

CHAPTER I

INTRODUCTION

A. Educational background

This study aims to study and analyze the effect of employee satisfaction on the performance of Honda employees. This research includes quantitative research that considers the research used for research, processes, hypotheses, going to the field, data analysis, data conclusions to writing using aspects of measurement, calculation, testing and certainty of numerical data.(Nabawi, 2019). Employee satisfaction is the most important factor in realizing the ideal company. A company is able to develop the ideal Human Resources with several factors in it. Human resources are the spearhead that will determine the success of the company's activities and are also a crisis factor that can determine the going back and forth as well as the life and death of a company.(Nasution, 2019).

Human resources (HR) is one of the factors that directly involved in carrying out organizational activities in achieving the goals that have been set. Nice organization and having a positive image in the eyes of the public will not neglect the aspect of developing the quality of its human resources(etc., 2017). An important point in a human resource development is employee satisfaction in an organizational activity. Job satisfaction is the emotional attitude of someone who is pleasant and loves his job(Prayoga et al., 2017). In his work activities, he tries to always emphasize all of his human resources to be able to achieve good performance, where the benefits of this performance are not only

felt by the individual but also by the institution concerned so as to get employee satisfaction.(Heryenzus & Laia, 2018).

In the current era, many companies want to develop their companies by increasing employee satisfaction so that the company gets good grades. Every company must have what is called overtime hours and targets, every company also provides fair compensation to employees who work overtime or achieve targets. As for the sales employees, they have targets according to the provisions of each company. Every salesperson who achieves the target that has been set, must get compensation from the company fairly and equitably. An effective management control system that is run should be able to motivate all members of the organization to make the best efforts in the form of maximum performance in order to achieve goal congruence(Kusuma & Lina, 2018).

However, in reality today there are still many companies that do not pay attention to the welfare of their employees, this can be proven by the existence of several phenomena that have occurred until now, namely there are still news that talk about "Uncomfortable Not yet on Salary" or "Salary Increase Demo" both in social media as well as in electronic media where this can lead to things that the company does not want, such as threats of strikes, demands for salary increases, and so on(Qustolani, H. A., 2020). Therefore, employees are an important asset for the company that must be maintained. Every employee has rights and obligations that they must carry out. Employees who have a high level of job satisfaction will tend to be more committed and contribute and have

high dedication to the company and ultimately have the will to work harder and be more productive.(Pitasari, 2018).

This phenomenon sometimes occurs in companies that only provide basic salaries to employees and employee complaints to the company but do not reach compensation such as excess salary, bonus targets, or holidays. So that employees do not do their work optimally, if the company provides fair compensation to its employees, employees will provide good and maximum work performance. In working employees want to get what they should get so as to create employee satisfaction in a company. Dissatisfaction with work can have a negative impact on a worker's life, such as stress(Astuti, 2019).

There are many factors that determine employee job satisfaction, including the harmonious relationship that exists within the company, working environment conditions and work ethic(Monoarfa et al., 2020). Employees will tend to like jobs that provide opportunities to use skills and abilities and offer a variety of challenging tasks(Mubaroqah & Yusuf, 2020). Companies that progress and develop are companies that get the most out of the company's human resources(Chandra, 2019). To be able to achieve company goals, encourage company management to maximize employee satisfaction in achieving company goals. In this case, employee satisfaction in question is carrying out an activity and perfecting it in accordance with its responsibilities with the expected results(Qustolani, H. A., 2020). In order for employees to have good performance, companies must compensate their employees.

Based on the description above, the role of employees has a strategic role in a company because employees are the main movers in an activity process and determine the smooth running of activities within the company(Qustolani, H. A., 2020). Employees are objects that must be satisfied by the company(Aulia Ishak et al., 2019). Satisfaction of employees in achieving company goals. So the agency must create conditions that can encourage and enable employees to develop and improve their skills optimally(Ningsih et al., 2020). A fairness in a company is needed in making a better contribution(Ningsih et al., 2020). Fairness in the company is related to the employee's perception of fairness. Employees will feel fair or unfair based on dissatisfaction, in the form of company policies and results received(Gunawan & Nurmadiansyah, 2017).

Performance appraisal fairness includes distributive justice, procedural justice, and interactional justice. The discussion of the dimensions of distributive justice, procedural justice, and interactional justice emphasizes more on managerial structural aspects. The process of implementing employee performance appraisal is considered fair by employees if the performance appraisal procedure is in accordance with ethical and moral standards and the results of the performance appraisal are in accordance with the employee's performance, it will affect employee satisfaction.(Gunawan & Nurmadiansyah, 2017). There are 3 justices that are very appropriate in an employee satisfaction in a company, namely distributive justice, procedural justice and interactional justice.

Distributive justice has been the foundation of justice studies since 1965. The study of distributive justice in organizational exchange is based on the principle of proportion. Distributive justice is the most important predictor of work attitudes and behavior (Tjahjono & Palupi, 2017). Distributive justice research in organizations today focuses primarily on people's perceptions of the fairness of the outcomes they receive, i.e. their assessment of the final state of the allocation process (Palupi & Tjahjon, 2014). Based on equity theory, distributive justice is related to the perception of fairness and balance between the inputs given by employees and the results from the organization they receive. (Ganto, 2019).

Procedural fairness is defined as the perceived fairness of decision making in the organization. People in the organization really care about making fair decisions (Palupi & Tjahjon, 2014). The next development is the presence of the concept of procedural justice. The focus of procedural justice is on evaluating mechanisms and procedures. Employees feel fairness not only in policy allocation, but also in how policy mechanisms emerge (Tjahjono & Palupi, 2017).

Interactional justice is justice received for treatment with respect and dignity. Interactional justice is how to treat employees with dignity and respect for them. The principle of interactional justice according to (Tjahyanti & Puspasari, 2017) (Tjahjono et al., 2019). Interactional fairness is an employee's perception of the fairness of communications given to employees from those in power. Interactional justice is divided into two categories, namely

interpersonal justice and informational justice. Perceptions of respect, courtesy, dignity in the treatment of a person or when making decisions are part of interpersonal justice whereas the adequacy of explanation given in terms of being specific, timely and honest is part of informational justice.(Tjahyanti & Puspasari, 2017) (Tjahjono et al., 2019)

Satisfaction is not how hard or how well one works, but how much one likes a particular job. This satisfaction is related to one's feelings or attitudes about the work itself, salary, promotion or educational opportunities, supervision, co-workers, workload, and others. Satisfaction is a favorable or unfavorable emotional state in which employees view their work and is some indicator of satisfaction(Nabawi, 2019).

Satisfaction is an employee's attitude towards work related to work situations, cooperation between employees, awards received at work, and matters relating to physical and psychological factors.(Andika, 2019).

B. Problem formulation

1. Does distributive justice have a positive effect on satisfaction?
2. Does interactional justice have a positive effect on satisfaction?
3. Does procedural justice have a positive effect on satisfaction?

C. Research purposes

1. To find out and analyze the effect of distributive justice on employee job satisfaction at Honda Pontianak.

2. To find out and analyze the effect of procedural justice on employee job satisfaction at Honda Pontianak.
3. To find out and analyze the effect of interactional justice on employee job satisfaction at Honda Pontianak.

D. Benefits of research

1. Theoretical

The results of this study are expected to provide benefits as a reference for further research related to distributive justice, procedural justice and interactional justice.

2. Practice

The results of this study are expected to be used as input for institutions in managing human resources and leaders in creating satisfaction for employees during the work process.