The Influence of Procedural Justice and Organizational Climate on Organizational Citizenship Behavior (OCB) With Employee Engagement as a Mediator

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Abstract: This study aims at analyzing the influence of Procedural Justice, and Organizational Climate on Organizational Citizenship Behavior (OCB) by mediating Employee Engagement. Survey methods with questionnaires were used as data collection techniques. Structural Equation Modeling was used as the data analysis technique. The results showed that organizational climate and employee engagement have a positive and significant effect on OCB; procedural justice and organizational climate have a positive and significant effect on employee engagement, while procedural justice has no significant influence on organizational citizenship behavior, which means rejecting the hypothesis in this study. Organizational climate is the dominant variable in influencing organizational citizenship behavior, therefore special attention and improvement must be made by management.

Keywords: procedural justice, organizational climate, employee engagement, organizational citizenship behavior

INTRODUCTION

Banking is a sector that has a large influence on the economy of a country. Bank as a company has a dependency on employees. Employees have a big role in determining the achievement of company goals. To advance a bank, optimal employee contributions are needed. When employees are willing to do their best and have a strong psychological desire to produce related results to their work, it can help to achieve the organization’s goals so that employees’ management or human resources becomes very important to do. The employees’ psychological condition should be the focus of company management in managing human resources. Moreover, if they are willing to move voluntarily outside of his job description or responsibility for the progress of the company where he works or is called organizational citizenship behavior (OCB) of course it will benefit the company (Garay, 2006).

Companies that possessed high OCB employees will have better performance than companies with low OCB employees. An example of OCB’s behavior are helping colleagues, giving good advice to the company, being willing to work overtime on their own choice, and tolerating unpleasant things in the work environment (Robbins & Judge, 2015). Companies that possessed many employees with high OCB certainly will give benefit greatly. Giving many benefits, it is important for a company to know the level of employees’ OCB and learn the factors that can increase OCB.

According to Podsakoff et al (2000), OCB is very important for companies because it contributes to company performance. These contributions are to increase the productivity of fellow co-workers, the productivity of company managers, efficiency of company management resources, etc. OCB is strongly influenced by close relationships between employees, employee relations with the company, employee relations with their work or commonly called employee engagement (Saks, 2006). At the other hands, the research of Taghinezhad et al (2015) shows that the results of procedural justice have a positive and significant effect on OCB. Meanwhile, the research of Ukkas and Latif (2017) proves that organizational climate has a positive and significant effect on OCB. Yulianti's research (2016) shows procedural justice has a positive and significant effect on employee engagement, while Ratliff (2012) proves that organizational climate has a positive and significant effect on employee engagement. Based on the results of the last 2 studies, it can be interpreted that employee engagement mediates the influence of procedural justice and organizational climate on OCB.

Employee engagement is behaviors that employees obtained after feeling satisfied with their work, then having self-awareness to contribute to the company where they work (Croston, 2008). Employee engagement is not temporary, but is more sustainable or continuous because it is based on self-awareness and not coercion to contribute to the company. Employee engagement allows employees to interpret and be
proud of their work and the company work (McPhie and Rose, 2008). Employee engagement can make employees become loyal and do not want to move to other companies and always want to contribute more for the company (Macey and Schneider, 2008).

Banking is always required to continue to improve its competitiveness through quality improvement. Justice in a company is very important to note, because if there is an injustice there will be dissatisfaction within the employees which will give a negative impact to the company. The employees’ good perception on the company that is important to be formed by company management is the organizational climate. According to Gibson et al (2011), the organizational climate is a general collective picture of the expectations and feelings of employees that are shaped by a work atmosphere or work environment that improves company performance. Organizational climate becomes important to be created because it becomes the employee's perception of the company and becomes the basis for continuous employee behavior.

Based on the problems found in the banking sector, several existence theories and with the support of previous research, the researcher feels that it is needed to conduct a research with the title "The Influence of Prosedural Justice and Organizational Climate on Organizational Citizenship Behavior with Employee Engagement as A Mediator". This research is not a replica of any pure journal hence consists of several supporting journals used as the theoretical basis and interrelationship between variables to form the title of this study.

LITERATURE REVIEW

A. Organizational Citizenship Behavior

Organ et al (2006) states that OCB is employee voluntary behavior that is not directly related to the compensation system but contributes to the effectiveness of the organization. The basic thing that distinguishes OCB from ordinary work activities is that OCB is done voluntarily or for its own choice and the activity is outside the job description of the position and the activity has a positive impact on the company. Companies that have employees with high OCB will have better company performance than companies that have employees with low OCB (Robbins & Judge, 2015).

Organ et al (2006) states that to measure the high and low behavior of OCB employees of a company, it can use 5 OCB dimensions, namely altruism, courtesy, conscientiousness, sportmanship, and civic virtue. Altruism measures employee voluntary behavior in helping colleagues who are experiencing obstacles or difficulties. Courtesy measures the behavior of employees who always maintain good relations between fellow employees to avoid internal problems among fellow employees in a company. Conscientiousness measures employee behavior that always exceeds company expectations, such as coming before working hours. Sportmanship measures the behavior of employees who accept or tolerate company decisions or circumstances even though they are not ideal. While civic virtue measures the behavior of employees who care about the sustainability of the company and are always involved in activities organized by the company.

B. Employee Engagement

Schaufeli et al (2006) explained that employee engagement is positive thinking to solve work-related matters and is characterized by 3 dimensions of employee engagement, namely vigor, dedication and absorption. Vigor explains about employees with mental endurance and high levels of energy while working. Dedication explains about high employee involvement, enthusiasm, and pride in work. While absorption explains about employees who are fully concentrated and happy to be involved with the company so that time is not felt when working.

Actually some previous researchers used different terms in defining engagement. The terms used by previous researchers are employee engagement and work engagement. The two terms do not indicate a difference in defining employee engagement. Employee engagement and work engagement are formed by several similar characteristics as proposed by Schaufeli et al (2006), namely vigor, dedication, and absorption.

C. Procedural Justice

Colquitt (2001) argues that procedural justice is the employee's perception of justice based on the company's management procedures where he works. Tjahjono (2007); Tjahjono et al. (2015) emphasizes that procedural justice is what individuals feel for justice in relation to procedures or rules in policy making within organizations. Tjahjono (2009); Palupi (2013); Palupi & Tjahjono (2016) states that the negative impact of employee perceptions of managerial policies that are unfair is that they can trigger negative emotions and potentially encourage employee behavior to reciprocate unfair treatment.

Furthermore, regarding the importance of procedural justice for the company, if the employee's perception in evaluating the company's procedural justice is fair, it will trigger employees to contribute more to the company because procedural justice explains organizational outcomes in the form of individual attitudes towards the organization (Tjahjono, 2008). Tjahjono (2007) in his modifying research from Colquitt (2001), stated that there were 7 indicators to measure procedural justice. The seven indicators are process control, decision control, consistency, unbiased, accurate information, capable of correction, and ethics and morals.

D. Organizational Climate

Gibson et al (2011) stated that organizational climate is a direct or indirect assessment of the nature of the work environment by employees, which is assumed to be the main force in influencing employee behavior. Furnham and Goodstein (1997) explain that organizational climate is an
employee's perception of things that take place in an organizational environment. According to Stringer (in Wirawan, 2007), organizational climate is something that can be measured in a work environment that affects motivation and behavior that is perceived directly or indirectly by employees.

So important is the organizational climate because it becomes the basis of the behavior of members of the organization. Organizational climate measurement in this study uses the dimensions of Furnham and Goodstein's (1997) theory with reasons more complete in describing organizational ideas than other theories. The dimensions of Furnham and Goodstein's (1997) theories are role charity, respect, reward systems, communication, career development, planning and decision making, innovation, relationship, quality of service, teamwork and support, conflict management, commitment and morale, training and learning, and direction.

F. Hypothesis
Based on previous researches in the introduction, the hypothesis proposed in this study are:
H1: Procedural justice has a positive effect on OCB
H2: Organizational climate has a positive effect on OCB
H3: Employee engagement has a positive effect on OCB
H4: Procedural justice has a positive influence on employee engagement
H5: Organizational climate has a positive effect on employee engagement

Based on previous researches and hypotheses, the proposed research model includes OCB variables, employee engagement, procedural justice and organizational climate presented in Figure 1.

![Research Model](image)

**Figure 1. Research Model**

**RESEARCH METHODS**
The location of this study is at PD BPR Bank Sleman. The population/employee of PD BPR Bank Sleman is 130 people. The census method is used in taking the sample; the research respondents are all members of the population. Survey methods with questionnaires are used as data collection techniques.

Structural Equation Modeling or SEM is used as a data analysis technique. SEM is used since it has the ability to analyze measurement models and structural models simultaneously. This analysis technique can be used after the model has passed the data quality test, SEM assumptions, and meets the goodness-of-fit criteria before the hypothesis test is carried out.

**RESULTS AND DISCUSSION**

A. Validity Test
Validity test is used to test whether a measuring instrument (indicator) can explain the measured variable. The validity test in this study will use the convergent validity test in SEM. Based on the results of data analysis, there are 1 indicator that does not pass the validity test, namely the EE12 indicator that measures absorption dimensions in employee engagement variables. The EE12 indicator is declared not to pass the validity test because it has a value of C.R. amounting to 1.464 which means it is still below the value of 1.96. In addition, the standardized estimate value is 0.147, which means it is still below the value of 0.5. The EE12 indicator must be discarded and cannot be used in the subsequent analysis.

B. Reliability Test
Reliability shows the consistency of indicators in measuring latent or construct variables. It has good or reliable reliability if the value of Construct Reliability ≥ 0.70 (Ferdinand, 2014). Based on the results of the data analysis, it was found that there was no Construct Reliability value that was smaller than 0.70. So all indicators in this study consistently measure the constructs measured or it can also be explained that reliability is met and data can be used for further analysis.

C. Outliers Evaluation
The results of the data analysis showed that there was no z-score ≥ 3.29 which means there was no univariate outlier problem (Jauhar, et al., 2016). The chi-square limit value for analyzing multivariate outliers is 82.720 resulting from 47 free degrees (number of variable indicators) at a significance level of 0.001. This study is free of multivariate outliers because the results of data processing indicate that the highest mahalanobis distance value is 76.567 which is still below 82.720.

D. Normality Evaluation
Based on the results of data analysis, there is still a critical ratio skewness value ≥ 2.58 and the critical ratio of the multivariate test is 11.210 which is still above ± 2.58. These results indicate that the data are not normally distributed univariate and multivariate, thus the data have not met the requirements in the normality test.

Bootstrap test is used to test abnormal models so that it is still acceptable (Ghozali, 2010). A bootstrap distribution in the form of histograms with the Bollen-Stine
procedure is used in this research. The results of the bootstrapping test are presented in Figure 2.

<table>
<thead>
<tr>
<th>Bootstrap Distribution Histogram</th>
</tr>
</thead>
</table>

Based on the bootstrap distribution histogram in Figure 2, the average chi-square value with a sample bootstrap 1000 and p = 0.053 is 1487.061. The value of 1487.061 shows the cluster value in the center of multivariate 1487.061 and the chi-square distribution is normal because there are several values above and below 1487.061 which are almost balanced (histograms are shaped like bells).

E. Multicollinearity Evaluation

Multicollinearity can be detected from correlations between exogenous variables. According to Maruyama (1998), the identification of multicollinearity problems was analyzed from correlation values between exogenous variables greater than 0.9. The results of data processing show that the correlation value between exogenous variables is 0.523, which means it is still below the value of 0.9.

F. Goodness-of-Fit Evaluation

After SEM assumption test, the next analysis is the suitability of the model will be tested by looking at some Goodness-of-fit criteria including chi-square, probability, CMIN / DF, GFI, AGFI, TLI, CFI, RMSEA, and PRATIO values. Tests on the full conformity of the SEM model in more detail are presented in Table 1.

<table>
<thead>
<tr>
<th>Goodness-of-fit index</th>
<th>Cut-off value</th>
<th>Results</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square (df=1020)</td>
<td>&lt; 1095.411</td>
<td>1895.934</td>
<td>Bad Fit</td>
</tr>
<tr>
<td>Probability</td>
<td>≥ 0.05</td>
<td>0.000</td>
<td>Bad Fit</td>
</tr>
<tr>
<td>GFI</td>
<td>≥ 0.90</td>
<td>0.605</td>
<td>Poor Fit</td>
</tr>
<tr>
<td>AGFI</td>
<td>≥ 0.90</td>
<td>0.563</td>
<td>Poor Fit</td>
</tr>
<tr>
<td>TLI</td>
<td>≥ 0.95</td>
<td>0.714</td>
<td>Poor Fit</td>
</tr>
<tr>
<td>CFI</td>
<td>≥ 0.95</td>
<td>0.731</td>
<td>Poor Fit</td>
</tr>
<tr>
<td>RMSEA</td>
<td>≤ 0.08</td>
<td>0.086</td>
<td>Marginal Fit</td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>≤ 2.00</td>
<td>1.859</td>
<td>Good Fit</td>
</tr>
<tr>
<td>PRATIO</td>
<td>&gt; 0.90</td>
<td>0.944</td>
<td>Good Fit</td>
</tr>
</tbody>
</table>

Based on table 1, the values of CMIN / DF and PRATIO have met the conditions indicated by the CMIN / DF value of 1.859 is below the cut-off value of 2.00 and the PRATIO value of 0.944 is above the cut-off value of 0.90. Solimun (2002) explains that if there are one or two goodness-of-fit criteria that have met the requirements, it can be said that the built research model is good.

G. Hypothesis

If the model has fulfilled all the assumptions of SEM and test the suitability of the model with the goodness-of-fit criteria, then the hypothesis is tested. The hypothesis test criteria is reject the null hypothesis or accept the research hypothesis if the value of Critical Ratio (C.R.) > 1.96. The results of processing hypothetical test data are presented in table 2.

<table>
<thead>
<tr>
<th>Regression Weights</th>
<th>Estimate</th>
<th>C.R.</th>
<th>Exp.</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCB ← Procedural Justice</td>
<td>-0.032</td>
<td>-1.209</td>
<td>H1 rejected</td>
</tr>
<tr>
<td>OCB ← Organizational Climate</td>
<td>0.134</td>
<td>2.802</td>
<td>H2 accepted</td>
</tr>
<tr>
<td>OCB ← Employee Engagement</td>
<td>0.306</td>
<td>2.921</td>
<td>H3 accepted</td>
</tr>
<tr>
<td>Employee Engagement ← Procedural Justice</td>
<td>0.222</td>
<td>3.084</td>
<td>H4 accepted</td>
</tr>
<tr>
<td>Employee Engagement ← Organizational Climate</td>
<td>0.316</td>
<td>3.845</td>
<td>H5 accepted</td>
</tr>
</tbody>
</table>

1. Hypothesis 1

Test results for hypothesis 1 in table 2, that is the influence of procedural justice on OCB produces a value of C.R. amounting to -1.209, which means it is smaller than 1.96. Based on these results it can be explained that hypothesis 1 is
rejected, which means procedural justice does not significantly influence OCB.

Based on these results, it can be explained that procedural justice does not have a direct role in increasing or decreasing employees’ OCB at PD BPR Bank Sleman. The results of this study are not in line with Taghinezhad et al (2015).

2. Hypothesis 2
Test results for hypothesis 2 in table 2. that is the influence of organizational climate on OCB produces a value of C.R. amounting to 2.802 which means greater than 1.96. Based on these results it can be explained that hypothesis 2 is accepted, which means that the organizational climate has a positive and significant effect on OCB.

Organizational climate is a perception shared by all members of the organization toward their organization and its environment (Robbins & Judge, 2015). Employee behavior that is formed from a positive organizational climate will give rise to voluntary behavior from the employees to contribute more to their company beyond their role or in other words increasing OCB. The results of this study are in line with the research conducted by Ukkas and Latif (2017).

3. Hypothesis 3
Test results for hypothesis 3 in table 2. The influence of employee engagement on OCB results in a value of C.R. amounting to 2.921 which means greater than 1.96. Based on these results it can be explained that hypothesis 4 is accepted, which means that employee engagement has a positive and significant effect on OCB.

Employees who have a positive attitude and willingness to help the company achieve organizational goals will, of course, willing to work more for their company even if it exceeds their role. High employee engagement will also result in high OCB level. The results of this study are in line with the research conducted by Sridhar and Thiruvanekadam (2014).

4. Hypothesis 4
Test results for hypothesis 4 in table 2. The influence of procedural justice on employee engagement produces a value of C.R. amounting to 3.084 which means greater than 1.96. Based on these results it can be explained that hypothesis 6 is accepted, which means procedural justice has a positive and significant effect on employee engagement.

Fairness of the company, in which the employees think that their company considers their opinions in running all the decision-making processes and procedures, will initiate the employees’ feeling of involvement and their feeling of being valued by the company's management. As the result, employees will voluntarily help company management in making decisions or help whenever the company is facing problems. The results of this study are in line with the research conducted by Yulianti (2016).

5. Hypothesis 5
Test results for hypothesis 5 in table 2. The influence of organizational climate on employee engagement produces a value of C.R. amounting to 3.845 which means greater than 1.96. Based on these results it can be explained that hypothesis 7 is accepted, which means that the organizational climate has a positive and significant effect on employee engagement.

If the employees are very supportive, the organizational climate by means of individual employees are compatible with the environment where they work; it can make initiate their comfortable feeling while working and desire to give the best for their environment or company where they work. The results of this study are in line with the research conducted by Ratliff (2012).

H. Path Analysis
Path analysis can analyze how strong the influence of a variable compared to other variables on endogenous variables. The results of path analysis in this study are very important because they can find out the dominant variables that affect OCB. These results can give input to the management of PD BPR Bank Sleman so that they can be given special attention to improve or even overhaul in order to further increase OCB. The results of path analysis are presented in table 3.

<table>
<thead>
<tr>
<th>No.</th>
<th>Influence among variables</th>
<th>Direct Effect</th>
<th>Indirect Effect</th>
<th>Total Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Procedural Justice → OCB</td>
<td>-0.113</td>
<td>0.240</td>
<td>0.127</td>
</tr>
<tr>
<td>2.</td>
<td>Organizational Climate → OCB</td>
<td>0.449</td>
<td>0.318</td>
<td>0.758</td>
</tr>
<tr>
<td>3.</td>
<td>Employee Engagement → OCB</td>
<td>0.708</td>
<td>0</td>
<td>0.708</td>
</tr>
</tbody>
</table>

Table 3. Path Analysis

Based on the results of data analysis presented in table 3, it can be concluded that employee engagement variables provide the dominant or most direct influence on OCB compared to other variables which are equal to 0.708. Organizational climate variables have the greatest influence on the indirect influence of OCB which is equal to 0.318. While for total influence, organizational climate variables have the greatest or most dominant influence on OCB.
CONCLUSION
Based on the results of research conducted on PD BPR Bank Sleman employees, it can be concluded:
1. Procedural justice does not have a significant effect on organizational citizenship behavior which means rejecting the hypothesis in this study
2. Organizational climates have a positive and significant effect on organizational citizenship behavior
3. Employee engagement has a positive and significant effect on organizational citizenship behavior
4. Procedural justice has a positive and significant influence on employee engagement
5. Organizational climates have a positive and significant effect on employee engagement

RECOMMENDATION
Based on the results of the study, discussion and conclusions, the suggestions that can be given are as follows:
1. Based on the results of inferential statistics, the organizational climate in PD BPR Bank Sleman are the most dominant or greatest variables in influencing the increase in organizational citizenship behavior. The management of PD BPR Bank Sleman should pay special attention to maintaining and improving the organizational climate and employee engagement in order to improve organizational citizenship behavior even better.
2. For the next researcher, considering the limited sample in this study (only at PD BPR Bank Sleman) it is advisable to do research with samples on a broader scale by conducting research in many companies or wider population.

REFERENCES
The Influence of Prosedural Justice and Organization Climate on Organizational Citizenship Behavior (OCB) With Employee Engagement as a Mediator


