

## Successful businesses: How to apply service quality method to measure employee performance and satisfy customers?

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### Abstract

This research aims to analyze the influence of Service Quality dimensions, which consist of Tangible (Physical Evidence), Reliability (Reliability), Responsiveness (Response), Assurance (Guarantee), and Empathy (Empathy), on customer satisfaction as the dependent variable. This research uses a quantitative approach with a survey method. Data was collected through questionnaires given to respondents. The data analysis technique used is multiple linear regression analysis. The research results show that the four dimensions of Service Quality, namely Tangible, Reliability, Responsiveness, and Empathy, have a positive and significant effect on customer satisfaction. Meanwhile, the Assurance dimension has a negative and insignificant effect on customer satisfaction. Overall, the Service Quality method has proven to be very important and influential in increasing customer satisfaction, so that it can create a successful business. This research concludes that Service Quality dimensions, especially Tangible, Reliability, Responsiveness, and Empathy, play an important role in increasing customer satisfaction. These results can be a reference for companies in implementing strategies to improve service quality to achieve optimal customer satisfaction.

**Keywords:** Service quality method, employee performance, customers

### Introduction

In an era of increasingly tight business competition, customer satisfaction is a key factor that influences the success of a company. This company must establish goals and basic philosophies that will determine the shape of its strategic figure (strategic posture). The fundamental purpose that differentiates a company from other similar companies and that explains the scope of its operations in terms of products and markets is defined as the company mission. (Sembiring & Fatihudin, 2020) <sup>[11]</sup>. To implement these goals, companies must of course pay attention to customers. Satisfied customers not only tend to become loyal customers, but will also recommend products or services to others. (Rachmawati, 2014) <sup>[9]</sup>. Providing services that satisfy customers is important for the company (Simon *et al.*, 2016) <sup>[12]</sup> Therefore, companies need to ensure that the service provided to customers reaches a high standard so that business failure does not occur.

In this context, employee performance has a very important role in providing quality services to customers. The definition of employee performance is the work results achieved in quality and quantity in accordance with the duties and responsibilities given to them (Satria, 2021) <sup>[10]</sup>. Employee performance can be interpreted as the abilities, skills and work results demonstrated by an employee in carrying out their duties and responsibilities at work (Prayogi *et al.*, 2019) <sup>[7]</sup>. This is also in accordance with research (Kodrat, 2010) Group performance will increase with increasing productivity of each individual in the group. Individual productivity will increase if they have integrity and morals that refer to the future and prioritize group goals rather than personal interests. Employee performance can also be measured through achievement of predetermined targets, work productivity, quality of work results, and quality of work within the team. In an organizational context, employee performance is very important as a reference in assessing employee quality in order to maintain

the productivity of all employees working in the company. Employee performance can increase the company's success by improving employee abilities and skills, as well as providing constructive feedback and providing opportunities for career development. Competent, well-trained and highly motivated employees will be able to provide services that meet customer expectations. According to Wahyono (2022) <sup>[14]</sup> states that every company must strive to improve employee performance in order to achieve company goals. The problems faced as the business develops are increasing, and appropriate strategic solutions are needed. Therefore, it is important to conduct employee performance analysis to understand the extent of their contribution to the level of service provided to customers. Therefore, a research-based theoretical approach is used to solve problems and improve business performance optimally (Christian Herdinata & Pranatasari, 2020) <sup>[11]</sup>.

The Service Quality method has been known as an effective approach in measuring service levels and customer satisfaction. Service Quality can be defined as how far the difference is between reality and customer expectations for the service they receive or obtain, the Servqual method is a method that is often used to measure service quality (Winarno & Absor, 2017) <sup>[15]</sup>. Service Quality is the quality of service provided by a business to its customers. Service Quality reflects a business's ability to provide services that suit customer needs consistently and professionally. (Purnamawati, 2012) <sup>[8]</sup> In a business context, Service Quality is very important because it affects customer experience and company reputation. Good service can help build brand awareness, increase customer loyalty, and encourage sustainable business growth. Service Quality consists of several elements, such as reliability, capability and service quality that can be seen physically by customers, as well as the business's ability to provide solutions and adapt services to customer needs. This method involves measuring service quality based on five main

dimensions, namely reliability, responsiveness, assurance, empathy, and physical evidence. By applying this method, companies can identify areas that need to be improved in order to improve service quality and customer satisfaction.

Employee performance analysis has a very significant relationship with the use of the Service Quality method to measure service levels and customer satisfaction. Service quality is the key to success, so service quality must be the focus of company management's attention when running its business. "Quality service that satisfies customers needs to be provided continuously, even though the complaints received are relatively low. About 95% of dissatisfied consumers choose not to complain, but the majority simply stop purchasing." (Kotler in Kartika & Kaihatu, 2008) [2]

Good employee performance can improve the quality of services provided, thereby increasing customer satisfaction. In this context, employee performance analysis can help in improving employees' abilities to provide better service, which in turn can increase customer satisfaction. The ease and completeness of providing various products, responsibility for quality and pricing, as well as responsibility for the safety of goods and the safety of visitors and buyers are the most appropriate factors between what is expected and what is felt by consumer visitors (Kaihatu, 2008) [2].

In research Nizar & Adriansyah (2022) [6] The Service Quality method is used to analyze the quality of service provided by employees. This method involves measuring customer perceptions of the service received and the service expected. If the actual service is higher than customer expectations, then the service can be said to be of good quality. On the other hand, if the actual service is less than expected, then the service can be said to be poor or of poor quality.

In synthesis, employee performance analysis has a very significant relationship with the use of the Service Quality method to measure service levels and customer satisfaction (Maulana, 2016) [5]. Good employee performance can improve the quality of services provided, thereby increasing customer satisfaction. By using the Service Quality method, companies can be more effective in improving employee performance and increasing customer satisfaction.

**Research Methods**

The data collection method uses a non-probability sampling technique with a judgment sampling type. Data is obtained directly from the performance questionnaire filled out by respondents. Respondents are customers who come directly to the location/place (Sugiyono, 2017) [13]

This research uses the Servqual System method covering two main aspects: customer perceptions of the service they receive (Perceived Service) and their expectations of the service they should receive (Expected Service). If the reality of the service exceeds customer expectations, it indicates good service quality. However, if the service does not meet their expectations, it is considered inadequate or even bad. The Servqual method measures service quality by comparing the difference between customer perceptions and expectations of the services provided (Ekasari *et al.*, 2017). This research collects data through three methods, namely interviews, observation and questionnaires. Interview techniques to obtain complete and accurate information about the services provided by the company. The observation method is used to observe activities that occur

at the research location. Meanwhile, the questionnaire method is used as a data collection technique to obtain customer perceptions about satisfaction and service quality. Respondents were asked to fill in several prepared questions. Questionnaires were distributed to a number of respondents in order to analyze employee performance by applying the servqual method to measure service levels and customer satisfaction in an effort to improve business performance. The measurement scale in this study uses a Likert scale. The Likert scale is used to measure employee performance and service quality on a scale of 1-5.

In order to test whether the data used meets the elements of respondent characteristics, validity and reliability, before carrying out an influence test, researchers will first test respondent characteristics, data validity and data reliability. These three tests are very necessary to be carried out before carrying out the influence test because the results of the three types of tests on data which include respondent characteristics, validity and reliability will of course strengthen the influence test carried out because if these three things are not fulfilled, then the results of the influence test will also tends to experience bias due to invalidity, incompleteness and unreliability that occur in the data, which will affect the credibility of the research conducted.

**Research Results And Discussion**

**Respondent Characteristics**

**Respondent's Gender**

The identities of respondents who have filled out the questionnaire are 50 identities to find out the gender of the respondent. An explanation of the gender of the respondents can be seen below:

**Table 1:** Respondents Based on Gender

Gender	Number of Respondents	Percentage (%)
Woman	32	64 %
Man	18	36 %
Total	50	100%

In Table 1 respondents by gender

- a. Gender Female with 32 respondents with a percentage value of 64%
- b. Gender Male with 18 respondents with a percentage value of 36%

**Respondent's Age**

The age of the respondents can be seen as follows

**Table 2:** Age Characteristics of Respondents

Respondent's Age	Number of Respondents	Percentage (%)
20 - 30 years	21	42 %
31 - 40 years old	22	44 %
> 40 years	7	14 %
Total	50	100%

In Table 2 Characteristics of respondents' ages based on gender

- a. The age of the respondents is 20 - 30 years with 21 respondents with a percentage value of 42%
- b. The age of the respondents is 31 - 40 years with 22 respondents with a percentage value of 44%
- c. Type of respondent age > 40 years with 7 respondents with a percentage value of 14%

**Reliability Test**

The results of Service Quality reliability testing with several indicators, namely Tangible (Physical Evidence), Reliability (Reliability), Responsiveness (Response), Assurance (Guarantee), Empathy (Empathy) were carried out using tools using the SPSS 29.0 for Windows program. The output results can be seen as in the following table

**Table 3: Service Quality Reliability Test**

	N of Items	Cronbach's Alpha	Information
Service Quality	8	0.874	.Reliable

In Table 3, it can be seen that the Service Quality variable which has a Cronbach Alpha >0.70 is reliable.

Customer Satisfaction reliability testing results using tools by the SPSS 29.0 for Windows program. The output results can be seen as in the following table

**Table 4: Customer Satisfaction Reliability Test**

	N of Items	Cronbach's Alpha	Information
Customer satisfaction	8	0.853	.Reliable

Table 4, it can be seen that the Customer Satisfaction variable has a Cronbach Alpha >0.70 which is reliable.

**Validity test**

The process of ensuring whether the data that will be used to measure research variables is valid or not is the process of Validity Testing. These tests need to be carried out on the results of the questionnaire before further processing.

The results of testing the validity of Service Quality with several indicators, namely Tangible (Physical Evidence), Reliability (Reliability), Responsiveness (Response), Assurance (Guarantee), Empathy (Empathy) were carried out using tools by the SPSS 29.0 for Windows program measured by Twenty (8) questions.

The output results can be seen as in the following table:

**Table 5: Service Quality Validity Test**

Dimensions	Variable	Question	R Count	R Table	Status
Tangibles	X1	The office space is comfortable and clean	0.799	0.279	Valid
	X2	Brochures and other service facilities are neatly arranged	0.769	0.279	Valid
Reliability	X3	Employees serve as promised by the company	0.687	0.279	Valid
	X4	The type of service provided is in accordance with what is offered	0.643	0.279	Valid
Responsiveness	X5	Friendly and agile employees	0.700	0.279	Valid
	X6	Employees are willing to help without customers asking	0.743	0.279	Valid
Assurance	X7	Employees master product and service-related information	0.771	0.279	Valid
Empathy	X8	Employees/companies pay special attention to each customer	0.720	0.279	Valid

Based on Table 5, overall the question items on the indicator variables Tangible (Physical Evidence), Reliability (Reliability), Responsiveness (Response), Assurance (Guarantee), Empathy (Empathy) can be declared valid because all question items have a calculated R value > R table 0.279.

The results of testing the validity of Customer Satisfaction were carried out using tools using the SPSS 29.0 for Windows program and were measured by five (8) questions. The output results can be seen as in the following table:

**Table 6: Test the Validity of Customer Satisfaction**

Dimensions	Variable	Question	R Count	R Table	Status
Customer satisfaction	Y1	I feel satisfied with the service provided because the service procedures are not complicated	0.784	0.279	Valid
	Y2	I am satisfied with the service provided because the requirements for obtaining service are easy and not burdensome for customers	0.749	0.279	Valid
	Y3	I feel satisfied with the services provided because the employees have adequate abilities in carrying out their duties	0.795	0.279	Valid
	Y4	I feel satisfied with the service provided because the employees are fair and prioritize what we want as customers	0.756	0.279	Valid
	Y5	Services have been determined and provided according to the service schedule	0.747	0.279	Valid
	Y6	In providing services, adequate service facilities are provided to create a comfortable environment	0.724	0.279	Valid
	Y7	I feel safe with the confidentiality of the important documents and archives provided	0.611	0.279	Valid
	Y8	I feel satisfied with the security of myself and the items I carry	0.469	0.279	Valid

Based on Table 6, overall the question items in the Customer Satisfaction indicator variable can be declared valid because all question items have a calculated R value > R table 0.279.

**Partial Influence Hypothesis Test Results (t)**

The t test is used to determine whether the independent variable partially influences the dependent variable. The partial test results of the influence of the Service Quality variable on Customer Satisfaction can be seen in the following table:

**Table 7:** Partial Influence Hypothesis Test Results (t)

Model	Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
	B	Std. Error	Beta		
(Constant)	0.779	0.188		4,134	< 0.001
Service Quality - Tangible	0.196	0.072	0.272	2,744	0.009
Service Quality - Reliability	0.188	0.086	0.210	2,173	0.035
Service Quality - Responsiveness	0.324	0.049	0.470	6,542	< 0.001
Service Quality - Assurance	-0.051	0.045	-0.082	-1.117	0.270
Service Quality - Empathy	0.166	0.043	0.260	3,843	< 0.001

Based on table 7, above, it can be seen that the calculated t value of each indicator variable is as follows

**Test the hypothesis H1 Tangible (Physical Evidence) on customer satisfaction**

In the table above, it can be seen that the significant value of X1 is smaller than the significance level, which means that Ha is accepted and H0 is rejected. If it can be seen from the calculated t value is 2.744 while the t table is 1.680 (df = 50-6=44), because the calculated t value > t table (2.744 > 1.680) and the significant level (0.009 < 0.05) then it can be concluded that the variable Tangible indicators (Physical Evidence) have a positive and significant effect on customer satisfaction.

**TestHypothesis H2 Reliability on customer satisfaction**

In the table above, it can be seen that the significant value of X2 is smaller than the significance level, which means that Ha is accepted and H0 is rejected. If it can be seen from the calculated t value is 2.173 while the t table is 1.680 (df = 50-6=44), because the calculated t value > t table (2.173 > 1.680) and the significant level (0.035 < 0.05) then it can be concluded that the variable Reliability indicators have a positive and significant effect on customer satisfaction.

**Test the hypothesis H3 Responsiveness (Response) on customer satisfaction**

In the table above, it can be seen that the significant value of X3 is smaller than the significance level, which means that Ha is accepted and H0 is rejected. If it can be seen from the calculated t value is 6.542 while the t table is 1.680 (df = 50-6=44), because the calculated t value > t table (6.542 > 1.680) and the significant level (0.001 < 0.05) then it can be concluded that the variable Responsiveness (Response) indicators have a positive and significant effect on customer satisfaction.

**Test the hypothesis H4 Assurance (Guarantee) on customer satisfaction**

In the table above, it can be seen that the significant value of X4 is greater than the significance level, which means that Ha is rejected and H0 is accepted. If you can see from the calculated t value it is -1.117 while the t table is 1.680 (df = 50-6=44), because the calculated t value < t table (-1.117 < 1.680) and the significance level is (0.270 > 0.05) then it can be concluded that the Assurance indicator variable has a negative and insignificant effect on customer satisfaction.

5) Test the hypothesis H5 Empathy on customer satisfaction

In the table above, it can be seen that the significant value of X5 is smaller than the significance level, which means that Ha is accepted and H0 is rejected. If it can be seen from the calculated t value is 3.843 while the t table is 1.680 (df = 50-6=44), because the calculated t value > t table (3.843 > 1.661) and the significant level (0.001 < 0.05) then it can be concluded that the variable Empathy indicators have a positive and significant effect on customer satisfaction.

**Conclusion**

The independent variable in this research consists of Service Quality which has five (5) indicators, namely, Tangible (Physical Evidence), Reliability (Reliability), Responsiveness (Response), Assurance (Guarantee), Empathy (Empathy). Based on the results of research that has been carried out, it is known that four (4) independent variables, namely Tangible (Physical Evidence), Reliability (Reliability), Responsiveness (Response), Empathy (Empathy) have a positive and significant effect on customer satisfaction, but Assurance (Guarantee) has a negative and negative effect. not as significant as customer satisfaction which is the dependent variable. From this research it was found that the Service Quality method for measuring employee performance can be said to be very important and influential in increasing customer satisfaction thereby creating a successful business.

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