

The Effect of Service Quality on Member Satisfaction at KSP Olive Branch Palu

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ABSTRACT

The purpose of this study was to determine the effect of service quality on member satisfaction of the Olive Savings and Loan Cooperative (KSP) Palu Branch, South Palu District, seen from the dimensions of service quality, which include; Physical Evidence (X1), Reliability (X2), Responsiveness (X3), Assurance (X4), and Empathy (X5). The type of research used is descriptive verification with a total sample of 95 people. To manage the data using multiple linear regression analysis. The results showed that the influence of the dimensions of Physical Evidence (X1), Reliability (X2), Responsiveness (X3), Assurance (X4), and Empathy (X5) simultaneously had a significant effect on the satisfaction of members of the Palu Branch Zaitun Savings and Loans Cooperative (KSP). The partial test shows that all variables significantly influence the joy of the Olive Savings and Loans Cooperative (KSP) Palu Branch members.

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1. INTRODUCTION

As one of the economic actors, the role of cooperatives in a country's economy will be primarily determined by the financial system and political system adopted by the government concerned. In developing cooperatives in many countries, cooperatives are generally very beneficial for developing the country's economy. This is reviewed from a historical and economic perspective. From a historical point of view, cooperatives are financial organizations that have roots in the lower strata of society. From an economic perspective, the existence of cooperatives will significantly assist the government in its efforts to create a more equitable economy. In general, cooperatives are strongly supported by the government (1). Cooperatives, as one of the official business entities in Indonesia, have a clear and binding legal basis as stated in Law no. 25 of 1992 concerning cooperatives which is the implementation or elaboration of article 33 paragraph 1 of the 1945 Constitution which reads "the economy is structured as a joint venture based on the principle of kinship." Based on this law, it can be understood that cooperatives are business entities that, by the personality of the Indonesian nation, deserve to be developed as business entities that can form an entrepreneurial spirit within their administrators and members.

Law number 25/1992 article 1 concerning cooperatives defines cooperatives as follows: Cooperatives are business entities whose members are cooperative persons or legal entities, with the basis of their activities based on cooperative principles as well as a people's economic movement, which is based on

the principle of kinship (2). The types of cooperatives, namely savings and loan cooperatives, production cooperatives, consumer cooperatives, service cooperatives, and all-business cooperatives, in this study will discuss savings and loan cooperatives. A savings and loan cooperative is a non-bank financial institution that provides community services through loans and a place to save money for the community.

A Cooperative is an organization whose members are both owners and customers (members as owners and customers). (3). Generally, cooperatives operate in the service sector, providing production and consumption facilities for members and selling/marketing the members' business products to the market and credit services. One of the efforts to create, maintain and improve better relationships with members as customers is by providing consistent and better quality services and services that are superior to competitors.

Service, according to Hendrojogi, is every movement, deed, and implementation of activities directed to achieve a certain goal/target (4). From the definition above, it can be stated that service quality is the level of all outputs, both quantity and quality, produced by employees who are the result of work by job requirements at a time according to their responsibilities. Provides a good basis for repeat transactions, creates loyalty, and forms a word-of-mouth recommendation. Satisfied members will not only form loyalty but also act as a means of promoting cooperatives. One of the cooperatives in Palu City, precisely on Jl. Garuda is the Olive Savings and Loan Cooperative (KSP), which has its head office located in Sekarsari Village Balinggi Jati, Balinggi District, Parigi Regency Moutong. It was established on June 26, 2005, with 20 members. It has eleven (11) branch offices and one branch office in Palu City. Per the facts in the KSP Zaitun, the Palu branch is addressed at Jalan Garuda No 31 A, South Palu.

The results of a short interview conducted with the head of the Palu branch office found that KSP Zaitun Branch Palu was founded in 2010 with a current number of employees of 6 people. Based on field observations of the KSP Zaitun Palu branch, the building is equipped with CCTV and a parking area for members. The Zaitun Savings and Loans Cooperative (KSP) has a vision and mission, namely the realization of a strong, member-based, independent, and professional cooperative that empowers community small businesses and drives the people's economy, and contributes to building the national economy. In carrying out the operational activities of the Olive Cooperative, it is carried out simply by 20 members and its founders. However, thanks to each member's discipline, honesty, and responsibility in carrying out their obligations, little by little, the Zaitun Cooperative continues to show progress, and even its working area has reached the entire Parigi Regency, Morowali Regency, Banggai Regency, Donggala Regency and Palu City.

Data obtained from the Olive Savings and Loans Cooperative (KSP) Palu City branch from 2018 had 1669 members and in 2021 had 1841 which means there has been an increase. This is a factor researchers want to find out the reason for the decrease in the number of members. But in 2021, the number of members will decrease because members who have yet to pay their deposits must be deactivated. Preliminary observations found that the number of members decreased because the Cooperative halted some members who were no longer active. Still, it had yet to be explained in detail why the deactivation was due to the quality of service performed by KSP Zaitun. The success of the Zaitun Savings and Loans Cooperative (KSP) as the leader in market share in Palu City must be connected to good management and members' trust in the Olive Savings and Loans Cooperative (KSP). Therefore, the Zaitun Savings and Loans Cooperative (KSP) prioritizes the quality of its services to cooperative members, which will undoubtedly affect the satisfaction of cooperative members.

2. RESEARCH METHODS

The research method used in this study is a descriptive quantitative research method verify 1 tif. Descriptive research is conducted to determine the value of an independent variable, either one variable or more (independent), without making comparisons or connecting with other variables (5).

While the verification approach is a research method that aims to determine the causal relationship between variables through a test through a statistical calculation, the results show that the hypothesis is rejected or accepted (6). Data collection techniques in this study used two techniques: a) field research using observation, interviews, and questionnaires. b) Literature research which includes using sources from various literature. This research is located in Palu City, South Palu District, and Central Sulawesi Province. With research time starting from March to April 2022. The number of samples in this study was 95 members.

3. RESULTS AND DISCUSSION

The Effect of Physical Evidence, Reliability, Responsiveness, Assurance, and Empathy Simultaneously (simultaneously) on Satisfaction of KSP Zaitun Palu Branch Members

Customer satisfaction in service is paramount to note because it can describe a company's service quality (7) (8). Customer satisfaction is very useful for related agencies in evaluating programs being implemented and finding which parts need improvement. Creating customer satisfaction can provide benefits, including the company's relationship with customers to be harmonious, forming a word-of-mouth recommendation to register. The company's reputation is getting better, and the profits the company will get

will increase. The quality of service to consumers from service providers must provide the best service to their customers with good service quality so that consumers will be satisfied with the service. Of course, this will benefit the service provider (9) (10).

The results of statistical tests that have been carried out show that Tangible, Reliability, Responsiveness, Assurance, and Empathy simultaneously have a significant effect on the satisfaction of KSP Zaitun members of the Palu Branch. This study shows that better Tangible, Reliability, Responsiveness, Assurance, and Empathy can increase the satisfaction of KSP Zaitun, Palu branch members. The magnitude of the influence of the independent variables as a whole is shown by the Adjusted R square value of 0.566, which means that the variables Tangible, Reliability, Responsiveness, Assurance, and Empathy can increase the satisfaction of KSP Zaitun members by 56.6%. In comparison, the remaining 43.4% is influenced by other variables not included in this study. The value of the correlation coefficient (R) was obtained for 0.768. This means that the relationship (correlation) between the independent variables (Tangible, Reliability, Responsiveness, Assurance, and Empathy) to the dependent variable (satisfaction) is solid.

Research results are the research conducted by Keshavarz and Ali (2017), where service quality includes Tangible, Reliability, Responsiveness, Assurance, and Empathy. effect on customer satisfaction, where the higher the quality of services provided, the higher the level of satisfaction from customers (11).

The Effect of Physical Evidence (X₁) on the Satisfaction of Members of the KSP Zaitun Palu Branch

Physical evidence is a physical reality that includes facilities, equipment, and the appearance of the service provider, means, and information. Physical evidence can provide an overview of service quality and, in some cases, will significantly influence consumers in assessing the quality of these services to impact consumer perceptions and satisfaction with the services provided (12). While physical evidence (tangible) includes physical facilities, equipment, employees, and means of communication. This can mean the appearance of physical facilities, such as buildings and rooms (front office), availability of parking lots, success, tidiness, room comfort, equipment completeness, and employee appearance. Physical evidence (tangible) is a company's ability to show existence to outsiders. The appearance and capability of the company's physical facilities and infrastructure and the condition of the surrounding environment are clear evidence of the services provided by service providers. These physical facilities include buildings, equipment, tools used such as technology, as well as the appearance of employees. The calculation results were obtained by the physical evidence factor coefficient of 0.197. This shows a positive relationship between physical evidence factors and member satisfaction. Meanwhile, the value of t_{count} obtained is 2.799 with a significant level of $0.006 < \alpha (0.05)$ which means that the influence of physical evidence factors refers to the results of research conducted by the author, giving an illustration that partially the dimensions of physical evidence have a significant effect on the satisfaction of members of the Savings and Loans Cooperative) Zaitun Palu Branch, South Palu District. This influence is based on respondents' responses as members of the Zaitun Savings and Loans Cooperative (KSP). The results of research conducted by Sarbina (2021) align with this research that physical evidence positively and significantly affects member satisfaction. This positive influence is because material evidence is the need for members who focus on physical evidence owned by cooperatives or companies that will affect member expectations. Good physical evidence will increase member expectations, ultimately creating member satisfaction (13).

The Effect of Reliability (X₂) on the Satisfaction of Members of the KSP Zaitun Palu Branch

Rambat Lupiyoadi and A. Hamdani (2006), Reliability, namely the company's ability to provide services according to what was promised accurately and reliably. Performance must be to consumer expectations, which means timeliness, the same service for all customers without errors, a sympathetic attitude, and with high accuracy. (14) . Fulfilling promises in service will reflect the company's credibility. Reliability in service will be provided if it can be trusted by customers, including services that must be consistent (15). Convolutated service and the long waiting period for customers can determine the quality of service because it makes customers feel they need to be served better, which can lead to dissatisfaction. The results of the regression calculation obtained a coefficient value of the reliability factor of 0.288 which means a positive relationship between the reliability factor and member satisfaction. In other words, if reliability increases, member satisfaction will also increase. At the same time, the Nita t_{count} is 3.779 with a significant level of $0.000 < \alpha (0.05)$ which means that partially the reliability dimension has a significant effect on the satisfaction of members of the Olive Savings and Loans Cooperative (KSP) Palu Branch, South Palu District.

The results of research conducted by Amalia (2017) are also in line with the results of this study which show that reliability has a significant effect on customer satisfaction (16). The results of the description of the variable reliability show that the indicators forming the latent variable have the third score range or are categorized as good enough. Although the reliability indicator is considered sufficient, it does not prevent the reliability that is owned will provide satisfaction to consumers.

The Effect of Responsiveness (X₃) on Satisfaction of KSP Zaitun Palu Members

Responsiveness is the willingness to help customers, respond and provide fast service, which includes speed in handling complaints and alertness in serving consumers. (17). In addition, careful and precise service can increase customer satisfaction with the service. A policy to assist and provide fast (responsive) and appropriate service to customers, by delivering clear information without letting customers wait is a negative perception of service quality. Responsiveness (responsiveness) quickly understanding the desire of employees to help customers and provide services quickly and responsively (18); responsiveness is measured based on the customer's assessment of the company's ability related to the responsiveness of officers to complaints and problems faced by customers as well as speed in serving and helping to provide services quickly or responsiveness (19). The results of the regression calculation obtained a coefficient value of the responsiveness factor of 0.268, which means that there is a positive relationship between the responsiveness factor and member satisfaction, with a calculated t value of 3.505 with a significant level of $0.001 < \alpha (0.05)$ which means that partially the responsiveness factor has a significant effect on the satisfaction of members of the Olive Savings and Loans Cooperative (KSP) Palu Branch, South Palu District.

The results of this study are also in line with the results of research conducted by Irma (2020) that responsiveness has a positive and significant effect on customer satisfaction (20). Customers will pay attention to the responsiveness of staff or employees in helping customers and providing fast and responsive service in terms of conveying clear information about the services offered. The speed of the team or employees in handling transactions and customer complaints, staff or employees who have good responsiveness will have a good relationship between the company and customers. Conversely, ignoring and letting customers wait for no apparent reason causes a negative perception of service quality, resulting in decreased satisfaction.

Effect of Guarantee (X₄) on Satisfaction of KSP Zaitun Palu Branch Members

Assurance positively influences satisfaction, meaning knowledge of the product correctly, politeness of employees in providing services, skills in providing information, ability to provide security, and ability to instill trust and confidence in customers of the company. The results of the regression calculation obtained the coefficient value of the guarantee factor of 0.209. This shows a positive relationship between the guarantee factor and member satisfaction. Meanwhile, the t_{value} obtained is 2.487 with a significant level of $0.015 < \alpha (0.05)$, so it can be concluded that part there is a powerful influence between the guarantee factor and member satisfaction. The impact of the collateral factor refers to the results of field research conducted by the author, which illustrates that the collateral factor significantly affects the happiness of members of the Zaitun Savings and Loans Cooperative (KSP), Palu Branch, South Palu District.

This study's results align with the research conducted by Aprilia (2020) that guarantees significantly affect member satisfaction (21). The ability of staff or employees to provide confidence to members that the services they provide are by the provisions or expectations of members is essential in fulfilling member satisfaction. Employee behavior can foster member trust in the company, and create a sense of security for members, thus requiring employees to be polite and master the knowledge and skills needed to handle any questions or problems faced by members.

The Effect of Empathy (X₅) on the Satisfaction of Members of the KSP Zaitun Palu Branch

The findings of the empathy variable have a positive effect on satisfaction, which means that a caring attitude, attention, and understanding are needed from the manager or service provider for the needs and desires of consumers, such as recognizing old customers or loyal customers, studying the physical demands of consumers, anticipating them, providing individual services. Whereas KSP Zaitun can offer a sincere and unique or personal attitude that the company provides to customers, such as the convenience of contacting the company, the ability of employees to communicate with customers, and the company's efforts to understand the desires and needs of customers. KSP Zaitun is expected to understand and understand customers, understand customer needs expressly, and have a comfortable operating time for customers.

The results of the regression calculation obtained a coefficient value of the empathy factor of 0.220. This shows that there is a significant influence between the empathy factor on member satisfaction, with the calculated t value obtained at 2.619 at a substantial level of $0.010 < \alpha (0.05)$ so that it can be concluded that part there is a significant influence between the empathy factor on the satisfaction of members of the Olive Savings and Loans Cooperative (KSP) Palu Branch, South Palu District.

This study's results align with research conducted by Amelia (2017) that empathy has a significant effect on satisfaction. The results of the description of the empathy variable also show that the indicators forming the latent variable have the third score range or are categorized as quite good (16). This indicates that good empathy does not necessarily increase customer satisfaction.

4. CONCLUSION

This study concludes that service quality variables consisting of tangible (physical evidence), reliability, responsive, assurance, empathy simultaneously has a significant effect on member satisfaction with the Olive Savings and Loans Cooperative (KSP) Palu Branch, South Palu District.

The tangible dimension (physical evidence) does not significantly affect the satisfaction of Olive Savings and Loans Cooperative (KSP) Palu Branch, South Palu District members.

The dimension of reliability (reliability) significantly affects the satisfaction of members of the Olive Savings and Loans Cooperative (KSP) Palu Branch, South Palu District.

The responsive dimension (responsiveness) has no significant effect on the satisfaction of the Olive Savings and Loans Cooperative (KSP) Palu Branch, South Palu District members.

The assurance dimension has no significant effect on the satisfaction of the Olive Savings and Loans Cooperative (KSP) Palu Branch, South Palu District members.

The empathy dimension (empathy) has no significant effect on the satisfaction of the Olive Savings and Loans Cooperative (KSP) Palu Branch, South Palu District members.

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