). Organizational climate (X1) shows the state of the work environment. A good climate is needed to build good concentration at work.

Job satisfaction (Y1) is able to partially mediate the influence of organizational justice (X2) on organizational commitment (Y2). This shows that job satisfaction can strengthen the relationship between organizational justice (X2) and organizational commitment (Y2). Justice in an organization shows the balance that exists in an organization and creates a sense of comfort for the organization.

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