

**FINAL PAPER**

**ANALYSIS OF THE EFFECT OF DISTRIBUTIVE, PROCEDURAL,  
INTERACTIONAL FAIRNESS TOWARDS DEMANDS FOR  
REPARATION AND RETALIATORY BEHAVIOR THROUGH  
PERCEIVED BETRAYAL, MODERATED BY RELATIONSHIP  
QUALITY TO THE CUSTOMERS OF INDIHOME IN SURABAYA**

Submitted as a final requirement to obtain the degree of  
*Sarjana Ekonomi Strata Satu*

**By:**

**NAME : DANNY NATHANIEL GUNAWAN**

**NPM : 01320150004 / 00000027188**



**PROGRAM STUDI MANAJEMEN  
FAKULTAS EKONOMI  
UNIVERSITAS PELITA HARAPAN  
SURABAYA  
2018**





**UNIVERSITAS PELITA HARAPAN SURABAYA  
STATEMENT OF AUTHENTICITY OF FINAL PAPER**

I am student from *Jurusan Manajemen, Fakultas Ekonomi, Universitas Pelita Harapan Surabaya*.

Student Name : Danny Nathaniel Gunawan  
NPM : 01320150004 / 00000027188  
Department : *Manajemen*

Hereby declare that the work of Final Paper that I created with the title of  
**“ANALYSIS OF THE EFFECT OF DISTRIBUTIVE, PROCEDURAL,  
INTERACTIONAL FAIRNESS TOWARDS DEMANDS FOR  
REPARATION AND RETALIATORY BEHAVIOR THROUGH  
PERCEIVED BETRAYAL, MODERATED BY RELATIONSHIP  
QUALITY TO THE CUSTOMERS OF INDIHOME IN SURABAYA”** is:

- 1) Created and completed by my own, by using the result of lectures, field reviews and books and journal references listed in the list of references at the end of my Final Paper.
- 2) Not a duplication of other papers that have been published or have ever been used to get a degree at another university, except in parts of the information sources listed by proper reference.
- 3) Not the work of translated collections of reference books or journals listed the reference at the end of my Final Paper

If it is proved that I did not fulfill what has been stated above, the work of this Final Paper is invalid,

Surabaya, 3<sup>rd</sup> August 2018



Declared by,

(Danny Nathaniel Gunawan)





**UNIVERSITAS PELITA HARAPAN SURABAYA  
STATEMENT OF AUTHENTICITY OF FINAL PAPER**

**AGREEMENT OF MENTORING GUIDANCE FOR FINAL PAPER**

**ANALYSIS OF THE EFFECT OF DISTRIBUTIVE, PROCEDURAL,  
INTERACTIONAL FAIRNESS TOWARDS DEMANDS FOR  
REPARATION AND RETALIATORY BEHAVIOR THROUGH  
PERCEIVED BETRAYAL, MODERATED BY RELATIONSHIP  
QUALITY TO THE CUSTOMERS OF INDIHOME IN SURABAYA**

By:

Student Name : Danny Nathaniel Gunawan  
NPM : 01320140016  
Department : *Manajemen*

Has been examined and approved for submission and defended in a comprehensive presentation in order to obtain the degree of *Sarjana Ekonomi Strata Satu* in *Fakultas Ekonomi, Universitas Pelita Harapan Surabaya*.

Surabaya, 3<sup>rd</sup> August 2018

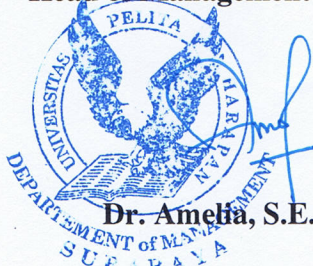
Approving:

Advisor 1

Co-Advisor

**Dr. Ronald Suryaputra, S.T., M.M.**

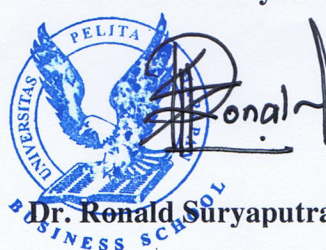
**Head of Management Department**



**Dr. Amelia, S.E., M.M.**

**Yanuar Dananjaya, B.Sc., M.M.**

**Dean of Faculty of Economics**



**Dr. Ronald Suryaputra, S.T., M.M.**





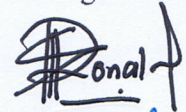
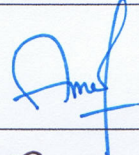
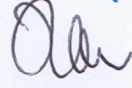
**UNIVERSITAS PELITA HARAPAN SURABAYA  
STATEMENT OF AUTHENTICITY OF FINAL PAPER**

**AGREEMENT OF PANELIST APPROVAL FOR FINAL PAPER**

On Wednesday, 3<sup>rd</sup> September 2018 has been held a comprehensive presentation in order to fulfill academic requirement to obtain *Sarjana Ekonomi Strata Satu* in *Fakultas Ekonomi, Universitas Pelita Harapan Surabaya* on the behalf of:

Student Name : Danny Nathaniel Gunawan  
NPM : 01320150004 / 00000027188  
Department : *Manajemen*

Including Final Paper comprehensive test by the title of “**ANALYSIS OF THE EFFECT OF DISTRIBUTIVE, PROCEDURAL, INTERACTIONAL FAIRNESS TOWARDS DEMANDS FOR REPARATION AND RETALIATORY BEHAVIOR THROUGH PERCEIVED BETRAYAL, MODERATED BY RELATIONSHIP QUALITY TO THE CUSTOMERS OF INDIHOME IN SURABAYA**” panelist team consisting of:

Board of Panelist :	Status	Signature
1. Dr. Ronald, S.T., M.M.	as the Chairman and Advisor	
2. Dr. Amelia, S.E., M.M.	as the Member	
3. Dr. Oliandes Sondakh S.E., M.M	as the Member	



## PREFACE

Praises and gratefulness are delivered to The Jesus Christ for all His mercy in helping and guiding the author during the preparation of the thesis as the final paper for the undergraduate study. For this, the author also would like to greatly appreciate the following people for their valuable contributions in helping the author from beginning until the completion of the thesis.

1. Dr. Ronald Suryaputra, S.T., M.M. as the Academic Director of *Universitas Pelita Harapan* Surabaya and the Advisor, for the priceless guidance, advices encouragement during the whole process of the thesis preparation and the patience and kindness in checking every single mistake in the paper before the submission. Also, a big gratitude for defending, guidance, and helping me in my proposal and final defense.
2. Yanuar Dananjaya, B.Sc, M.M., as the co-advisor, for the priceless guidance, encouragement, advice during the whole process of the thesis preparation and final defense.
3. Dr. Amelia, S.E., M.M., as one of the panelist during the final defense for the advice and guidance during the whole process of the thesis preparation.
4. Oliandes Sondakh S.E., M.M., as one of the panelist during the final defense for the advice and guidance during the whole process of the thesis preparation.
5. Mr. Harijanto Gunawan and Mrs. Davina Irawan, my beloved father and mother, for all the priceless assistances, encouragements and supports during the whole process of thesis preparation.
6. Jasa Roaster Group (SIM-GE UPH Batch 2015), for all the unnecessary jokes that have cheered us up in stressful time, as well as painful insults to one another that have boosted the morale of others during the whole process of thesis preparation.
7. Wolfpack Group (SMA Kr. Petra 2), for all the encouragements and morale supports during the whole process of thesis preparation.



8. Claudia Tamara, who has always been supportive from the very beginning of the thesis preparation.
9. Richard Giovanni Gunawan and Gary Christian Gunawan, my beloved brothers, who have given guidance and useful knowledge in the process of thesis preparation.
10. For all my UPH friends - SIM-GE Management, Regular Management, and other majors, lecturers, university staffs, and all other people involved in the preparation of the thesis.

Although the thesis is still far from being perfect, the author does believe that this thesis will be useful for further usage. As the thesis is completed, with the effort and love from all the people involved in the preparation stage as mentioned before, and to them, the author dedicates this final paper.

Surabaya, 3<sup>rd</sup> August 2018



Danny Nathaniel Gunawan

## TABLE OF CONTENTS

<b>STATEMENT OF AUTHENTICITY OF FINAL PAPER .....</b>	<b>II</b>
<b>AGREEMENT OF MENTORING GUIDANCE FOR FINAL PAPER .....</b>	<b>III</b>
<b>AGREEMENT OF PANELIST APPROVAL FOR FINAL PAPER .....</b>	<b>IV</b>
<b>ABSTRACT .....</b>	<b>V</b>
<b>PREFACE.....</b>	<b>VI</b>
<b>TABLE OF CONTENTS.....</b>	<b>VIII</b>
<b>LIST OF TABLES .....</b>	<b>XIII</b>
<b>LIST OF PICTURES .....</b>	<b>XIVV</b>
<b>LIST OF APPENDICES .....</b>	<b>XV</b>
<b>CHAPTER I: INTRODUCTION .....</b>	<b>1</b>
1.1.    Background.....	1
1.2.    Research Problems.....	11
1.3.    Research Objectives.....	11
1.4.    Research Contributions.....	12
1.4.1.    Practical Contributions .....	12
1.4.2.    Theoretical Contributions .....	12
1.5.    Research Limitations .....	12
1.6.    Research Outline.....	13
<b>CHAPTER II: LITERATURE REVIEW.....</b>	<b>15</b>
2.1.    Theoretical Background.....	15
2.1.1    Distributive Fairness Theory .....	15
2.1.2    Procedural Fairness Theory .....	16
2.1.3    Interactional Fairness Theory .....	17
2.1.4    Relationship Quality Theory.....	18
2.1.5    Perceived Betrayal Theory.....	19

2.1.6	Demands for Reparation Theory.....	20
2.1.7	Retaliatory Behavior Theory .....	20
2.2.	Previous Research.....	21
2.3.	Hypotheses.....	22
2.3.1.	The Effect of Distributive Fairness on Perceived Betrayal .....	22
2.3.2.	The Effect of Procedural Fairness on Perceived Betrayal .....	23
2.3.3.	The Effect of Interactional Fairness on Perceived Betrayal .....	24
2.3.4.	The Effect of Relationship Quality in moderating Distributive Fairness on Perceived Betrayal .....	24
2.3.5.	The Effect of Relationship Quality in moderating Procedural Fairness on Perceived Betrayal .....	25
2.3.6.	The Effect of Relationship Quality in moderating Interactional Fairness on Perceived Betrayal .....	26
2.3.7.	The Effect of Perceived Betrayal on Demands for Reparation .....	26
2.3.8.	The Effect of Perceived Betrayal on Retaliatory Behavior .....	27
2.4.	Research Model .....	28
2.5.	Operational Framework .....	28
<b>CHAPTER III: RESEARCH METHODS.....</b>		<b>31</b>
3.1.	Research Design .....	31
3.2.	Type of Research .....	31
3.3.	Population and Samples.....	32
3.3.1.	Population .....	32
3.3.2.	Samples.....	32
3.4.	Data Collection Methods .....	33
3.5.	Operational Definition and Variable Measurement.....	35
3.6.	Data Analyzing Method.....	37
3.6.1.	Reliability Test.....	46
<b>CHAPTER IV: RESEARCH METHODS.....</b>		<b>47</b>
4.1.	Overview of IndiHome .....	47
4.2.	Data Analysis .....	47
4.2.1.	Descriptive Statistic .....	48



4.2.1.1.	Characteristic of Respondents .....	48
4.2.1.2.	Overview of Respondents by Age .....	48
4.2.1.3.	Overview of Respondents by Gender .....	49
4.2.1.4.	Respondents' Response .....	50
4.2.2.	Descriptive Variable Analysis .....	57
4.2.2.1.	Respondent's Response toward Distributive Fairness .....	57
4.2.2.2.	Respondent's Response toward Procedural Fairness .....	58
4.2.2.3.	Respondent's Response toward Interactional Fairness .....	60
4.2.2.4.	Respondent's Response toward Relationship Quality.....	61
4.2.2.5.	Respondent's Response toward Perceived Betrayal.....	63
4.2.2.6.	Respondent's Response toward Demands for Reparation.....	64
4.2.2.7.	Respondent's Response toward Retaliatory Behavior .....	65
4.2.3.	Results of Data Quality Testing.....	67
4.2.3.1.	Evaluation of Data Normality.....	69
4.2.3.2.	Evaluation of Outliers .....	70
4.2.3.2.1.	Univariate Outliers.....	70
4.2.3.2.2.	Multivariate Outliers.....	71
4.2.3.3.	Evaluation of Multicollinearity and Singularity .....	72
4.2.3.4.	Confirmatory Factor Analysis .....	72
4.2.3.4.1.	Confirmatory Analysis of Exogenous Variables .....	72
4.2.3.4.2.	Confirmatory Analysis of Endogenous Variables .....	74
4.2.3.5.	Analysis of Full Structural Equation Modeling.....	75
4.2.3.6.	Reliability Test.....	77
4.2.4.	Results of Hypothesis Testing .....	78
4.2.4.1.	Hypothesis Testing 1 ( $H_1$ ).....	79
4.2.4.1.	Hypothesis Testing 2 ( $H_2$ ).....	80
4.2.4.1.	Hypothesis Testing 3 ( $H_3$ ).....	80
4.2.4.1.	Hypothesis Testing 4 ( $H_4$ ).....	81
4.2.4.1.	Hypothesis Testing 5 ( $H_5$ ).....	81
4.2.4.1.	Hypothesis Testing 6 ( $H_6$ ).....	82
4.2.4.1.	Hypothesis Testing 7 ( $H_7$ ).....	82
4.2.4.1.	Hypothesis Testing 8 ( $H_8$ ).....	83



4.3.	Discussion.....	83
<b>CHAPTER V: CONCLUSION.....</b>		<b>98</b>
5.1.	Theoretical Background.....	98
5.1.1.	Conclusion for Hypotheses.....	98
5.1.1.1.	The Effect of Distributive Fairness on Perceived Betrayal .....	98
5.1.1.2.	The Effect of Procedural Fairness on Perceived Betrayal .....	99
5.1.1.3.	The Effect of Interactional Fairness on Perceived Betrayal .....	99
5.1.1.4.	The Effect of Relationship Quality Moderates Distributive Fairness on Perceived Betrayal .....	100
5.1.1.5.	The Effect of Relationship Quality Moderates Procedural Fairness on Perceived Betrayal .....	101
5.1.1.6.	The Effect of Relationship Quality Moderates Interactional Fairness on Perceived Betrayal .....	101
5.1.1.7.	The Effect of Perceived Betrayal on Demands for Reparation .....	102
5.1.1.8.	The Effect of Perceived Betrayal on Retaliatory Behavior .....	103
5.1.2.	Conclusion for Research Problem .....	103
5.2.	Implication .....	104
5.2.1.	Theoretical Implication.....	104
5.2.2.	Managerial Implication.....	106
5.3.	Recommendation .....	111
<b>REFERENCES.....</b>		<b>112</b>
<b>APPENDIX A .....</b>		<b>A-1</b>
<b>APPENDIX B .....</b>		<b>B-1</b>
<b>APPENDIX C .....</b>		<b>C-1</b>



## LIST OF TABLES

### CHAPTER III

3.1.	Core Design of the Questionnaire.....	34
3.2.	Definition of Operational Variable.....	36
3.3.	Description of Constructor Indicator.....	40
3.4.	Relationship of Construct.....	41
3.5.	The Conversion Results to the Equations Measurement Model.....	41
3.6.	Feasibility Index of a Model (Goodness of Fit) .....	45

### CHAPTER IV

4.1.	Respondents by Age.....	48
4.2.	Respondents by Gender.....	49
4.3.	Degree of Assessment of Each Variable.....	50
4.4.	Respondents' Response toward Distributive Fairness.....	51
4.5.	Respondents' Response toward Procedural Fairness .....	52
4.6.	Respondents' Response toward Interactional Fairness .....	53
4.7.	Respondents' Response toward Relationship Quality.....	54
4.8.	Respondents' Response toward Perceived Betrayal.....	55
4.9.	Respondents' Response toward Demands for Reparation.....	55
4.10.	Respondents' Response toward Retaliatory Behavior.....	56
4.11.	Distribution of Respondents' Response toward Distributive Fairness.....	57
4.12.	Distribution of Respondents' Response toward Procedural Fairness.....	60
4.13.	Distribution of Respondents' Response toward Interactional Fairness.....	60
4.14.	Distribution of Respondents' Response toward Relationship Quality.....	62
4.15.	Distribution of Respondents' Response toward Perceived Betrayal.....	63
4.16.	Distribution of Respondents' Response toward Demands for Reparation...	64
4.17.	Distribution of Respondents' Response toward Retaliatory Behavior.....	65
4.18.	Goodness of Fit Index.....	68
4.19.	Test Result of Data Normality.....	69
4.20.	Descriptive Statistics of Z-Score.....	70
4.21.	Mahalanobis Distance.....	71



4.22.	Test of Weight Factor and Factor Loading Value of Exogenous Variable.....	73
4.23.	Test of Weight Factor and Factor Loading Value of Endogenous Variable.....	74
4.24.	Feasibility Testing Index.....	75
4.25.	Regression Weights Full Structural Equation Model.....	76
4.26.	Reliability Test.....	78
4.27.	Hypothesis Test Result.....	79
4.28.	Regression Coefficient Results of Moderating Variables.....	79
4.29.	Distributive Fairness Indicators.....	87
4.30.	Procedural Fairness Indicators.....	89
4.31.	Interactional Fairness Indicators.....	91
4.32.	Relationship Quality Indicators.....	93
4.33.	Perceived Betrayal Indicators.....	94
4.34.	Demands for Reparation Indicators.....	95
4.35.	Retaliatory Behavior Indicators.....	96
<b>CHAPTER V</b>		
5.1.	Theoretical Implications.....	105
5.2.	Managerial Implications.....	110

## LIST OF PICTURES

### CHAPTER I

1.1.	Internet Users Growing Table .....	2
1.2.	Package and Price of IndiHome Deluxe Package – Triple Play.....	5
1.3.	Package and Price of IndiHome Premium Package – Triple Play .....	5
1.4.	Package and Price of IndiHome Netizen I Package – Dual Play .....	6
1.5.	Package and Price of IndiHome Netizen II Package – Dual Play .....	6
1.6.	Screenshot of Customers Complaining On a Website. ....	7

### CHAPTER II

2.1.	Research Model.....	28
------	---------------------	----

### CHAPTER III

3.1.	Flow Diagram of Theoretical Framework.....	39
------	--	----

### CHAPTER IV

4.1.	Diagram of Respondents by Age.....	49
4.2.	Diagram of Respondents by Gender.....	50
4.3.	Confirmatory Analysis of Exogenous Variables.....	73
4.4.	Confirmatory Analysis of Endogenous Variables.....	74
4.5.	Full Structural Model .....	75



## LIST OF APPENDICES

<b>APPENDIX A:</b>	<b>QUESTIONNAIRE.....</b>	<b>A-1</b>
<b>APPENDIX B:</b>	<b>QUESTIONNAIRE DATA.....</b>	<b>B-1</b>
<b>APPENDIX C:</b>	<b>ANALYSIS SUMMARY.....</b>	<b>C-1</b>