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JUSTICE IN SALARY STRUCTURE; 
THE JUSTICE INFLUENCE 
TOWARD EMPLOYEES SATISFACTION 

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ABSTRAK 


Kata kunci : organizational justice (distributive and procedural), and satisfaction toward salary structure. 

INTRODUCTION 

One way that a firm can apply to maintain satisfaction of human resources is a fair salary that is perceived by its employees. Psychologically, the employees reactions toward justice have positive impact on satisfaction, and contrast the employees reactions toward injustice have negative impact on satisfaction. Therefore, the firm-made salary system has to be fairly perceived. That is the reason why the firms have to concern about justice in salary. 

As explained earlier, justice in organization is important to understand and predicts organizational behavior like satisfaction. The relationships between justice in organizational (perception of fairness) and organizational behavior has been replicated in many empirical studies (Folger & Konovsky, 1989; Greenberg, 1990; Sweeney & McFarlin, 1993; Barling & Philips, 1993; Tang & Sarsfield-Baldwin, 1996). Those empirical studies have been done in various methods, like the laboratory, the field or both (triangulation). In conclusion, researchers found the strong relationships between justice and organizational behavior. Beside that, they have differentiated types of justice, consisting distributive and procedural justice. 

Earlier, the organizational justice theories and researches had focused on distributive justice. Distributive justice theory explains how people perceive outcomes that are obtained by themselves. This concept is based on inequity theory (Adams 1965 in Schminke et al., 1997). The theory predicts that fairness will be higher when someone's outcomes relative to inputs are equal than others. The importance of distributive justice study gives attention to the fairness of the outcomes themselves. 

Next, researchers consider procedural justice is as important as distributive justice. The procedural justice concept explains how people perceive procedures which produce outcomes. This concept concerns toward means or procedures which used to determine outcomes. The concept is founded by Thibaut and Walker (1978) explains that someone not only to evaluate allocation or distribution outcomes, they also evaluate process that produce those allocation or distribution decisions. When they find outcomes distribution unpleasure, they will evaluate more positively, while they sure the process is fair. Both type of justice affect outcomes simultaneously. 

Satisfaction toward salary structure is one of important outcomes that are someone feeling toward their salary they receive. It is resulted from interaction between people and job environment. There are several factors that affect job satisfaction. Those factors are psychological, social, physical and financial factor. Satisfaction will increase if happened matching between those factors and people expectations. Basically, someone feel satisfied on their salary they receive, if it fulfills their expectations. The fulfillment of people expectations will result personal outcomes that are reflect how people react toward level of
rewards they receive. Their rewards are not only for money, but the other compensation like recognition. The most important things in this context are treating fairness is very important determinant to explain why employee feel satisfied on his salary.

The purposes of this article are to replicate the previous studies about the relationship between both of justice types in organizational and organizational behavior. Specifically, this study exams distributive and procedural justice in university setting (Muhammadiyah University of Yogyakarta) to predicts employees satisfaction. It is also determine whether university setting as phenomenon supports existing theory.

LITERATURE REVIEW AND HYPOTHESES

Organizational Justice

Justice is construct that is increasingly being recognized as important concept that affect individual perception in the workplace environment. The construct of justice has been studied in multiplicity of contexts and has been acknowledge as the first virtue of social institutions (Rawls, 1971 in Primeaux et al., 2003). Justice theory assumes that people seek to regularize their interactions with others. That is a socially constructed concept (Colquitt et al., 2001) and that exist within all individual minds. Individual interest and justice are viewed as conflicting constructs that form the basis of both individual and organizational conflict (Tyler et al., 1997).

At the organizational level, justice is defined as encompassing people’s perception of fairness based upon the implicit and explicit nature of organizational roles and duties. It seeks to categorize and explain the views and feelings of organizational participants about their own treatment and that of others within organization. People-perceived justice is not only related with outcome allocation, but also process used to determined that allocation. Therefore, employee reactions are affected by both the perceived fairness of the rewards they receive as well as the procedures used to determine the reward level. Both of them have been linked to various individual outcome (e.g., commitment) and organizational outcomes (e.g., Folger & Konovsky, 1989; Greenberg, 1990).

As discussed previously, those types of justice referred to distributive justice and procedural justice. Introducing those types of justice in this article is needed.

Distributive Justice

Organizational decisions affect the allocation of resources and the nature of outcomes in organizations. Distributive justice is concerned with perceptions of fairness about organizational allocations and outcomes. Concept of distributive justice provides basis for analytical framework that can be used to understand the perceptions of people in relation to many different types of outcomes. In this context, distributive justice refers to the perceived fairness of salary employees received. Distributive justice has been a fundamental consideration in justice theory (Colquitt et al., 2001). Organizational researchers have historically emphasized the role of distributive justice as determinants of employee attitudes and behaviors. Most of this research based on initial work was conducted by Adams (1965), who has used a social exchange theory framework to evaluate fairness. Adam (1965) suggested a method to determine whether those outcomes was fair. The method is to calculate the ratio of someone’s contributions or inputs (like education, intelligence and experience) to someone’s outcomes (like salary) and then compare others. The others that was compared is person in similar position or job, so it was comparable (Adams, 1965). Framework for the theory of distribution justice were based on equity theory (Adams, 1965); relative deprivation theory (Crosby, 1982) and referent cognitions theory (Folger, 1986).

Procedural Justice

Development of research in organizational justice theory shows that someone define justice not only have strong related with result they obtained, but they consider procedures or means used to determine those outcomes. Procedural justice studies examine how people evaluate the fairness of social decision making procedures. Procedural justice refers to the perceived fairness of the means used to determine those amounts (Folger & Konovsky, 1989; McFarlin & Sweeney, 1992). Procedural justice is concerned with perceptions of fairness about the procedures and processes used to arrive at decisions.

A key finding emerges from numerous studies conducted in different areas of decision making that affect people in organizations. Decisions based on procedures that are perceived as fair are more likely to be accepted by those they affect, than decisions
arising from procedures that are not perceived as fair (Cronanzano and Greenberg, 1997).

**Relationship between Distributive Justice and Satisfaction Toward Salary Structure**

Outcome satisfaction is one of the most commonly examined outcomes in organizational justice research and is relevant to the instrumental model of justice. As previously, past research supported that distributive justice is more related to person-centered evaluations like outcome satisfaction (Folger & Konovsky, 1989; McFarlin & Sweeney, 1992; Sweeney & McFarlin, 1993), in this case is satisfaction toward salary structure they receive.

**Hypothesis 1**: Distributive justice will be positively to predict satisfaction toward their salary structure

**Relationship between Procedural Justice and Satisfaction Toward Salary Structure**

Procedures used to determine a particular outcome can be more important than an actual outcome itself (Folger & Martin, 1986, Martin & Nagao, 1989). In numerous studies, procedural justice has been found to make a significant contribution to specific facets of satisfaction (Folger & Konovsky, 1989), in this case is satisfaction toward salary structure they receive.

**Hypothesis 2**: Procedural justice will be positively to predict satisfaction toward their salary structure

**METHODS**

**Sample**

The author contacts the HRD of the university to inform the objectives of the study and to ask for permission to conduct the study. Once the author has obtained the permission, he discusses about everything appertaining to the prevailing system of salary structure of the institution along with the parties concerned.

Employees of Muhammadiyah University of Yogyakarta were surveyed. All 105 employees who received questionnaire. The employees who response were 87 people (response rate 82.9%). All complete questionnaire that ready for use were 75.

**Measures**

Predictor variables in this research were distributive justice and procedural justice. Criterion variables in this research was satisfaction toward salary structure.

**Distributive justice**. We used five items from Tang and Sarsfield (1996) that modified items from Curry et al. These items ask employees to indicate the extent to which they have been fairly rewarded. Rewards are defined as a specific outcomes, salary structure they receive. An example of the item format is as follows: “Considering my efforts that I have done for the organization, the organization has given salary for me equally” (1=strongly disagree, 5= strongly agree).

**Procedural justice**. We used seven items from Tang and Sarsfield (1996). Respondents indicated the extent to which the general procedures used to determine salary structure. An example of the item format is as follows: “Performance appraisal that I received is truly represent performance of my real duty” (1=strongly disagree, 5= strongly agree).

**Satisfaction toward salary structure**. We used eight items from Roberts and Reed (1996). An example of the item format is as follows: “Considering inputs that I had been given to organization, I am satisfy with performance appraisal that I received” (1=strongly disagree, 5= strongly agree).

**RESULTS**

**Validity Test**

The validity of distributive justice, procedural justice and satisfaction toward salary structure variables is conducted using confirmatory factor analysis. The results of the study indicate that all of the items to measure the variables are appropriate with the theory.

**Descriptive Statistics and Reliability Test**

Table 1 presents means and reliability coefficients, where applicable for all study variables. The Table shows that reliability for multi-item scales were generally very good with alphas ranging from .83 to .93.

<table>
<thead>
<tr>
<th>No</th>
<th>Variables</th>
<th>Mean</th>
<th>Mean/Items</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Distributive justice</td>
<td>13,5733</td>
<td>2,7147</td>
<td>0.9213</td>
</tr>
<tr>
<td>2</td>
<td>Procedural justice</td>
<td>18,8000</td>
<td>2,6857</td>
<td>0.8431</td>
</tr>
<tr>
<td>3</td>
<td>Satisfaction toward salary structure</td>
<td></td>
<td></td>
<td>0.8335</td>
</tr>
</tbody>
</table>

*Justice In Salary......... (Heru Kurnianto Tjahjono)*
Regression Analysis Results

Hypothesis test in this research used multiple regression analysis. Purpose of this analysis is to examine both independent variables predict a dependent variable. In this case, distributive and procedural justice will predict satisfaction toward salary structure.

Table 2
Results of Multiple Regression Analyses

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>8.184</td>
<td>1.706</td>
</tr>
<tr>
<td>Distributive</td>
<td>0.311</td>
<td>0.114</td>
</tr>
<tr>
<td>Justice</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procedural</td>
<td>0.494</td>
<td>0.103</td>
</tr>
<tr>
<td>Justice</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results consistent with previous research, that distributive and procedural justice were significant to predict satisfaction toward salary structure (see table 2). Hypothesis 1 were supported ($β=0.282$; $p = 0.05$) and hypothesis 2 were supported ($β=0.493$; $p =0.001$).

DISCUSSION

Distributive and Procedural Justice as Predictors

Our finding that both distributive and procedural justice are important predictors of work outcomes; satisfaction toward salary structure. This research consistent supported previous research that distributive and procedural justice are important variables to predict work outcomes strongly (Folger & Konovsky, 1989; McFarlin & Sweeney, 1992; Sweeney & McFarlin, 1993). All of hypothesis in present research were supported. Eventhough, we found as not expected that distributive justice tended not to be a stronger predictor of personal outcomes (like satisfaction toward salary structure) than procedural justice in this setting.

We think it related with specific phenomena or particular context. In Muhammadiyah University of Yogyakarta (MUY) case, new salary structure is designed by Human Resources Management Division (HRM-Division). HRM-Division proposed new policy to consulted with Strategic Planning-Division and others. HRM-Division also explore employees voice, so the process involved the employees voice. Beside that, most of employees in MUY have strong solidarity and tend to collectively community in their organization. Consequently, they more concern harmony among them in their organization than individual interest. Therefore, maybe that phenomena explain why procedural justice more stronger than distributive justice in predicting satisfaction.

Limitation and Direction for Future Research

One of the most basic limitations of this study is its reliance on cross-sectional and self report data. This approach will raises the issue of common method variance. We would encourage future justice researchers to take steps to avoid methods variance problems in field settings with using multiple measures.

In University setting, we used convenience sampling as method to collect respondents. This method has low generalization to represents phenomena in population. We would encourage, researchers used random sampling method to obtain stronger generalization.

REFERENCES


