

# THE EFFECTS OF WORK ETHICS, SKILLS AND MOTIVATION ON EMPLOYEE WORK PERFORMANCE AT KENDARI PRODUCTIVITY IMPROVEMENT CENTER

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**Abstract**— This research aims to determine and analyze: (1) effects of service quality dimensions including tangibles, reliability, responsiveness, assurance and empathy on customer satisfaction, (2) effects of tangibles on customer satisfaction, (3) effects of reliability on customer satisfaction, (4) effects of responsiveness on customer satisfaction, (5) effects of assurance on customer satisfaction, and (6) effects of empathy on customer satisfaction. Populations in this research are customers of Alam Jaya Mall Mandonga namely there are 60 people. Number of research sample is determined by using accidental sampling method. Analysis tool is multiple linear regression by using software SPSS. Based on results of the research, it can be concluded that (1) service quality dimensions including tangibles, reliability, responsiveness, assurance, and empathy simultaneously have positive and significant effects on customer satisfaction; (2) Tangibles has positive and significant effects on customer satisfaction. (3) Reliability has positive and significant effects on customer satisfaction; (4) Responsiveness has positive and significant effects on customer satisfaction; (5) Assurance has positive and significant effects on customer satisfaction; and (6) Empathy has positive and significant effects on customer satisfaction.

**Index Terms**— Tangibles, Reliability, Responsiveness, Assurance, Empathy and Customer Satisfaction.

## 1 INTRODUCTION

In this current free trade era, each company faces an increasingly tense competition. The increasingly tense competition and number of competitors require each company to always pay attention to customer needs and willingness as well as strike to meet customer expectation by giving more satisfying service than what given by its competitors.

Company engaging in service and goods sector will consider any policies on the level of service quality given compared to satisfaction received by customers which one is more important whether create customer satisfaction or service quality as perceived to maximal level by customers. Service quality and customer satisfaction are different concept by arguments that the perceived service quality is a form of attitude and overall long-term evaluation, meanwhile satisfaction show certain level of transaction. Thus, satisfaction takes in short term. Higher level of perceived service quality will lead to increasing customer satisfaction.

Service quality can be defined as an effort to meet customer needs and willingness as well as delivery appropriateness in balancing consumer expectation (Tjiptono, 2005). According to Kotler (2006), quality must be initiated by customer needs and ended by customer perception.

Good service quality gives encouragement for customers to build a close relationship with company so company has ability to understand carefully expectation and needs, ultimately customer satisfaction can create loyalty to the company. In long term, customer loyalty is seen as the goal for strategic market planning (Kotler, 1997 in Dharmesta, 1999); also, it can be used as a basic for sustainable competitive development (Dick and Basu, 1994 in Dharmesta, 1999), namely excellence which can be realized by marketing efforts.

Measurement of service quality dimensions is adopted by

Parasuraman in Tjiptono (2005) by stating that service quality is a focus of assessment to these five main dimensions, namely tangibles, reliability, responsiveness, assurance, and empathy.

Service quality dimensions can give influences on customer satisfaction. The customer satisfaction according to Kotler and Keller (2007:177) is a feeling of delighted or disappointment after comparing product performance (results) to expected performance. According to Kotler Theory in Suwardi journal (2011), it stated that the key to maintain customers is customer satisfaction. The customer satisfaction indicators can be seen from re-purchase, creating word-of-mouth, creating brand image and creating purchase decision in the same company.

Alam Jaya Mall Mandonga sells types of goods such as shoes, bags and sandals. By referring to pre-study taken in Alam Jaya Mall Mandonga, it is known that there is decreasing service quality by Alam Jaya Mall Mandonga. This can be seen by a number of complaints by consumers; some of which are about that employees are less friendly; employees are less responsive to customer requests; employees give less responsive service; and, orders of outlet goods sometimes are delayedly sent. This certainly gives direct effects on consumer satisfaction since they feel less satisfied to what given by Alam Jaya Mall Mandonga employees.

Based on aforementioned data and description, the researchers are interested in conducting a research with title "The Effects of Service Quality Dimensions on Customer Satisfaction (A Case Study on Alam Jaya Mall Mandonga). The research aims to determine and analyze: (1). Effects of service quality dimensions including tangibles, reliability, responsiveness, assurance, and empathy on customer satisfaction, (2). Effects of tangibles on customer satisfaction, (3). Effects of reliability on customer satisfaction, (4). Effects of responsiveness on customer satisfaction, (5). Effects of assurance on customer satisfaction, and (6). Effects of

empathy on customer satisfaction

## 2 LITERATURE STUDI

### 2.1 Concept of Service Quality

Service quality is a comparison of reality and expectation of consumers on service given by company. By other words, service quality is defined by starting of satisfaction by service users, meaning if a business entity provide good service quality to its used, then there will be service user satisfaction so service quality will be centered to the effort of meeting customer needs and willingness as well as delivery accuracy in order to balance customer expectation. Tjiptono (2005) stated that service quality must be started from customer needs and ended by customer perception. This means that good quality image is not only based on service provider perception, but based on customer perception. Customer is the one who consumes and enjoys the company service, so they are the one who should determine the service quality.

### 2.2 Dimensions of Service Quality

Parasuraman, et.al (in Fitzmmons, 1994; Zeithaml and bitner, 1996) cited by Tjiptono (2005) found out five main dimensions of service quality including:

1. Tangibles namely service attributes that can be seen in reality (tangibles) including physical facilities, equipments, employee performance and communication means.
2. Reliability, namely ability to provide the promised service in an instantly, accurate and satisfying manner.
3. Responsiveness, namely staff willingness to assist the customers and give them service responsively.
4. Assurance including knowledge, ability, courtesy and trustworthiness of the staff; free from danger, risk or doubt. Assurance is the knowledge, courtesy, and ability of company employees to foster customer trust in the company.
5. Empathy, including easiness to build relationship, good communication, personal attention and understand customer needs.

### 2.3. Strategies to Improve Service Quality

According to Tjiptono (2005), there are several factors to be considered in improving service quality: (1). Identifying main determinants of service quality, (2). Managing customer expectations, (3). Managing evidence of service quality, (4). Educating consumers about services, (5). Encouraging culture of quality, (6). Creating automating quality, (7). Following up on services and (8). Developing a service quality information system.

### 2.4. Concept of Customer Satisfaction

According to Kotler (2006), he defined satisfaction as a feeling of delighted after comparing expression on performance or result of a product and expectation. Satisfaction is a function of expression on performance which meets expectation so customers are satisfied, if performance exceeds the expectation, customers will be greatly satisfied or delighted. Meanwhile, customer definition according to Yamit (2005:75) traditionally is defined by ones who purchase and use the products. In a company engaging in the

field of service, customers are the ones who use the service product. In the health sector, customers are defined as patients. Kotler and Amstrong (2006) expressed that customer satisfaction depends on estimation of product performance to give values relatively to customer expectation. Customers are satisfied when performance is based on their expectation. Customers will be unsatisfied if product performance is lower than consumer expectation.

### 2.5. Indicators of Customer Satisfaction

According to Kotler theory in Suwardi journal (2011), it stated that the key to maintain customers is customer satisfaction. Indicators of customer satisfaction can be seen from: (1). Re-purchase: buy again, which customers will return to the company to look for goods / services, (2). Creating Word-of-Mouth : In this case, customers will say good things about the company to others, (3). Creating Brand Image: Customers will pay less attention to brands and advertisements of competitors' products and (4). Making Purchase decisions at the same company: Buying other products from the same company.

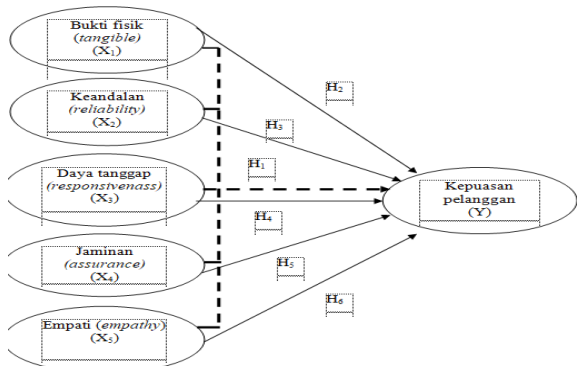
## 3 CONCEPTUAL FRAMEWORK AND HYPOTHESES

### 3.1. Conceptual Framework

Service quality has effects on customer satisfaction. Measurement of service quality and customer satisfaction is the company's benchmark in creating company excellence. Customer satisfaction with quality services for the company will have positive impacts on encouraging customer loyalty to the services offered. Parassuraman, Zeithaml and Berry (1998) in Lupiyoadi and Hamdani (2006: 182) in one of the studies on SERVQUAL (service quality) concluded that "there are five characteristics used by customers in evaluating service quality which will later become criteria as determinants of customer satisfaction, namely: tangible, reliability, responsiveness, assurance and empathy.

According to Kotler's theory in the Suwardi journal (2011), it stated the key to maintaining customers is customer satisfaction. Indicators of consumer satisfaction can be seen from: re-purchase, creating word-of-mouth, creating a brand image, and creating purchasing decisions in the same company. Based on the aforementioned theory, a conceptual model or theoretical framework that can be developed in this study is as follows:

Scheme 3.1. Conceptual Framework.



### 3.1. Conceptual Framework

Based on the theoretical basis and framework that has been put forward, the hypotheses can be proposed as a temporary conclusion as follows:

- H1 : Service quality dimensions including tangibles, reliability, responsiveness, assurance, and empathy give positive and significant effects on customer satisfaction.
- H2 : Tangibles has positive and significant effects on customer satisfaction.
- H3 : Reliability has positive and significant effects on customer satisfaction.
- H4 : Responsiveness has positive and significant effects on customer satisfaction.
- H5 : Assurance has positive and significant effects on customer satisfaction.
- H6 : Empathy has positive and significant effects on customer satisfaction.

### 4 METHOD

The research object is the dimension of service quality on customer satisfaction. The location of this research was conducted at Alam Jaya Mall Mandonga, Abdullah Silondae Street, Korumba, Mandonga Sub-District, Kendari City, Southeast Sulawesi Province.

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + e$$

Which :

- Y = Customer Satisfaction Variable
- X1 = Customer Satisfaction Dimension Variable
- X2 = Tangibles Variable
- X3 = Reliability Variable
- X4 = Responsiveness Variable
- X5 = Assurance Variable
- X6 = Empathy Variable
- $\beta_0$  = Constanta
- $\beta_1$  = X1 regression coefficient
- $\beta_2$  = X2 regression coefficient
- $\beta_3$  = X3 regression coefficient
- $\beta_4$  = X4 regression coefficient
- $\beta_5$  = X5 regression coefficient
- $\beta_6$  = X6 regression coefficient
- e = error factor (assumption = 0)

The population is unknown or is infinite so that the population size is not included. According to Sugiyono (2007), the sample was determined using the accidental sampling method, namely sampling by means of which anyone encountered was given the same opportunity to be used as a sample with the criteria of buying products at Alam Jaya Mall Mandonga twice.

Roscoe in Sugiyono (2010) stated that in research that will per-

form multivariate analysis (correlation and regression for example), the number of sample members is at least ten times (10) of

Table 5.2. Significance Test (F Test)

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	643,068	5	128,614	43,444	,000 <sup>b</sup>
	Residual	159,865	54	2,960		
	Total	802,933	59			

a. Dependent Variable: Y

b. Predictors: (Constant), X5, X4, X2, X1, X3

the number of variables to be studied. The number of samples taken in this study is 3 variables x 10 = 60. Through the theoretical approach mentioned above, the sample in this study is 60 (sixty) respondents

This research used multiple linear regression analysis method, with multiple linear regression formula as follows:

### 5 ANALISYS

#### 5.1 Simultaneous Significance Test (F Test)

Simultaneous effect test (F test) is conducted to determine whether independent variables simultaneously give effects on

Table 5.3. Partial Test For Direct Effects of Tangible, Reliability, Responsiveness, Assurance and Empathy

Model	Coefficients <sup>a</sup>				t	Sig.
	Unstandardized Coefficients		Standardized Coefficients	Beta		
	B	Std. Error				
(Constant)	1,085	,994			1,092	,280
X1	,752	,187		,575	4,558	,000
X2	,290	,185		,206	1,570	,002
X3	,193	,876		,130	1,220	,007
X4	,376	,140		,288	2,683	,011
X5	,339	,905		,226	1,374	,010

a. Dependent Variable: Y

dependent variable. Value of F test can be seen in table 5.16. as follow:

Based on table 5.2. above, it is known that the significance value (P-Value) is 0.000. Because the significance value (P-Value) is 0.000 < 0.05, it can be interpreted that there are effects of service quality dimension variables including tangible (X1), reliability (X2), responsiveness (X3), assurance (X4) and empathy (X5) on customer satisfaction (Y).

Based on the results of the partial analysis, it can be explained that all effects of the service quality dimension variables have positive and significant effects on satisfaction

#### 5.2. Parsial Test

Based on the results of data processing using SPSS in the partial test, the following results are obtained:

Based on the results of the partial analysis, it can be explained that all effects of the service quality dimension variables have positive and significant effects on satisfaction

## 6 RESULT

### 6.1 Effects of Service Quality Dimensions On Customer Satisfaction

The test results in this study prove that the service quality dimensions including tangibles, reliable, responsiveness, assurance and empathy have positive and significant effects on customer satisfaction. This means that better service quality dimensions will lead to increased level of customer satisfaction.

The service quality dimensions can give effects on customer satisfaction. Customer satisfaction according to Kotler and Keller (2007:177) is defined as one feeling of delighted or disappointment after comparing product performance (results) to the expected performance. According to Kotler's theory in the Suwardi journal (2011), the key in maintaining customers is customer satisfaction. Indicators of customer satisfaction can be seen from: repurchases, creating word-of-mouth, creating a brand image and creating purchasing decisions in the same company.

There is a relevant study namely one taken by Ichsan Dwi Armanto, (2018) showing relatedness of service quality and consumer satisfaction. In the study, it shows that service quality dimensions including tangibles, reliability, responsiveness, assurance and empathy have positive and significant effects on customer satisfaction. This is in line with a study taken by Budi Santoso, (2016) stating positive and significant relationship between tangibles, reliability, responsiveness, assurance as well as empathy and customer satisfaction.

### 6.2 Effects of Tangibles On Customer Satisfaction

The test results in this study prove that tangibles have positive and significant effects on customer satisfaction. Results of this study can be concluded that tangibles have positive and significant effects on customer satisfaction. This means better tangibles will increase customer satisfaction (a case study at Alam Jaya Mall Mandonga).

Tangibles, according to Lupiyoadi (2001:148) is defined as ability of a company to show its existence to external parties. Tangibles according to Aritonang (2005) is defined as real aspects that can be seen and touched including physical condition of facilities, equipment and appearance of employees as determinants of customer satisfaction levels. Meanwhile, in this study, the indicators used to measure consumer satisfaction on tangibles are as follows: physical facilities, equipment and appearance of personnel.

Description results of the variable indicate that the tangible variable has been well perceived by the respondents. This means that the respondents have assessed good tangibles at Alam Jaya Mall Mandonga Store if it is perceived by the physical facilities, equipment, and appearance of the personnel. Results of this study support results of a research conducted by Kadek Indri Novita Sari Putri and I Nyoman Nurcaya, (2013) which found that partially, there were significant effects of service quality (tangibles) on customer satisfaction.

### 6.3 Effects of Reliability On Customer Satisfaction

The test results in this study prove that reliability has positive and significant effects on customer satisfaction. Results of this study

can be concluded that reliability has positive and significant effects on customer satisfaction. This means that better reliability will increase customer satisfaction (a case study at Alam Jaya Mall Mandonga).

Description results of the variable indicate that the reliability variable has been well perceived by the respondents. This means that the respondents have assessed good reliability at Alam Jaya Mall Mandonga Store if it is perceived by room comfort, speed of service, and suitability of service. Results of this study support results of a research conducted by Kadek Indri Novita Sari Putri and I Nyoman Nurcaya, (2013) found that partially there was significant effect of service quality (reliability) on customer satisfaction.

### 6.4 Effects of Responsiveness On Customer Satisfaction

The test results in this study prove that responsiveness has positive and significant effects on customer satisfaction. Results of this study can be concluded that responsiveness has positive and significant effects on customer satisfaction. This means that better responsiveness will increase customer satisfaction (a case study at Alam Jaya Mall Mandonga).

Description results of the variable indicate that the responsiveness variable has been well perceived by the respondents. This means that the respondents have assessed good responsiveness at the Alam Jaya Mall Mandonga Store if it is perceived by service to customer complaints, alertness of employees in handling customers, and willingness to provide information. Results of this study support results of a research conducted by Kadek Indri Novita Sari Putri and I Nyoman Nurcaya, (2013) found that partially there was significant effect of service quality (guarantee) on customer satisfaction.

### 6.5 Effects of Empathy On Customer Satisfaction

The test results in this study prove that empathy has positive and significant effects on customer satisfaction. Results of this study can be concluded that empathy has positive and significant effects on customer satisfaction. This means that better empathy will increase customer satisfaction.

Empathy includes ease in making relationships, good communication, personal attention, and understanding customer needs. Empathy according to Kotler (1994: 561) is defined as a condition for caring, giving personal attention to customers. Empathy is giving sincere and individual or personal attention given to customers by trying to understand consumer desires.

Description results of the variable indicate that the empathy variable has been well perceived by the respondents. This means that respondents have good empathy at Alam Jaya Mall Mandonga if it is perceived by ability of employees to communicate with customers, sympathetic attitude of employees and understanding customer needs and desires. Results of this study support results of a research conducted by Kadek Indri Novita Sari Putri and I Nyoman Nurcaya, (2013) found that partially there was significant effect of service quality (empathy) on customer satisfaction.

## 7 CONCLUSION AND RECOMMENDATION

### 7.1. Conclusion

Based on the results of data analysis, hypotheses proving and discussion of research results, some conclusions can be drawn as follows:

1. The service quality dimensions include tangibles, reliability, responsiveness, assurance and empathy simultaneously have positive and significant effects on customer satisfaction.
2. Tangibles have positive and significant effects on customer satisfaction. This means that every change in the increased tangibles indicator can increase customer satisfaction.
3. Reliability has positive and significant effects on customer satisfaction. This means that every change in the increased reliability indicator can increase customer satisfaction.
4. Responsiveness has positive and significant effects on customer satisfaction. This means that every change in the increased responsiveness indicator can increase customer satisfaction.
5. Assurance has positive and significant effects on customer satisfaction. This means that every change in the increased assurance indicator can increase customer satisfaction.
6. Empathy has positive and significant effects on customer satisfaction. This means that every change in the increased empathy indicator can increase customer satisfaction.

### 6.2. Recommendations

Based on the results of data analysis, changes and conclusions of this study, the recommendations to be put forward are:

1. For leaders at Alam Jaya Mall Mandonga who have orientation to the customer satisfaction, they should pay more attention to the indicators of tangible, reliable, responsive, assurance and empathy variables.
2. Future researchers are expected to be able to utilize and develop the results of this study using different variables such as price, promotion and trust or the indicators used in each variable which it is necessary to be developed so that they can be re-examined in different organizations.

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