

# The Influence of Job Satisfaction, Leadership and Organizational Justice on Employee Well-Being

Atalya Fransiska<sup>1</sup> Joyce A. Turangan<sup>1\*</sup>

<sup>1</sup>*Faculty of Economics and Business, Universitas Tarumanagara, West Jakarta - 11470, Indonesia*

*\*Corresponding author. Email: joycet@fe.untar.ac.id*

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## **ABSTRACT**

Employee well-being should be felt by the workers who work in the company. By being able to feel the well-being of the workers, it can help the company to increase the productivity and performance of the workers without asking for it. However, employee well-being will not be realized by itself. The company needs some support through job satisfaction, leadership as well as existing organizational justice. The sampling technique used is convenience sampling with a total of 90 respondents who are employees of PT Lancar Makmur Bersama. Data processing is done using SmartPLS software. The results of this study are job satisfaction, leadership and organizational justice each have a positive influence on employee well-being. Job satisfaction, leadership and organizational justice also have a significant relationship to employee well-being. This paper presents insights that can be used as reference material for further researchers related to the variables of job satisfaction, leadership and organizational justice and employee welfare. In addition, this paper also presents insights that can be used as criticism and suggestions for companies related to job satisfaction, leadership and organizational justice so that later they can improve or maximize employee well-being in the company.

**Keywords:** *Job Satisfaction, Leadership, Organizational Culture, Employee Well-Being*

## **1. INTRODUCTION**

Basically, the company has a strong relationship with its employees. Companies cannot operate optimally if they do not have quality of human resources. Unfortunately, not all companies have the sensitivity to pay attention to the well-being of their employees. In fact, employee well-being is generally not considered as an important key in a company [1]. Whereas developing employee well-being is crucial in human resource management in companies [2]. Also, employees who have a higher level of well-being tend to be more creative and will be highly involved in the company compared to employees who have a low level of well-being [3].

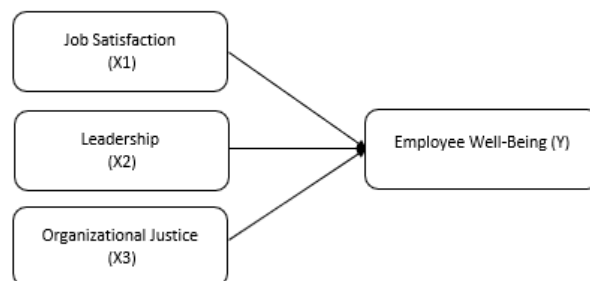
Employee well-being is an important part of overall employee life satisfaction [4]. One of these satisfactions is one's job satisfaction at work. By providing well-being to employees, companies can help to maintain employee satisfaction when doing their jobs in the end, employees can feel more comfortable and have a good mood [5]. Job satisfaction can be interpreted as a positive feeling or attitude that employees have towards the work they do [6]. In addition, job satisfaction also can be described as a pleasant feeling felt by employees that comes from the results of their job assessments [7]. Meanwhile, the one who evaluates one's job or even one's performance is the leader. So that in addition to job satisfaction, leadership also participates in influencing employee well-being.

Leadership can be considered as the source of typical employee well-being. So, it is not surprising that some leaders face difficulties in overcoming the well-being of their employees, and at the same time maintaining productivity in order to achieve the goals that have been set [8]. In decision making, leaders generally make decisions related to fair treatment [9]. So that a good leader needs to apply organizational justice in carrying out his duties. This makes organizational justice also has a role to realize the well-being of employees in a company.

Organizational justice plays an important role in the health and well-being of employees [10]. In addition, it was also explained that organizational injustice can have a negative impact on the health and well-being of employees. Fairness within the company as related to financial and non-financial rewards, fair salaries and incentives, to equal opportunities in promotions [11].

There were delays in export-import activities due to the Covid-19 pandemic, which had quite a big impact on importing companies. Not only led to an increase in the price of a number of commodities, but even to the closure of businesses. However, in the midst of this chaos, PT Lancar Makmur Bersama was still able to maintain its business even though it had felt the impact of the pandemic. But in reality, there are also several problems that must be faced by the company and its employees related to well-being. Employees feel a lack of attention and also communication with superiors, especially during difficult times for employees at the company. In addition, there is a perception of injustice felt by employees with one another which can make employee well-being decline. Job satisfaction is not felt optimally by employees, so the well-being that should be felt by employees also cannot be felt optimally.

Employee well-being should be felt by the workers who work in the company. By being able to feel the well-being of the workers, it can help the company to increase the productivity and performance of the workers without asking for it. This is because the impact felt when workers feel well-being in and at work is not only felt by workers, but also by the leadership, management and the company itself. However, employee well-being will not be realized by itself. The company needs some support through job satisfaction, leadership as well as existing organizational justice. It is necessary to pay attention to job satisfaction in order to minimize dissatisfaction that could occur, which will have an impact on employee well-being. Apart from job satisfaction, leadership is also a distinctive source of employee well-being. Determining the way and style of a leader to lead his employees also needs to be considered well. Because the appropriate way and style will really help workers to be able to work comfortably without feeling pressured according to their abilities. In addition, organizational justice also plays an important role in the well-being of employees in a company. This is because organizational injustice can have an impact on employee well-being in the form of a decrease, especially on the physical and mental health of a worker.



**Figure 1 Research Model**

## **2. LITERATURE REVIEW**

### **2.1. Employee Well-Being**

What is meant by employee well-being is the health of employees [10]. Not only physical health, but also employee mental health needs to be considered by the company so that workers can feel their well-being. Meanwhile, in well-being, there are several important things that have an effect [12]. These things are like human physical, emotional, intellectual and spiritual. From the overall definition of employee well-being that has been described, it can be concluded that employee well-being is a sense of peace that felt by a worker towards his place of work which can be in the form of feeling happy at work, physical and mental health, as well as good experiences obtained while working.

## **2.2. Job Satisfaction**

Job satisfaction is an employee's emotional feelings that can come from inside or outside the employee while doing his job [13]. This emotional feeling can also be a pleasant feeling when doing work. Meanwhile, job satisfaction can reflect a person's feelings towards his work which can be seen from his emotional state [14]. On the other hand, there are other argue that job satisfaction in a company will increase if workers feel cared for by the company [15]. Especially in terms of health and well-being, this is because they feel valued and become an important part of the company when cared for by the company. Important component in employee well-being was generated by job satisfaction [16]. From the overall definition of job satisfaction that has been described, it can be concluded that job satisfaction is a feeling of satisfaction or dissatisfaction which can be in the form of pleasure or displeasure of a worker related to the work he does which will ultimately have an impact on the results of the work.

**H1:** Job satisfaction has a positive influence on the well-being of PT Lancar Makmur Bersama employees.

## **2.3. Leadership**

Leadership as a method used to achieve common goals [17]. But leadership also can be defined as an activity that used to achieve predetermined goals [18]. To achieve this goal, leaders need to influence other people or groups. However, leadership can be considered as a source of employee well-being [8]. So that to feel well-being, a worker can experience it through experience supported by leadership in a company. Similar to the previous statement, leadership can have an influence on the overall dimensions of employee well-being [19]. From the overall definition of leadership that has been described, it can be concluded that leadership is an activity or method used to influence subordinates to achieve the goals that have been set, as well as to encourage and promote the organizational culture that exists in the company.

**H2:** Leadership has a positive influence on the well-being of PT Lancar Makmur Bersama employees.

## **2.4. Organizational Justice**

Organizational justice is defined as the extent to which an employee perceives a sense of fairness received from his superiors [20]. Also, justice is one of the important aspects which consists of standards and quality of justice in an organization or company. It is because organizational justice plays an important role in the well-being and health of employees [10]. On the other hand, there is a significant and positive effect between organizational justice on employee well-being [21]. So that it can be interpreted by applying organizational justice in the decision-making process, distribution of information and interpersonal interactions, it will make an increase in employee welfare for workers in the company. From the overall definition of organizational justice that has been described, it can be concluded that organizational justice is a perception or the way a worker views the standard and quality of a sense of fairness given by his superior or the company where he works, which can be in the form of treatment, relationship, the result of a decision.

**H3:** Organizational justice has a positive influence on the well-being of PT Lancar Makmur Bersama employees.

## **3. RESEARCH METHODS**

The remainder of this paper is organized as follows. Section 1 introduces the introduction used in this paper which is the background of the research. Section 2 contains literature review which a brief explanation regarding variables and also the relationship between variables. Section 3 contains the research methods used in the research. Where, this study uses a causal research design. Researchers

will measure each variable using a Likert scale. While the population used in this study were employees at PT Lancar Makmur Bersama and the sample was taken using convenience sampling technique. a good sample is in the range of 30 to 500 if the exact number of the population is not known with certainty [22]. Thus, in this study the researcher used a sample of 90 respondents.

Testing the measurement model, can be done by testing the validity and reliability. The validity test will be fulfilled if both validity criteria have met the requirements, namely, convergent validity and discriminant validity [22]. Convergent validity can be measured by the value of AVE (Average Variance Extracted), where the acceptable AVE value is 0.50 ( $> 0.50$ ). Meanwhile, there are two measures of discriminant validity, namely, cross loadings and Fornell-Larcker. There are two criteria in reliability test, namely, internal consistency reliability and indicator reliability [23]. In internal consistency reliability, there is a measure that needs to be considered, namely composite reliability, where the composite reliability value of 0.60 to 0.70 is acceptable, while 0.70 and 0.90 can be considered satisfactory. So, the limit for the composite reliability value is 0.60 ( $> 0.60$ ). While the reliability of a good indicator must be above 0.708 (because the square of 0.7082 is equal to 0.50). However, for research in the early stages of developing a measurement scale, the loading factor value of 0.5 to 0.6 is still considered sufficient [24].

On the other hand, structural model testing is carried out by measuring predictive relevance ( $R^2$ ) also effect size ( $F^2$ ). and hypothesis testing is done by looking at path coefficient value, t-statistics and p-value.

#### 4. RESEARCH RESULTS & DISCUSSIONS

the AVE value of all variables is greater than 0.5 ( $> 0.50$ ). So, it can be concluded that the variables used in this study have passed the convergent validity test which was measured using the AVE value. as well as cross loadings that have met the applicable requirements because the value of loadings on the intended indicator is greater than the value of loadings on other variable indicators. and Fornell-Larcker who also met the applicable requirements because the value of each construct was greater than the correlation between constructs.

**Table 1 Average Variance Extracted (AVE) Result**

<b>Variables</b>	<b>AVE</b>
Job Satisfaction	0.544
Leadership	0.556
Organizational Justice	0.547
Employee Well-Being	0.530

Source: The results of data processing by SmartPLS 3.2.9 software (2021)

The test of internal consistency reliability measurement through composite reliability has met the applicable requirements because the composite reliability value is already greater than 0.60 ( $> 0.60$ ). So that it can be interpreted that the construct has good reliability, and the questionnaire used in the research is reliable and consistent.

**Table 2 Composite Reliability Result**

<b>Variables</b>	<b>Composite Reliability</b>
Job Satisfaction	0.825
Leadership	0.788
Organizational Justice	0.777
Employee Well-Being	0.818

Source: The results of data processing by SmartPLS 3.2.9 software (2021)

The results of the  $R^2$  is worth 0.675 or 67.5%. Which means that 67.5% of employee well-being is influenced and can be explained by job satisfaction, leadership and organizational justice. While the rest, which is 32.5% is the influence and explanation of employee well-being by other variables.

The results of the  $F^2$  test on each independent variables are, job satisfaction variable has a small effect size because its value is 0.123 which means it is greater than 0.02 ( $> 0.02$ ), the leadership variable has a small effect size because its value is 0.144 which means it is greater than 0.02 ( $> 0.02$ ), while the organizational justice variable has a moderate effect size because the value is 0.215, which means it is greater than 0.15 ( $> 0.15$ ). So, it can be concluded that organizational justice has a moderate effect on employee well-being, while job satisfaction and leadership have a small effect on employee well-being.

The results of the path coefficient test, on the overall independent variables are, job satisfaction with a path coefficient of 0.324, leadership with a path coefficient of 0.227 and organizational justice with a path coefficient of 0.382 have a positive influence on the dependent variable, namely employee welfare. This can be proven by the value of the path coefficient on the independent variable whose value is above 0 or greater than 0 ( $> 0$ ).

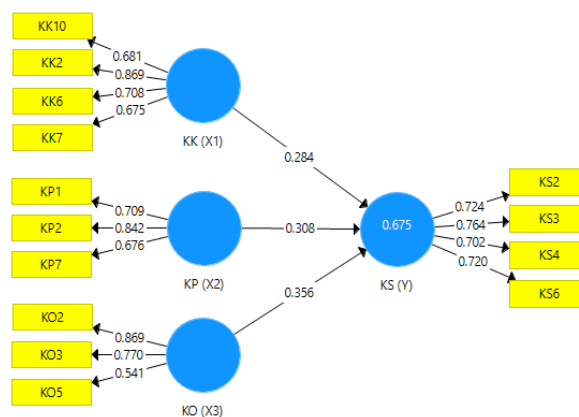


Figure 2 Inner Model Analysis Results

In this study, hypothesis testing can be seen from the value of original sample, t-statistics and p-values. However, in the testing process, it is necessary to do bootstrapping to find out the value of t-statistics and p-values.

Table 3 Hypothesis Testing Results

Variables	Original Sample	t-statistics	p-values
Job Satisfaction → Employee Well-Being	0.284	3.728	0.000
Leadership → Employee Well-Being	0.308	3.129	0.002
Organizational Justice → Employee Well-Being	0.356	3.801	0.000

Source: The results of data processing by SmartPLS 3.2.9 software (2021)

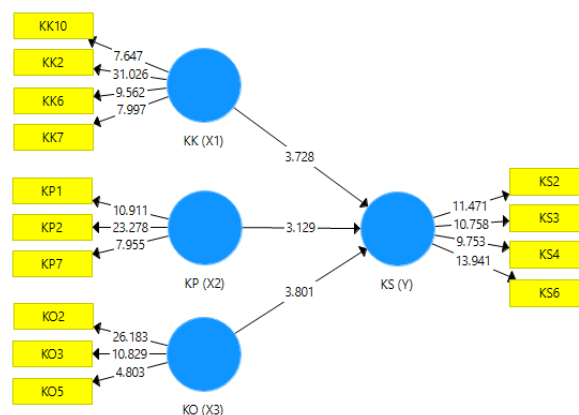


Figure 3 Bootstrapping Results

The results on the H1 show that job satisfaction has a positive effect on employee well-being. This can be proven from the original sample value which is 0.284. So that it can be interpreted that the greater job satisfaction that can be felt by employees, the greater well-being that can be felt. Likewise, if employees feel satisfaction in their work decreases, then the perceived well-being will also decrease. To increase job satisfaction, companies need to pay attention to whether employees are satisfied with the work they are doing, and whether employees have gotten jobs according to their abilities or desires. In addition, the company also needs to pay attention to the suitability of the wages given by the company to employees, and provide career opportunities to employees. In addition, between job satisfaction and employee well-being also have an effect on each other because the relationship is significant (t-statistics value of 3.728, and p-values of 0.000). The results of this study support previous research who also succeeded in proving in their research that job satisfaction and employee well-being have a positive relationship [25]. Also, that job satisfaction and employee well-being have a significant relationship and are accompanied by positive traits [26]. It was concluded that any changes related to employee job satisfaction were influenced by the well-being of the employees themselves. The results of this study also support the PERMA well-being theory, which explains that if a person's sense of satisfaction has been achieved, then well-being can be felt [27].

The results on the H2 show that leadership has a positive effect on employee well-being. This can be proven from the original sample value which is 0.308. So that it can be interpreted that the better leadership in a company, the greater well-being that can be felt by its employees. Likewise, the worse leadership in a company, the lower the well-being that can be felt by its employees. A leadership can also be said to be good if in every decision making does not think about profits only for one party but also for all parties, as well as assigning tasks or jobs by following procedures and adjusting the abilities of employees without coercion. In addition, leadership and employee well-being also influence each other because of a significant relationship (t-statistics value of 3.129, and p-values of 0.002). The results of this study support previous research, which succeeded in proving that there is a significant relationship with positive traits between leadership and employee well-being [28]. Also, companies need to increase awareness of the importance of leadership and apply good leadership principles to improve employee well-being [29]. And the results of this study also support the PERMA well-being theory [27], explained that to be able to create five important elements of well-being (positive emotions, engagement, relationships, meaning and achievement) in the company for employees, leaders are needed and also their leadership style [30]. Because as a whole, these elements cannot be created suddenly, so that with the process of creating these five elements of well-being, they will be maximized.

The results on the H3 show that organizational justice has a positive effect on employee well-being. This can be proven from the original sample value which is 0.356. So that it can be interpreted if organizational justice in a company can be felt by all employees equally and well, then well-being can also be felt by all employees equally as well. And if the organizational justice perceived by employees is greater, the greater well-being felt by employees. Likewise, if organizational justice is only felt by some employees, then not all employees can feel the well-being of the company. If organizational justice decreases in a company, the well-being felt by employees will also decrease. In addition, organizational justice and well-being have an effect on each other because of a significant relationship (t-statistics value of 3.801, and p-values of 0.000). The results of this research support previous research which also succeeded in proving that organizational justice has a positive influence on employee well-being [21]. Also, that good organizational justice in the company, in the future it will help reduce employee stress levels which in turn can help to improve employee well-being in a company [20]. And the results of this study also support the PERMA well-being theory [27], that to maximize positive emotions which is one of the important elements in well-being, organizational justice is needed. This sense of fairness will later have an impact on other important elements of well-being [30].

## 5. CONCLUSIONS

- Based on the discussion that has been described in the previous section, it can be concluded that:
- Job satisfaction has a positive influence on the well-being of PT Lancar Makmur Bersama employees.
  - Leadership has a positive influence on the well-being of PT Lancar Makmur Bersama employees.
  - Organizational justice has a positive influence on the well-being of PT Lancar Makmur Bersama employees.

Companies are advised to be able to increase employee job satisfaction, especially related to job assignments. Increasing job satisfaction can be done by providing career opportunities to employees who deserve it, as well as helping to create a work environment that can motivate each other. In addition, companies are also advised to pay attention to the existing leadership within the company. Because good leadership can contribute to improving employee well-being. This can be done by the leader convinces the employees of their abilities, and improves the process of enforcing employee discipline that can be carried out by the leader. The last thing that companies can pay attention to improve employee well-being is organizational justice. Which can be done by providing equal opportunities for all employees to be able to voice their opinions, as well as providing equal treatment between employees, especially in providing information.

Thus, employees will feel more satisfied and appreciated and are considered important to be part of the company. So that this can help to improve the well-being of employees in the company.

This paper presents insights that can be used as reference material for further researchers related to the variables of job satisfaction, leadership and organizational justice and employee welfare. In addition, this paper also presents insights that can be used as criticism and suggestions for companies related to job satisfaction, leadership and organizational justice so that later they can improve or maximize employee well-being in the company.

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