

CHAPTER I

INTRODUCTION

1.1 Background to the Research

An organization both government and private in achieving the stated goals must have workers who are experienced and play an active role in achieving the goals of the organization. Organization is a social unit of people who have social bounding among that group under structured system to fulfill collectively goal of organization and to achieve that goal they need effective manager or employees (Rad and Yarmohammandian,2006)

In every organization, human resource is most precious asset for them and human resource is important factor for effectiveness and success of organization. Human resource management (HRM) is a management tool that we need to manage human resources. Huemann et al. (2007) posited that human resource management is a core procedure of an organization, because this procedure affects the methods of acquiring human resources and the perceptions of employees regarding their relationship with other employers. Human resource management focus on provide solutions to the problems related to human factor in company. Human factors that influence a company is its employee performance. Mondy et al. (1999) report that performance is a process that significantly affects organizational success with manager and worker roles to work together to set expectations, review results and performance rewards. Performance can defined as the level of achievement that can give good results and high productivity of the

employees themselves. High employee performance means an increase in efficiency, effectiveness or higher quality to complete a series tasks assigned to employee in organization

According to Bruns (2014), organizations usually need a team of competent managers and workers to achieve their goals because they cannot imagine success and good market reputation without the commitment and efforts from its employees. Career development of employees can be happen when they have a bright prospectus for the career satisfaction because it has been assessed as highly crucial factor for the growth of both organization and its employees. Job satisfaction can be defined as a measurement of one's job or experiences in terms of positive emotion or enjoyment in the job (Locke, 1976). These definition refers to individuals who have a good feeling about their job tend to lead them being more productive, creative, and committed to a job. Employee satisfaction also refers to job satisfaction that can relate to work itself. Because when the employee satisfied to their job, thats mean they will try to do the best and enjoy do their work. Employees' job satisfaction might be related to employees perception such as justice perception.

The organizational justice can be defined as a result of workers perceptions to the integrity and objectivity of the measures in the value of the organization, which is also a degree of fairness and equity in the rights of the employees and their duties, which its explain the relationship between the individuals and the organization (Attaoa, 2003). When employee feel that he or she has been not treated fair in an organization, it's difficult for an employee to satisfied with their

job. But when employees feel that they are treated fairly by organization in every aspect they are motivated to show positive attitude and behavior like job satisfaction. Employees feel more satisfied, when they are fairly rewarded by their respective organizations for the work they have done by making it sure that such rewards are purely against their genuine contribution towards the achievement of the goal of organization and consistent with rewards and recognition policies of their respective organizations. According to justice theory, employees often judge the perceived fairness from the resources and outcomes (distributive justice), decision-making procedures (procedural justice) and interpersonal treatment (interactional justice) (Erdogan and Bauer, 2010). This research mainly focus on one individuals' perception, it is distributive justice.

Distributive justice is represents employee perception of fairness of the outcome that they receive from the organization (Folger and Cropanzano, 1998). Refers to perceives fairness of outcomes such as pay, recognition, promotion, performance appraisal and rewards. When these results are considered unfair, individuals would cognitively distort input and outcome from themselves or others (Adams, 1963) and it would increase deviant behavior due to relative deprivation (Colquitt et al., 2001). Fairness perceptions of employees are important because they might lead to positive or negative attitudes such as affects individuals attitude like job satisfaction. Also this feeling will affected on the efficiency of employees performance in organizations, because they more satisfying when they perceived outcomes are fair and that can increase loyalty to organization. Leventhal (1976) suggested that results can be distributed based on

needs, equity or contributions. therefore individual employees can determine the level of fairness of the distribution through comparison with others (Campbell and Finch,2004). Distributive justice is considered important because unfair distribution of outcome can cause dire consequences such as disputes, distrust, disrespect and other social problems between employees and them manager (Suliman, 2007). The impact of justice that can be caused on the performance of the staff, when the feelings of workers not justice, many negative results may carried,such as dissatisfaction, low behavior organizational citizenship, and less organizational commitment. On the other hand the justice leads to increased confidence in the organization management, increase their conviction access to their rights, and improve the performance. Organizational fairness show respect of administration staff for their employees which make a bridge of trust that strengthen the employee commitment for organization (Lind & tyler 1998; tage & sarsfied-baldwin 1996).

Employees' perceptions of justice and satisfaction are important factors that influence employees' commitment. According to Cowherd and Levine (1992), suggest that when employees perceive high level of fairness they will more committed towards their organizations and their performance improves. Employees with high commitments will have greater contributions to the organization, perform better, engage in organizational citizenship behavior, and less likely to engage in unproductive or destructive behavior (Meyer et al, 1993; 2002). However, when employees doubt for that justice, they tend to lose interest to the organization and they do not try to achieve organizational goals.

Organizational commitment related to one's attitude towards their workplace, it is related to a perception of organizational vision and their involvement in undertaking their job. Luthans (2006), defined that organizational commitment is an attitude, which includes a great desire to be part of the organization, a great desire to act in the best interests of the organization, a strong belief to organization and also accepting the values and objectives of the organization. Commitment means for the employees to not only stay in the organization for a longer time, but also to give their best efforts and be loyal to the organization. Employees with high commitments will have greater contributions to the organization, perform better, engage in organizational citizenship behavior, and less likely to engage in unproductive or destructive behavior (Meyer et al, 1993; 2002). When employees' satisfaction is reflected in their response about that job and several aspects in their job, it may affect their satisfaction, redundancy and then organizational commitment may have wider value, including the reflection of the employees' affective responses to their organization as a whole. According to Mowday (1998), employees who have high organizational commitment have no desire to leave the organization, but they will build better relationships with other employees and customers, being more effective, be more adaptable to change, and also work more efficiently. They will show better performance, lower turnover intentions, and higher attendance records. Organizational commitment have directly related with job satisfaction which influence the competitive position and profitability of an organization.

Various tips and strategies must be prepared to increase capacity and quality of human resources. Organization that developed naturally is produced by employees who can manage organization's progress to become desired organization. Adversely, many organizations fail because of failures to manage human resources. Therefore, to make it running well, we must guide employees to increase their commitment. So that can make their attitudes and behaviors match with the vision and mission and strategy of the organization. The process will ultimately help to make employee more capable and have high integrity, that can produce high quality human resources and also make the organization successful.

The performance of BPJS *Kesehatan* (Healthcare BPJS) employees is an important thing to learn in order to improve employee behavior according with the values, goals and strategies of the organization and increase employee productivity both individually and in groups. Performance studies give clarity of factors that influence personal performance. BPJS *Kesehatan* is a public legal entity established to organize a health insurance program as referred to in *Undang-Undang* No.24 of 2011 about Social Security Organizing (*Jamsosindonesia*, 2015). The presence of BPJS *Kesehatan* has a central role in realizing the national social security system in the health sector (Expatindo, 2017). Because of BPJS *Kesehatan*, fundamentally reforms the financing system which is currently still dominated by out of pocket payments into a more organized financing system based on social health insurance (*Mutu Pelayanan Kesehatan*, 2016).

BPJS *Kesehatan* is a manifestation of the National Health Insurance that has been running since 2014. The issue of health insurance will always happen, because they handle and provide all of things that relate to health insurance. BPJS *Kesehatan* have many programs that give benefit for community, for example National Health Insurance or JKN. This program has a goal to being able improve the public health.

As a public legal entity, the performance of BPJS *Kesehatan* throughout 2018 was also considered increasingly positive. That become a very important way for BPJS *Kesehatan* that can guide them into universal health coverage (UHC) health insurance for all peoples in Indonesia (Gajimu.com, 2018). To make the organization running well, it is important for them to implementation of its basic tasks and organizational functions which become the standard reference to guide employees to increase their work commitment to organizations. It is really important for BPJS *Kesehatan*, because all of the employees must have good performance and good teamwork to make the program running well. At least in 2019, all Indonesian residents become participants in the BPJS *Kesehatan*.

Problems related to human resources in an organization must be considered, because even though the technology used in organization more sophisticated and has large of capital, still employees in the organization who ultimately run it. This shows that without supported by good quality from employees in doing their job, BPJS *Kesehatan* can not produce high performance of employees and organizational success can not achieved. The contribution of employees in an organization will determine the progress or retreat of the

organization. The contribution of employees in the organization will be important, if they do with effective actions and more behave.

The current research is purported to examine antecedents of employee performance. These antecedents can be viewed from distributive justice, job satisfaction and organizational commitment. The study will be conducted in the context of public legal entity (BPJS health). The author feels interested to analyze and discuss it further in the form of research entitled **“Distributive Justice, Job Satisfaction, and Organizational Commitment as Antecedent of Employee Performance”**.

1.2 Research Question

Based on the description in introduction, the research question can be formulated as follow:

1. How does the distributive justice impact on employees' job satisfaction?
2. How does the distributive justice impact on organizational commitment?
3. How does the distributive justice impact on employee performance?
4. How does the job satisfaction impact on organizational commitment ?
5. How does the distributive justice impact on employee performance?
6. How does the organizational commitment impact on employee performance?

1.3 Purposes of the Research

The research is aimed :

1. To examine the effect of distributive justice on job satisfaction.
2. To examine the effect of distributive justice to organizational commitment.

3. To examine the effect of distributive justice to employee performance.
4. To examine the effect of job satisfaction to organizational commitment.
5. To examine the effect of job satisfaction to employee performance.
6. To examine the effect of organizational commitment to employee performance.

1.4 Contributions of Research

This research is expected to contribute on the following :

1. Understanding factors influencing employee performance in public legal entity (BPJS)
2. Strengthen theories and concepts related to employee performance from perspectives justice, satisfaction, and commitment.
3. Reference for decision making related to HR policy.
4. Give references to organization about several factor that they need in produce high quality of employees.

1.5 Scope of Research

This research limits discussion on the Influence of distributive justices, job satisfaction, organizational commitment on employee performance. The research will be conducted in the BPJS in Padang.

1.6 Outline of Research

In order to make it easier and make moderate the forwarding of content, this research is divided into six chapters, they are:

CHAPTER I : Introduction

Elaborating on the background of the problem, formulation of the problem, limiting the problem, research objectives, the benefits of research, and systematic thesis.

CHAPTER II : Review of the Literature

This chapter contains description of theoretical variables that include the theories that support and underlien the variables used in the research and framework.

CHAPTER III : Research Methods

In this chapter, the author put forward about the object of study, population data and data sources, techniques data collection, operational definitions of variables, data presentation techniques, and data analysis techniques.

CHAPTER IV : Result and Analysis

This chapter contains the characteristic of the respondent, descriptive analysis, data collection and result of the discussion.

CHAPTER V : Conclusion

This chapter contains the conclusion of the research result, research implementation, limitedness of research and recommendation.