

The Role of Leadership and Organizational Justice in Mediation

by I Wayan Widnyana

Submission date: 14-Oct-2021 08:15PM (UTC+0700)

Submission ID: 1673716070

File name: 5.28_Role_of_Leadership.pdf (1.15M)

Word count: 7505

Character count: 41346

Management and Economics



The Role of Leadership and Organizational Justice in Mediation the Effect of Commitments On Employee Performance AT PT Federal International Finance, TBK.

Christian Kurniawan^{1*} | Anak Agung Putu Agung² | I Wayan Widnyana³

¹Student of Management Master,
Universitas Mahasaraswati
Denpasar, Bali-Indonesia

²Universitas Mahasaraswati
Denpasar, Bali-Indonesia

³Universitas Mahasaraswati
Denpasar, Bali-Indonesia



Abstract

Performance is the main achievement that must be considered in responding to the success of a company in running its business and organization. Performance is a solid foundation in making the business continue to grow. This study aims to examine the relationship between the variables of commitment, leadership, organizational justice, and employee performance at PT Federal International Finance, Tbk. Denpasar Branch. Respondents in this study were employees of the Collection & Recovery Field of PT Federal International Finance, Tbk. Denpasar Branch. With the number of respondents specified in this study as many as 102 respondents. This study uses the SPSS Ver. 25 with the help of the SmartPLS V.3. The results of the study show that: commitment has a positive and significant effect on leadership, organizational justice and employee performance; commitment has no effect on employee performance; leadership does not effect on organizational justice; organizational justice a positive and significant effect on employee performance; leadership does not able to mediate effect of commitment on employee performance; organizational justice does able to mediate effect of commitment on employee performance. **Keywords:** commitment, leadership, organizational justice, employee performance.

Copyright : © 2021 The Authors. Published by Publisher. This is an open access article under the CC BY-NC-ND license (<https://creativecommons.org/licenses/by-nc-nd/4.0/>).

1 | INTRODUCTION

In the era of free trade in the 21st century, and the development of the industrial revolution 4.0 to 5.0, there is a climate of high competition in all

fields that requires all countries and organizations to work more effectively and efficiently. A high level of competence requires an organization to optimize as effectively and efficiently as possible by empowering human resources. Human resources is determin-

ing the source of n the success of an organization, with the excess value that is owned by the organization. Organizations are said to be successful if they can attract interest and attention when compared to other organizations, while successful managers are managers who are able to manage resources according to the needs of the organization. Therefore organizations are required to manage their human resources well for the progress of the company, and success in the company's processes is determined by the achievement of good performance results by employees (Nurandi et al., 2014).

According to Mangkunegara (2013), performance is the result of work in quality and quantity achieved by an employee in carrying out tasks in accordance with the responsibilities given to him. performance overview of the extent to which the success or failure of the organization in carrying out the duties and functions principally in order to realize the goals, objectives, vision and mission. From the point of view of human resources, performance is an achievement that can be achieved by members of the organization within a certain period. From an organizational point of view, performance is a measure of achieving results in realizing organizational goals. Factors that affect the performance of human resources are individual factors, including: abilities, skills, family background, work experience, social level, and a person's demographics. Then psychological factors, including: perceptions, roles, work attitudes, personality, motivation, and job satisfaction, organizational factors, including: organizational structure, job design, leadership, and reward systems (Gibson, 2012).

Commitment is a strong desire to remain as a member of a particular organization, the desire to strive in accordance with the wishes of the organization, as well as certain beliefs, acceptance of values, and organizational goals. High commitment from employees can achieve company goals (khalida et al.,

2014). High employee commitment results in good work performance, low absenteeism, and low employee turnover. high commitment to realize individuals care about the fate of the organization and make the organization a better direction. With a high commitment is expected to minimize the decline in employee performance. Commitment is an attitude that reflects employee loyalty to the organization through a continuous process in which organizational members express their concern for the organization, success, and continuous progress (Luthans, 2006).

Success in advancing the quality of human resources along with standardization of company operations cannot be separated from the role of leaders in carrying out their managerial functions in an organization. Leadership is a series of structuring activities of a leader in influencing the behavior of others in certain situations in order to establish a cooperative agreement relationship in achieving the goals that have been set (Sutarto, 2006). Leadership is needed when dealing with difficult situations, uncertainty about the phenomena that occur, and the irrelevance of old policies that are maintained in the organization. Without a realistic and relevant leadership role, every member of the organization certainly does not have a foundation (trust) and guidelines in carrying out their duties and obligations (Maxwell, 2018). Armstrong (2003) in Sudarmanto (2009:133) states that leadership is the process of inspiring all employees to work as well as possible to achieve the expected results. Leadership is a way of inviting employees to act correctly, achieve commitment, and motivate them to achieve common goals (Sudarmanto, 2009: 133).

Organizational justice is one of the factors that influence commitment. According to Laghari and Memon (2015) argue that organizational justice is the main element that focuses on fairness that occurs in the workplace and the satisfaction felt by employees. So that organizational justice is based on how each employee assesses the attitudes and behavior of other employees and how the organization behaves towards them. Employees will feel that the company treats them fairly when the results they receive are in accordance with their contribution to the company. Equity theory proposed by Tyler (1994) in

Supplementary information The online version of this article (<http://ijcrr.info/index.php/ijcrr/article/view/910/906>) contains supplementary material, which is available to authorized users.

Corresponding Author: *Christian Kurniawan*
Student of Management Master, Universitas Mahasarakswati Denpasar, Bali-Indonesia

Supriyanto, et al. (2013) explained that with fairness in the company employees will feel appreciated, recognized, and accepted, so that it will increase employee commitment to the company.

This research was conducted at PT. Federal International Finance, Tbk (FIFGROUP) Denpasar Branch. PT. Federal International Finance, Tbk. Denpasar Branch is a private company engaged in the financing of Honda motorcycles in collaboration with various Honda dealers in Bali Province in selling Honda motorcycle loans. In addition to motorcycle financing, PT. Federal International Finance, Tbk. is engaged in multipurpose financing such as household and electronic equipment needs, working capital financing, micro-capital loans, and sharia-based financing. PT. Federal International Finance, Tbk. (FIFGROUP) is a multi - finance company that specifically finances the sale of Honda motorcycles. Based on the trend development of data from the Indonesian Motorcycle Industry Association (AISI) recorded total domestic and foreign sales of 4,363,408 units, this number decreased when compared to 2019 of 7,010,529 units. This was influenced by the 2019 corona virus pandemic which had an impact on the country's automotive sector related to motorcycle sales. Honda is the best-selling brand in 2020 with total domestic sales of 2,075,861 units. Honda's success is inseparable from the contribution of PT. Federal International Finance, Tbk. (FIFGROUP) as a Honda motorcycle financing company in all provinces of Indonesia. This study focuses on the performance of employees of the collection & recovery department, namely the billing and arrears section which has an impact on a prolonged decline in the quality of employee performance due to the effects of the accumulation of timing bombs from the total number of lost customers, where the struggle in this department in achieving company targets is not as easy as walking from year by year and coupled with external factors that are now happening in all lines of life of the global community that hinder growth in the economic sector, both at home and abroad.

2 | LITERATURE REVIEW AND HYPOTHESES

In pursuing the success of an organization, the leadership role is a key requirement and one of the foundation pillars in achieving organizational success. Without a leadership role, it is impossible for employee performance to get a strong boost in achieving the latest achievements. Goal setting theory (Grand Theory) is one part of the motivational theory proposed by Locke in 1978, based on evidence that assumes that the target of new ideas plays an important role in determining action and the relationship between the relationship between goals set and job performance , in this case is employee performance . According to goal setting theory, individuals have several goals, choose goals, and they are motivated to achieve these goals (Srimindarti, 2012).

The best achievement will be realized with the set goals. Path Goal Leadership theory was developed by Robert House, based on early theory by Evans in 1970, and published in 1971. Goal path leadership theory is used to maximize employee performance based on the situation, including directives in the sense that the leader provides direction to subordinates, supportive in the sense that the leader provides support for subordinates, participative, namely the leader and subordinates are actively involved in an activity, and achievement is the results obtained. This theory is considered a path goal because it focuses on how leaders influence followers' perceptions of work goals, self-development goals, and the path needed to achieve goals (Ivancevich, et al., 2012: 205).

The success of an organization as a whole or various groups in a particular organization is very dependent on the quality of leadership contained in the organization concerned. It can even be said that the quality of leadership contained in an organization plays a very dominant role in the success of the organization in the performance of its employees (Siagian, 2016). Silva, et al. (2019) states that there is a positive relationship between leadership style orientation and the development of employee commitment in order to build a sense of interest and respect for the leader, as well as create commitment in the souls of employees who are part of a work team. Based on these

descriptions can be put forward the hypothesis (H₁) Commitment positive effect on to leadership.

Al I en & Mayer in Sopiah (2008: 157) said that commitment is affective, sustained commitment, and normative commitment has a strong and positive relationship to performance. Based on the desire to be bound to the organization, rational needs and based on existing norms. Syauta, et al. (2012) stated that the higher the organizational commitment and employee performance, the higher the employee's effort in realizing all ideas, abilities, and expertise to advance the company. Based on the conclusions of previous researchers, the company's progress was influenced by significant results on employee commitment and performance. Atmojo (2012) stated that organizational commitment has a significant impact on employee performance, found indirectly through job satisfaction in improving employee performance. The higher the achievement of commitment, the higher the loyalty of employees to the company. Based on this description, a hypothesis (H₂) can be proposed that commitment has a positive effect on employee performance.

Based on the research of Farndale, et al. (2011) stated that training on management performance commitment to employees strengthens the relationship between employees' experiences in being committed to organizational justice. This shows that the experience made to train employees in the organization will strengthen employee commitment to organizational justice that is applied. Suifan, et al. (2017) found organizational commitment and job satisfaction mediate the relationship between organizational justice and attention to turnover. This shows that organizational commitment has an influence on organizational justice. Similarly, the findings of Lambert, et al. (2019). Based on this description, it can be proposed a hypothesis (H₃). Commitment has a positive effect on organizational justice.

Research Holtz, et al. (2013) found that distributive justice, procedural, informative, and interpersonal dimensions have an influence on leadership. Engelbrecht, et al. (2019) found that transformational leadership has an effect on organizational justice. This shows that leadership has an influence on justice through the policies made by the leader. This is in

line with the research of Vanic, et al. (2019) which states that leadership affects three dimensions of organizational justice, namely distributive, procedural, and interactional. Based on this description, a hypothesis (H₄) can be proposed. Leadership has a positive effect on organizational justice.

Maxwell (1995) states in the reproductive leadership stage, explaining that leaders who have reached that stage in an organization, in the cooperation that has been established between leaders and subordinates will produce results in accordance with organizational goals. Desta (2019) states that leadership has an effect on employee performance. This is in line with Soegihartono. (2019) which states that leadership has a positive impact on performance. Based on this description, a hypothesis (H₅) can be proposed. Leadership has a positive effect on employee performance.

Based on the research of Parven, et al. (2018) which states that organizational justice has an effect on employee performance. Likewise, research Sani (2013) which states that justice affect the employee performance. Then the hypothesis (H₆) can be proposed. Organizational justice has a positive effect on employee performance. Based on research by Almutairi (2016) states that organizational commitment mediates the effect of transformational leadership style and employee performance. That shows that transformational leadership style is an important variable in strengthening employee commitment. This shows that leadership is able to mediate employee performance in achieving company goals. This is in line with the research conducted by Kusa, et al.(2018) which states that leadership affects employee performance indirectly through organizational commitment. Based on this description, a hypothesis (H₇) can be proposed. Leadership is able to mediate the effect of commitment on employee performance. Based on the results of research from Hofaidhllaoui, et al. (2017) found that affective commitment partially affects employee performance and organizational justice. And shows that overall justice has a greater impact on affective commitment compared to organizational justice specifically. Based on this description, a hypothesis (H₈) can be proposed. Organizational justice is able to mediate the effect of commitment on employee performance.

Based on the theoretical foundations and views above, the researchers developed a conceptual framework as follows: Figure 1

3 | RESEARCH METHODS

The research method used in this study is a survey. By taking a saturated sample from the population, the questionnaire was distributed as a data collection tool. The population in this study is the entire Collection & Recovery Field with a fixed number of 102 respondents at PT. Federal International Finance, Tbk. Denpasar Branch. The analytical methods used are program version 25 is assisted by the application SmartPLS version 3. The variable in this study consisted of four, namely: Commitment independent variable (X) with four indicators but only three of the indicators used, Leadership mediating variables (M_1) with ten indicators and Organizational Justice (M_2) with seven indicators, and the dependent variable is Employee Performance (Y) with four research indicators.

4 | RESULTS AND DISCUSSION

Characteristics of the population of respondents in this study were distinguished by gender, age, education, and years of service. Based on Table 1 provides an explanation of the description of respondents in this study, as follows: Tables 2 and 3

Based on Table 3 can be obtained information that the four variables have a value AVE, \sqrt{AVE} , and correlation coefficients of the variables with other variables above 0.50 so that the results are discriminant validity was good.

According to the Table 4 below can be obtained from the information that the four variables have a value of composite reliability of one variable to another variable above 0.70 so the result is a composite reliability trustworthy (reliable). Likewise, information can be obtained that the four variables have a Cronchbach's alpha (α) reliability value above 0.6 so that the results can be trusted (reliable).

Base on Table 5 below shows the results of the evaluation of the structural model that Q^2 has a value of 0.73 and a value close to 1 so this proves the structural model has a good fit. This result also means that 73% of the data can be explained by the model, while the remaining 27% is explained by errors or other variables not included in the model.

Table 6 and below are an explanation and analysis of the results of direct and indirect hypothesis testing:

Commitment proved to have a positive and significant effect on leadership. This result is shown by the positive path coefficient of 0.599 with a T-statistic of $8.022 > 1.96$ and the P-values of 0.00 less than 0.05 so that H_1 is acceptable. The results of the analysis obtained mean that the existing commitment is able to improve leadership at PT. Federal International Finance, Tbk. Denpasar Branch. This statement is in accordance with the opinion of Sinambela (2017) which defines leadership as built in one-to-one relationships. Furthermore, it states that commitment to leadership is the willingness of employees to trust leadership with all the risks because of the expectations promised by the leadership in providing positive results for employees. The results of this study support the research of Silva, et al. (2019), the results of the study reveal that there is a positive influence between commitment and leadership. It is also supported by Almutairi's research. (2016) and Santi et al. (2019) which states that there is a positive influence of organizational commitment on leadership.

Commitment proved to have no significant effect on employee performance. This result indicated by the path coefficient totaled 0.157 with P-values 0.065 is greater than 0.05 so that H_2 was rejected. The results of the analysis obtained mean that the existing commitment is not able to improve employee performance at PT Federal International Finance, Tbk. Denpasar Branch. The results support the study of research Bodroastuti, et al. (2018) entitled The Influence of Organizational Culture, Organizational Commitment, and Work Motivation on Job Satisfaction and Employee Performance and research by Harwiki (2016).

Commitment is proven to have a positive and significant effect on organizational justice. This result

TABLE 1: Characteristics of Respondents

No.	Characteristics	Amount	Percentage (%)
1	Gender:		
	Man	102 people	100
	Total	102 people	100
2	Age:		
	17 - 26 years old	48	47.05
	27 – 36 years	48	47.05
	37 – 47 years old	6	5.9
	Total	102 people	100
3	Education:		
	senior High School	45	44.1
	Diploma	12	11.8
	Bachelor	45	44.1
	Total	102 people	100

TABLE 2: Outer Loading Evaluation Results Without X₄

Variable	Indicator	Outer Loading
Commitment (X)	Strong desire to remain as a member of the organization (X.1)	0.835
	Desire to take action on behalf of the organization (X .2)	0.833
	Acceptance of company values and goals (X .3)	0.902
	Intelligence (M 1 .1)	0.732
Leadership (M1)	Maturity, social and broad relationships (M 1 .2)	0.776
	Self-motivation and encouragement of achievement (M 1 .3)	0.842
	Attitudes of human relationships (M 1 .4)	0.803
	Has a strong influence (M 1 .5)	0.846
	Having a good relationship patterns (M 1 .6)	0.835
	Having certain properties (M 1 .7)	0.820
	Has a notch (M 1 .8)	0.720
	Being able to interact (M 1 .9)	0.837
	Able gudgeon (M 1 .10)	0.785
	Fair promotion opportunities (M 2 .1)	0.849
Organization (M 2)	Recognition of hard work (M 2.2)	0.805
	Fair attitude of superiors (M 2.3)	0.870
	Fair attitude of superiors (M 2.4)	0.799
	Appropriate performance appraisal (M 2.5)	0.805
	Awards based on skills and education (M 2.6)	0.847
Employee Performance (Y)	Rewards based on responsibility (M 2.7)	0.865
	Quantity of work (Y1)	0.849
	Quality of work (Y2)	0.844
	Duration o utput (Y3)	0.89
	Cooperation (Y4)	0.874

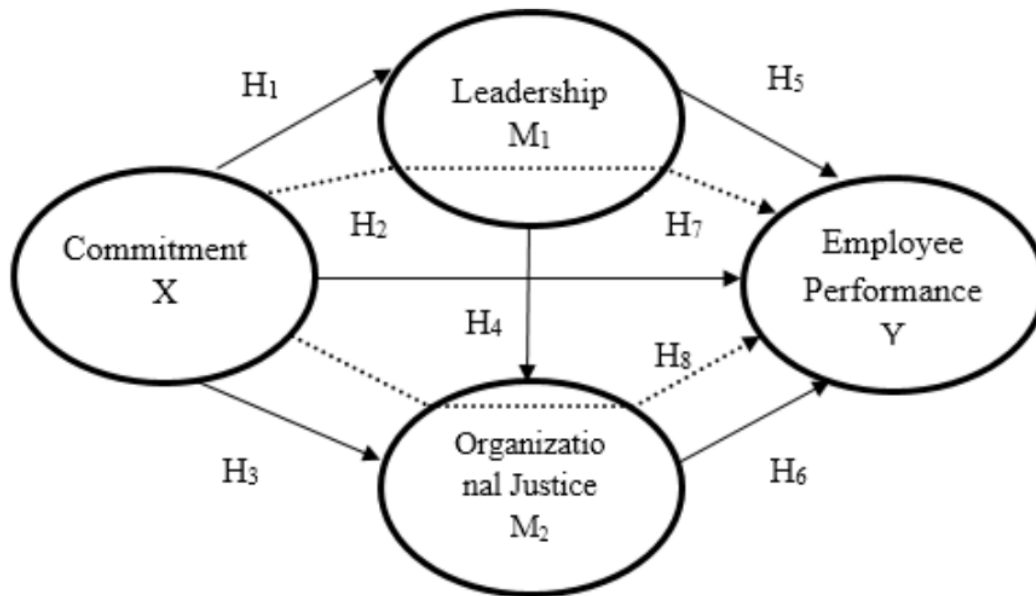


FIGURE 1: Conceptual Framework

TABLE 3: Discriminant Validity Evaluation Results

Variable	AVE	AVE	Correlation	Leader-ship (M 1)	Employee Perfor-mance (Y)	Commit-ment (X)
			Organi-zational Justice (M 2)			
Organizational Justice (M 2)	0.697	0.835	0.835			
Leadership (M 1)	0.641	0.801	0.79	0.801		
Employee Performance (Y)	0.747	0.865	0.784	0.725	0.865	
Commitment (X)	0.735	0.857	0.662	0.599	0.627	0.857

TABLE 4: EvaluationResults of CompositeReliability & ReliabilityAlpha (α) Cronchbach's

Variable	Composite Reliability	Reliability alpha (α) cronchbach's	Information
Commitment (X)	0.892	0.819	Reliable
Leadership (M1)	0.947	0.937	Reliable
Organizational Justice (M2)	0.941	0.927	Reliable
Employee Performance (Y)	0.922	0.887	Reliable

TABLE 5: StructuralModel Evaluation Results (InnerModel)

Structural Model	Endogenous Variables	R – square
1	Leadership (M 1)	0.359
2	Organizational Justice (M 2)	0.680
3	Employee Performance (Y)	0.658
Calculation: $Q^2 = 1 - [(1-R^2_{12}) (1-R^2_{22}) (1-R^2_{32})]$		
Calculation: $Q^2 = 1 - [(1- 0.359) (1- 0.680) (1- 0.658)]$		
Calculation $Q^2 = 1 - [(0.641) (0.320) (0.342)]$		
Calculation $Q^2 = 1 - [(0.07015104)]$		
Calculation $Q^2 = 0.72984896$		
Calculation $Q^2 = 0.73$ (rounded up)		

TABLE 6: DirectEffect Hypothesis Testing Results

No.	Relationship between variables	Path coefficient	T- stats	P Values	Information
1	Commitment (X) -> Leadership (M1)	0.599	8,022	0.000	H1 accepted
2	Commitment (X) -> Employee Performance (Y)	0.157	1,849	0.065	H2 not accepted
3	Commitment (X) -> Organizational Justice (M2)	0.294	3,752	0.000	H3 accepted
4	Leadership (M1) -> Organizational Justice (M2)	0.614	7,531	0.000	H4 accepted
5	Leadership (M1) -> Employee Performance (Y)	0.249	1,809	0.071	H5 not accepted
6	Organizational Justice (M2) -> Employee Performance (Y)	0.483	3,714	0.000	H6 accepted

indicated by the path coefficient positive value of 0.294 with P-values of 0.00 is less than 0.05 so that H_3 can be evidenced. The results of the analysis obtained indicate that the existing commitment is able to improve organizational justice at PT Federal International Finance, Tbk. Denpasar Branch. This statement is in accordance with the opinion of Griffin (2004), which states that commitment is an attitude that reflects the extent to which an individual knows and is bound to his organization. Employees form perceptions of commitment to organizational justice through the treatment they receive. With a good perception of commitment, organizational justice will also increase. The results of this study support the research of Farndal, et al. (2011), the results of the study found that **organizational commitment and job satisfaction have a positive effect on mediating organizational justice and** attention to turnover. Also supported by research Hofaidhllaoui, et al. (2017) and Lambert, et al. (2019) which states that there is a positive influence of organizational commitment

on organizational justice.

Leadership is proven to have a positive and significant effect on organizational justice. This result is shown by the path coefficient which has a positive value of 0.614 with P-values of 0.00 less than 0.05 so that H_4 can be proven. The results of the analysis obtained mean that the existing leadership is able to improve organizational justice at PT. Federal International Finance, Tbk. Denpasar Branch. This statement is in accordance with Winardi (2015) explaining that the management of good leadership behavior will provide added value for organizational justice. Which means that the better the leadership provided, **the employees will have a positive perception of organizational justice. The results of this study support the research of Iqbal, et al. (2015), the results of the study reveal that leadership has a positive effect on employee performance.** Research from Amrani et al . (2019), the **results of the study found that leadership has a positive effect on employee performance.** It is also supported by the research of

Desta (2019), and Soegihartono. (2019) which states that there is a positive influence of leadership on employee performance.

Leadership is proven to have no significant effect on employee performance. This result indicated by the path coefficient positive value of 0.249 with P-values 0.071 is greater than 0.05 so that H_5 can be rejected. The results of the analysis obtained mean that the existing leadership is not able to improve the performance of employees at PT Federal International Finance, Tbk. Denpasar Branch. This statement does not support the opinion of Maxwell (1995) and Kartono (2009) which states that in the reproductive leadership stage explains leaders who have reached that stage in an organization, in the cooperation that has been established between leaders and subordinates will produce results in accordance with organizational goals. Leadership has a very important role in the process of improving employee performance. The results of this study do not support the research of Holtz, et al. (2013), the results of the study reveal that leadership has a positive effect on justice. Research from Engelbrecht, et al. (2019), the research found that transformational leadership positive effect on organizational justice. Likewise with the research of Vanic, et al. (2019) and Yildiz (2019) which states that there is a positive influence of leadership on organizational commitment.

Organizational justice is proven to have a positive and significant effect on employee performance. This result is shown by a positive path coefficient of 0.483 with p-value of 0.00 less than 0.05 so that H_6 is acceptable. The results of the analysis obtained mean that the existing organizational justice is able to improve employee performance at PT. Federal International Finance, Tbk. Denpasar Branch. This statement is in accordance with the opinion of Fathoni (2006) which defines fairness as providing added value to performance. Good organizational justice will have an impact on employees to go the extra mile. The results of this study support the research of Sani (2013), Iqbal, et al. (2017), and Parven, et al. (2018) which states that there is a positive and significant effect of organizational justice on employee performance.

The indirect effect of commitment through leadership mediation on employee performance shows that

the results have no significant effect. This result indicated by the path coefficient totaled 0.149 with P-values 0.071 is greater than 0.05 so that H_7 may be rejected. The results of the analysis obtained mean that commitment through mediation of existing leadership is not able to improve employee performance at PT. Federal International Finance, Tbk. Denpasar Branch. The results of this study do not support the research of Almutairi. (2016), the results revealed that organizational commitment has a positive effect by mediating transformational leadership style and employee performance. Likewise research from Kusa, et al. (2018), the results of the study found that transformational leadership has a positive effect on employee performance indirectly through organizational commitment. Saputri, et al. (2018), that exemplary leaders and competencies have a direct positive effect on performance. However, organizational culture and organizational commitment do not directly affect performance.

The indirect effect through the mediation of organizational justice, commitment to employee performance shows the results of positive and significant. These results indicated by coefficient valuable track at 0.142 with P-values 0.007 is smaller than 0.05 so that H_8 acceptable. The results of the analysis obtained mean that commitment through the mediation of existing organizational justice is able to improve employee performance at PT. Federal International Finance, Tbk. Denpasar Branch. The results of this study support the research of Hofaidhllaoui, et al. (2017) which states that affective commitment partially affects employee performance and organizational justice.

Based on Table 8 could be said that the mediating effect of leadership variable (M_1) in the indirect influence of commitment (X) on employee performance (Y) mediation is not evident in the model (non-mediated). These findings provide clues that the leadership variable (M_1) is not a determinant variable in commitments (X) on employee performance (Y), this is indicated in D effect that has significant value below α (5%). Then to the role of the variables of organizational justice (M_2) capable of mediating a positive and significant (fully mediated) on the indirect effect of commitment (X) on employee performance (Y), these results are shown

TABLE 7: IndirectEffect Hypothesis Testing Results

No.	Relationship between variables	Path coefficient	T-stats	P Values	Information
7	Commitment (X) -> Leadership (M1) -> Employee Performance (Y)	0.149	1,807	0.071	H7 not accepted
8	Commitment (X) -> Organizational Justice (M2) -> Employee Performance (Y)	0.142	2,660	0.008	H8 significant accepted

in the effect of B, C, and D have significant value is smaller 5%. Based on this, it can be interpreted that the better organizational justice followed by good commitment, the performance of employees at the Collection and Recovery Field of PT Federal International Finance, Tbk. Denpasar Branch will increase.

The following is the result of the recapitulation of information that can be obtained in Table 9, providing the findings that commitment is not able to directly determine the employee performance at PT. Federal International Finance, Tbk. Denpasar Branch. However, commitment will be able to improve employee performance if it is based on leadership and organizational justice so that it can determine the achievement of the best employee performance results, however, commitment can determine the achievement of employee performance through indirect effects. Meanwhile, commitment is not able to directly determine organizational justice. Commitment will be able to improve organizational justice if it is based on leadership so that it can determine the achievement of good employee performance results, however, commitment can determine organizational justice through indirect effects. Leadership is not directly able to determine the achievement of employee performance. Leadership will be able to improve employee performance achievement if it is based on commitment, however, leadership can determine employee performance achievement through indirect effects.

According to the results of the analysis of each effect, an overall path diagram can be drawn up from the results of the analysis in Figure 2 as follows:

5 | CONCLUSION AND SUGGESTION

Conclusion

Based on the discussion of the research results, it can be concluded that the influence of the variables of commitment, leadership, and organizational justice on employee performance at PT. Federal International Finance, Tbk. Denpasar Branch is as follows: Commitment has a positive and significant effect on leadership at PT. Federal International Finance, Tbk. Denpasar Branch. This means that the better the commitment will be able to improve leadership. Commitment has no effect on employee performance. This means that the existing commitment has not been able to improve the performance of employees at PT. Federal International Finance, Tbk. Denpasar Branch. Commitment has a positive and significant effect on organizational justice at PT. Federal International Finance, Tbk. Denpasar Branch. This means that the better the commitment will be able to increase organizational justice. Leadership has a positive and significant effect on employee performance at PT. Federal International Finance, Tbk. Denpasar Branch. This means that the better the leadership will be able to improve employee performance. Leadership has no effect on organizational justice. This means that the existing leadership has not been able to improve organizational justice at PT. Federal International Finance, Tbk. Denpasar Branch. Organizational justice has a positive and significant effect on employee performance at PT. Federal International Finance, Tbk. Denpasar Branch. This means that the better the organizational justice will be able to improve employee performance. Leadership cannot mediating effect of commitment of the employee performance. This means that commitment through mediation of existing leadership has not been able to improve employee performance at PT. Federal

TABLE 8: MediationVariable Examination Results

No.	Variables	Effect				Information
		A	C	D		
1	Commitment (X) -> Leadership (M 1) -> Employee Performance (Y)	0.157 Non Sig.	0.630 Sig.	0.599 Sig.	0.249 Non Sig.	Non-mediated
2	Commitment (X) -> Organizational Justice (M2) -> Employee Performance (Y)	0.157 Non Sig.	0.630 Sig.	0.294 Sig.	0.483 Sig.	Fully mediated

TABLE 9: Recapitulationof Direct, Indirect, and Total Effects

No.	Relationship between variables	Direct effect	Indirect effect	Total effect
1	Commitment (X) -> Leadership (M1)	0.599	-	0.599
2	Commitment (X) -> Employee Performance (Y)	0.157	(0.469)	0.627
3	Commitment (X) -> Organizational Justice (M2)	0.294	(0.368)	0.662
4	Leadership (M1) -> Organizational Justice (M2)	0.614	-	0.614
5	Leadership (M1) -> Employee Performance (Y)	0.249	(0.297)	0.546
6	Organizational Justice (M2) -> Employee Performance (Y)	0.483	-	0.483

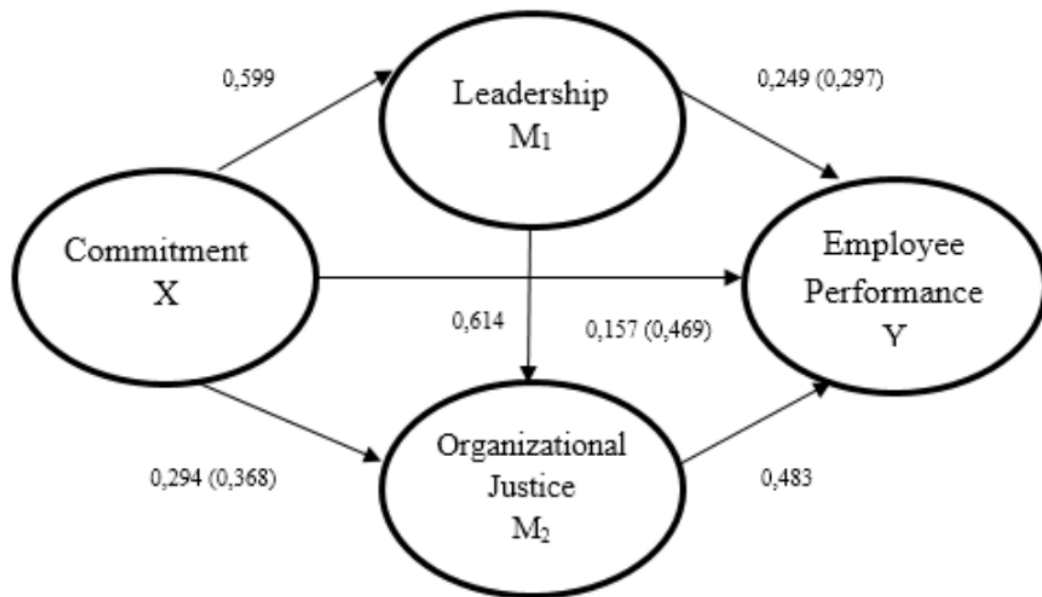


FIGURE 2: Analysis Result Path Chart

International Finance, Tbk. Denpasar Branch. Organizational justice is able to mediate the effect of commitment on employee performance. This means that the better the commitment through organizational justice mediation will be able to improve employee performance.

Suggestion

Suggestions that can be given as input: In optimizing the performance of employees at PT. Federal International Finance, Tbk. Denpasar Branch, it is necessary to prioritize the application of acceptance of company values and goals in this case not in accordance with the reality on the ground, where employees prefer to have a strong desire to remain as members of the organization with the highest average score. Thus the existing commitment to PT. Federal International Finance, Tbk. Denpasar Branch is not sufficient. This provides input to the organization to prioritize the implementation of the acceptance of company values and goals in improving employee performance while still pursuing other indicators. In optimizing the performance of employees at PT. Federal International Finance, Tbk. Denpasar Branch should need to prioritize procedure fair performance appraisal, in this case does not meet the realities of the field where employees prefer recognition hard work to gain the highest mean value. Thus, the existing organizational justice at PT. Federal International Finance, Tbk. Denpasar Branch is not sufficient. It provides feedback on the organization to prioritize procedure a fair assessment of performance in improving the performance of employees with fixed working on other indicators.

REFERENCES

1. Agung, A. A. P., & Widnyana, I. W. (2020). The Effect of Career Development and Servant Leadership on Employee Performance with Work Motivation as an Intervening Variable in the Employment Agency and Human Resources Development Denpasar City. *International Journal of Contemporary Research and Review*, 11(01), 21741-21751.
2. Allen & Meyer. 1990. *Commitment in the Workplace (Theory Research and Application)*. London: Sage Publication.
3. Amrani, Fini, Makruf Akbar, & Muchlis R. Luddin. 2019. The Effect Of Leadership on Employees Performance in Mayors Office South Jakarta. *International Journal Of Entrepreneurship And Business Development*, Vol. 2, No. 2.
4. Artawan, I. Gede Putu, I. Wayan Widnyana, and I. Gusti Agung Teja Kusuma. "The Effect of Service Quality to Build Taxpayer Trust and Satisfaction on Increasing Taxpayer Compliance in Gianyar Regency." *International Journal of Contemporary Research and Review* 11.09 (2020): 21868-21883.
5. Atmojo, Mamis. 2012. The Influence of Transformational Leadership on Job Satisfaction, Organizational Commitment, and Employee Performance. *International Research JournalL of Business Studies*, Vol. 5, No. 2 (113-128). Doi: <https://doi.org/10.21632/irjbs.5.2.113-128>
6. Bodroastuti, Tri, Riszaeni Riszaeni, & Suhaji Suhaji. 2018. Pengaruh Budaya Organisasi, Komitmen Organisasi, dan Motivasi Kerja terhadap Kepuasan Kerja dan Kinerja Karyawan. *Jurnal Ilmiah Aset*, Vol. 20, No. 2 (127-129). ISSN Print: 1693.926X EISSN: 2685.9629
7. Chin. 2003. Partial Least Squares for Researchers: an Overview and Presentation of Recent Advances Using the PLS Approach. www.bauer.uh.edu/plsgraph/plstalk.pdf. Dikutip desember 2020.
8. Desta, Hamelmal Yidenkachew. 2019. The Effect of Leadership on Employee Performance; In the case of Addis pharmaceutical Factory (APF).
9. Engelbrecht, Amos & Olorunjuwon M. Samuel. 2019. The Effect of Transformational Leadership on Intention to Quit Through Perceived Organizational Support, Organizational Justice and Trust. *South African Journal of Economic and Management Sciences*, Vol. 22, No. 1. Doi: <http://dx.doi.org/10.4102/sajems.v22i1.2338> ISSN Print: 1015.8812 EISSN: 2222.3436
10. Farnsdale, Elaine, Veronica Hope Hailey, & Clare Kelliher. 2011. High Commitment Performance Management: The Roles of Justice and Trust. *Personnel Review*, Vol. 40, No. 1. Doi: <https://doi.org/10.1108/00483481111095492>

11. Fathoni, Abdurrahman. 2006. Organisasi dan Manajemen Sumber Daya Manusia. Jakarta: PT. Rineka Cipta.
12. Ghozali, Imam. 2012. Aplikasi Analisis Multivariate dengan program IBM SPSS 21 Update PLS Regresi. Semarang: Badan Penerbit Universitas Diponegoro.
13. Ghozali, I., & Latan, H. 2012. Partial Least Square "Konsep, Teknik dan Aplikasi" SmartPLS 2.0 M3. Semarang: Badan Penerbit Universitas Diponegoro.
14. Ghozali, Imam. 2018. Aplikasi Analisis Multivariate dengan program IBM SPSS 25. Semarang: Badan Penerbit Universitas Diponegoro.
15. Gibson, J. L., Ivancevich, J. M., Donnelly, J. H., & Konopaske, R. 2012. *Organizations: Behavior, Structure, Processes* (14th ed.). New York: McGraw-Hill Companies.
16. Griffin, R. W. 2004. *Komitmen Organisasi* (Terjemahan). Jakarta: Erlangga.
17. Harwiki, Wiwik. 2016. The Impact of Servant Leadership on Organization Culture, Organizational Commitment, Organizational Citizenship Behaviour (OCB) and Employee Performance in Women Cooperatives. *Social and Behavioral Sciences*, Vol. 219. (283-290). Doi: <https://doi.org/10.1016/j.sbspro.2016.04.032>
18. Holtz, Brian C. & Crystal M. Harold. 2013. Effects of Leadership Consideration and Structure on Employee Perceptions of Justice and Counterproductive Work Behavior. *Journal of Organizational Behavior*, Vol. 34, No. 4 (492-519).
19. Iqbal, Muhammad Zafar, Muhammad Rehan, Anum Fatima, & Samina Nawab. 2017. The Impact of Organizational Justice on Employee Performance in Public Sector Organization of Pakistan. *International Journal of Economics & Management Sciences*, Vol. 6, No. 3.
20. Iqbal N., Anwar S., & Haider N. 2015. Effect of Leadership Style on Employee Performance. *Arabian Journal of Business and Management Review*, Vol. 5, No. 5.
21. Kartono, Kartini. 2009. *Pemimpin dan Kepemimpinan*. Jakarta: Rajawali Press.
22. Khalida, R. & Safitri, N. 2014. Pengaruh Person Organization Fit Terhadap Turnover Intention dengan Kepuasan Kerja sebagai Variabel Mediasi Studi pada Karyawan Tetap Kantor Pusat PT. Bank Syariah Mandiri. Thesis Universitas Indonesia.
23. Kusa, Iwan & Mansur M. 2018. *Komitmen Organisasi Memediasi Kepemimpinan Transformasional terhadap Kinerja Karyawan (Studi Pada Hotel Aston Jayapura)*. *The Journal of Bussiness and Management Research*, Vol. 1, No. 1. ISSN Print: 2614.4190
24. Kusuma, I. G. A. T., Landra, N., & Widnyana, I. W. (2019). Construction of welfare mediation model based on Tri Hita Karana on the economic effect of tourism sector toward happiness to improve life satisfaction of local community. *APMBA (Asia Pacific Management and Business Application)*, 8(1), 45-72.
25. Lambert, Eric G., Linda D. Keena, Matthew Leone, David May, & Stacy H. Haynes. 2019. The Effects of Distributive and Procedural Justice on Job Satisfaction and Organizational Commitment of Correctional Staff. *The Social Science Journal*, Vol. 57, No. 4 (405-416). Doi: <https://doi.org/10.1016/j.soscij.2019.02.002>
26. Latham, Gary P, & E.A. Locke. 1990. *A Theory of Goal Setting and Task Performance*. The Academy of Management Review.
27. Locke, E.A. 1978. *The Nature and Causes of Job Satisfaction*. New York: John Wiley and Sons.
28. Luthans, Fred. 2006. *Perilaku Organisasi* Diterjemahkan oleh Vivin Andika Yuwono et al., Edisi Pertama. Yogyakarta: Andi.
29. Mangkunegara, Anwar Prabu. 2013. *Manajemen Sumber Daya Manusia Perusahaan*. Bandung: PT Remaja Rosda Karya.
30. Maxwell, John C.. 1995. *Mengembangkan Kepemimpinan Di Dalam Diri Anda (Developing The Leader Within You)*. Jakarta: Binapura Aksara.

31. Maxwell, John C.. 2018. *Developing the Leader Within You Workbook 2.0*. New York: Injoy, Inc.
32. Parven, Abida & Prof.Dr.Abdul Ghafoor Awan. 2018. Effect of Organizational Justice, Job Satisfaction and Trust on Managers on Employee Performance. *Global Journal of Management, Social Sciences, and Humanities*, Vol. 4, No. 2 (259-279). ISSN Print: 2520.7113 EISSN: 2520.7121
33. Saputri, Eka Dewi & Muhsin Muhsin. 2018. Peran Komitmen Organisasi dalam Memediasi Pengaruh Variabel Keteladanan Pemimpin Organisasi terhadap Kinerja. *Economic Education Analysis Journal*, Vol. 7, No. 3 (1130-1147). Doi: <https://doi.org/10.15294/eeaj.v7i3.28345> ISSN Print: 2252.6544 EISSN: 2502.356X
34. Siagian, Sondang P.. 2016. *Manajemen Sumber Daya Manusia*. Jakarta: Bumi Aksara. Sinambela, L. P .2017. *Manajemen Sumber Daya Manusia: Membangun Tim Kerja Yang Solid Untuk Meningkatkan Kinerja*. Jakarta: PT. Bumi Aksara.
35. Suifan, Taghrid S., Hannah Diab, & Ayman Bahjat Abdallah. 2017. Does Organizational Justice affect Turnover-Intention in Developing Country? The Mediating Role of Job Satisfaction and Organizational Commitment. *Journal of Management Development*, Vol. 36, No. 9 (1137-1148).
36. Supriyanto, Achmad Sani. 2013. Role of Procedural Justice, Organizational Commitment and Job Satisfaction on Job Performance: The Mediating Effects of Organizational Citizenship Behavior. *International Journal of Business and Management*, Vol. 8, No. 15.
37. Supriyanto, Achmad Sani & Vivin Maharani. 2013. *Metode Penelitian Sumber Daya Manusia Teori, Kuisioner, dan Analisis Data*. Malang: UIN-Malang Press.
38. Srimindarti, Ceacilia. 2012. *Balanced Scorecard Sebagai Alternatif Untuk Mengukur Kinerja*. Yogyakarta: Gajah Mada University Press.
39. Surasmi, I. A., Widari, D. A. P. N., Warmana, G. O., & Widnyana, I. W. (2019). The Impact of Business Risk on Dividend Policy in Manufacturing Companies Listed on Indonesia Stock Exchange. *Academy of Social Science Journal*, 4(11), 1488-1493.
40. Syauta, J.H., EA Troena, & S. Margono Setiawan. 2012. The Influence of Organizational Culture, Organizational Commitment to Job Satisfaction and Employee Performance (Study at Municipal Waterworks of Jayapura, Papua Indonesia). *International Journal of Bussiness and Management*.
41. Verawati, Y., & Widyawati, S. R. (2019). The Role Of Competence Mediates The Effect Of Work Experience Of Employee Performance In Dinas Pertanian, Ketahanan Pangan Dan Perikanan, Bangli Regency. *Academy of Social Science Journal*, 4(11), 1517-1522.
42. Widnyana, I. W., & Widyawati, S. R. (2020). Supply of Consumer Goods, Per Capita Consumption due to Covid-19 Pandemic. *Economics Development Analysis Journal*, 9(4), 458-467.
43. Widyawati, S. R., & Karwini, N. K. (2019). The Effect of Intelligence Quotient and Emotional Quotient on Employee Performance at Pt. Kama Titian Sejahtera Denpasar. *International Journal of Contemporary Research and Review*, 10(02), 21401-21407.
44. Winardi, J. 2015. *Manajemen Perilaku Organisasi*. Jakarta: Prenada Media Group.
45. Yildiz, Müge Leyla. 2019. Ethical Leadership and Organizational Justice: The Mediating Effect of Communication Satisfaction. *Turkish Journal of Business Ethics (TJBE)*.

How to cite this article: C.K., Agung A.A.P., Widnyana I.W. **The Role of Leadership and Organizational Justice in Mediation the Effect of Commitments On Employee Performance AT PT Federal International Finance, TBK.** *International Journal of Contemporary Research and Review*. 2021;20420–20433. <https://doi.org/http://ijcrr.info/index.php/ijcrr/article/view/910/906>

The Role of Leadership and Organizational Justice in Mediation

ORIGINALITY REPORT

9%

SIMILARITY INDEX

8%

INTERNET SOURCES

9%

PUBLICATIONS

%

STUDENT PAPERS

MATCH ALL SOURCES (ONLY SELECTED SOURCE PRINTED)

4%

★ "Leadership and Organizational Outcomes",
Springer Nature, 2015

Publication

Exclude quotes Off

Exclude bibliography On

Exclude matches Off