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### JOB SATISFACTION AS A MEDIATION ROLE AND SPIRITUAL INTELLIGENCE AS A MODERATION EFFECT TO COMPENSATIONAL JUSTICE TO THE GOVERNMENT BANKING EMPLOYEES PERFORMANCE IN MALANG CITY

*Noermijati Noermijati<sup>1</sup>, Agung Nugroho Adi<sup>2</sup>, Ema Zahra Firdaus<sup>3</sup>, Hanantya Gilang Masterizki<sup>4</sup>*

<sup>1.2.3.4</sup> Faculty of Economics and Business, University of Brawijaya, Malang, Indonesia

<sup>1</sup> [nurmi@ub.ac.id](mailto:nurmi@ub.ac.id)

**Noermijati Noermijati, Agung Nugroho Adi, Ema Zahra Firdaus, Hanantya Gilang Masterizki. Job Satisfaction As A Mediation Role And Spiritual Intelligence As A Moderation Effect To Compensational Justice To The Government Banking Employees Performance In Malang City-- Palarch's Journal Of Archaralogy Of Egypt/Egyptogy 17(3), 236-257. ISSN 1567-214x**

**Keywords: Fairness Of Employee Compensation, Employee Satisfaction, Employee Performance, Spiritual Intelligence**

#### ABSTRACT

Employee performance is a major issue in the banking sector business, due to increasingly fierce competition in winning the hearts of consumers. Several factors are play a role in improving an employee performance that must received by serious attention from banking managers. Because, a high employee performance will play a role to improve the performance of banking organizations, and vice versa. Employee performance was influenced by employee job satisfaction, fairness of employee compensation, which is strengthened by the spiritual intelligence of employees. A purpose of this research was to analyze the effect between fairness compensation and employee performance, with the mediating role of employee job satisfaction and moderation of spiritual intelligence. This research is a quantitative study with using PLS analysis and a sample of 145 government bank employees in the Malang City. The results are indicate that a compensatory justice does not have a direct effect on employee performance, but compensation justice has a direct effect on job satisfaction. Job satisfaction has a direct influence on employee performance. Mediation tests shown that job satisfaction mediates to the effect between fairness of compensation and employee performance. Spiritual intelligence does not moderate to the effect between fairness of compensation and employee

performance. So, it is mean that a spiritual intelligence does not strengthen or weaken to the effect between fairness of compensation and employees performance in the banks, Malang. Originality from this research, it was founded that spiritual intelligence is not a moderator of the effect between fairness compensation and employee performance, but is a predictor / antecedent for employee performance, so the higher level of spiritual intelligence will increase to employee performance.

Keywords: Fairness of employee compensation, employee satisfaction, employee performance, spiritual intelligence

## INTRODUCTION

Employee performance is a major issue in the banking sector business, due to an increasingly fierce competition in winning the hearts of consumers. Several factors play a role with improving any employee performance and a serious concern on banking managers. Factors are role play to improve the banking employees performance such as justice compensation, job satisfaction, and spiritual quotient or spiritual intelligence of employees. Bernardin and Russel (2010) argued that a performance is a record on employee achievement of tasks, there are a burden or are able to be achieved during a certain period of time. In this view, an aspect is emphasized by record of the outcome or end of result obtained by a job or activity and also carried out for a certain period of time. High and low of employees performance in a company, there is a role of employee job satisfaction and fairness of the compensation they receive. Spiritual intelligence is also observed its role in strengthening or weakening for the effect between compensation and employee performance.

The close relationship between spiritual intelligence with compensation, performance satisfaction and employee performance was mentioned by George (2015) in developing his concept. There is a close relationship between any traits that appear in employee satisfaction and employee performance with spiritual intelligence. Job satisfaction is associated with happy feelings or positive emotions that arise from employee assessments of a job or work experience (Luthans, 2011). Compensation plays a role in improving on employee performance, as evidenced by research Qureshi and Sajjad (2015) and Wardoyo et al., (2015) said that compensation has a significant effect to improve an employee performance. Compensation has a high contribution to employee performance, which is considered fair by the employee. Because, basically a person evaluates his performance to compare any contributions to work and the benefits derived from these contributions, which he chooses and in reality can resemble or not resemble them (Mondy, 2008). This is supported by the research results of Hamzah, et al., (2018), and Hidayat, et al., (2017), which shown that compensatory justice has a significant positive effect to the employee performance. But, the results of different studies were conducted by Purwanto (2015), Sulaei (2017), Edy (2013) & Farla, et al., (2019) and shown that compensatory justice has no significant effect to the employee performance.

Departing from a phenomenon of the results in previous studies, there are still not consistent, it was necessary to find a variable to fill a gap. So, it was included by job satisfaction variable as a mediator, because of a fair compensa-

tion will be able to improve an employee performance, when the compensation was able to increase employee satisfaction.

This refers to the results of previous studies, such as Purwanto's (2015) and Astiko's (2012) stated that a compensation equity has a significant positive effect to the job satisfaction. This study also includes for a spiritual intelligence as a moderating variable, with reference to the results of research by Nuhujan et al., (2016), which proved that a spiritual quotient does not succeed to improve an employee performance and research Dharmanegara et al., (2013) which proved that a spiritual quotient has a significant effect on employee performance.

This research was conducted at the Bank, because Bank is a business activity unit that has an important role in the economy in a country / region. Malang as a second largest city in the East Java province, which has a big share in the national economy. In Malang, the role of government banks is also very large in supporting the smooth running for the people's economy. Therefore, it becomes very important to observe issues related to the employees performance on working in the banking sector owned by the Indonesian government.

### ***Theoretical Framework And Hypotheses***

#### ***Compensational Justice***

Individuals are evaluate fairness in compensation by comparing an effort and output that they get with many rewards received. This comparison is personal and based on individual perception. However, a sense of injustice arises when a comparison process produces an imbalance between input and outcome (Adams, 1965 (in Torre et al., 2015), Mathis & Jockson 2011). Jackson, Schuler & Werner (2011) explained that a pay fairness is what employees feel is appropriate for them to get, same as what others deserve. Whereas, Mondy (2008) defined that the theory of justice as a motivational theory, which stated that a person evaluates his performance and attitude by comparing a contribution to work and many benefits derived from these contributions with the contributions and benefits for others that are comparable, which he chooses and which in reality can resemble or don't resemble them. Fair measurement will be different for each employee according to their perception. Dessler (2015) described that four types of indicators measuring compensation justice such as external justice, internal justice, individual justice, and procedural justice. External justice refers to the comparison between contributions and rewards that a person receives in a company and a contribution, then get many rewards for someone receives in another company, whether it is fair. Internal justice is based on relative value of work in the same organization. For work evaluation was used as a tool to determine internal justice. Individual justice is based on how a performance and competencies for each employee in carrying out their work. Whereas, procedural justice is based on company policy and ability to provide compensation.

#### ***Job Satisfaction***

One of the success factors from an organization in achieving its goals, which is an ability of organization to meet its employees' job satisfaction. Job satisfaction is a feeling pleasure or positive emotions that arise from an assessment of a job or work experience (Luthans, 2011). Robbins and Judge (2008), defined that an employee job satisfaction as a positive feeling about one's work with a result to evaluate of its characteristics. Whereas, Mathis and Jackson (2011), stated that an employee job satisfaction as a positive emotion to arise from evaluating one work experience. There are three important dimensions for job satisfaction. First, a job satisfaction is an emotional response to a work situation. Second, a job satisfaction is often determined by how well the work (outcome) meets expectations. Third, a job satisfaction illustrates for several related attitudes. Locke stated that a job satisfaction and job dissatisfaction are functions perceived by relationship between what people want from their work and what they expect to be truly available (Luthans 2011). Meanwhile, according to Robbins (2003) said that a job satisfaction refers to an individual's general attitude towards his job. Moshavi and Terborg (2002), used by 8 IOR items (index organizational items) to measure overall job satisfaction, which were amount of work, type of work, financial reward, supervision, co-worker, company identification, career facilitation, and physical conditions. Eventually, a job satisfaction was measured by using a felt from respondents towards their work. Overall job satisfaction is broken down into four items questionnaire such as pride in work, loyalty to work, liking for work, and satisfied with work.

### *Employee Performance*

Performance is a re-appearance for individual contributions with made to organizations in empowering (Stewart and Brown, 2011). Whereas, Rivai et al. (2015) explained that a performance is a function of motivation and ability. So, in completing one's tasks or work it is fitting to have a certain willingness and ability level. Meanwhile, according to Wirawan (2010) said that a performance is a family generated by the functions or indicators of a job or a profession within a certain time. Bernardin and Russel (2010) argued that a performance is a record from employee achievement of tasks that are a burden or are able to be achieved during a certain period of time. Many skills for each employee in carrying out work activities and their roles are the main sources of individual variations in employee performance (Borman and Motowidlo, 1993). Vroom's (1964) view in Roliinson (2002) said that a performance is determined by an environment, abilities, and motivation. Where, it is noted that managers can directly control a selection process because it affects to the ability and knowledge. This can be improved through training and development. In this study, an employee performance was measured based on a combination of indicators from Bernardin and Russel (2010) with measurements from Gomes et al. (2003), such as Quality, Quantity, Timeliness, Attendance, Co-operation.

### *Spiritual Intelligence*

Spiritual intelligence is the intelligence of the soul. An intelligence was makes humans intact, makes a person able to integrate various fragments of life, activities, and existence (Zohar and Marshal 2005). Spirituality is not something foreign to humans, because it is the core of humanity itself. Humans are consist to the material and spiritual elements. Human behavior is a product of attraction between spiritual and material energy (Tobroni, 2005).

Spiritual intelligence is intelligence that is directed and can solve problems for any value. Intelligence with one's abilities can place one's actions and life more broadly, richer, and can provide an understanding of broad meaning. Intelligence which can analyze a case of action or a life path, where life feels more meaningful than others (Zohar and Marshal, 2005; Mahmood et al., 2017). Even stated by many international researchers, many leaders in the world's big companies that succeed by an ability or spiritual intelligence / SQ and apply it in the management company (Agustian, 2004). Kertajaya and Sula (2006) also stated that in principle, now and in the future business people must carry out their business activities "by heart" or with Spiritual Quotient. If a businessman has run his business based on Spiritual Quotient, or honestly, with a clear heart, the business he runs will be of high quality. It has a quality service value, be able to build a good brand, and will create good positioning in the minds of his customers, so he will be loved by his customers (Noermijati, 2013).

Stated by Zohar and Marshal (2005), there are eight key indicator criteria in company culture that show high SQ. These eight indicators of intelligence must be present in the company members (employees and leaders), like an intelligence in the following matters such as communication, justice, relationships, trust, power, truth, flexibility, and empowerment. While, Agustian (2004) and Gani (2005) included that an element of sincerity as one of the factors on one's spiritual intelligence. So, in this study measured by a spiritual intelligence with 8 indicators, such as communication skills, fairness, relationships, trust, truth, flexibility, sincerity, and empowerment.

### **RESEARCH HYPOTHESIS**

Some previous studies, it was measured by the effect between fairness of compensation and employee performance such as the study on Hamzah, et al., (2018) which shown that a compensatory justice has a significant positive effect to the employee performance. Hidayat, et al., (2017) research results shown that distributive justice and procedural compensation significantly influence to the employee performance.

H1= Compensation justice has a positive significant effect on employee performance

Previous studies on the effect between fairness of compensation and job satisfaction such as Hamzah, et al., (2018), Purwanto (2015), Astiko, (2012) showed that the results are compensatory justice had a positive effect on job satisfaction. Other research, there is more focused on indicators of compensatory justice such as a distributive justice and procedural justice conducted by Sulaefi (2017), Hidayat, et al., (2017), Edy (2013) shown that the results are

distributive justice and procedural compensation have a significant positive effect on job satisfaction.

H2= Justice compensation has a positive significant effect to the employee job satisfaction

Some research results that analyze to the effect between a job satisfaction and employee performance such as research Yuen et al. (2018) which measures a job satisfaction with the overall job satisfaction indicator shown that a job satisfaction has a significant positive effect on the performance of seafarers' work. While, a research by Gul et al. (2018), conducted that on faculty staff at universities in Afghanistan (Kabul) and Pakistan (Islamabad) shown a significant positive direct effect to the job satisfaction on performance. Job satisfaction was also found a positive significant effect on performance in Indarti et al. (2017) in 295 permanent lecturers in Makassar. Other studies conducted by Siengthai, et al. (2016), Valaei, et al. (2016), Barakat et al. (2015), Olusola (2011), Karatepe (2011), Maharani (2013), Sadasa (2015).

H3= Job satisfaction has a positive and significant effect on employee performance

This describe a job satisfaction affects to employee performance by Crossman & Abou-Zaki (2003). This research was conducted in 33 banks in the provincial capital in Lebanon. The sample of respondents taken was 202 respondents. The results showed that female employees were more satisfied with the compensation provided by a company, which are male employees more satisfied with their superiors than female employees, employees who were not highly educated were less satisfied with their work. There is also a significant relationship between sex and job satisfaction, compensation with supervision, while female employees are more satisfied with the compensation received than men (Crossman & Abou-Zaki, 2003). But, there is no relationship between job satisfaction and employee performance (Crossman & Abou-Zaki, 2003). Whereas, Harris & Fleming's research (2017) proved that there is no significant relationship between job satisfaction and employee performance (self rated system). Another study conducted by Hamzah, et al (2018) shown that a mediating role of job satisfaction is strengthens to the relationship between fairness of compensation on employee performance. A similar study conducted by Purwanto (2015) showed that a job satisfaction mediates effect to the fairness of compensation on employee performance. The research was more focused on compensation justice indicators was conducted by Edy. (2013) shown that a job satisfaction mediates effect to the distributive and procedural compensation fairness on employee performance. The results of a similar study conducted by Sulaefi (2017) shown that a job satisfaction mediates effect to the distributive justice and procedural compensation on employee performance.

H4= Employee job satisfaction mediates effect to the compensational justice on employee performance

Research Do (2018) said that links spirituality, climate, and compensation to its effect on employee performance. In this study, spirituality variable represented by engaging work has an effect on employee performance, while the spirituality variable represented by mystical experience has no impact on employee performance. Meanwhile, spirituality variable was represented by a feeling dimension as a community, which has a significant impact on employ-

ee performance. Nuhujan et al., (2016) research results proved that spiritual quotient does not succeed to improve an employee performance.

H5= Spiritual quotient moderates effect to the compensational justice on employee performance

### RESEARCH METHODS

This research was conducted at Malang City, specifically at the poor branch of BTN Bank, which are following any sub-branch offices and cash offices. The research has a population with permanent employees with a minimum service period of 1 year, at 13 offices (1 branch office, 5 sub-branch offices, and 7 cash offices) in Bank BTN at Malang, amounting to 145 employees. Furthermore, for all members are used as research samples, so this research used with a census method in determining any sample. Data collection method is to used by a questionnaire. Respondents' answers are measured by five likert scale. Type of explanatory research with data analysis was conducted by a validity and reliability test, so the data processing method used by statistical techniques PLS (Partial Least Square) and SPSS software.

**Table 1.1.** Measurement Variables

No	Variables	Indicators	Item
1	<b>Compensational Justice</b>	external justice	salary survey
			living cost
		internal justice	work analysis
			worker evaluation
		individual justice	performance based on compensation
			competency based on compensation
		procedural justice	compensation policy
			salary rate classification
2	<b>Employee Performance</b>	quality	accuracy works
		quantity	suitability in achieving a work volume
		punctuality	timeliness of works
		attendance	suitability for working hours
			task completion

		collaboration	willingness to work together
			ability to work together
3	<b>Job Satisfaction</b>	pride in work	
		loyalty to work	
		feel like to work	
		satisfaction with works	
4	<b>Spiritual Intelligence</b>	communication	give any feedback
			communication opportunities with superiors
		justice	justice on times
			provide assistance to co-workers
		relation	good relationship with co-workers
			Trust to your boss's for a good intentions
			Believe in a good intentions to co-workers
		truth	An ability to provide a correct information
		flexibilities	response to change
		sincerity	provide many benefits
sincerity at works			
empowerment	develop to get a self potential		



**Table 1.2.** Respondents Characteristics

<b>Characteristics from Respondents</b>	<b>Majorities of Respondent</b>	<b>Total</b>	<b>%</b>
Working Period	1 – 5 Years	62	47.4 %
Gender	Female	74	56.5 %
Status	Married	84	64.1 %
Age	26 - 30 Years Old	62	47.4 %
Education	Undergraduate	112	85.5 %
Income (IDR)	5.000.000 - 10.000.000	68	51.9 %

Source: Data processed, 2019

A majority of many characteristics from respondents described in Table 1.2. It was also illustrated by the dominant condition about characteristics employees in Bank BTN, Malang.

Reviewing for many results of the distribution between variables have been showed that justice compensation, job satisfaction, spiritual intelligence with high category, and employee performance with excellent category. These results are also illustrated that a compensation received by employees in Bank BTN Malang has been considered fair by respondents. Furthermore, employees performance is very high, which means they have successfully effort for their jobs very well. While, Bank BTN employees in Malang have a high level of job satisfaction, while carrying out on their work, and employees have very good awareness to apply spiritual intelligence in carrying out with their duties in Bank BTN Malang.

**RESEARCH INSTRUMENT TEST RESULTS**

The results were shown that for all question items have r-count value > r-table (0.171) and a significant value < alpha (0.05). Based on these results, all items for the variable of fairness compensation (X1), employee performance (Y1), job satisfaction (Z1) and spiritual intelligence (Z2) have been valid.

The reliability test results showed that all variables produced by cronbach alpha values > 0.60. Based on these results, many variables such as compensation justice variable (X1), employee performance (Y1), job satisfaction (Z1) and spiritual intelligence (Z2) have been reliable.

Many results from convergent validity test between variables such as justice compensation (X1), employee performance (Y1), job satisfaction (Z1), and spiritual intelligence (Z2). Based on the results, by convergent validity testing, there are several items with invalid or have a loading factor value < 0.5 and a p-value > 0.05. Invalid items were include Y1.2 (quantity) on employee per-

formance variables, and item Z1.2 (job loyalty) on job satisfaction variables. Both invalid items must be removed from the research model, then a model revision is carried out by removing any invalid items. Table 1.3 shown that revised by convergent validity test results:

**Table 1.3.** *Covergent Validity Revision Test*

Construct	Item	Loading Factor	P-Value	Results
Compensational Justice	X1.1	0.607	0.001	VALID
	X1.2	0.602	0.001	VALID
	X1.3	0.807	0.001	VALID
	X1.4	0.796	0.001	VALID
	X1.5	0.870	0.001	VALID
	X1.6	0.844	0.001	VALID
	X1.7	0.770	0.001	VALID
	X1.8	0.714	0.001	VALID

Source: Output warpPLS, 2019

A majority for many characteristics from respondents described in Table 1.2. It was also illustrated by the dominant condition for characteristics on Bank BTN employees in Malang.

Reviewing for many results on the distribution between variables, which had been showed a justice compensation, job satisfaction, spiritual intelligence in the high category and employee performance, with excellent category. These results are illustrated that a compensation received by employees at Bank BTN Malang, which has been considered fair by respondents. Furthermore, employees performance is very high, which means that they have successfully effort for their jobs very well. While, Bank BTN employees in Malang have a high level of job satisfaction, and also carrying out their work, and employees have very good awareness to apply spiritual intelligence, in carrying out their duties at Bank BTN in Malang.

**RESEARCH INSTRUMENT TEST RESULTS**

The results were shown that for all question items have r-count value > r-table (0.171) and a significant value < alpha (0.05). Based on these results, for all items for many variable such as fairness compensation (X1), employee performance (Y1), job satisfaction (Z1), and spiritual intelligence (Z2) have been valid.

The reliability test results were showed that all variables produced with cronbach alpha values > 0.60. Based on these results, many variables tested

such as compensation justice variable (X1), employee performance (Y1), job satisfaction (Z1), and spiritual intelligence (Z2) have been reliable.

The results are convergent validity test between variables such as justice compensation (X1), employee performance (Y1), job satisfaction (Z1), and spiritual intelligence (Z2). Based on the results, there are many several items invalid or have a loading factor value < 0.5 and a p-value > 0.05. Invalid items also include with item Y1.2 (quantity) on employee performance variables, and item Z1.2 (job loyalty) on job satisfaction variables. Both invalid items must be removed from the research model, then a model revision is carried out by remove any invalid items. Table 1.3 shown that any revised by convergent validity test results:

**Table 1.4.** Convergent Validity Revision Tests

Construct	Item	Loading Factor	P-Value	Results
Employee Performance	Y1.1	0.771	0.001	VALID
	Y1.3	0.749	0.001	VALID
	Y1.4	0.803	0.001	VALID
	Y1.5	0.772	0.001	VALID
	Y1.6	0.792	0.001	VALID
	Y1.7	0.746	0.001	VALID
Job Satisfaction	Z1.1	0.855	0.001	VALID
	Z1.3	0.924	0.001	VALID
	Z1.4	0.868	0.001	VALID
Spiritual Intelligence	Z2.1	0.660	0.001	VALID
	Z2.2	0.762	0.001	VALID
	Z2.3	0.620	0.001	VALID
	Z2.4	0.707	0.001	VALID
	Z2.5	0.726	0.001	VALID
	Z2.6	0.797	0.001	VALID
	Z2.7	0.744	0.001	VALID
	Z2.8	0.599	0.001	VALID
	Z2.9	0.660	0.001	VALID

	Z2.10	0.612	0.001	VALID
	Z2.11	0.657	0.001	VALID
	Z2.12	0.668	0.001	VALID

Source: Output warpPLS, 2019

The test results in Table 1.4, shown that all items for research variables are valid, because all of these items have a loading factor value > 0.5 and a p-value < 0.005.

**Table 1.5.** Discriminant Validity with Cross Loading Tests

Item	Compensa-tional Justice	Employee Perfor-mance	Job Satisfac-tion	Spiritual Intelligence
X1.1	<b>(0.607)</b>	0.009	-0.094	0.020
X1.2	<b>(0.602)</b>	0.205	-0.435	0.093
X1.3	<b>(0.807)</b>	0.011	0.037	0.046
X1.4	<b>(0.796)</b>	-0.140	0.412	-0.165
X1.5	<b>(0.870)</b>	0.016	0.241	-0.112
X1.6	<b>(0.844)</b>	-0.072	0.146	0.035
X1.7	<b>(0.770)</b>	0.035	-0.317	0.015
X1.8	<b>(0.714)</b>	-0.009	-0.180	0.115
Y1.1	-0.021	<b>(0.771)</b>	-0.047	0.080
Y1.3	0.193	<b>(0.749)</b>	-0.371	0.055
Y1.4	-0.099	<b>(0.803)</b>	-0.051	-0.011
Y1.5	0.060	<b>(0.772)</b>	-0.040	-0.105

Source: Output warpPLS, 2019

**Table 1.6.** Discriminant Validity with Cross Loading Tests

Item	Compensa-tional Justice	Employee Performance	Job Satisfac-tion	Spiritual Intelligence
Y1.6	-0.136	<b>(0.792)</b>	0.409	-0.061
Y1.7	0.017	<b>(0.746)</b>	0.083	0.046

Z1.1	0.070	-0.151	<b>(0.855)</b>	0.083
Z2.3	0.255	-0.019	-0.215	<b>(0.620)</b>
Z2.4	-0.184	-0.310	0.374	<b>(0.707)</b>
Z2.5	-0.189	-0.334	0.305	<b>(0.726)</b>
Z2.6	-0.156	-0.273	0.230	<b>(0.797)</b>
Z2.7	-0.198	-0.238	0.488	<b>(0.744)</b>
Z2.8	-0.133	0.027	0.500	<b>(0.599)</b>
Z2.9	0.230	0.425	-0.610	<b>(0.660)</b>
Z2.10	0.099	0.243	-0.429	<b>(0.612)</b>
Z2.11	0.102	0.373	-0.383	<b>(0.657)</b>
Z2.12	0.116	0.457	-0.640	<b>(0.668)</b>

Source: Output warpPLS, 2019

Based on analysis of discriminant validity test by referring to the results for the cross loading values indicated that each indicator predicts for latent variable better than the other latent variable indicators. Based on the results, it can be interpreted by discriminant validity test, which has been fulfilled.

**Table 1.7.** Composite Reliability Tests

<b>Variables</b>	<b>Composite Reliability</b>	<b>Results</b>
Compensational Justice (X1)	0.914	<b>Reliable</b>
Employee Performance (Y1)	0.899	<b>Reliable</b>
Job Satisfaction (Z1)	0.914	<b>Reliable</b>
Spiritual Intelligence (Z2)	0.914	<b>Reliable</b>

Source: Output warpPLS, 2019

The results were showed that a composite reliability value for all variables studied were compensational justice (X1), employee performance (Y1), job satisfaction (Z1), and spiritual intelligence (Z2). It has a composite reliability

values above 0.70. These results are illustrated that a compensation variable (X1), employee performance (Y1), job satisfaction (Z1), and spiritual intelligence (Z2) mutually reinforce to their latent variables or be able to measure with latent variables.

*Hypothesis Test*

**Table 1.8.** Path Coefficient Test Results for Direct Effect

Proposed Hypothesis	Hypothesis	Estimate	P-Value	Keterangan
Compensational Justice → Employee Performance X <sub>1</sub> → Y <sub>1</sub>	H1	0.02	0.40	Rejected
Compensational Justice → Job Satisfaction X <sub>1</sub> → Z <sub>1</sub>	H2	0.48	0.01	Accepted
Job Satisfaction → Employee Performance Z <sub>1</sub> → Y	H3	0.68	0.01	Accepted

Source: Output warpPLS, 2019

**Table 1.9.** Path Coefficient Test Results for In Direct Effect

Proposed Hypothesis	Hypothesis	Estimate	P-Value	Results
Compensational Justice → Job Satisfaction → Employee Performance X <sub>1</sub> → Z <sub>1</sub> → Y <sub>1</sub>	H4	392.144	0.00	Accepted

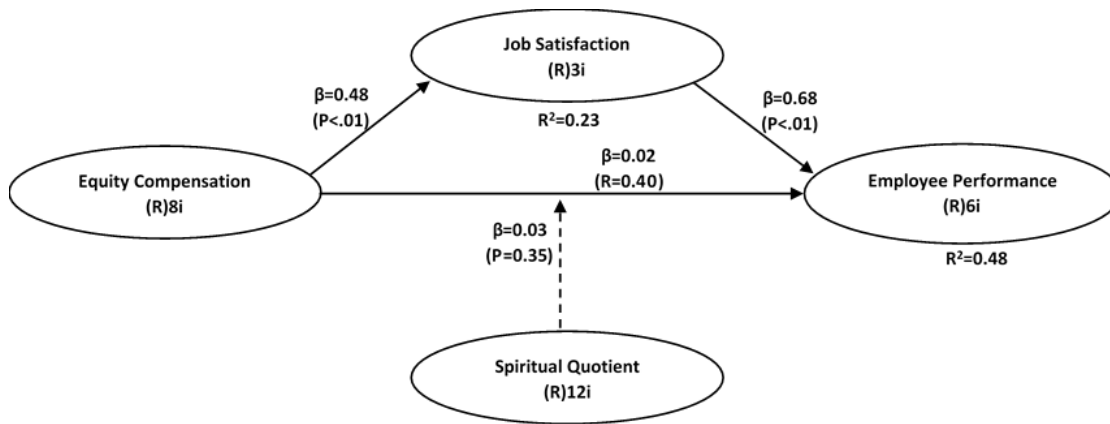
Source: Sobel Test Calculator, 2019

**Table 1.10.** Path Coefficient Test Results

Proposed Hypothesis	Hypothesis	Estimate	P-Value	Results
Compensational Justice → Employee Performance X <sub>1</sub> → Y <sub>1</sub>	H4	0.34	0.01	Accepted

Spiritual Intelligence* Compensational Justice → Employee Performance $Z_2 * X_1 \rightarrow Y_1$	H5	0.03	0.35	Rejected
Spiritual Intelligence → Employee Performance $Z_2 \rightarrow Y$		0.42	0.01	Accepted

Source: Output warpPLS, 2019



Source: Output warpPLS Results Model Structural PLS

Picture 1. Path Diagram Results Model Structural with PLS

Table 1.6 shown that there is a direct effect between fairness of compensation and employee performance (H1) with p-value 0.40 and any value can direct influence with path coefficient 0.02. This value indicated that the H1 hypothesis was rejected. It can be concluded that a level of compensation fair does not affect to the level of employee performance. There is a direct effect between compensation equity and job satisfaction (H2) is p-value 0.01. So, a value of direct influence path coefficient is 0.48. While, a direct effect between job satisfaction and employee performance (H3) is p-value 0.01. This value also indicated that hypothesis H2 and H3 are accepted. It can be concluded that a higher effect on fairness of compensation and will be able to increase on employee job satisfaction. While, any effect between job satisfaction and employee performance. It can be concluded with stronger job satisfaction and will be able to improve on employee performance and vice versa. If employee job satisfaction is low, and it will reduce on employee performance.

Using the Sobel Test Calculator, it can used to analyze a mediation role for job satisfaction, then can known about the effect between fair compensation and employee performance, the results are shown in Table 1.7. So, a job satisfaction mediates to the effect between fairness of compensation and employees performance and shown by p-value with 0.00 and path coefficient with 392,144. Means that H4 is accepted.

For H5 test results, any moderation role for spiritual intelligence, which is effect between fairness of compensation and employee performance. It was shown that a p-value is 0.35 and a path coefficient is 0.03. Based on these results, it can be seen that H5 hypothesis is rejected, because of p-value greater than 0.05. These results also can be concluded that spiritual intelligence does not moderate or does not strengthen or weaken to the effect between fairness of compensation and employee performance. The results also shown that spiritual anxiety directly influences to the employee performance. Then, any variable spiritual intelligence is an antecedent variable for employee performance, which were a higher level of spiritual intelligence will increase to the employee performance.

### ***Discussion Of Research Results***

#### ***The Effect Of Compensational Justice On Employee Performance***

Hypothesis testing results are the effect of fairness on compensation to the employee performance is rejected. These results can be interpreted for good and bad of employees performance in Bank BTN at Malang. It is not influenced by the perception on fairness of compensation felt by employees. There are many other factors or variables that can affect to the size of an employee's performance. As McCormick and Tiffin (1994) argued that in Mangkunegara (2009), there are two variables that can affect to the performance, such as individual variables, which consist of experience, education, gender, age, motivation, physical condition, personality and attitude, and situational variables, for examples concern in physical and occupational factors with work methods, settings and conditions, work equipment, workspace settings, noise, irradiation, and also work-place temperature. The results are not in accordance with a research from Hamzah, et al., (2018), because of regarding to the effect between fairness of compensations and employee performance, which shown a significant positive effect. However, the results from Purwanto (2015) and Farla, et al., (2019) which showed that no significant effect between fairness of compensation and employee performance. Looking at the results from a descriptive analysis on compensation equity already at a high level, these results can be interpreted that employees have felt justice in the compensation, then they received by working at Bank BTN in Malanga. Compensation at Bank BTN in Malang is grouped as a general case with other companies. He has arranged each level of classes at Bank BTN in Malang, in such a way as to review the level of education, position, and length of service between employees. Whereas, if the results on the descriptive analysis, any employees performance is very good / high category. This illustrates that employees performance at Bank BTN in Malang has been very good in terms of quality, quantity, timeliness, attendance, and cooperation in doing their work.

Although, there is no significant direct effect between fairness of compensation and employee performance. In this case, fairness of compensation will affect to the employee performance, when there is job satisfaction with employees. The compensatory justice perceived by many employees has been implemented well by Bank BTN in Malang. Likewise, employee performance in Bank BTN Malang has also been very high. High and low for employee performance is not directly affected to the perception of fairness about compensa-



tion, but must go through employee job satisfaction. This can happen, because employees feel that fairness of compensation is the right for every employee.

### ***The Effect between Compensational Justice and Employee Job Satisfaction***

Testing the hypothesis for the direct effect between fairness of compensation and job satisfaction through path analysis. It was known that fairness of compensation has a significant positive effect on job satisfaction. This illustration is compensation has been felt by Bank BTN employees in Malang and followed by job satisfaction or in other words the ups and downs on Bank BTN employees' perception in Malang. This also regarding to the compensation justice and followed by ups and downs of satisfaction for employees. There are many other factors / variables that can influence to the job satisfaction other than fairness of compensation. According to Luthans (2006: 244) said that the main factors also have a war in influence to the job satisfaction such as work itself, promotion, supervision, work groups, and conditions work. These results support previous studies on the effect between fairness of compensation and job satisfaction such as the research from Hamzah, et al., (2018), Purwanto (2015), Astiko, (2012) which shown that the results are compensatory justice has a significant positive effect on job satisfaction.

The main purpose of working employees is to get a reward for what they do. Generally, a compensation system at Bank BTN in Malang is not much different from other companies. The compensation / reward system at Bank BTN in Malang is based on a centrally regulated class / grade system. An amount of compensation is also regulated in such a way that it meets many standards between eligibility and fairness. Therefore, Bank BTN employees in Malang feel to the compensation received. It has been fair by meeting aspects of compensatory justice such as external justice, internal justice, individual justice, and procedural justice.

### ***The Effect between Job Satisfaction on Employee Performance***

Job satisfaction is a person's perception of his work that arises from his own business (internal) and supported by things from outside himself (external), on the work conditions, work results, and work itself. Job satisfaction in the form of a positive emotional response can produce higher performance. Based on the results, there is an effect between job satisfaction (Z1) and employee performance (Y1). It was shown that the level of employee performance, which is influenced by the level of job satisfaction that employees feel while working at Bank BTN in Malang Raya.

These support from many results such as Yuen et al. (2018), Gul et al. (2018), Indarti et al. (2017), Siengthai, et al. (2016), Valaei, et al. (2016), Barakat et al. (2015), Olusola (2011), Karatepe (2011), Maharani et al. (2013), and Sadasa (2015). Generally, many results are indicated that a job satisfaction has a large influence on employee performance. Employee job satisfaction must be a special concern in order to create a good performance. Descriptive analysis results shown that Bank BTN employees in Malang have gained good job satisfaction. An impact between job satisfaction from employees in Bank BTN, Malang that can also be seen from the description of employee performance.

Bank BTN employees in Malang Raya had very a good performance. Specifically, it can be concluded that employee job satisfaction has a dominant role to improve employee performance and how the perception of emergence of pride towards work. It is the main benchmark in seeing job satisfaction felt by Bank BTN employees in Malang.

### ***The Mediating Role of Employee Job Satisfaction, Effect between Compensational Justice and Employee Performance***

There is no significant effect between fairness of compensation and employee performance. Analysis for direct effect between fairness compensation and job satisfaction, and direct effect between job satisfaction and employee performance shown that significant results. If an indirect effect between compensation, which is reviewed by employee performance through job satisfaction mediation, it shown that a job satisfaction acts as a full mediation. Based on these results, it can be concluded that the role of job satisfaction becomes very important, so fairness of compensation plays a role to improve any employee performance.

### ***A Role of Spiritual Intelligence Moderation, Effect between Compensational Justice and Employee Performance***

The results are indicated that a spiritual intelligence does not strengthen or weaken the effect between fairness of compensation and employee performance. Many indicators for spiritual intelligence such as communication, justice, relationships, trust, truth, flexibility, sincerity, and empowerment do not weaken or strengthen effect between fair compensation and employee performance. The results also shown that a spiritual intelligence has a direct effect on employee performance. So, it can be concluded that spiritual intelligence is a predictor / variable antecedent for employee performance, a higher level of spiritual intelligence will increase on any employee performance.

### ***implications, conclusions and suggestions theoretical implications***

The results of this research was proved that job satisfaction variable is able to act as a full mediation. Then, for another important finding is a spiritual quotient does not strengthen or weaken for the effect of compensation system on employee performance, but the spiritual quotient is an antecedent or predictor for employee performance.

## **CONCLUSION**

Compensatory justice does not have a direct effect on employee performance at Bank BTN in Malang. Increasingly, a fair perceptions of compensation received by employees will be improved by Bank BTN employees performance in Malang. Fairness of compensation has a direct effect to employee on job satisfaction. A higher the fair perception of compensation received by employees, it will be followed by increasing the work satisfaction for Bank BTN employees in Malang. Job satisfaction has a direct influence on employee per-

formance, for higher job satisfaction felt by employees will also be followed by the higher level on employees performance of Bank BTN in Malang. Job satisfaction has an important role, able to play a role as full mediation and effect to a fair compensation on employee performance. If employees feel that fair compensation has been carried out well, then employee job satisfaction is high, then employee performance will also improve. Spiritual intelligence does not moderate effect to the fairness compensation on employee performance, means that a spiritual intelligence does not strengthen or weaken to the effect of fairness compensation on employee performance. Important findings, a spiritual intelligence is a predictor / antecedent for employee performance, so the higher level of spiritual intelligence will improve to employee performance.

### ***Suggestions For the object of research and for future researchers***

Bank BTN in Malang Raya needs to pay attention that job satisfaction has a very important role to improve any employee performance, so the company needs to maintain and even increase employee by job satisfaction. In terms of fair compensation, companies need to pay attention to the amount of salary given by other banks outside the BTN bank, because the results of respondents' answers indicated that a ratio of salary amounts received by employees to those received by employees outside of BTN banks and also gets the lowest value. So, Bank BTN in Malang Raya can advance and re-evaluate a salary scale policy that has been set.

Recommendations for further researchers to broaden the scope of research objects, so research results will have a high level of generalization. In addition, it is necessary to add a number of variables that play a role to improve any employee performance, such as the opinion from McCormick and Tiffin (1994) in Mangkunegara (2009) said that, there are two variables can affect to performance such as individual characteristics variables and situational variables.

### **RESEARCH LIMITATIONS**

This research is only conducted on limited objects, such in government banking in the Malang City. So, the level of generalization for banking as a whole is still low.

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