

Employee Performance Factors in Service Quality at Regent's/ City's Investment and One Stop Integrated Services (DPMPTSP) in Riau Province

(Study on Employees of Regent's/ City's Investment and One Stop Integrated Services (DPMPTSP) in Riau Province)

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Abstract—This research aimed at studying and analyzing the factors of employee performance and quality service at Regent's/ City's Investment and One Stop Integrated Services (DPMPTSP) in Riau Province. The sample was taken 25% of the population in 12 Board units in Investment Board and One Stop Service (DPMPTSP) in Riau province. Four chosen units were: 1. DPMPTSP in Siak regency, 2. DPMPTSP in Kampar regency, 3. DPMPTSP in Pekanbaru city, and 4. DPMPTSP in Riau province. The overall samples were 262 people consisted of 131 employees in the Board and 131 active loyal users of the service provided. The result of this research used regression analysis and data processing by using SEM PLS. The result showed that job satisfaction had positive significant effect to the service quality. The employee performance had positive significant effect to the service quality. Work commitment, organizational culture, motivation, and job satisfaction had no effect on employee performance and service quality.

Index Terms—Work Commitment, Organizational Culture, Motivation, Job Satisfaction, Performance, and Service Quality

1 INTRODUCTION

The non-optimal performance of the local government apparatus has become the attention lately. Numerous regions realized that the human resources apparatus ability needed to be improved [20]. The non-optimal performance of the apparatus caused people to feel less satisfied with the government performance to the public. The realization of quality public services (government agencies) is an effort which must be done continuously and will give an impact on performance. To determine the condition of employee performance and service quality, this research was aimed to examine the effect of work commitment, organizational culture, motivation and job satisfaction on service performance and service quality at the Investment and One Stop Integrated Services (DPMPTSP) in Riau Province. 9.28%.

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Many factors affect employee performance and service quality, including organizational commitment has a significant effect on employee performance [6]; [7], [43] and [30].

Employee commitment has a positive relationship with service quality [27]. Committed employees provide many benefits for the organization [61].

[54] stated that committed employees devote themselves to the organization and work more than what is expected from them.

[19] suggested that organizational culture has a significant influence on employee performance supported by [49], [36], [30], [22], suggesting that organizational culture has a significant positive effect on employee performance.

The low organizational culture correlates to the quality of services offered which finally lower the level of satisfaction [21]. The award management system helps the organization to obtain, maintain and motivate employees to create high potential and its impact on high performance ([5].

Motivation for public service affect positively on the quality of employee services related to public sector workers [35].

Job satisfaction has a correlation to employee performance through positive assessment of employees on their work, high work motivation, low employee absences, and low employee turnover rates [8].

[23], found that job satisfaction has a significant positive impact on customer satisfaction and service quality

2 REVIEW OF LITERATURE

2.1 Effect of Organizational Commitment to Employee Performance and Service Quality

- Effect of Organizational Commitment to Performance

[43] stated that employee commitment is important in organization because it is correlated with employee performance. Employees who have commitment will encourage themselves to work better. Many researchers suggest that organizational commitment correlates to the results of the employees' work [17]. Three dimensions from [41] consist of: 1. Affective Commitment, which is employee's emotional attachment, identification and involvement in the organization. 2. Ongoing commitment is a commitment based on the loss related to the resignation of employees from the organization. It is caused by the loss of seniority for promotion and benefits. 3. Normative Commitment, is a mandatory attitude to remain in the organization, which is the right thing to do. Employee commitment creates an effect on employee performance through employee job satisfaction [58], Employee performance is what is done and not done. Employee performance includes quality of work, quantity of work, output, attendance at work, being accommodating and being punctual in the output. [62] stated that individual performance can be verified, which confirms that organization can directly use bonuses and rewards based on individual performance if the performance is recorded. [62], [7] explained that employee performance expressed recognition and appreciation for employee performance which leads to differences between employee productivity and employee morale. Employee productivity is strongly affected by the effectiveness of the performance of organization and award management system [63]. Employee performance is something which can be measured based on standards or criteria set by the company. Employee performance is the success of employees during a period compared to the work standards or targets set in the agreement [50]. Employee performance is the success of the implementation of tasks and the ability to achieve certain goals [24].

H1 : Organizational Commitment give positive significant effect to the employee performance.

- Effect of Organizational Commitment to Service Quality
Service quality is a key to achieve competitive advantage in the competitive market [26], but this factor has not become the concern of the organization. Service quality is defined as the overall attitude in the service by the organization [2]. The service is not only evaluated for the results but also for the service process which is experienced by the customer. Service quality is the result of a comparison between expectations and the reality of service received by customers [14], [32], [26]. The standard measurement of service quality is the satisfied customers [26]. The measurement to the quality of service standards is done by evaluating five dimensions of service quality, which are: 1. Tangibles- Appearance of physical facilities, equipment, personnel, and communication materials, 2. Reliability- Ability to perform the promised service reliably and accurately, 3. Availability- Responsive to help customers and provide fast service. 4. Guarantee - Knowledge and

courtesy of employees and their ability to provide trust. 5. Empathy - Individual attention given by the company to customers.

According to [66], employee commitment plays an important role in the organization to provide services. Commitment and willingness to provide quality services to customers is a prerequisite in achieving quality service. Organizational Commitment is the source of individual attitudes in an organization. [67] suggested that organizational commitment reflects the likes and dislikes of the events and activities of other people around. [68] suggested that commitment theory is supported by various contexts, jobs, work teams, programs and organizations. [70] argued that employee commitment is the strength of identification and involvement of individuals in a particular organization and the willingness of employees to give more effort to work collaboratively as well as become members of the organization in achieving organizational goals and providing high quality services. [3] [33], suggested that highly committed employees are more effective to meet the service standards and job requirements. Service quality focuses on two aspects, which are expectations and services prepared by the employees. [31] said that employee commitment has a significant positive effect on customer service. [29] argued that management commitment has an influence on service quality.

H2: Work commitment give positive significant effect to the service quality.

2.2.Effect of Organizational Culture to the Performance and Service Quality

- Effect of Organizational Culture to Employee Performance.
Organizational culture presents the extent to which a person feels about the overall situation of the workplace as an important part of life, and becomes a core identity because of the opportunity to meet significant needs. Organizational culture is that the employee who has a high work involvement will increasingly unite with the work and assume that the work is something important for life [39].

Organizational culture is a member of an organization that holds shared values as a differentiate from other organizations [51]. Organizational culture is the norm, beliefs, values and behavior which are highly respected by the organization [42]. Organizational culture functions as a control mechanism that guides and shapes attitudes and employee behavior as well as influences the organization's business.

Majority of the writers [38], [25]: [71] believed that a strong culture in the organization greatly helps to improve employee performance which leads to the achievement of objectives and improvement of overall organizational performance.

Empirical evidence showed that organizational culture has a huge effect on individual employee performance. This

opinion is supported by [49], [51] and the results of other studies which suggested that corporate culture has a strong influence on the effectiveness of a company.

[55] studied 79 managers from various manufacturing companies and found empirical evidence that there is a positive influence of organizational culture which is oriented to the effectiveness of participatory budgets in increasing managerial effectiveness, and there is a close relationship between organizational culture and employee performance [37]. Certain types of organizational culture can improve employee performance [19] which is supported by the research result [36]. Organizational culture has a significant influence on organizational effectiveness, which determines the company's success in the future and is created to improve the effectiveness of the company.

H3: Organizational culture give positive significant effect to the employee performance.

- Effect of Organizational Culture to Service Quality
Organizational culture has a significant positive effect to the service quality, and this is supported by several studies including [22], [55]. Organizational culture (habits, values, beliefs, behavior) [72] and [73] which opposes change will give negative effect to the quality, lack of competition, and the death of the organization which has an effect on the decline in services offered [18]. Organizational culture must be conducive and progressive, which is supported by good leadership, employee commitment and involvement, open communication, continuous improvement and customer focus which must be developed. A strong organizational culture will increase customer satisfaction [25] will certainly improve service quality. Weak organizational culture will create weak service quality offered.

H4: Organizational culture give positive significant effect to the service quality

2.3.Effect of Motivation to the Employee Performance and Service Quality

- Effect of Motivation to Employee Performance
Employee motivation is a reflection of the energy, commitment and creativity to face the job. Dynamic organization always develop and motivate the employees through an award system that has the role of improving organizational performance to achieve organizational goals. Management system rewards are extrinsic and intrinsic, while financial rewards are in the form of salaries and bonuses and others, as well as non-financial rewards which are in the form of security, promotion, involvement in making flexible working hours, workplace comfort and others [62]. Motivation forces employee performance to increase. Employee performance is actually influenced by motivation. If the employee is motivated, the employee will try to carry out more work and have an impact on improving performance [44].

According to Maslow, Alfender, McClelland, Hackman, dan Heztzberg; increasing employee potential becomes the motivation and is related to the goal of public and private organizations [15]. Morale and productivity of the employee are greatly affected by the performance of the organization and management system of reward. The motivation of public service give positive effect to employee performance [47]; [52], [59],[56].

H5: Motivation give positive significant effect to the employee performance

- Effect of Motivation to Service Quality.
[13] stated that the driving force makes individuals give significant public services. [48] defined public service motivation as a general altruistic motivation to serve the interests of the community, the nation or humanity. It also gives an understanding of public service motivation as an orientation of individual services that is useful for the community. Orientation helps others and achievement feeling as intrinsic or service orientation. [74] found that government employees are voluntarily involved so that employees tend to do and serve better for the public. Motivation has a significant positive effect on quality [54]. Motivation can affect the service quality given because employees who are empowered and motivated in the organization will give a positive or negative image to the customer ([75].

H6; Motivation has positive significant effect to the service quality.

2.4.Effect of Job Satisfaction to Employee Performance and Service Quality

- Effect of Job Satisfaction to Performance
Employee's job satisfaction shows employee responses to their work which can be in form of: salary, supervision and others [57]. The most dominant factor which influence job satisfaction is salary [60]. Job satisfaction is reflected in the excitement of employees at work [28]. Employees who show their commitment to the training and learning activity have a positively increasing level of job satisfaction and has an impact on employee performance [58]. Organizational commitment and job satisfaction have an effect on employee performance [10], [11], [12]. Job satisfaction shows a positive relationship to employee performance [9] and job satisfaction carries a relationship and effect on employee performance[9]; [16]; [40] , and bring negative correlation in the circle of the employees [16],[40].

H7: Job satisfaction give positive significant effect to the performance

- Effect of job satisfaction to service quality.
If the employees are satisfied, they will do a lot of work so that the customer will be satisfied [1], of course, also bring a positive effect to improve the service quality provided by the employees. Some studies showed that there is a correlation between job satisfaction and customer satisfaction affected by service quality [23].

H8: Job satisfaction give effect to the service quality.

2.5 Effect of employee performance to service quality.

[46] stated that there is an effect of employee performance to service quality based on customer perceptions of service quality.

[29] argued that the attitude and behavior responses, also the relationship between employees and customers can affect the perception of service quality.

H9: Employee performance give positive significant effect to service quality.

3 RESEARCH MODEL

The research model is illustrated as follows:

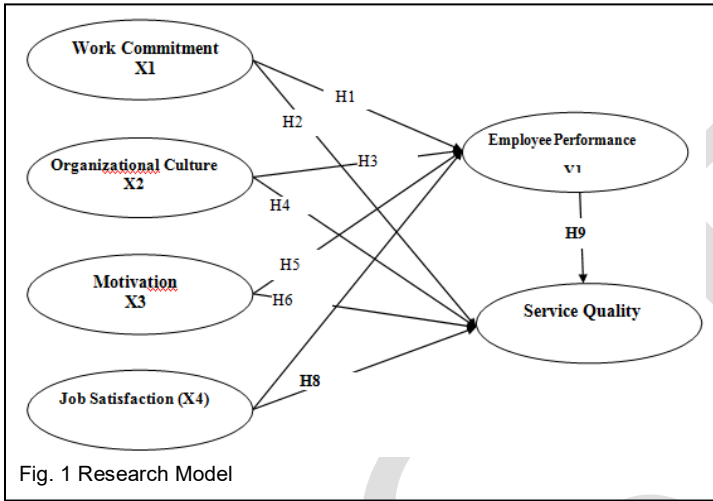


Fig. 1 Research Model

4 RESEARCH METHODOLOGY

Population of this research was all the employees in Investment and One Stop Integrated Services (DPMPTSP) in the level of Regency/ City in Riau Province. The sample was a;; the employees who worked in two regencies, one city, and one provincial level as follows:

1. Investment and One Stop Integrated Services (DPMPTSP) of Siak Regency, 2. Investment and One Stop Integrated Services (DPMPTSP) of Kampar Regency, 3. Investment and One Stop Integrated Services (DPMPTSP) of Pekanbaru City, 4. Investment and One Stop Integrated Services (DPMPTSP) of Riau Province.
2. The total samples were 262 people consisted of 131 employees in the Board and 131 active loyal users of the service provided in Investment and One Stop Integrated Services (DPMPTSP) in the level of Regency/ City in Riau Province by using SmartPLS.PLS.

4.1 Research Result

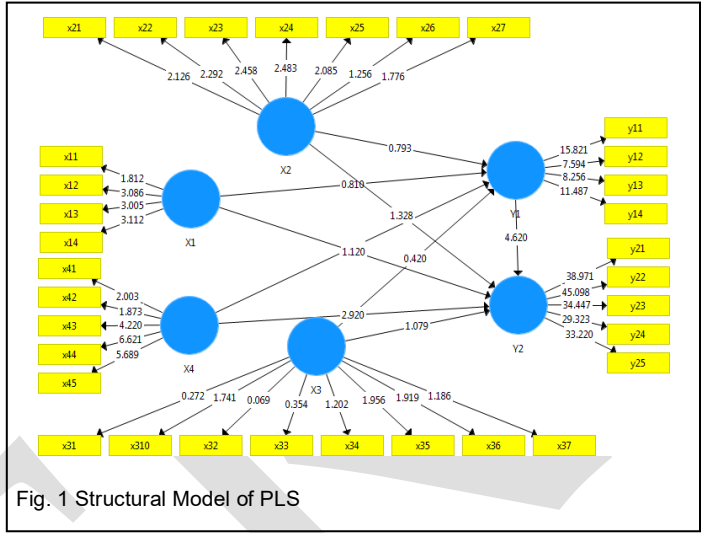


Fig. 1 Structural Model of PLS

The effect of the significance of work commitment, organizational culture, motivation and job satisfaction as independent variables, on service quality as the dependent variable as well as the significant effect of employee performance as an independent variable, on service quality as the dependent variable, can be seen in the table below:

TABLE 1.
PATH COEFFICIENTS (MEAN, STDEV, T- VALUE)

Hypothesis	Variabel	Original Sampel (O)	T Statistic (O/STDEV)	T-Tabel	Explanation
H1	Work Commitment (X1) → (Y1)	0.103	0.810	1,64	Rejected
H2	Work Commitment (X1) → Service Quality (Y2)	-0.129	1.120	1,64	Rejected
H3	Organizational Culture (X2) → Employee Performance (Y1)	0.195	0.793	1,64	Rejected
H4	Organizational Culture (X2) → Service Quality (Y2)	-0.149	1.328	1,64	Rejected
H5	Motivation (X3) → Employee Performance (Y1)	0.082	0.420	1,64	Rejected
H6	Motivation (X3) → Service Quality (Y2)	0.157	1.079	1,64	Rejected
H7	Job Satisfaction Employee Performance (Y1)	-0.002	0.016	1,64	Rejected
H8	Job Satisfaction	0.296	2.920	1,64	Accepted
H9	Employee Performance (Y1) → Service Quality (Y2)	0.336	4.620	1,64	Accepted

Source : Output Smart PLS 3.2.7. 201

Based on Table 1, the value of path coefficient from original

value in each variable was 0,103,-0,129, 0,195,-0,149, 0,082, 0,157, -0,002, 0,296, 0,336 with statistical value of 0,810,1,120,0,793, 1,328, 0,420, 1,079, 0,016, 2,920, 4,620. While T- table with $\alpha < 5\%$ was 1,64. It means that T-count $>$ T table, which indicated that hypothesis of H8 and H9 were accepted. Job satisfaction had effect on service quality, and employee performance had effect in service quality in Investment and One Stop Integrated Service (DPMPSTP) in the level of regency/ city in Riau province.

5 CONCLUSION

The analysis of the results of the study can be described as follows:

- 1). Organizational commitment, organizational culture, motivation and job satisfaction did not affect employee performance and service quality,
- 2). Job satisfaction had a significant positive effect on employee performance, which means that the higher job satisfaction, the higher employee performance, and
- 3). Employee performance has a significant positive effect on service quality; the higher the employee performance, the quality of service will increase.

[1.]