
THE EFFECT OF SERVICE QUALITY AND EMPLOYEE PERFORMANCE ON CUSTOMER SATISFACTION

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ABSTRACT

KEYWORDS

Service Quality,
Satisfaction, Employee
Performance

Business competition that continues to increase requires business actors to continue to provide satisfaction to customers, the organization's efforts to provide satisfaction are carried out through the quality of service and the performance of its employees. This study aims to determine the effect of service quality and satisfaction on performance. This study uses a quantitative research method with a descriptive approach. Data collection techniques in this study used questionnaires and literature studies. The research data were then analyzed by testing reliability, validity and reliability using the SPSS program. The results of the study show that service quality and employee performance partially have a positive and significant effect on customer satisfaction

INTRODUCTION

In the era of globalization, business competition has become increasingly significant, covering both the domestic and foreign markets. Any product produced is inseparable from service elements, whether it is service as a core product or as a complete product. Therefore, nowadays attention to customer satisfaction is getting bigger and improved again. To win the competition, companies must be able to provide satisfaction to their customers (Utami, 2013). The company's efforts to provide satisfaction are carried out through the quality of service and employee performance.

Quality of service in principle is to keep customer promises so that those served continue to feel satisfied and expressed through words. Quality has a very close relationship with customer loyalty, namely quality provides an incentive for customers to undergo a strong relationship bond with the service provider organization. Good relationship ties will enable service providers to understand carefully customer expectations and their needs (Apriyanti, 2019).

Besides being influenced by the quality of services or services, customer satisfaction is also determined by the influence of individual employee performance. Employee performance appraisal is no less important, employee performance appraisal is a process of assessing work results that will be used by management to provide information to employees individually, about the quality of their work from the point of view of the company's interests. Assessments carried out regularly aim to protect the company in achieving its goals. Evaluation of employee performance that is carried out objectively, precisely, and well-documented tends to reduce the potential for irregularities committed by employees, so that their performance is expected to improve according to the performance required by the company (Yanti & Minarsih, 2015).

The role of employees is very important to support the success of each companies, especially companies engaged in the service sector. Because employees have the ability

to influence buyer perceptions, Employees are part of the service itself. So for customers, Employees function as communicators as well as representatives of the image company. Employee performance is shown through the quality of service provided given to the customer so that the company can evaluate the quality employee service (Tamara & Juanim, 2018). The importance of service quality and employee performance makes researchers interested in conducting research with the title "The Effect of Service Quality and Employee Performance on Customer Satisfaction".

Service quality

Service quality is a crucial issue for every company, regardless of the form of the product produced. Service quality can simply be interpreted as a measure of how well the level of service provided is able to match customer expectations, Lewis and Booms in (Tjiptono, 2008). According to Boone and Kurtz (Rizan, Setyaningsih, & Saidani, 2016) service quality focuses on the expectations and service realization felt by consumers for a service and has a major influence on the competitiveness of the company. Gronroos in (Sigit & Soliha, 2017) defines service quality as the result of perceptions from comparisons between customer expectations and actual service performance. In other words, there are two main factors that influence service quality, namely expected service (expected experience) and perceived service (received service). Meanwhile, the total quality of a service consists of 3 main components, namely: technical quality (consisting of: search quality, experience quality, credence quality), functional quality, and corporate image.

Employee performance

Performance is basically what employees do or don't do. Employee performance is what influences how much they contribute to the organization which includes output quantity, output quality, output period, workplace attendance, cooperative attitude (Mathis & Jackson, 2000). Employee performance is one of the benchmarks for evaluating an organization. How to do everything related to a job, position or role in the organization is a form of employee performance that can be seen immediately. Many factors also have a role in influencing performance. The definition of employee performance according to (Mangkunegara & Prabu, 2012) is a comparison of the results achieved with the participation of the workforce per unit of time (usually per hour).

Customer satisfaction

Satisfaction is defined by Hellier et al in (Darzi & Bhat, 2018) as the level of pleasure and excitement felt by customers which results in the fulfillment of customer desires, expectations and needs. Customer satisfaction is the main part and will be one of the most important goals; every company strives to form long-term customer-focused relationships as a top priority. Customer satisfaction can be stated because there is a comparison between consumer expectations and service quality performance that is obtained and felt subsequently (Ištvančić, Crnjac Milić, & Krpić, 2017). (Giese & Cote, 2000) identify three main components in customer satisfaction, namely: customer satisfaction is a response (emotional or cognitive), the response involves a particular focus (expectation, product, consumption experience), and the response occurs at a certain time (after consumption, after product/service selection, based on accumulated experience, and others).

RESEARCH METHODS

Method

This research uses quantitative research methods. The quantitative research method is a research method that is based on positivistic (concrete data), research data in the form of numbers that will be measured using statistics as a calculation test tool, related to the problem under study to produce a conclusion (Sugiyono, 2013).

Population and Sample

The population in this study were employees at the BPJS Health office in West Kalimantan Province. This study took 30 samples from the population based on advice from (Kerlinger & Lee, 2000) who suggested a minimum sample size of 30. The sampling technique was random sampling, namely taking samples of members of the population regularly regardless of strata. in population. This method is used when members of the population are considered homogeneous (Kusumawati, Sudarwanto, Novida, Subandi, & Zhafri, 2022).

Data collection technique

The data collection technique was carried out in this study using a questionnaire in the form of Google Docs which was distributed to the sample. While the instrument testing in this study used the validity and reliability tests using the help of IBM SPSS software. Because of this, it allows researchers to obtain respondents according to the amount generated.

Framework of thinking

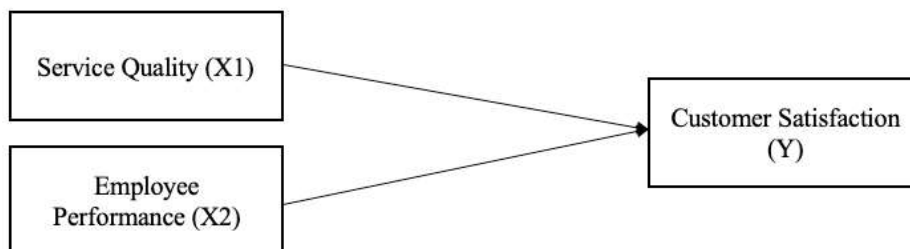


Figure 1
Framework of Thinking

Research Hypothesis

H1: Service Quality has a positive and significant effect on Customer Satisfaction

H2: Employee Performance has a positive and significant effect on Customer Satisfaction

RESULTS AND DISCUSSION

Validity test

The validity test is intended to test how well the research instrument measures the concept that should be measured. The validity test was carried out by calculating the correlation between the score of each item and the total score so that the Pearson Correlation value was obtained (Matondang, 2009). The validity test in this study used Pearson Product Moment or PPM bivariate correlation statistical analysis (r value). The correlation value used is the correlation between the score of each type of test and the total score of the type of test. The results of the Pearson Product Moment or PPM bivariate correlation statistical analysis for all variables in this study can be seen in Figure 2:

Correlations

		Service Quality	Employee Performance	Customer Satisfaction	Total
Service Quality	Pearson Correlation	1	.669**	.544**	.853**
	Sig. (2-tailed)		.000	.002	.000
	N	30	30	30	30
Employee Performance	Pearson Correlation	.669**	1	.536**	.867**
	Sig. (2-tailed)	.000		.002	.000
	N	30	30	30	30
Customer Satisfaction	Pearson Correlation	.544**	.536**	1	.828**
	Sig. (2-tailed)	.002	.002		.000
	N	30	30	30	30
Total	Pearson Correlation	.853**	.867**	.828**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	30	30	30	30

**. Correlation is significant at the 0.01 level (2-tailed).

Figure 2
Validity Test

Based on the data in Figure 2, it can be seen that all instruments have a Pearson correlation value greater than r Table = 0.361 (N=30) and a Sig. (2-tailed) the correlation for all items is 0.000 which is less than 0.05 so that it can be concluded that all statement items are declared valid.

Reliability Test

The reliability test is useful for determining whether the instrument, in this case the questionnaire, can be used more than once, at least by the same respondent, will produce consistent data (Yanti & Minarsih, 2015). According to Kendra, a measuring instrument is said to be reliable if it produces the same results even though measurements are made many times (Sugiyono, 2019). The criterion used is a construct or variable that is said to be reliable if it gives a Cronbach Alpha value > 0.600. The results of the reliability test are presented in Table 1 below

Table 1
Reliability Test

No.	Variable	Cronbach Alpha	Information
1	Service Quality (X1)	0.803	Reliabel
2	Employee Performance (X2)		Reliabel
3	Customer Satisfaction (Y)		Reliabel

Based on the results of the reliability test, it was obtained that the Cronbach Alpha value for all items was 0.803 so that the questions were declared reliable for reuse.

Multiple Linear Regression Test

Multiple linear regression analysis aims to find out and predict whether the independent variable (X) has an effect on the dependent variable (Y) and how much influence the three independent variables have on the dependent variable (Y) in this study (Yusuf, 2017).

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.156	5.278		.030	.977
	Service Quality	.643	.187	.544	3.430	.002

a. Dependent Variable: Customer Satisfaction

Based on the results of this analysis, a significance value of $0.002 < 0.05$ is obtained, so that partially it can be concluded that Service Quality (X1) has a positive and significant effect on Customer Satisfaction (Y).

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.884	4.578		.630	.534
	Employee Performance	.550	.164	.536	3.359	.002

a. Dependent Variable: Customer Satisfaction

Based on the results of this analysis, a significance value of $0.002 < 0.05$ is obtained, so that partially it can be concluded that Employee Performance (X2) has a positive and significant effect on Customer Satisfaction (Y).

DISCUSSION

1. Service Quality has a positive and significant effect on Customer Satisfaction

The direct effect of customer satisfaction variables on customers. Customer satisfaction on customer loyalty can be seen from the results of the analysis using the PLS method, the t value of customer satisfaction on customer loyalty with t table so that the customer satisfaction variable has a significant influence on customer loyalty. In addition, the average value of the customer satisfaction variable is the same as the average value. This illustrates that BPJS customer satisfaction is in the good category because it is in that range. The highest customer satisfaction score is found in the item Talking about good things related to the existence of BPJS Health in West Kalimantan Province. Customer satisfaction is the key to creating customer loyalty.

Companies gain many advantages by achieving a high level of satisfaction, namely in addition to increasing customer loyalty, but also preventing customer turnover, reducing customer sensitivity to price, reducing marketing failure costs, reducing operating costs caused by increasing the number of customers, increasing advertising effectiveness, and enhance business reputation. Likewise what happened to BPJS Health in West Kalimantan Province where customer satisfaction will affect customer loyalty or participants who have registered.

This satisfaction will guide participants to remain loyal to using BPJS, not using other insurances and will recommend BPJS to other people they know so that they get many benefits. Loyal customers are a valuable asset for the company because they can maintain the viability of the company in intense market competition. These results are consistent with previous research conducted by (Wenda & Ning, 2012) which concluded that customer satisfaction has a positive and significant effect on customer loyalty with the method used, namely path analysis. Another study was conducted by (Agustina & Gómez-Durán, 2012) where the method used was path analysis and from the t test value it was found that there was a significant influence between customer satisfaction and customer loyalty.

Philip Kotler defines quality as the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs. (Jayanthi, Patel, & Mittal, 2020). According to Wyckof, service quality is the level of excellence expected and control over that level of excellence to meet customer desires. The two main factors that influence service quality are expected service and perceived service. Good or bad service quality depends on the ability of service providers to meet customer expectations consistently. (Alan & Kaur, 2016)

Service quality is also assessed based on two things, namely the quality of the process which is interpreted from the method of service delivery and technical quality, namely the quality of the end result of the service. According to Juran, the elements of service quality include: 1) service features; 2) service performance; 3) competitiveness; 4) punctuality; 5) politeness; 6) process capability; 7) free from errors or deficiencies; 8) compliance with standards, procedures). (Nugraha, Liutkus, & Vincent, 2016) Service quality is an operational activity carried out by the company to be provided to customers in accordance with company principles and customer expectations. (Rasid & Harun, 2018).

2. Employee performance has a positive and significant effect on customer satisfaction

The direct effect of the service quality variable on customer loyalty can be seen from the results of the analysis using the PLS method, the t value of service quality on customer loyalty with t table so that the service quality variable has a significant effect on customer loyalty. In addition, the average value of the Service Quality and Loyalty variables which have the same category is good because Customer Loyalty has an average value. So that by improving the quality of service at BPJS Health in West Kalimantan Province it will be able to increase the value of BPJS customer loyalty.

These results are consistent with previous research conducted by (Sinaga, Sinaga, & Simangunsong, 2020) which concluded that service quality has a significant effect on customer loyalty with the method used, namely path analysis. Service quality contributes to a number of important aspects, such as creating customer loyalty, increasing company reputation, reducing price elasticity, reducing future transaction costs, and increasing employee efficiency and productivity. Lupiyoadi (2006) states that by increasing customer satisfaction, surviving customers will also increase. Meanwhile, Fornell stated that service quality can increase customer loyalty and prevent customer turnover, reduce customer sensitivity to price, reduce marketing failure costs, reduce operational costs caused by increasing the number of customers, increase advertising effectiveness, and improve business reputation. The quality of service provided by BPJS will increase customer loyalty because the better the quality, the more comfortable it will be for someone. This feeling of feeling at home and comfortable will later grow into a sense of loyalty to BPJS Health in West Kalimantan Province.

The indirect effect of service quality variables on customer loyalty through customer satisfaction can be seen from the results of the analysis using the Sobel method, the t value of service quality on customer loyalty through satisfaction is 2.843 with a t table of 1.96 so that the service quality variable has a significant effect on customer loyalty through satisfaction. Customer. This shows that the variable customer satisfaction is able to mediate a good and significant relationship between service quality and customer loyalty.

The existing relationship is a positive relationship, where if the quality of service

increases, customer satisfaction also increases, and this customer satisfaction will increase customer loyalty. formed. From the results of the questionnaires filled out by customers, most agreed that the quality of services provided by BPJS Health in East Kalimantan Province was good and they felt satisfied and loyal. There were only a few respondents who disagreed and this did not really affect the results that came out. However, the results of the study show that the direct effect is greater when compared to the indirect effect through the intervening variables.

CONCLUSION

Based on the results of the study it can be concluded that Service Quality has a positive and significant effect on Customer Satisfaction, Employee Performance has a positive and significant effect on Customer Satisfaction.

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