

The mediating effect of distributive justice in the relationship between pay design and job satisfaction*

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Abstract

This study was conducted to investigate the mediating effect of distributive justice in the relationship between pay design issues (i.e., pay structure and pay level) and job satisfaction. A survey method was used to gather 190 usable questionnaires from academic employees who have worked in Malaysian public community colleges (PUBLICCOLLEGE). Outcomes of stepwise regression analysis showed that relationship between pay design features (i.e., pay structure and pay level) significantly correlated with job satisfaction. This result confirms that distributive justice plays an important role as a mediating variable in the pay design models of the organizational sector sample. In addition, implications of this study to compensation theory and practice, conceptual and methodological limitations, as well as directions for future research are discussed.

Key words: *pay structure, pay level, distributive justice, job satisfaction*

JEL classification: *M12, M120*

