# THE IMPACT OF EMPLOYEE SATISFACTION ON CUSTOMER SERVICE QUALITY IN ISLAMIC BANK

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## Info Artikel

## Abstrak

The aim of this study is to examine the impact of employee satisfaction on customer service quality. The subject of this research is Islamic banks in Indonesia with two variables are employee satisfaction and customer service quality. The results of this study is shown that there is a relationship between employee satisfaction and customer service quality. The degree of influence of employee satisfaction to customer service quality is 13.1% which mean there are many variables can be determined for the next research..

## INTRODUCTION

Banks have an important role in the community economy. As an institution that is trusted in conducting fund collection and distribution activities and other financial activities. Bank performance have to meet the expectation and even improve gradually of each period. In achieving company performance, there are several factors that need to be considered as important indicators. Consumer satisfaction is one important indicator that must be considered by financial industry stakeholders. Service quality has become a necessity for financial industry stakeholders to be able to provide the best service to consumers. Consumers who are satisfied will use the services of the bank even to the stage of recommendation to its network.

Excellent services from the front liner that in fact interact directly with consumers are important assets for the financial industry that are expected to get customer satisfaction and lead to company performance. The good performance of the front liner can be supported by the service of institutions for their rights and responsibilities which are properly. This study describes the effect of employee service quality on customer satisfaction.

The main objective of marketing on service quality is easy to perceive: poor quality will put a company at a competitive disadvantage and potentially drive out dissatisfied customers. Especially for the banking industry, customers who unsatisfied, even though banks can provide an appropriate level of service and prices. Lovelock (2011).

Satisfaction in Kotler (2000) is the personal feeling that satisfy or unsatisfy after comparing between expectation and actual received product. Ssatisfaction defined as a response of consumers regarding the fulfillment of needs. Satisfaction is an assessment of the characteristics or features of a product or service, or the product itself, which provides a level of consumer pleasure related to the fulfillment of consumer consumption needs. Zeitham (2000).

The quality of bank services in Parasuraman (2001) that support the level of customer satisfaction can be described in five dimensions of bank service quality namely:

1. Tangible is the ability of a company to maintain an external trust assessment through the condition or performance of the company. The appearance of a company and the provision of facilities and infrastructure to give a good impression to the customer is made as tangible evidence of excellent service

efforts of course through its physical evidance.

2. Empathy is the company's effort in giving pure attention to its customer by understanding deeply of their needs.

3. Reliability is the company's efforts to remain consistent in providing services in accordance with mutually agreed. Reliability is defined as the company's commitment to maintaining trust, accurate in determining something.

4. Responsiveness is a company effort in providing fast and appropriate services to customer, and is accompanied by certainty of clarity of information.

5. Assurance is a capability of the company and the ethics of workers in the company so that it can instill the trust of customer.

These aspects are very influential on the level of customer satisfaction. In more detail, the following indicators represent the five dimensions of bank service quality.

**Table 1. Indicator of Customer Service Quality**

| Dimension | Indicator |
|---|---|
| Tangible | a. Modern and adequate facilities <br> b. Building cleanliness <br> c. Building comfort <br> d. Physical facilities that support business activities <br> e. Neatness and politeness of employees |
| Emphaty | a. The high level capacity of employees in serving customers <br> b. Employee attention to customers <br> c. Priority of customer interests <br> d. Understand customer needs |
| Reliability | a. Service accuracy <br> b. Timing accuracy <br> c. Degree of service level and reliability |
| Responsiveness | a. Velocity and accuracy in transactions <br> b. Velocity and accuracy in handling complaints |
| Assurance | a. Knowledge of frontliner <br> b. Skill of frontliner <br> c. Communication skill of frontliner |

Source: Yarimoglu, 2014

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Dugguh (2014), explains twelve factors that can be used to assess job satisfaction, namely: points (1) to points (5) explain the strong determinants of job satisfaction. While points (6) to (12) are inhibiting factors of job satisfaction, as are the characters in two factors theory. Herzberg (1974).

1. Achievement

    The ability of a worker to achieve goals in carrying out jobs that are challenging. The success of employees in completing work, solving problems that are challenging, maintain success, and live the work is a source of their satisfaction at work

2. Recognition

    Recognition obtained by workers can be in the form of awards, praise, and attention from employers, professional colleagues, clients, and the general public in the scope of work they do.

3. Work it self

    It's have benefit to workers to believe that the work they are doing is important and meaningful. Furthermore there are setting goals, refreshing memories, and emphasizing that the efforts made by workers contribute to positive results.

4. Responsibility

    Responsibility includes the responsibility and authority of the worker to do certain work or to do individual work from an authorized supervisor.

5. Opportunity

    Included in the opportunity is a promotion or an opportunity to get a promotion. A worker will get job satisfaction if he gets the right to work to occupy a better position or a higher position.

6. Pay (salary)

    Salary have the contribution in determining job satisfaction, because salary can be used as an instrument to meet needs, symbols of achievement, and recognition to workers for contributions that have been made to the organization. If employees feel that the compensation given is not enough, they will not be happy and slow down the performance rate. If the salary given is not appropriate and not proportional to the performance performed, it will be able to hamper job satisfaction.

7. Supervision

    The role of supervision is quite difficult and requires the accuracy of the mandate of someone, because it requires good skills and leadership, as well as the ability to treat all workers fairly. Unfair supervision, will hamper employee job satisfaction.

8. Working condition

    Included in working conditions are physical working conditions include lighting, sound, color, music, temperature, and humidity; psychological conditions of work include boredom and work fatigue; and temporary conditions of work

include the number of hours worked and rest periods.

9. Company policies

Company policies are all matters relating to the company, especially policy and administrative matters applicable. In case regulations regarding discipline, welfare, threats, assertiveness in implementation, compatibility of policies with capabilities.

10. Interpersonal relationship

Workers need good communication and working relationships with peers or leader. Good communication needs including hospitality, intimacy, openness, and cooperation from peers or leader will be a source of satisfaction.

11. Status

Status is a person's social level in a group that is determined by the characteristics of that person. So when there is a different status in an organization, it will hamper communication. A leader or each employee must understand and be able to use verbal and nonverbal communication well so that differences in status will not lead to become the inhibitor of job satisfaction.

12. Security

Security is interpreted by the existence of objective indications that support workers' sense of security in carrying out their work. For example the sustainability of the company, age pension, etcetera.

Research conducted by Jayanthi found that employee job satisfaction has a positive effect on customer satisfaction. Employee job satisfaction is reflected through the conditions of work, promotion, the condition of peers, and the amount of salary received by employees can directly affect customer satisfaction related to the effectiveness of the company's image. Jayanti (2014).

Research conducted by Sudjarwo (2015), and Dewi (2014) also found that service quality to customers has a positive relationship with customer satisfaction. Intense competition between companies makes customer satisfaction a benchmark for the company to survive in the competition. Therefore, the hypothesis for this research can be formulated as follows. The hypothesis is determined as Employee Satisfaction affects the Quality of Customer Service.

**RESEARCH METHODOLOGY**

The technique of data collection in this study is carried out through a questionnaire. Discussion of research results will describe the calculations using statistical regression analysis techniques that take into account the correlation of the variables studied, both partially and simultaneously. The multiple regression equation for n predictors is:

$$Y = a + b_1X_1 + b_2X_2 + \ldots + b_nX_n$$

The regression equation model of this reseacrh will be examined are:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5$$

Note:

Y  = Customer Satisfaction

X1= Tangibles

X2= Reliability

X3= Responsiviness

X4= Assurance

X5= Emphaty

a  = Price Y bila X=0 (constanta)

b1-5= regression coefisien which inform the increase or decrease of the dependent variable based on the indpendent variable. If b positive (+), there is increaseing, and b negative (-) there is decreasing.

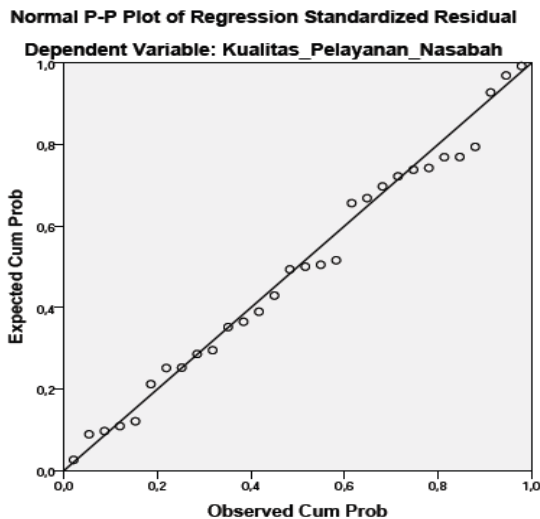**RESULT AND DISCUSSION**

**1. Clasic Assupmtion Test**

   a.  Normality Test

   The base point for making normality test decisions is using the probability plot. Regression models are defined to be normally distributed if the data plotting (dots) that describe the data actually follows a diagonal line.

**Image 1. Data Plotting (dots)**



The image 1 describe the data plotting (dots) that represent the data actually follows a diagonal line. Then the conclusion of the normality test is the normally distributed regression model and normality requirements met.

   b.  Linearity Test

   The aim of linearity test is to define whether two variables have the linearity correlation or nonlinearity. There is a linear correlation between independent and dependent variable if the value of Deviation from Linearity Sig. > 0,05.

   The result of linearity test shows that the value of Deviation from Linearity is 0,076 > 0,05. So, there is a linear correlation between independent and dependent variable. The linearity requirements is met.

**Table 2. Deviation from Linearity**

ANOVA Table

|  |  |  | Sig. |
|---|---|---|---|
| Kualitas_Pelayanan_Nasabah * Kepuasan_Karyawan | Between Groups | (Combined) | ,627 |
|  |  | Linearity | ,113 |
|  |  | Deviation from Linearity | ,706 |
|  | Within Groups |  |  |
|  | Total |  |  |

Heteroscedasticity does not occur, if there is no clear pattern (wavy, widened and then narrowed) in scatterplots, and the points spread above and below the number 0 (null) on the Y ordinate.

It is shown that there is no clear pattern (wavy, widened and then

narrowed) in scatterplots, and the points spread above and below the number 0 (null) on the Y ordinate. Then the conclusion that can be drawn is that there are no symptoms of heteroscedasticity

**Image 2. Scatterplot**



Scatterplot
Dependent Variable: Kualitas_Pelayanan_Nasabah
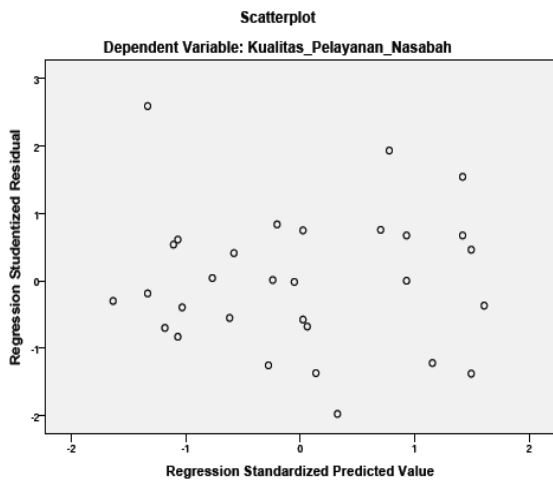
and Heteroscedasticity)

## 2. Simple Regression Analysis (F-test and t-test)

The pattern of simple linear regression equation is Y = a + bX. Meanwhile, to find out the coefficient value of the regression seen from the SPSS output.

**Table 3. The Result of Simple Regression Analysis**

Coefficients<sup>a</sup>

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 298,206 | 38,374 | | 7,771 | ,000 |
| | Kepuasan_Karyawan | -,331 | ,161 | -,362 | -2,056 | ,049 |

a. Dependent Variable: Kualitas_Pelayanan_Nasabah

The output: a = constant number of unstandardized coefficients. In this case the value is 298,206. This means that if there is no Employee Satisfaction (X) then the consistent value of Customer Service Quality (Y) is 298,206.b = regression coefficient number. The value is -0,331. This means that every 1% addition of Employee Satisfaction (X), the Customer Service Quality (Y) will increase by -0.3331. Because the regression coefficient is marked minus (-), then it can be interpreted that Employee Satisfaction (X) has a negative effect on Customer Service Quality (Y) so that the regression equation is as follows. Y = 298,206 - 0,331X

## 3. Discussion
a. Significance Test

The development of hypothesis are :

Ho = Employee Satisfaction does not affect on the Customer Service Quality

Ha = Employee Satisfaction affect on the Customer Service Quality

The baseline for decision making in regression analysis is to measure at the significance value in the SPSS output, which is as follows:

1) If the significance value (Sig.) is smaller than the

probability of 0.05, then there is the effect of Employee Satisfaction on Customer Service Quality.

2) If the significance value (Sig.) is greater than probability 0.05, then there is no effect of Employee Satisfaction on Customer Service Quality.

**Table 4. The Result of Significance Test**

Coefficients<sup>a</sup>

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 298,206 | 38,374 | | 7,771 | ,000 |
| | Kepuasan_Karyawan | -,331 | ,161 | -,362 | -2,056 | ,049 |

a. Dependent Variable: Kualitas_Pelayanan_Nasabah

Based on SPSS output it can be informed that the significance value is 0.049 <0.05, so it can be concluded that there is an influence between Employee Satisfaction on Customer Service Quality. Therefore Ho is refused, and Ha is accepted.

b. t - test

The basis of decision making are:

1) If the value of t-result <t-table there is no effect of Employee Satisfaction on the Quality of Customer Service.

2) If t-result> t-table, there is an influence of Employee Satisfaction on Customer Service Quality.

**Table 5. The Result of t-Test**

Coefficients<sup>a</sup>

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 298,206 | 38,374 | | 7,771 | ,000 |
| | Kepuasan_Karyawan | -,331 | ,161 | -,362 | -2,056 | ,049 |

a. Dependent Variable: Kualitas_Pelayanan_Nasabah

Based on the table 5 above output it can be informed that the t-result is -2,056. The later is the search for numbers for t-table, which are as follows.

Value of a / 2 = 0.05 / 2 = 0.025

The value of df = n-2 = 30-2 = 28

Because the t-result is -2.056> t-table of 2.04841, it can

**Model Summary<sup>b</sup>**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | ,362<sup>a</sup> | ,131 | ,100 | 23,04415 |

a. Predictors: (Constant), Kepuasan_Karyawan

b. Dependent Variable: Kualitas_Pelayanan_Nasabah

effect of variable X on variable Y, the guideline used is to define at the R aquare value contained in the SPSS output.

**Table 6. The Result of Degree of Influence**

Based on the table above output it can be informed that the value of R square in this study is 0.131. This means that the effect of Employee Satisfaction on Customer Service Quality is 13.1% while 88.9% is influenced by other

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variables not included in this
study.

## CONCLUSSION

The results of this study indicate
that there is a correlation between
employee satisfaction and customer
service quality in Islamic bank in
Indonesia. Defining the service quality is
difficult and contributes to the lack of
consistency in research on service
quality, it is related to the qualitative
assumptions. The degree of influence is
shown that the effect of employee
satisfaction only 13.1% which mean
there are several variables can be defined
for future research.

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