

## Research Article

## Mediating Effect of Ethical Climate on the Relationship between Organizational Justice and Job Satisfaction

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**Abstract:** Ethical behavior is one of the main factors affecting job satisfaction. Job satisfaction had become an important issue for organizations in recent years, including in hospitals because it can have an impact on patient care and patient care costs. Nurses are one of the most numerous professionals in the hospital. This study aimed to analyze the mediating effect of ethical climate on the relationship between organizational justice and job satisfaction. The research type was quantitative with a cross-sectional design. This research was conducted at the Hasanuddin University Teaching Hospital. the respondent number was 133 nurses who worked in the Emergency Unit, Outpatient unit, Inpatient unit, Center Operating Theater, Intensive Care Unit, Hemodialysis treatment room, Chemotherapy treatment room, and Neonatal Intensive Care Unit. The sampling technique used was exhausted sampling. Data were collected using a questionnaire. Path analysis with Partial Least Square (PLS) was used to see the role of ethical climate mediation between organizational justice and job satisfaction. The results showed that the ethical climate significantly played a role in mediating the effect of organizational justice towards job satisfaction (Coefficient  $\beta = 0.255$ ; T statistic = 3.413). The relationship formed was a positive relationship. The development of an ethical climate and organizational justice in organizations helps to increase job satisfaction, which will further affect employee performance and commitment.

**Keywords:** Ethical climate, organizational justice, job satisfaction, nurses, hospital.

### INTRODUCTION

In the current era of the national health insurance system, hospitals compete along with public awareness about the quality of health services. Many factors can be used by hospitals to compete, for example, speed and accuracy, service facilities, competitive prices, and many other factors. To be able to compete in providing services to the community, one of the main aspects is the management of human resources. This becomes very important, because hospitals as a service provider organization, their competitiveness is determined by the performance of their human resources in carrying out their service duties to their customers (Widyaningrum, 2010).

Nurses were the largest group of healthcare providers in hospitals, reaching 40-60% (Huber, 2006). Nurses provide the most servings of services in hospitals and very influential on patient outcomes. Nurses in hospitals have to have a willingness and

ability to develop their skills and knowledge to provide quality services and friendly to patients. To carry out its functions to the maximum, the nurse's satisfaction has to be fulfilled.

Job satisfaction is a global problem because of the potential impact on the quality and safety of patient care (Lu *et al.*, 2019). Job satisfaction is generally described as an individual's emotional reaction to their work situation. This concerns personal feelings about work and its various aspects (Moniarou-Papaconstantinou *et al.*, 2015).

Kreitner *et al.*, (2014) stated that five factors can affect job satisfaction, including fulfillment of needs, the fulfillment of expectations, achievements of values, fairness, and genetic components. Impacts that occur when employees are satisfied, including performance, organizational citizenship behavior, customer satisfaction, and life satisfaction. Meanwhile,

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impacts if employees are not satisfied namely: loyalty, neglect, absenteeism, and stopping/leaving (Robbins & Judge, 2013). Job satisfaction is measured using the McCloskey Mueller Satisfaction Scale (MMSS) developed by Mueller *et al.*, (1990) developed instrument to measure job satisfaction with three dimensions, namely safety, social, and psychological.

Organizational justice is a concept of quality in social workplaces (Greenberg, 1990) and organizational justice refers to the extent to which employees are treated fairly at work (Moorman, 1991). Organizational justice consists of three dimensions, namely: distributive justice, procedural justice and interactional justice (Cropanzano *et al.*, 2007; Niehoff *et al.*, 1993). Colquitt (2001) developed the dimensions of interactional justice into interpersonal justice and informational justice.

The ethical climate is most related to the feelings and responses of employees in handling ethical issues in the organization. The concept of an ethical climate is a shared perception of what the correct behavior ethically and how ethical issues must be handled in organizations (Victor *et al.*, 1988). At the hospital, Olson (1998) explains the ethical climate about how nurses perceive an ethical climate affecting their attitudes about ethical issues, the role they take when ethical questions and problems arise, as well as their ethical decision making. He defined the ethical climate as nurses 'perceptions of organizational practice and nurses' relationships in their work arrangements with peers, patients, managers, hospitals, and doctors.

Koh *et al.*, (2001) stated that employees who perceive that a company behaves ethically, also tend to perceive that the organization behaves fairly towards them. This sense of fairness will increase job satisfaction. Employee job satisfaction is a crucial issue in business organizations (Wu *et al.*, 2011). Employee dissatisfaction can harm the quality of service and patient loyalty which then on hospital profitability

(Atkin *et al.*, 1996). This research aimed to analyze the mediating effect of ethical climate on the relationship between organizational justice and job satisfaction.

**METHODOLOGY**

**Research Design**

This type of research was a quantitative study using a cross-sectional study design. This research was conducted at the Hasanuddin University Teaching Hospital in Makassar, South Sulawesi.

**Population and Sample**

The population was nurses who work in the Emergency Unit, Outpatient unit, Inpatient unit, Center Operating Theater, Intensive Care Unit, Chemotherapy treatment room, Hemodialysis treatment room, and Neonatal Intensive Care Unit. A total of 133 respondents were selected using an exhausted sampling technique, and met the inclusion criteria: nurses had worked at Hasanuddin University Hospital for at least 6 months and were willing to become respondents by signing informed consent.

**Collecting Data**

Data collected using a questionnaire filled in by the nurse. The ethical climate was measured using the Hospital Ethical Climate Survey (HECS). Organizational justice was measured using the Organizational Justice Questionnaire. Job satisfaction was measured using the McCloskey Mueller Satisfaction Scale (MMSS). The questionnaire was tested on a trial of 30 people to assess validity and reliability.

**Data Analysis**

Data were analyzed using IBM SPSS Statistics 22 for descriptive analysis. Multivariate analysis Partial Least Square (PLS) using SmartPLS (Ringle, 2015) was used to analyze the effect of ethical climate meditation on the relationship between organizational justice and job satisfaction.

**RESULTS**

**Table 1 Descriptive statistic of respondent characteristic**

Characteristics		n	%	Min	Max	$\bar{x}$	SD
Gander	Female	103	77.4				
	Male	30	22.6				
Age	≥ 30 years old	77	57.9	23.0	54.0	30.0	3.44
	< 30 years old	56	42.1				
Job-status	Civil servant (CS)	15	11.3				
	Permanent employee (Non-CS)	6	4.5				
	Contract employee	112	84.2				

Characteristics		n	%	Min	Max	$\bar{x}$	SD
Job tenure	≥ 5 years	90	67.7	0.5	9.0	5.0	2.22
	< 5 years	43	32.3				
Job experience	≥ 6 years	75	56.4	0.5	25.0	6.0	3.12
	< 6 years	58	43.6				

Table 1 showed the characteristics of nurses who became the study sample. Most respondents were female and > 30 years old. Based on the social aspect which assessed according to education level employment status, most of them are contract employees. The average respondent has worked at Hasanuddin University Hospital > 5 years and has work experience at the hospital > 6 years.

**Table 2 Descriptive statistic of variable**

	Descriptive Statistics					
	N	Minimum	Maximum	Median	Mean	Std. Deviation
Ethical climate	133	66.00	102.00	78.0000	80.9248	6.01340
Organizational justice	133	40.00	71.00	54.0000	53.0000	4.34846
Job satisfaction	133	41.00	76.00	57.0000	56.6466	6.13632

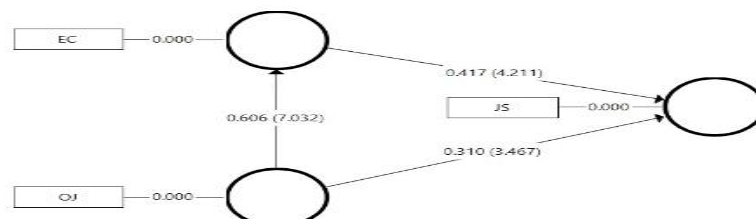
Table 2 showed that the average value of the ethical climate is above the median value. While the average value of organizational justice and nurses' job satisfaction are below the median value.

**Table 3 Multivariate analysis**

Type of effect	Variables	Coefficient $\beta$	T Statistic (Standard = 1.96)	Result
Direct	Ethical climate -> Job satisfaction	0.417	4.211	Significant
Direct	Organizational justice -> Job satisfaction	0.310	3.467	Significant
Direct	Organizational justice -> Ethical climate	0.606	7.032	Significant
Indirect	Organizational justice -> Ethical climate -> Job satisfaction	0.253	3.735	Significant
R <sup>2</sup>	: 0.426			
f <sup>2</sup>	: 0.106			

Table 3 showed the direct relationships and indirect relationships that exist. T Statistics > 1.96 means that exogenous variables affect endogenous variables. Organizational justice has a positive and direct effect on the ethical climate and job satisfaction ( $\beta = 0.606$ , T Statistics = 7.032;  $\beta = 0.310$ , T Statistics = 3.467). The ethical climate has a positive and direct effect on job satisfaction ( $\beta = 0.417$ , T Statistics =

4.211). The ethical climate mediates the effect of organizational justice on job satisfaction ( $\beta = 0.253$ , T Statistics = 3,735). Table 3 shows that 42.6% of nurses' job satisfaction is affected by organizational justice through ethical climate ( $R^2 = 0.426$ ). The effect size of organizational justice on job satisfaction through ethical climate is in the moderate category ( $f^2 = 0.106$ ).



**Note:**

- EC = Ethical climate
- OJ = Organizational justice
- JS = Job satisfaction

**Figure 1 Path diagram with Coefficient  $\beta$  and T Statistics**

Figure 1 showed the flowchart of the relationship between organizational justice, ethical climate, and job satisfaction by displaying the coefficient  $\beta$  and T statistical.

## DISCUSSION

The results of this study indicated that the ethical climate has mediated effect on the relationship between organizational justice and job satisfaction. The relationships showed a positive direction means that if the perception of organizational justice gets better, the perception of their ethical climate will get better, and also the job satisfaction they feel will get higher. Besides, this study also found that organizational justice and the ethical climate had a positive and significant direct effect on job satisfaction.

Koh *et al.*, (2001), stated that employees who perceive that the company behaves ethically, also tend to perceive the organization to behave fairly. This sense of fairness will increase their job satisfaction. Research on the role of ethical climate mediation in organizational justice relations and job satisfaction does not yet exist or is still difficult to find.

The work climate is very closely related to the sense of fairness received by employees. Organizational justice is one of the main issues that are the focus of attention among employees. This is because the concept was related to outputs and organizational variables such as Organizational Citizenship Behavior (OCB), loyalty, motivation, organizational climate, job satisfaction, absenteeism, and productivity (Love *et al.*, 2008).

Job satisfaction has long been discussed in the literature. Some theories related to job satisfaction that are often discussed are Abraham Maslow's need theory and the two-factor theory. According to Maslow's theory of needs, employee job satisfaction depended on whether or not the employee's needs were met. Employees will feel satisfied if they get what they need. The two-factor theory states that satisfaction and dissatisfaction are part of a different group of variables namely motivator and hygiene factor. Dissatisfaction was associated with conditions of justice around work (such as work conditions, wages, security, quality of supervision and relationships with others) and not with the work itself. Because the factors preventing negative reactions are called hygiene or maintenance factors. Instead, satisfaction is drawn from factors related to the work itself or direct results thereof such as the nature of the work, achievement at work, promotion opportunities and opportunities for self-development and recognition. Because this factor is associated with high levels of job satisfaction it is called a motivator.

The direct effect of organizational justice towards job satisfaction was found in the study of Hiponemi *et al.*, (2011), the research was conducted on 1047 female nurses in Finland. According to Greenberg in Sert *et al.*, (2014), fairness was a multi-dimensional

construction that stems from a sense of fairness that is felt by employees for what is given by top management. The theory of justice related to people who will feel satisfied/dissatisfied, depending on the presence/absence of justice (equity) in a system, especially the work system. According to this theory, the main components in the theory of justice are inputs, outcomes, fairness, and injustice. Input is a valuable factor for employees who are considered to support their work such as education, experience, skills, number of tasks and equipment/equipment used to carry out their work. The result is something that is considered valuable by an employee who gets from his work, such as wages/salaries, side benefits, symbols, status, rewards, and opportunities for success or self-actualization.

Issues of ethical climate, organizational justice, and job satisfaction can be related to cognitive dissonance theory. Cognitive dissonance theory states that when there are two cognitions (knowledge) that are relevant but are not consistent with each other, then the gap causes cognitive dissonance. These conditions will direct the person to negative emotions (Festinger, 1968). This theory explains why someone wants to change. The motivation was because they don't want to be in inconsistent conditions which makes them feel uncomfortable. This is following the principle that humans do not like the inconsistencies as nature does not like the existence of vacuum or emptiness. This principle becomes the basic assumption in cognitive dissonance theory (Zajonc, 1960).

Job satisfaction was one indicator of the quality of work life. According to Riggio in Firmansyah (2018), Increased job satisfaction can be done in the following ways: make changes in the work structure, such as doing job rotation, which is a system of changing job positions from one task position to another, making changes to the salary payment structure, changes in the payment system is based on expertise, providing flexible work schedules, by giving workers control over their daily work that is most important for those who work in congested areas, the company runs programs that are considered capable of increasing employee job satisfaction, for example, health center, profit sharing, and employee-sponsored childcare. Meanwhile, according to Sari (2014), good quality of work-life for nurses could be realized by providing compensation following the workload and being given on time, providing opportunities to attend education to the professional level for all eligible nurses, competency test policies as a basis for nursing careers and remuneration.

According to Lewis (2001), stated that the quality of work-life is a major problem that deserves organizational attention. Quality of work life is the quality of relations between workers and the environment and the organization by taking into

account human-work aspects including comfort, communication, good compensation so that workers feel comfortable to continue working with the organization.

## CONCLUSION

Based on research that has been done, it can be concluded that the ethical climate mediates the effect of organizational justice on nurse job satisfaction. The development of an ethical climate and organizational justice in organizations helps to increase nurse job satisfaction. For future researchers, it is recommended to conduct an ethical climate relationship, organizational justice, job satisfaction with Organizational Citizenship Behavior (OCB), organizational commitment, turnover intention, and work stress.

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