Management Perceptions of Organizational Service Quality Practices

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Abstract

The research purposed to investigate the management perception of organizational service quality practices. The study conducted in Institution of One-Stop Service of Southeast Sulawesi. Using SERVQUAL Instruments including tangibility; reliability; responsiveness; assurance; and empathy, customers were interviewed and filling a questionnaire. The sample size of 150 was selected purposively, but only 116 samples were analyzed. Data was analyzed with using confirmatory factor analysis and then the results were compared with using performance importance analysis (PIA). This research found that dimensions of responsiveness; reliability; and empathy was the main factor of organizational service quality. Otherwise, tangibility and assurance were not an important dimension for organizational service quality. This research limited on the perception of the customer of public services. This finding indicated that there were differences organizational service quality practices from the other sector and country. The study suggested that organizational service quality practices should have reliability; responsiveness; and empathy on the customer.

Keywords: SERVQUAL, management perception, public services

1. Introduction

Public sectors were crucial to the country for the competitive edge in bridging the needs of private sector and general community. Service Quality is an important subject in both public and private sectors, in business and service industries (Zahari et al., 2008). Public sectors established to serve people and thus service quality were an indicator for people satisfaction. In Indonesia, the execution of public service within administrative operation was organized by various laws and regulations, but it was often remaining a complicated administrative procedure or bad attitude of staff received by people and thus it was seldom for public staff getting a complaint of the customer as a form of dissatisfaction. Corruption, collusion, and nepotism are the most problem faced by public services in Indonesia (Thahier, 2013).

According to Zeithaml et al.(1990), There is four-factor that influencing to the customers' expectations. They are word-of-mouth communications; personal needs; past experience; and external communications. While, Parasuraman et al. (1988) identified five dimensions service quality such as tangibility, reliability, responsiveness, assurance and empathy. Lay and Mac (2005) in their study argued that tangibles, assurance, empathy and responsiveness service features have to pay more attention for services in public transportation.

Agyapong (2011) was using the SERVQUAL instrument to measure in the utility of industry in Gana. The results showed that all the service quality items were good predictors of customer satisfaction. Consistent with Munhurrun (2010) revealed that the factors of service quality in Mauritian public service were correlated with customer satisfaction. Then, he suggested generalizing in other service sectors. Then, this study will investigate the using of SERVGUAL model to measure public services in Institution of One-Stop Services.

2. Literature Review

2.1 Service Quality in the Public Service

Zeithaml and Bitner (1996) stated that the comparison of customers' expectation and suppliers' perception are considered as a perceived service quality. Dissatisfaction occurs when customer expectations are greater than

performance (Parasuraman et al., 1985). Service quality is classified into two levels. It is in technical quality level referring to delivery service quality level; and functional quality level, referring to service delivery means Gronroos (1984). Crosby (1979) stressed that quality was the result after doing the job well at the first time, and repeating operation, doing well each time.

According to Gowan et al. (2001), in public sector is more complex to judge the service provision, but unexpressed needs, setting priorities, allocating resources and publicly justifying and accounting for what has been done are the judge for service provision. Currently, public employees are faced with new public management (Caron and Giauque, 2006). Anderson (1995) found that assurance is the highest dissatisfaction, and tangibles and empathy showed the lowest level of dissatisfaction. Wisniewski (2001) in his study within library found that customer satisfactions were not met. Contrary, the customer expectations is determined by responsiveness and assurance. Donnelly et al. (2006) conducted a research in Strathclyde Police in Scotland to explore SERVQUAL Model. He reported that a service quality expectation is perceived a good understanding by their customers.

2.2 The SERVQUAL Theory

The SERVQUAL theory noted that five elements of public services quality (reliability, responsiveness, assurance, empathy, and tangibles) (Zeithaml et al., 1990). It is implying that the all elements are the main factors on delivering of service quality. The customer expectations are a service that should perceive from the offering of employees (Parasuraman et al., 1988). Four elements of customers' expectations: word-of-mouth communications; personal needs; past experience; and external communications (Zeithaml et al., 1990). Parasuraman et al. (1988) explained SERVQUAL model can be used to assess the gaps in service quality.

Aliah and Tarmize (1998) conducted the study in Malaysia and found reliability, responsiveness, and empathy as the services they accepted. Sharifah Latifah et al. (2000) investigated the customer satisfaction using SERVQUAL in six ministries. The study indicated that responsiveness is the first dimension for improvement of need services. Sharifah Latifah (2001) also conducted a study in six ministries to measure the internal and external customer satisfaction using factor analysis. She found that the elements of service quality such as reliability, responsiveness, and assurance are the main dimensions of service quality. The study also suggested that the satisfaction to delivering quality service to the customers is not necessarily able to translate on their satisfaction.

3. Method

This study is based on a qualitative approach conducted by field study. The unit analysis of this research is the customer expectations in getting services from the officer of One-Stop Services Institution of Southeast Sulawesi. For the data collection purposes, survey method with non-probability sampling was used to the customers who were leaving the public services. The sample size is 150 selected purposively, but only 116 are acceptable for analysis in this study. Public management services is a construct having the five dimensions including tangibility; reliability; responsiveness; assurance; and empathy based on theory and previous study. Data is collected using questionnaire; the customers fill itself with assistance available if required. Likert scale is used to measure the perception of respondent by a five-point scale ranging from 1 to 5 (strongly disagree to strongly agree). Validity and reliability tests are used to test the strength of questionnaire. Statistic descriptive analysis is conducted to confirm the value mean of each dimension supported by SPSS 21. Data is analyzed with confirmatory factor analysis to test the model supported by AMOS 21. The results of analysis are analyzed with performance importance analysis (PIA).

4. Results

To test the validity of item used product moment (pearson) which was in the minimum value of $r \geq 0,3$, and the result shows that all data is valid. Reliability test also shows Cronbach's α values ranging from 0.621 to 0.783 the minimum requirement level of reliability. Therefore, the value of the Cronbach's α range from 0.5 to 0.6 would reliable (Nunnally, 1994). Statistic descriptive was used to describe the variable in generally. Respondents allocate the items of five service quality dimensions, assurance (4.01), emerged as the most important service quality dimension followed by empathy (3.94), tangible (3.88), responsiveness (3.84), and reliability (3.70) as shown in table 1.

Confirmatory factor analysis confirms the constructed variable which lambda value should be in range ≥ 0.40 (Ferdinand, 2005). Public services had been confirmed by all research dimensions. They were tangibility which had λ of 0.56, reliability which had λ of 0.59, responsiveness which had λ of 0.58, assurance which had λ of 0.65, and empathy which had λ of 0.68 as shown in figure 1.

Interpretations of relationship the loading factor value were conducted on performance importance analysis (PIA) by Mulin dan Betsy (1987). Referring to mean and loading factor in confirmatory factor analysis (Figure 1) can be showed the management perceptions of organizational public services based on PIA in Table 2.

Table 1. Statistic descriptive of services quality

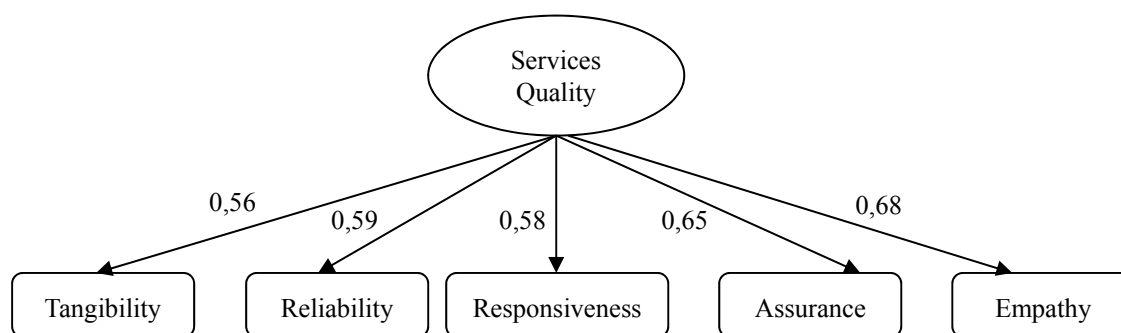| Dimensions	Mean
Tangibility	3.88
Reliability	3.70
Responsiveness	3.84
Assurance	4.01
Empathy	3.94

Source: Data Analyzed, 2015.

Figure 1. Confirmatory factor of services quality

Table 2. Management perceptions of customer

Construct	Dimensions	Mean	Loading factor
Public management services	Tangibility	3.88***	0.56****
	Reliability	**3.70*****	**0.59****
	Responsiveness	**3.84******	**0.58***
	Assurance	4.01*	0.65****
	Empathy	**3.94****	**0.68***

Source: Data Analyzed, 2015.

5. Discussion

There are five elements of public services quality, namely reliability; responsiveness; assurance; empathy; and tangibles. Table 1 presented the all these elements are perceived in good perception by the costumers. It is consistent with Parasuraman et al. (1988) and Zeithaml et al. (1990) who proposed the element of SERVQUAL.

Figure 1 shows that the loading factor of the five indicators of public management service reflects as a public management services. Empathy is the major factor determining service quality followed sequentially assurance, reliability, responsiveness, and tangibility

According to Table 2 shows that tangibility was in possible over skill (Quadrant II). It means that the customer perceived for tangibility was not importance but the customer has a satisfaction on public services performance, so it was possible to over this dimensions. It could be concluded that tangibility was not the main factor of public services at Regional One-Stop Services. Next, reliability was in concentrate here (Quadrant IV). It means that customer perceived the reliability as a dimension importance on public services that could give a satisfaction for the customer. In fact, a reliability of this office was in low. Thus, for the employee at Regional One-Stop

Services should concentrate on reliability. It concluded that reliability was a determine factors for service quality of management public. Similarly, responsiveness was also in concentrate here (Quadrant IV). It means that customer perceived for responsiveness as a dimension importance on public services that was justified in good satisfaction for the customer. In fact, the responsiveness of this office was in low. Thus, for the employee at Regional One-Stop Services should concentrate on responsiveness. It concluded that responsiveness was a determine factors for service quality of management public.

However, assurance was in possible over skill (Quadrant II). It means that customer perceived for assurance as a dimension importance on public services. The perception' customer has averagely spread in all customers so it was being possible to over. Customers were not concentrating on assurance but they were satisfied with the performance of this organization. It concluded that assurance was not a determine factors for service quality of management public at One-Stop Services. Conversely, empathy was in concentrate here (Quadrant IV). It means that customer perceived for empathy as a dimension importance on public services that was justified in good satisfaction for them. In fact, empathy of this office was in low. Thus, for the employee at Regional One-Stop Services should concentrate on empathy. It concluded that responsiveness was a determine factors for service quality of management public.

Based on findings this study, we can assume that determinant dimension of service quality in management public services of at One-Stop Services.were reliability, responsiveness, and empathy; otherwise, two other dimensions such as tangibility and assurance were not. Tangibility and assurance were not dimensions of public services in One-Stop Services Institution). It was in line with Anderson (1995) who argued that both dimensions were not dimensions resulting satisfaction. But, he agreed that third dimensions; reliability, responsiveness, and empathy were a determinant of public services. These findings also consistent with Agyapong (2011); Munhurrun (2010); Aliah and Tarmize (1998), and Sharifah Latifah et al. (2000). In line with the findings of the study, we can define that the quality of public services in the licensing service sector is determined by the degree of reliability, responsiveness, and empathy.

This research results in implications for theoretical and for managerial. For theoretical, this research has a contribution to developing model public services mainly in licensing service. It was needed reliability, responsiveness, and empathy for public service practices in serving customers of licensing in Regional One-Stop Services. This finding differs from the other sector such as in manufacture or health sector. For managerial, this research gives a contribution for the employee working at One-Stop Service Institution. It is possible to be an ethic standard for public services such as reliability, responsiveness, and empathy.

6. Conclusions

The result of this study concludes that:

1) Reliability is a dimension of public service practices for improving customer's satisfaction or employee's performance of Regional One-Stop Services.

2) Responsiveness is a dimension of public service practices for improving customer's satisfaction or employee's performance of Regional One-Stop Services.

3) Empathy is a dimension of public service practices for improving customer's satisfaction or employee's performance of Regional One-Stop Services.

4) Tangibility is not a dimension of public service practices for improving customer's satisfaction or employee's performance of Regional One-Stop Services.

5) Assurance is not a dimension of public service practices for improving customer's satisfaction or employee's performance of Regional One-Stop Services.

7. Limitations and Future Research

This research limited on the perception of the customer of public services while there was an expectation of officer that unreachable in this study, thus in future research may investigate the expectation of employee on management public services. This study uses fives' dimensions so in future research may investigate another dimension of service quality in management public. This study conducted in licensing services, thus in future research may investigate in another kind of public service and also in another country.

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