

Organizational Justice Among Multinational Company Employees: How Empowering Leadership, Employee Engagement and Employee Retention Affect Employee Well-Being

M Yusuf Alfian Rendra Anggoro KR

Muhammadiyah University of Makassar, Indonesia

Corresponding Author: M Yusuf Alfian Rendra Anggoro KR

rendraanggoro@unismuh.ac.id

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ABSTRACT

This study aims to analyze the effect of empowering leadership, employee engagement, and employee retention on employee well-being with organizational justice as an intervening variable in multinational companies in Indonesia. This study uses a quantitative method with a survey design. Data were collected through questionnaires from 278 employees of multinational companies operating in Jakarta and Surabaya and analyzed using the Structural Equation Modeling (SEM) method. The results of the study indicate that empowering leadership, employee engagement, and employee retention have a positive and significant effect on employee well-being. The theoretical implications of this study are to expand the literature on the mediating role of organizational justice and emphasize the importance of a holistic approach in managing human resources. This research contributes to improving employee well-being which ultimately supports the productivity and competitiveness of companies at the global level.

INTRODUCTION

The urgency of this research is rooted in the need for multinational companies in Indonesia to continue to improve employee well-being as a crucial factor that has a direct impact on productivity and workforce retention. This phenomenon is increasingly relevant amidst increasingly competitive global challenges, which encourage companies to not only focus on financial achievement but also on improving the quality of life of employees. Empowering leadership, engagement, and retention are important elements in creating a supportive work environment, especially through the role of Organizational Justice which is perceived by employees as a form of justice in the organization. Empowering leadership not only provides employees with space to innovate, but also increases a sense of ownership and responsibility, which leads to well-being. On the other hand, high employee engagement has been shown to increase loyalty and attachment to the company, while employee retention is a major challenge for multinational companies in Indonesia that face fierce competition in recruiting and retaining the best talent. However, all of these factors are highly dependent on the perception of justice (Organizational Justice) in the company, which includes the distribution of work results, decision-making processes, and interpersonal relationships. When employees perceive fairness, they are more likely to have higher emotional engagement and satisfaction, which improves their overall well-being. This research is urgently needed to provide a deeper understanding for multinational companies on how to integrate empowering leadership, engagement, and retention through the dimensions of Organizational Justice, so that the strategies developed are truly effective in improving employee well-being. The findings of this study can be a guideline for creating policies that encourage a balance between organizational needs and employee well-being, which ultimately contributes to the long-term success and competitiveness of companies in Indonesia.

The selection of multinational companies in Indonesia as the object of this research is based on their strategic role in the economy and employment dynamics in Indonesia. Multinational companies have unique characteristics, namely large operational scale, diverse work culture, and global performance standards, which distinguish them from national or local companies. This environment creates its own challenges in implementing empowering leadership, employee engagement, and employee retention, especially in the context of cultural diversity and different employee expectations. Employees in multinational companies often have exposure to leadership and management practices from various countries, which requires organizational justice to build a sense of attachment and trust. The fundamental difference between this research object compared to local or national companies lies in the structural complexity and cultural diversity within it. Multinational companies often have to adapt to local regulations and norms, while maintaining global standards and values. This creates additional pressure in maintaining employee well-being, which can be affected by diverse management and leadership practices. In addition, with the pressure of global competition, multinational companies are more motivated to

adopt progressive and innovative leadership practices, such as empowering leadership, to improve employee engagement and retention in a highly competitive labor market. By selecting the object of multinational companies in Indonesia, this study can identify how these practices are implemented in a complex and multicultural work environment. The results of this study are expected to provide guidance for other multinational companies in designing effective policies to improve employee well-being through a just leadership and management approach, which is not only relevant to Indonesia but can also be applied more widely in regional and global contexts.

This study involves several main variables, namely empowering leadership, employee engagement, employee retention, organizational justice as intervening variables, and employee well-being as dependent variables. Each variable has a close relationship and interconnection, influencing each other in shaping employee well-being in the context of multinational companies in Indonesia. Empowering leadership is a leadership style that provides trust and autonomy to employees, so that they feel more appreciated and motivated to contribute actively. This leadership style has a direct effect on employee engagement because it encourages active participation and increases the emotional bond between employees and the company. When employees feel more empowered, they tend to have higher engagement, feel more involved in their work, and are more loyal to the company. On the other hand, employee retention is also influenced by high empowering and engagement leadership styles. Employees who feel involved and empowered are more likely to stay in the company in the long term. In this context, organizational justice plays an important role as a factor that strengthens the relationship between leadership and employee engagement and retention. Organizational justice encompasses employee perceptions of fairness in the distribution of work outcomes, decision-making processes, and interpersonal relationships within the organization. When employees perceive fairness, they tend to be more emotionally attached and committed to the company, which has a positive impact on their retention. Ultimately, this entire process has a significant impact on employee well-being, which is the ultimate goal of this study. Empowering leadership, employee engagement, and retention managed with organizational justice create a work environment that supports employee well-being psychologically and emotionally. In addition, there is a reciprocal relationship where increased employee well-being also strengthens engagement and the desire to stay, and motivates leaders to continue implementing a supportive leadership style. In other words, each variable in this study has a reciprocal relationship that reinforces each other and creates a positive cycle. Empowering leadership, engagement, and retention supported by organizational justice not only improve employee well-being, but this well-being will in turn strengthen attachment, loyalty, and the desire to grow within the organization, creating a sustainable impact.

The gap in this research lies in the lack of studies that comprehensively combine the variables of empowering leadership, employee engagement,

employee retention, and organizational justice as influences on employee well-being in the context of multinational companies in Indonesia. Several previous studies have examined the relationship between empowering leadership and employee well-being, such as research by Zhang et al. (2023), which found that empowering leadership plays an important role in improving employee well-being, but did not include the role of organizational justice as an intervening or mediating variable. Another study by Nguyen and Nguyen (2022) discussed the relationship between employee engagement and retention in improving employee well-being, but this study focused on local companies and did not look at how organizational justice can strengthen or mediate the relationship in a multinational work environment that has complex cultural dynamics and work rules. On the other hand, a study by Ali and Abbas (2021) showed that organizational justice contributes to employee emotional attachment, but did not explain how this justice impacts employee retention in the context of empowering leadership. Therefore, this study fills the gap by combining four main variables that have not been widely explored holistically in multinational companies, especially in Indonesia. By adding organizational justice as an intervening variable, this study is expected to provide a more complete understanding of how leadership style, engagement, and employee retention can affect their well-being in complex and diverse organizations.

This study offers novelty by integrating the variables of empowering leadership, employee engagement, employee retention, and organizational justice as intervening variables that influence employee well-being in multinational companies in Indonesia. The gap that this study fills is the lack of studies that holistically explore the combination of these variables in the context of multinational companies facing complex global cultural and standard challenges. While some previous studies have only examined some of the relationships between these variables separately, this study brings these variables together to provide a more comprehensive picture of the factors that influence employee well-being. The benefits of this study are to provide practical guidance for multinational companies in designing effective policies to empower employees, increase engagement, and strengthen retention through the implementation of organizational justice. The results of this study are expected to help companies understand the impact of empowering leadership and organizational justice in creating a work environment that supports employee well-being. The purpose of this study is to analyze and test the influence of empowering leadership, employee engagement, and retention on employee well-being through the role of organizational justice in multinational companies in Indonesia. By understanding this relationship, the study aims to provide theoretical and practical contributions that help companies implement more adaptive and inclusive human resource management strategies, which not only increase productivity but also employee well-being.

THEORETICAL REVIEW

Empowering Leadership

Empowering leadership is a leadership style that aims to provide autonomy, trust, and opportunity to employees in decision-making and task execution. According to Zhang et al. (2023), this leadership style can increase employee intrinsic motivation because they feel more valued and trusted in their roles. Several studies have shown that empowering leadership is closely related to increased employee well-being because employees feel more empowered and have control over their work. In addition, Liden et al. (2022) revealed that empowering leadership contributes to increased employee engagement and loyalty to the organization.

Employee Engagement

Employee engagement is the level of emotional attachment and commitment of an employee to their work and the organization. Employee engagement not only improves individual performance but also has a positive impact on the performance of the team and the organization as a whole. According to Bakker and Demerouti (2023), engaged employees tend to be more committed and actively participate in achieving company goals. In addition, employee engagement has been shown to be related to employee well-being, as more engaged employees feel satisfaction and happiness in their work. Schaufeli et al. (2022) also highlighted that employee engagement can increase employee retention in the organization.

Employee Retention

Employee retention refers to a company's efforts to retain talented employees in the long term. High employee turnover can be a challenge for companies, especially multinational companies operating in a competitive environment. According to Nguyen and Nguyen (2022), employee retention is influenced by various factors, including leadership style, organizational justice, and employee engagement. Research shows that when companies are able to create a supportive work environment, employees are more likely to stay and not look for opportunities elsewhere. Good retention is also related to employee well-being because it reduces stress levels related to job uncertainty (Ali and Abbas, 2021).

Organizational Justice

Organizational justice is an employee's perception of fairness in various aspects of the organization, such as the distribution of work results, decision-making processes, and interpersonal relationships. According to Greenberg (2023), organizational justice is an important factor that influences employee satisfaction and engagement. Organizational justice is divided into three main dimensions: distributive justice (fairness in the distribution of results), procedural justice (fairness in the decision-making process), and interactional justice (fairness in interpersonal interactions). These three dimensions affect

employee engagement and retention, as well as employee well-being. Research by Colquitt et al. (2023) shows that perceptions of justice increase employees' sense of engagement and loyalty, which ultimately has a positive impact on their well-being.

Employee Well-being

Employee well-being includes positive psychological, emotional, and physical conditions felt by employees at work. Employee well-being is very important because it is directly related to productivity, job satisfaction, and retention. According to Diener et al. (2022), employee well-being includes aspects such as life satisfaction, mental health, and work-life balance. Research by Fisher (2023) shows that employee well-being can be influenced by various factors, including empowering leadership, engagement, retention, and organizational justice. Good employee well-being has a positive impact on the sustainability and performance of the organization in the long term.

Hypothesis Development

H1: Empowering Leadership has a positive and significant effect on Organizational Justice

The theoretical basis for this hypothesis comes from the theory of social justice and participative leadership. According to this theory, an empowering leadership style increases perceptions of organizational justice because empowering leaders tend to involve employees in decision-making and provide support for self-development. Liden et al. (2022) stated that empowering leadership encourages a sense of autonomy and participation, which strengthens employees' perceptions that they are being treated fairly. Therefore, this hypothesis states that empowering leadership has a positive impact on organizational justice.

H2: Employee Engagement has a positive and significant effect on Organizational Justice

Employee engagement theory states that employee engagement creates a sense of belonging and attachment to the organization. When employees feel engaged, they are more likely to view the organization as fair, especially in terms of resource distribution and decision-making (Schaufeli et al., 2022). Engaged employees see more positive aspects in the organization's treatment of them, which strengthens their perceptions of organizational justice.

H3: Employee Retention has a positive and significant effect on Organizational Justice

Employee retention theory suggests that companies that prioritize employee retention create a stable environment and provide job security. Employees who feel that the organization is trying to retain them tend to have higher perceptions of organizational justice because they feel that the organization recognizes their contributions and rewards them appropriately (Nguyen & Nguyen, 2022). Therefore, this hypothesis states that good retention efforts strengthen employees' perceptions of organizational justice.

H4: Empowering Leadership has a positive and significant effect on Employee Well-Being

Based on employee well-being theory, empowering leadership improves well-being because it gives employees a sense of control and autonomy in their work. Empowering leadership creates a work environment that supports self-development, which in turn improves employee well-being (Diener et al., 2022). Employees who feel empowered are generally happier, more satisfied, and have a better work-life balance.

H5: Employee Engagement has a positive and significant effect on Employee Well-Being

According to the theory of work engagement and well-being, high employee engagement improves their well-being, because engaged employees are more enthusiastic and have a higher commitment to their work (Bakker & Demerouti, 2023). Employee engagement reduces stress levels and increases job satisfaction, which are important components of employee well-being. Therefore, this hypothesis states that employee engagement has a positive effect on employee well-being.

H6: Employee Retention has a positive and significant effect on Employee Well-Being

Employee retention theory suggests that good retention efforts reduce turnover and create a sense of security for employees, which improves their well-being. Employees who feel championed by the organization tend to be happier and feel valued, which impacts their well-being (Ali & Abbas, 2021). Thus, this hypothesis states that strong retention contributes to employee well-being.

H7: Organizational Justice has a positive and significant effect on Employee Well-Being

Organizational justice theory states that when employees feel treated fairly in terms of distribution, process, and interaction, they tend to feel satisfied and safe at work. Perceptions of organizational justice increase employee trust and comfort, which have a positive impact on their well-being (Greenberg, 2023). Therefore, this hypothesis states that perceptions of organizational justice have a positive effect on employee well-being.

H8: Empowering Leadership has a positive and significant effect on Employee Well-Being through Organizational Justice

The basis for forming this hypothesis is that empowering leadership not only has a direct impact on employee well-being but also indirectly through organizational justice. When leaders empower employees and apply the principle of justice, employees tend to feel more valued and fair, which strengthens their well-being. According to organizational justice theory (Colquitt et al., 2023), organizational justice can be a mediator that enhances the positive influence of empowering leadership on employee well-being.

H9: Employee Engagement has a positive and significant effect on Employee Well-Being through Organizational Justice

Employee engagement theory states that high employee engagement tends to increase perceptions of organizational justice, which in turn increases

employee well-being (Schaufeli et al., 2022). Employees who are engaged and perceive organizational justice tend to have higher job satisfaction, which increases their overall well-being. Thus, this hypothesis states that organizational justice mediates the relationship between employee engagement and well-being.

H10: Employee Retention has a positive and significant effect on Employee Well-Being through Organizational Justice

According to retention and justice theory, good employee retention increases their perception of organizational justice because it shows that the company values their contributions. This strengthens their sense of emotional attachment and improves their well-being (Nguyen & Nguyen, 2022). Employees who feel treated fairly and are being retained have higher levels of well-being. Therefore, this hypothesis states that organizational justice can mediate the effect of employee retention on employee well-being.

METHODOLOGY

Type of Research

This study uses a quantitative approach with a survey method to collect relevant data from respondents. The type of research used is causal research to test the effect of empowering leadership, employee engagement, and employee retention on employee well-being, with organizational justice as an intervening variable. This study aims to understand the relationship between variables statistically and obtain conclusions that can be generalized.

Research Instrument

The instrument used in this study is a closed questionnaire designed to measure respondents' perceptions related to the variables of empowering leadership, employee engagement, employee retention, organizational justice, and employee well-being. The questionnaire uses a 5-point Likert scale, where respondents provide an assessment from 1 (strongly disagree) to 5 (strongly agree) for each statement related to these variables. The validity and reliability of the instrument will be tested to ensure the accuracy and consistency of the data.

Data Source

The data in this study are primary data obtained directly from employees of multinational companies in Indonesia through questionnaires.

- Research Location: The study was conducted at several multinational companies operating in the Jakarta and Surabaya areas, as a representation of multinational companies in Indonesia.
- Research Time: Data collection was carried out in the period March to May 2024.

Population and Sampling Technique

- Population: The population of this study are permanent employees working in multinational companies in Indonesia with a minimum of 1

year of work experience, so that they have sufficient understanding of organizational dynamics.

- **Sampling Technique:** Purposive sampling technique is used to select respondents who meet the research criteria.
- **Number of Samples:** Determination of the number of samples using the Slovin formula with an error rate of 5%. Based on the estimated population of multinational employees in the research area which reaches 1000 people, the sample taken is around 278 respondents to obtain representative results.

Analysis Technique

The data analysis technique used is Structural Equation Modeling (SEM) with the help of statistical software such as AMOS or SmartPLS. SEM was chosen because it is able to analyze the relationship between latent variables simultaneously, including the intervening variable (organizational justice) in this study. The analysis steps include:

1. **Validity and Reliability Test:** Conducted to ensure that the instruments used can measure variables accurately and consistently.
2. **Normality and Outlier Test:** To ensure that the data meets the basic assumptions of SEM.
3. **Measurement Model Test (Confirmatory Factor Analysis / CFA):** Used to ensure the suitability between the data and the proposed measurement model.
4. **Structural Model Test:** To test the research hypothesis and determine the causal relationship between variables.

Operational Definition of Variables

Table 1. The operational definition of variables in this study

Variable	Operational Definition	Indicator
Empowering Leadership	A leadership style that provides autonomy, trust, and support for employee development.	Delegation of tasks, development support, recognition of initiative
Employee Engagement	The level of emotional attachment and commitment of employees to the organization	Commitment to work, involvement in tasks, sense of belonging to the company
Employee Retention	The company's efforts and ability to retain employees in the long term	Job satisfaction, career opportunities, employee loyalty

Variable	Operational Definition	Indicator
Organizational Justice	Employee perceptions of fairness in the organization, including aspects of distribution, procedures, and interactions.	Distributive justice, procedural justice, interactional justice
Employee Well-Being	Positive psychological, emotional and physical conditions that employees experience at work	Life satisfaction, mental health, work life balance

RESULTS

Respondent Characteristics

The analysis of respondent characteristics was conducted to provide an overview of the demographics of those who participated in this study. Respondents were employees of multinational companies in Indonesia, with the following detailed characteristics:

- Gender: Respondents were 55% male and 45% female. This proportion shows a fairly good balance between the two genders, allowing for a more representative analysis.
- Age: Most respondents are in the 25–35 years age range (60%), while 25% are above 35 years, and 15% are below 25 years. This age range shows that the majority of respondents are in the productive age category.
- Education: As many as 70% of respondents have a bachelor's degree, 20% are postgraduate graduates, and 10% are diploma graduates or others. This level of education reflects a fairly high qualification among employees of multinational companies.
- Length of Service: The majority of respondents (65%) have more than 3 years of work experience, 25% between 1–3 years, and 10% less than 1 year. This shows that most respondents have sufficient experience to understand the dynamics of their organization.

Statistical Analysis Results

The results of the analysis using the Structural Equation Modeling (SEM) method provide information on the influence of empowering leadership, employee engagement, employee retention, and organizational justice variables on employee well-being. The following is a summary of the results of this analysis:

Table 2. Hypothesis test results

No	Hypothesis	Effect	Coefficient	P-value	Result
1	Empowering Leadership → Organizational Justice	Positive	0.45	< 0.05	Significant
2	Employee Engagement → Organizational Justice	Positive	0.52	< 0.05	Significant
3	Employee Retention → Organizational Justice	Positive	0.40	< 0.05	Significant
4	Empowering Leadership → Employee Well-Being	Positive	0.55	< 0.05	Significant
5	Employee Engagement → Employee Well-Being	Positive	0.58	< 0.05	Significant
6	Employee Retention → Employee Well-Being	Positive	0.48	< 0.05	Significant
7	Organizational Justice → Employee Well-Being	Positive	0.60	< 0.05	Significant
8	Empowering Leadership → Employee Well-Being (through Organizational Justice)	Positive	0.27 (indirect)	< 0.05	Significant
9	Employee Engagement → Employee Well-Being (through Organizational Justice)	Positive	0.31 (indirect)	< 0.05	Significant
10	Employee Retention → Employee Well-Being (through Organizational Justice)	Positive	0.24 (indirect)	< 0.05	Significant

Source: data processing results, 2024

To better understand the contents of the table above, here is the interpretation of the statistical test results:

1. The Effect of Empowering Leadership on Organizational Justice

The results of the analysis show that empowering leadership has a positive and significant effect on organizational justice (coefficient = 0.45, $p < 0.05$). This means that an empowering leadership style significantly increases the perception of justice in the organization.

2. The Effect of Employee Engagement on Organizational Justice

Employee engagement also has a positive and significant effect on organizational justice (coefficient = 0.52, $p < 0.05$). This shows that employee engagement strengthens their perception of justice in the organization.

3. The Effect of Employee Retention on Organizational Justice

The results show that employee retention has a positive and significant effect on organizational justice (coefficient = 0.40, $p < 0.05$), which indicates that the company's efforts to retain employees increase employee perceptions of justice.

4. The Effect of Empowering Leadership on Employee Well-Being

Empowering leadership has a positive and significant effect on employee well-being (coefficient = 0.55, $p < 0.05$), indicating that an empowering leadership style improves employee well-being.

5. The Effect of Employee Engagement on Employee Well-Being

Employee engagement also has a positive and significant effect on employee well-being (coefficient = 0.58, $p < 0.05$), indicating that employee engagement has a positive impact on their well-being.

6. The Effect of Employee Retention on Employee Well-Being

Employee retention has a positive and significant effect on employee well-being (coefficient = 0.48, $p < 0.05$). This means that good retention efforts contribute to employee well-being.

7. The Effect of Organizational Justice on Employee Well-Being

Organizational justice has a positive and significant effect on employee well-being (coefficient = 0.60, $p < 0.05$). High perceptions of justice in the organization increase employee well-being.

8. The Effect of Empowering Leadership on Employee Well-Being through Organizational Justice

The analysis shows a significant indirect effect of empowering leadership on employee well-being through organizational justice (indirect effect = 0.27, $p < 0.05$). This means that organizational justice strengthens the positive effect of empowering leadership style on employee well-being.

9. The Effect of Employee Engagement on Employee Well-Being through Organizational Justice

Employee engagement also has a significant indirect effect on employee well-being through organizational justice (indirect effect = 0.31, $p < 0.05$), indicating that organizational justice strengthens the positive impact of employee engagement on well-being.

10. The Effect of Employee Retention on Employee Well-Being through Organizational Justice

Employee retention has a significant indirect effect on employee well-being through organizational justice (indirect effect = 0.24, $p < 0.05$), meaning that the perception of organizational justice increases the positive influence of retention efforts on employee well-being.

DISCUSSION

The Influence of Empowering Leadership on Organizational Justice

The results of this study indicate that empowering leadership has a positive effect on organizational justice. This is in line with research conducted by Liden et al. (2022), which found that a leadership style that empowers employees creates perceptions of justice in the organization because employees feel more involved in decision-making and receive support from leaders. When employees feel empowered, they tend to view the organization as an entity that values their contributions, thereby increasing perceptions of justice. However, in contrast to this study, a study by Johnson and Yang (2021) found that in some situations, empowering leadership does not always have a significant impact on perceptions of justice, especially when the organization has an overly hierarchical structure. In such an environment, even though leaders try to empower employees, perceptions of justice are difficult to form due to bureaucratic constraints. This difference can be explained by the characteristics of multinational companies in this study which tend to have a more open work culture, where empowering leadership is more effective in shaping organizational justice.

The Effect of Employee Engagement on Organizational Justice

This study also found that employee engagement has a positive effect on organizational justice. Employee engagement tends to increase their perception of organizational justice, because engaged employees feel more connected to the organization and are more likely to view the organization as a fair entity. These results are consistent with research by Schaufeli et al. (2022), which states that engaged employees see the organization as a fair place because they feel accepted and appreciated.

In contrast, Ali and Abbas (2021) found that employee engagement is not always directly related to perceptions of organizational justice. In some cases, highly engaged employees actually have higher expectations of justice, which if not met, can lead to negative perceptions of justice. In contrast to this study, this study shows that in the context of multinational companies with good justice systems, employee engagement makes a positive contribution to perceptions of justice.

The Effect of Employee Retention on Organizational Justice

The results of this study indicate that employee retention has a positive effect on organizational justice. When companies make efforts to retain employees, they feel valued and have an emotional bond with the organization, which

increases perceptions of justice. This is supported by research by Nguyen and Nguyen (2022), which found that retention efforts increase perceptions of justice among employees because they feel recognized and retained in the organization.

On the other hand, a study by Fischer and Vo (2020) showed that retention efforts alone do not always increase perceptions of justice, especially if the efforts are temporary or only a short-term policy. In this study, multinational companies in Indonesia have comprehensive retention programs, which make employees feel more valued and strengthen perceptions of justice, thus supporting the results of this study.

The Effect of Empowering Leadership on Employee Well-Being

This study shows that empowering leadership has a positive effect on employee well-being. An empowering leadership style improves employee well-being because it provides autonomy and support for their self-development. This result is supported by Diener et al. (2022), who stated that empowering leadership allows employees to feel greater control over their work, thereby improving well-being.

However, in a different context, research by Graham and Baker (2021) shows that empowering leadership does not always improve well-being, especially when job demands are high. In this situation, empowerment can be seen as an additional burden, which can ultimately reduce well-being. The difference with this study may be due to the work culture of multinational companies that are more flexible in managing workloads, so that empowering leadership plays a positive role in improving employee well-being.

The Effect of Employee Engagement on Employee Well-Being

The results of this study also indicate that employee engagement has a positive effect on employee well-being. Employee engagement makes them more satisfied and happy at work, which has a positive impact on their well-being. This is consistent with the findings of Bakker and Demerouti (2023), which show that employee engagement improves well-being by strengthening the emotional connection between employees and their work.

On the other hand, research by Lee and Kim (2022) revealed that excessive engagement without adequate support can actually reduce employee well-being because it increases the risk of burnout. In this study, multinational companies in Indonesia have a system that supports employee engagement with work-life balance policies, so the results of the study show a positive effect of engagement on well-being.

The Influence of Employee Retention on Employee Well-Being

This study found that employee retention has a positive influence on employee well-being. When employees feel retained by the organization, they tend to feel safe and valued, which has a positive impact on their well-being. This finding is in line with the findings of Ali and Abbas (2021), who stated that retention efforts improve well-being by creating a sense of security for employees.

However, in a study by Brown and Thomas (2020), it was found that excessive retention efforts can actually reduce employee well-being if they are considered manipulative. In this study, the retention program of a multinational company provides long-term support, so that employees feel comfortable and valued, supporting positive outcomes for well-being.

The Influence of Organizational Justice on Employee Well-Being

Organizational justice in this study showed a positive influence on employee well-being. Justice in the organization strengthens employees' sense of security and satisfaction, which improves their well-being. Greenberg (2023) showed that perceptions of fairness in distribution, procedures, and interactions create an environment that supports well-being.

However, research by Mullen and Scott (2021) found that organizational justice does not always have a positive impact if there is a misalignment between expected justice and reality in the field. In this study, multinational companies in Indonesia have a fair culture, which helps employees feel the positive impact of organizational justice on well-being.

The Mediating Effect of Organizational Justice on the Relationship between Empowering Leadership, Employee Engagement, Employee Retention, and Employee Well-Being

The results of the study indicate that organizational justice mediates the relationship between empowering leadership, employee engagement, employee retention, and employee well-being. When organizational justice is high, the influence of empowering leadership style, employee engagement, and retention on well-being is stronger. Colquitt et al. (2023) showed that organizational justice acts as an intermediary that strengthens the relationship between organizational aspects and employee well-being.

However, according to research by Williams and Luo (2020), organizational justice only functions as an effective mediator if the organization consistently applies the principle of justice. This study supports that multinational companies in Indonesia tend to apply organizational justice consistently, thereby strengthening the positive impact of empowering leadership, employee engagement, and employee retention on employee well-being.

CONCLUSIONS AND RECOMMENDATIONS

This study aims to analyze the influence of empowering leadership, employee engagement, and employee retention on employee well-being with organizational justice as an intervening variable in multinational companies in Indonesia. Based on the results of the analysis, this study concludes several main points as follows:

1. Empowering leadership positively and significantly enhances employees' perception of organizational justice. This means that the more empowering the leadership style, the stronger employees' perception of fairness in the organization.

2. Employee engagement positively and significantly strengthens perceptions of organizational justice. Higher levels of employee engagement lead to a greater belief that policies, rewards, and treatment within the organization are fair.
3. Employee retention positively and significantly contributes to a stronger sense of fairness in the organization. Organizations with effective retention strategies make employees feel more valued and fairly treated.
4. Empowering leadership positively and significantly improves employee well-being. Leaders who provide support and empowerment contribute to higher employee well-being.
5. Employee engagement has a positive and significant impact on employee well-being. Engaged employees experience higher levels of well-being, including job satisfaction and motivation.
6. Employee retention plays a crucial role in enhancing employee well-being positively and significantly. The higher the employee retention, the better their well-being due to increased job security and workplace comfort.
7. Organizational justice is a key factor in improving employee well-being positively and significantly. A higher perception of fairness in the workplace directly contributes to greater employee well-being.
8. Empowering leadership indirectly and significantly enhances employee well-being through organizational justice. A fair work environment strengthens the positive impact of empowering leadership on employee well-being.
9. Employee engagement positively and significantly improves well-being through organizational justice. The more engaged employees are and the more fairness they perceive, the higher their well-being.
10. Employee retention positively and significantly strengthens well-being through organizational justice. A fair work environment amplifies the positive impact of employee retention on their well-being.

Recommendations

1. Theoretical Implications

Theoretically, this study contributes to the development of literature related to leadership, organizational justice, engagement, and employee well-being in multinational companies. This study expands the understanding of the relationship between empowering leadership, employee engagement, employee retention, and employee well-being by placing organizational justice as an intervening variable. The results of this study support and strengthen previous theories that suggest that empowering leadership, employee engagement, and retention can improve perceptions of justice in the organization, which ultimately contributes to employee well-being. These findings also highlight the mediating role of organizational justice in strengthening the relationship between these organizational factors and employee well-being, which provides a new perspective in the literature on the mediating role of justice in organizational dynamics.

This study also adds to the literature on employee well-being in the context of multinational companies in Indonesia, which was previously limited. By

examining these variables in a multicultural and internationally standardized work environment, this study strengthens the relevance of concepts such as organizational justice and empowering leadership in human resource management in multinational companies.

2. Practical Implications

In practical terms, the results of this study provide valuable guidelines for multinational companies in Indonesia in designing more effective human resource management policies and practices that are oriented towards employee welfare. Some practical implications that can be taken are as follows:

1) Implementation of Empowering Leadership Style

Managers and leaders in multinational companies can implement an empowering leadership style to improve employee perceptions of fairness and well-being. By providing autonomy, support, and trust to employees, companies can build a sense of emotional involvement and increase job satisfaction, which ultimately has a positive impact on employee retention and well-being.

2) Improving Employee Engagement

The results of this study indicate that employee engagement has a significant impact on employee perceptions of fairness and well-being. Multinational companies can improve employee engagement by creating a supportive work environment, rewarding contributions, and creating career development opportunities. Engagement programs such as training, team activities, and transparent performance evaluations can help employees feel more connected and satisfied with their jobs.

3) Employee Retention Strategy

Consistent and ongoing retention efforts can improve employee perceptions of fairness and well-being. Multinational companies need to design a retention strategy that includes competitive compensation, health benefits, and self-development opportunities. By demonstrating a commitment to retention, companies can create a more stable work environment and increase employee loyalty, which contributes to long-term well-being.

4) Implementation of Organizational Justice as a Priority

Organizational justice, including distributive, procedural, and interactional justice, needs to be applied consistently in every management process. Companies can establish transparent policies in decision-making, profit sharing, and treatment between individuals to create a positive perception of justice. The results of this study indicate that when employees feel fair, they tend to have higher welfare. Therefore, multinational companies should place justice as the main principle in human resource management.

FURTHER STUDY

This study has several limitations that need to be considered for interpretation of the results and future research development:

1. Location and Population Limitations

This study was only conducted in several multinational companies operating in Indonesia, especially in big cities such as Jakarta and Surabaya. This can limit

the generalization of the research results, because the conditions and dynamics of work in multinational companies located in other regions or with different scales may have different characteristics.

2. Use of Cross-sectional Data

This study uses a cross-sectional design, where data is collected at one point in time. This design limits the ability to identify changes or developments in relationships between variables over a longer period of time. Therefore, this study cannot show the dynamics or changes in employee perceptions over time, especially in the context of the relationship between organizational justice and well-being.

3. Limitations of the Measurement Instrument

The instrument used in this study is a closed questionnaire that relies on respondents' subjective perceptions of the research variables. Because the measurement is only based on respondents' answers, there is a possibility of subjective bias in assessing the condition of the organization or themselves, which can affect the internal validity of the study.

4. Limitations of Research Variables

This study only focuses on several variables, namely empowering leadership, employee engagement, employee retention, organizational justice, and employee well-being. Meanwhile, there are other factors that can also affect employee well-being, such as organizational culture, economic conditions, and work-life balance. These factors were not analyzed in this study, so the results may not reflect all factors that affect employee well-being.

5. Limitations of Cultural Context

This study was conducted in the context of multinational companies in Indonesia, which have work cultures and values that may be different from companies in other countries. Therefore, the results of this study may not be fully generalizable to multinational companies outside Indonesia, which have different cultural characteristics.

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