Customer Satisfaction (Public Satisfaction) On Services In Administrative Village Office

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Abstract

It is widely acknowledged that employees in the public sector are responsible towards the community or its customers, in order to fulfill the public satisfaction. During reformation era in Indonesia, public sector services also one of the domain that the government needs to pay attention to. Therefore this study aimed to determine some factors such as tangible, reliability, responsiveness, empathy, and assurance that individually influence customer satisfaction. Respondents were 200 visitors of one of the largest public health provider in one of the growing regions in the south of Indonesia, Bengkulu municipality. The statistical analysis used in this research was Structural Equation Model operated through AMOS 21 program. The results showed that tangible, reliability, responsiveness, empathy, and assurance individually influence customer satisfaction.

Keywords

Tangible, Reliability; Responsiveness; Empathy; Assurance; Customer Satisfaction

Introduction

Customer satisfaction is not only required in the private sector but also in the public sector. Employees in the public sector are responsible towards the community or its customers, in order to fulfill the public satisfaction. According to Zeitmal and Bitner (2003), many factors affect customer satisfaction, one factor is the quality of service. Gronroos (1982) said that the perception of services quality provided is the result of the evaluation process since customers often compare the expected services with the perception of services given. Customer satisfaction is the extent of perceived
performance given accordance with customer expectations (Kotler, 2000). To date, society still highlights the unfavorable public services which imply a low level of public satisfaction on the public service. Osborne dan Gaebler, T (1992) present ideas to improve concept and theories to optimize public service. The organization of the public sector that provides customer services is one of the important factors that provide a significant contribution to building a good reputation and (Nor et al, 2000)

Public sector provided services to the community must promote good service quality in order to obtain satisfaction in the public. The demand for services provided by the administrative institution to satisfy people can only be achieved with continuous innovation and service quality improvement. The performance and quality of public sector services become the main administrative issues. The main tasks of public sector services must be customer-oriented focused. Wisniewski & Donnelly (1996) argued the key issues that public sector institution must address for public satisfaction to provide adequate service quality care through assessing the potential of SERVQUAL instruments.

According to Parasuraman, A et al. (1985) SERVQUAL is applied to predict customer perceptions of service quality. Service covers any actions or activities offered by one party to another, which are essentially intangible and do not result from any ownership, (Kotler, 2000). According to Parasuraman et al (1985), the characteristics of service quality can be evaluated in five dimensions: reliability, responsiveness, assurance, empathy, and tangible. Research by Susila, L, N (2010) suggested Responsiveness, physical evidence, credibility, and empathy have a positive and significant effect (significance value <0.05) on public satisfaction.

Public service according to MENSAN (A Ministry in Indonesian Government that is responsible for state apparatus affairs and bureaucratic reform). Decree Number 63 of 2004 is any services performed by government institutions at the Central, Regional and State-Owned Enterprises or Regional Owned Enterprises in the form of goods and services within the context of fulfilling the needs of the community as well as the implementation of the provisions of the constitution. Osborn and Gaebler (2005) stated that a democratic government was born to serve its citizens. According to Gowan, M., Seymour, J., Ibarreche, S. & Lackey, C. (2001), the provision of services in the public sector is more complex because it is not just a matter of meeting the expressed needs, but also to cover the unexpressed needs, setting priorities, allocating resources and justifying the public and calculating what has been done. According to Nor M.N.N., Khalid, S. A., Razali, M.F.M. and Ramli, N.A. (2000), public sector organizations agree that customer service is one of the most important vital factors that contribute to the establishment of reputation and credibility among the public. They argue that the public complaints of long queues, poor service delivery, and insufficient physical facilities may affect the image and level of service quality in the public sector.

Administrative Village office of Beringin Raya Bengkulu city is one of the service institution provided by
the local government just like other offices that conduct government affairs, development and community development in its administrative territory. Bengkulu city is one of the important provinces in Sumatera, Indonesia. Other tasks conducted by the Beringin Raya Administrative Village office are carrying out services, licensing and recommendation to the people in Beringin Raya Village. Many complaints coming from the people who have some matters in Administrative Village office of Beringin Raya and from the writer’s field observations the problems were related to slow services, unpunctual employees and inappropriate working hours, lack of equipment or facilities such as tables, chairs, typewriters, and not optimal computers. The services provided by the office must be effective, fast and secure since the public needs are more and more complex. Thus it required the employees to always improve their capability and skills. Based on the description above, the authors proposed this research, which was related to service quality affecting public satisfaction in Administrative Village office of Beringin Raya Bengkulu City.

Literature Review

Customer Satisfaction (Public Satisfaction)

Public Satisfaction is the satisfaction coming from the service given by government officials, while customer satisfaction is coming from the service given by non-government office. Maintaining and creating long-term relationships with customers, both government and non-government companies must provide satisfaction to their customers. Customer satisfaction can be considered as a customer response to the consumption experience. According to (Oliver 1980) satisfaction is an attitude or evaluation formed by customers that compare their pre-purchase expectations of what they will receive from the product with their subjective perceptions of the actual performance they get. Customers tend to take the product if they are satisfied with the product over their experience.

The indicator of customer satisfaction according to Oliver and Swan (1999) are: satisfied with employee response, satisfied with the result (output) obtained, perceived convenience. According to Yi, Y (1990) consumer satisfaction is the collective result of perception, evaluation and psychological reactions to the consumption experience with products/services. Customer satisfaction consists of two elements namely expectations and satisfaction (Olsen, S 2002). Public satisfaction towards service quality is the public perception on the quality of goods and services provided by the government (Salim, M., Peng, X., Almaktary, S., Karmoshi, S (2017).

Quality of service

Parasuraman, et al (1985,) defines ‘quality of service’ as the difference between customer perceptions of the current service provided by an institution and customer expectations of the best services in that industry. Quality of service is a customer’s long-term cognitive evaluation of the delivery of a company’s services (Lovelock, C., Wright, L 1999). Quality of service (Parasuraman, A., Zeithaml, Valerie

A. & Berry, Leonard L. (1988) can be defined as over-valuing assessment similar to attitudes toward service and generally accepted as an antecedent to excessive service satisfaction.

The Use of SERVQUAL in the public sector is strongly supported (Brysland and Curry, 2001). Service quality has shown that there is significant complexity associated with measuring service quality. According to Parasuraman et al (1985), the characteristics of service quality can be evaluated in five dimensions: reliability, responsiveness, assurance, empathic, and tangible. This study used the dimensions namely: tangible, reliability, responsiveness, assurance, and empathy.

### Tangible

Parasuraman et al (1985) determine tangibles as physical facilities, equipment, and personal appearance. The research of Murgiono (2010) revealed that physical evidence has a significant and positive influence on customer satisfaction. Physical evidence affected customer satisfaction (Susila, 2010). The research of Riyadi, S., Hermawan, A, & Sumarwan (2015) showed that Tangible affects customer satisfaction. Putra, D., Pratiwi, N, R., Trisnawati (2015) showed that Tangible affects customer satisfaction. This research believed that tangibly affects customer satisfaction. Then the hypothesis used was as follows:

**H1: Tangible affects customer satisfaction (public satisfaction)**

### Reliability

Reliability is defined as the ability to perform the required services to customers reliably and accurately as it is expected to deliver (Zeithaml, V. A., Parasuraman, A., and Berry, L. (1990). Hasniah., Gunawan., Hasmin(2016) showed that Reliability affect customer satisfaction. The results of Hennayake, H, M, G, Y (2017) showed that reliability affects customer satisfaction. Then the hypothesis used was as follows:

**H2: Reliability affects customer satisfaction (public satisfaction)**

### Responsiveness

Zeithaml et al. (1990) define responsiveness as the interests shown in providing prompt service to customers when required. The research of Wang, I, M and Shih, C, (2006) resulted that responsiveness affects customer satisfaction. Hasniah et al(2016) showed that Responsive affects customer satisfaction. Putra et al (2015) showed that Responsive affects customer satisfaction. This was also in line with the theory suggested by Diaz, ABC, and Ruiz, FJ, M (2002) that responsiveness affects customer satisfaction. Then the hypothesis used was as follows:

**H3: Responsiveness affects customer satisfaction (public satisfaction)**

### Empathy

Parasuraman et al(1988) define empathy as the caring, individualized attention to the firm provides for its customer. Research of Gopalkrishnan, J., Mishra, B. B., Gupta, V. K., & Vetivel, A. P.
(2011), resulted that empathy affects customer satisfaction. Riyadi, S et al (2015) showed that empathy affects customer satisfaction. Hasniah et al (2016) also showed that empathy affects customer satisfaction. The same suggestion also revealed by Hennayake, H, M, G, Y, J (2017) that empathy affects customer satisfaction. The hypothesis used in this research was as follows:

H4: Empathy affects customer satisfaction (public satisfaction)

Assurance

According to Kotler (2000) assurance means a matter that includes knowledge, courtesy and the ability of the staff to build customer trust. Assurance affects customer satisfaction (Kheng, L, L., Mahamad, O., Ramayah, T., Mosahab, R (2010). Putra et al (2015) showed that assurance affects customer satisfaction. Hennayake, H, M, G, Y (2017) showed that assurance affects customer satisfaction. Hypothesis used in this study was as follows:

H5: Assurance affects consumer satisfaction (public satisfaction)

Based on the previous theories, the framework of this research can be drawn in Figure 1 as follows:

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**Methodology**

**Types of research**

This is a survey research with the information collected from the respondents through the questionnaire. According to Zikmund, William (2002) a survey research refers to the technique in which information is gathered from the sample of people by using a questionnaire or interview.

**Sampling Method**

The study population was all consumers (people) who visit the administrative office village of Beringin Raya. Regarding to indefinite numbers of population, the respondents were sort by Judgmental Sampling part of nonprobability sampling in which people are selected based on the purpose of research. Hair, Anderson, Tatham and Blak (1998) in a study using SEM.
Muhartini Salim, et. al requires a representative sample in multivariate data analysis research of 5 or 10 multiplied by the number of indicators or a minimum of 100 samples.

In this study the number of questionnaires given to participants was 200, coming from 20 indicators (indicators of this study 20) multiplied by 10. The questionnaire was given to consumers who visit the administrative office village of Beringin Raya, Bengkulu from January 2018 to March 2018.

Validity and Reliability

Validity Test

This study used convergent validity, a convergent validity test in the AMOS with reflective indicators is assessed by the factor loading (correlation between scores item/component score with the construct score) of indicators that measures the construct. The factor loading value greater than +/- 0.30 indicates to comply with the minimum level, the loading factors value of +/- 0.40 is considered better and in accordance with the rules of thumb used by the researchers, and the loading factor of >0.50 was considered significant. (Hair et al, 1998). Table 1 shows that none of the loading factor value for each indicator on the service quality variable is below 0.3. This implies that each variable that we use is valid.

<table>
<thead>
<tr>
<th></th>
<th>Y</th>
<th>X1</th>
<th>X2</th>
<th>X3</th>
<th>X4</th>
<th>X5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.744</td>
<td>0.660</td>
<td>0.424</td>
<td>0.622</td>
<td>0.499</td>
<td>0.600</td>
</tr>
<tr>
<td>2</td>
<td>0.657</td>
<td>0.651</td>
<td>0.587</td>
<td>0.759</td>
<td>0.489</td>
<td>0.779</td>
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<tr>
<td>3</td>
<td>0.564</td>
<td>0.511</td>
<td>0.861</td>
<td>0.787</td>
<td>0.618</td>
<td>0.656</td>
</tr>
<tr>
<td>4</td>
<td>0.344</td>
<td>0.344</td>
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<td>0.344</td>
<td>0.344</td>
<td>0.547</td>
</tr>
<tr>
<td>5</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: The Data was processed (2018)

Reliability Test

The reliability is assessed by calculating the instrument reliability index used (composite reliability) of the SEM model analyzed. The limit value used to assess an acceptable level of reliability is > 0.70 (Ferdinand, 2006). From table 2 it was found that the result of reliability test of each latent variable over the dimension of the forming dimension shows that all the variables show as the reliable measure because of each latent variable has a reliability greater than 0.7

Figure Example:
Customer Satisfaction (Public Satisfaction) on Services in Administrative Village Office

Indicators used (Kotler and Keller 2012) are accurate services, proper services implementation, and employees’ capability to answer questions.

Responsiveness
Zeithaml et al. (1990) define responsiveness as the interests shown in providing prompt service to customers when required. Responsiveness indicators used in this study (Kotler and Keller 2012) are: informing customers when the service begins, offering appropriate services, offering prompt service, always willing to help and respond to customers.

Empathy
Parasuraman et al (1988) define empathy as the caring, individualized attention to the firm provides for its customer. Research of Gopalkrishnan, J., Mishra, B. B., Gupta, V. K., & Vetrivel, A. P. (2011). Empathy indicator used in this research (Kotler and Keller 2012) were: employees’ even attention to all customer, employees’ best interest to all customer, and employees’ understanding towards customer needs.

Variable Operational Definition

Customer Satisfaction
Customer satisfaction is the extent of perceived performance given accordance with customer expectations (Kotler, 2000). The indicator of customer satisfaction according to Oliver and Swan (1999) are: satisfied with employee response, satisfied with the result (output) obtained, perceived convenience.

Tangibles
Parasuraman et al (1985) determine tangibles as physical facilities, equipment, and personal appearance. Tangible indicators used in this study were: office neat appearance, room comfort, the adequate equipment, and employees’ neat appearance (Parasuraman, A., Zeithaml, V.A., & Berry, L.L. 1994).

Reliability
Reliability is defined as the ability to perform the required services to customers reliably and accurately as it is expected to deliver (Zeithaml, V.A., Parasuraman, A., and Berry, L., (1990). Reliability
Assurance

According to Kotler (2000) assurance means a matter that includes knowledge, courtesy and the ability of the staff to build customer trust. Assurance indicators used in this study (Kotler and Keller 2003) were: employees’ ability to build trust in customers, employees’ politeness at all times, and ability to bring safety to customers.

Method of Analysis

Analysis of the data used was inferential statistical analysis.

Inferential statistical analysis

The inferential statistical analysis used in this research was Structural Equation Modeling (structural equation model), hereinafter referred to as SEM which was operated through the Analysis of Moment Structures (AMOS) 21.

Result Testing of Hypothesis

The data that has passed the validity and reliability test would be tested to hypothesis testing through Structural Equation Model hereinafter called SEM which was operated through AMOS 21 program. The processing result for AMOS 21 was shown by Regression Weight value, the frequently used critical value was 1.96 at a significant level of 0.05 (Hair et al, 1998). Critical Ratio (CR) and Probability Value of the results of this study could be seen in table 3, so it could be obtained and described the results of hypothesis testing as follows:

Hypothesis 1: Tangible affects customer satisfaction (public satisfaction)

The Critical Ratio (CR) result of this research was 2.277 indicating that the Critical Ratio value was greater than 1.96. Probability Value was 0.023 which was less than 0.05. It showed that tangibly affects customer satisfaction (public satisfaction) which mean if tangible increases then it will increase customer satisfaction (public satisfaction).

Hypothesis 2: Reliability affects customer satisfaction (public satisfaction).

The Critical Ratio (CR) result of this research was 2.040 indicating the Critical Ratio value greater than 1.96. Probability Value was 0.041 which was less than 0.05. It was obtained that the reliability affects customer satisfaction (customer satisfaction), which means if reliability is improved it will increase customer satisfaction (public satisfaction).

Hypothesis 3: Responsiveness affects customer satisfaction (public satisfaction).

The Critical Ratio (CR) result of this study was 2.652 indicating the Critical Ratio value was greater than 1.96. The probability value was 0.008 which was less than 0.05. It indicated that responsiveness affects customer satisfaction (public satisfaction) which means if responsiveness is improved it will increase customer satisfaction (public satisfaction).

Hypothesis 4: Empathy affects customer satisfaction (public satisfaction).

The Critical Ratio (CR) result of this study was 2.680 indicating the Critical Ratio value was greater than 1.96. The probability value was 0.007
which was less than 0.05. It can be explained that empathy affects customer satisfaction (public satisfaction), which means if empathy is improved it will increase customer satisfaction (public satisfaction).

Hypothesis 5: Assurance affects customer satisfaction (public satisfaction)

The Critical Ratio (CR) result of this study was 3.228 indicating that Critical Ratio value was greater than 1.96. The probability value was 0.001 of which was less than 0.05. It can be explained that assurance affects customer satisfaction (public satisfaction), which means if assurance is improved it will increase customer satisfaction (public satisfaction).

<table>
<thead>
<tr>
<th>Konstruk</th>
<th>Estimate</th>
<th>S.E.</th>
<th>Critical Ratio</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y &lt;--- X1</td>
<td>.346</td>
<td>.152</td>
<td>2.277</td>
<td>.023</td>
</tr>
<tr>
<td>Y &lt;--- X2</td>
<td>.149</td>
<td>.073</td>
<td>2.040</td>
<td>.041</td>
</tr>
<tr>
<td>Y &lt;--- X3</td>
<td>.286</td>
<td>.108</td>
<td>2.652</td>
<td>.008</td>
</tr>
<tr>
<td>Y &lt;--- X4</td>
<td>.291</td>
<td>.109</td>
<td>2.680</td>
<td>.007</td>
</tr>
<tr>
<td>Y &lt;--- X5</td>
<td>.265</td>
<td>.082</td>
<td>3.228</td>
<td>.001</td>
</tr>
</tbody>
</table>

Source: The data was processed (2018)

Research Discussion

This discussion was focused on testing the hypothesis proposed for the purpose of this research.

The Effects of Tangible on Customer Satisfaction (Public Satisfaction)

The result of this research indicated that tangibly affects customer satisfaction (public satisfaction) if tangible increases then it will increase customer satisfaction (public satisfaction). This study was in line with the results of the Shaikh, U, A, A and Khan, N, R (2011) studies which indicated tangible affecting customer satisfaction. The people in Beringin Raya village of Bengkulu city will be satisfied with the service of Administrative Village office of Beringin Raya if the tangible factors in the office are improved particularly on cleanliness and the walls’ color. Comfort in the server room should be increased as well as the neat appearance of the employees, some equipment such as desks should also be cleaned and the computer items should be multiplied.

The Effect of Reliability on Customer Satisfaction (Public Satisfaction)

The result of this research indicated that reliability affects customer satisfaction (public satisfaction) if reliability is improved then it will increase customer satisfaction (public satisfaction). The results of this study supported the research results of Annath, A., Ramesh & Prabaharan B (2011) that reliability affects customer satisfaction (public satisfaction). Reliability is the core of service quality because of regardless of other attributes unreliable services considered as poor services (Lovelock.C, H and Wright.L, K (1999).
Beringin Raya Administrative Village Office will provide satisfaction to its people if it could provide services to the community in accordance with the expectation such as issuing letter accordance to operational procedure. Besides, employees shall have sufficient knowledge to take action to answer people’s question.

**The Effect of Responsiveness on Customer Satisfaction (Public Satisfaction)**

The result of this research indicated responsiveness affects customer satisfaction (public satisfaction) if responsiveness is improved it will increase customer satisfaction (public satisfaction). The results of this study supported the research results of Chodzaza, G, E and Gombchika, H (2013) that responsiveness influences customer satisfaction. The people will be satisfied with the services provided in Beringin Raya Administrative Village Office if they get immediate services, accurate and quick services and attentive response to the customer.

**The Effect of Empathy on Customer Satisfaction (Public Satisfaction)**

The result of this research indicated empathy affects customer satisfaction (public satisfaction) if empathy is improved it will increase customer satisfaction (public satisfaction). The results of this study supported the research results of Pasha, M, A and Razashah, M (2018) that empathy affects customer satisfaction. Beringin Raya Administrative Village Office will provide satisfaction to the public if the employees are polite in performing services and make the customers feel safe.

**Conclusions and Recommendations**

**Conclusions**

Tangible affects customer satisfaction (public satisfaction), which mean if tangible increases then it will increase customer satisfaction (public satisfaction).

Reliability affects customer satisfaction (public satisfaction), which means if reliability is improved it will increase customer satisfaction (public satisfaction).

Responsiveness affects customer satisfaction (public satisfaction), which mean if responsiveness is improved it will increase customer satisfaction (public satisfaction).

Empathy affects customer satisfaction (public satisfaction), which means if empathy is improved it will increase customer satisfaction (public satisfaction)
Assurance affects customer satisfaction (public satisfaction), which mean if assurance is improved it will increase customer satisfaction (public satisfaction).

**Recommendation**

It is suggested for the further research to examine the comparison between people’s expectation on the services with people’s perceptions on the services received in Beringin Raya Administrative Village Office.

**Notes on Contributors**

**Muhartini Salim** is a lecturer at the University of Bengkulu Business Economics Faculty. As a researcher, she researched topics about marketing, such as “What motives consumers to spend? A study on impulsive purchases” (Pertanika Journal of Social Sciences & Humanities Vol 25 (S) Nov 2017). Now he serves as secretary for the doctoral program in management of economics and business at the University of Bengkulu

**Syamsul Bachri** is a lecturer at the University of Bengkulu Business Economics Faculty. As a researcher, he researched topics about management, such as “Factors Influencing Patients’ Decision In Selecting Bengkulu Regional General Hospitals in Indonesia”

**Muhamad Rahman Febliansa** is a college student at the University of Bengkulu Business Economics Faculty. As a researcher, he researched topics about marketing, such as “Experiential marketing and price effects on consumer satisfaction and loyalty of Android smartphones in the city of Bengkulu”

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