

## CHAPTER V

### CONCLUSIONS AND IMPLICATIONS

#### A. Summary

The purpose of this study is to examine how organizational justice and individual competence influence *employee engagement*, with extrinsic and intrinsic job satisfaction serving as mediators. Based on the analysis conducted and outlined in the previous chapter, the conclusions of this study are as follows:

1. Organizational justice positively influences extrinsic job satisfaction. Employees who perceive fairness in salary distribution, incentives, and promotions tend to experience greater extrinsic job satisfaction.
2. Organizational justice positively influences intrinsic job satisfaction. When employees feel treated fairly in their roles and work processes, it enhances their intrinsic job satisfaction, such as personal fulfillment and non-material rewards.
3. Individual competence positively influences extrinsic job satisfaction. High individual competence allows employees to earn rewards aligned with their performance, thereby increasing their extrinsic job satisfaction.
4. Individual competence positively influences intrinsic job satisfaction. Employees who feel competent in their work are more motivated and intrinsically satisfied with their jobs.

5. Organizational justice positively influences *employee engagement*. A sense of fairness within the organization fosters trust and belonging, encouraging employees to become more engaged with the organization.
6. Individual competence positively influences *employee engagement*. Competent employees are generally more confident and emotionally connected to the organization, enhancing their engagement.
7. Extrinsic job satisfaction positively influences *employee engagement*. Adequate material rewards, such as compensation, motivate employees to stay committed to the organization.
8. Intrinsic job satisfaction positively influences *employee engagement*. Personal accomplishment and recognition of contributions foster emotional engagement with the organization.
9. Extrinsic job satisfaction mediates the effect of organizational justice on *employee engagement*. Organizational justice increases extrinsic job satisfaction, which in turn strengthens *employee engagement*.
10. Intrinsic job satisfaction mediates the effect of organizational justice on *employee engagement*. Organizational justice boosts employees' intrinsic satisfaction, which further enhances their engagement.
11. Extrinsic job satisfaction mediates the effect of individual competence on *employee engagement*. High individual competence increases extrinsic job satisfaction, which subsequently boosts *employee engagement*.

12. Intrinsic job satisfaction mediates the effect of individual competence on *employee engagement*. High competence generates intrinsic satisfaction that deepens employees' emotional connection to the organization.

## **B. Implications**

Based on the results obtained in the study, the following suggestions can be given by researchers:

### 1. Theoretical Implications

This research contributes to the existing literature by exploring the connections between organizational justice, individual competencies, job satisfaction (both extrinsic and intrinsic), and *employee engagement*. The findings align with key theories, including Self-Determination Theory (SDT), Organizational Support Theory (OST), and Social Exchange Theory (SET), emphasizing the role of justice, support, and competence in fostering *employee engagement* through improved job satisfaction.

### 2. Practical Implications

#### a. For PT PNM IM and PT PNM Banjarnegara Branch

- Improving organizational justice: Transparency in task allocation, performance appraisal, and rewarding needs to be improved to create a sense of fairness among employees.
- Enhance employee skills: Strengthen training and development programs to improve employees' confidence and capabilities.

- Meeting employees' psychological needs: Organizations are advised to support employees' basic needs, such as autonomy, competence, and connectedness, to improve work engagement.

b. For Future Researchers

- Future research can add other variables such as organizational culture, leadership style, or work stress levels to gain more comprehensive insights.
- Longitudinal research is recommended to understand changes in relationships between variables over time.
- Expand the research population to other sectors or regions to improve the generalizability of the findings.

**C. Research Limitations**

This study has several limitations, among others:

1. This study's sample size is restricted to just 67 respondents, which may limit the generalizability of the findings to a broader population.
2. This research was only conducted at PT PNM IM and PT PNM Banjarnegara Branch, so these findings cannot represent the context of other organizations.

The research uses a quantitative approach, so it does not explore qualitative aspects such as employees' experiences and perceptions in depth on organizational justice and work engagement.