Impact of Service Quality on Customer Satisfaction in Indonesian Public Sector Organizations

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Abstract:
Public service should give satisfaction to the community. There are two main purposes of public service; first is to impose clean and excellent bureaucracy, and second to help the responsibilities of government to serve the public as customers. In conducting these responsibilities, the government must provide high quality and good customer service to achieve the main goal. The study aims for finding out the influence of the service quality on customer satisfaction from the public. The researcher conducts the study at government Organizations, in the Office of Customs and Excise. This study reveals the service quality, namely: reliability, assurance, tangible, empathy, responsiveness, noticed quality, and recovery effect, simultaneously and partially influence on the customer satisfaction. Among the quality, responsiveness gives the greatest impact on the customer satisfaction.

Keywords: Quality of Service, Customer Satisfaction, Public Sector, Indonesia.

I. INTRODUCTION

Ministry of Finance has performed Bureaucratic reforms since 2005. The reformation becomes a benchmark for the gravity of the Ministry of Finance in realizing good and clean government, as well as realizing excellence public service. Ilhaamie, et. Al (2010) states that service quality is reflecting performance and result of public institution. Zamil, Shammot (2011) explains the government as governing body has customers and their customers are citizens, businesses, public and private employees. Government through the agencies, departments, and ministries provide information and services for each customer group, and as a result, the customers assess their performance. Asserts that traditionally, the government does not consider citizens as the customers but as people who pay for the services provided by the government, so the services runs properly and smoothly. Government regards the public as the customer and in return, government gives the service to their public. Government officers must understand that their duty is to serve the people effectively. Arawati, Baker & Kandampully (2007) explains the purpose of public organization is to give excellent service to the public and it is nonprofit.

There are three types of excisable goods consists, such as tobacco, ethyl alcohol, and drinks containing alcohol. Directorate General of Customs and Excise as a unit under the Ministry of Finance carries out the government roles in term of oversight and services in the excise. Directorate General of Customs and Excise, East Java, level I and II, has to manage the revenues in the excise. Directorate General of Customs and Excise II of East Java (Malang) has a high excise target. Malang office has a high target of 59.3 % of tax revenues, where this revenue is the highest around East Java. The office at Malang is also the first Middle Excise Office in Indonesia set up in 2008. The office has 111 cigarette factories (customer), and these are the highest in the Regional Office of Directorate of Customs and Excise, East Java II. The cigarette factories describe the significant role of the office in giving administrative services and carrying out responsibilities to manage the governments’ revenue goals.

Nor, M. et. Al (2010) argues that public Organizations that deliver service to the customer is one of the important features to develop good reputation and credibility within the community. Public complaints of long queues, poor service and physical facilities cannot affect the image and the service quality in the public institution.

According to the research of Teicher et. Al (2002), there are several weaknesses in the practice of service quality in public institution, such as:

a. customers makes many complaints,
b. the results of the service is slow and it is difficult to measure,
c. poor service is getting worse because of the inspection from public and press,
d. lack of transparent to account and rigid decision (law-based decision).

Hsiao, Chih - Tung and Jie - Shin Lin (2008) from the results of their study states that public organizations should identifies not only customers (external), but also employees (internal). It is important to incorporate the customer needs the design of service procedures. Customer complaint will be useful for public Organizations in developing strategies, especially in the delivery of public service. According to the outline, the study aims for finding out the influence of the service quality on customer satisfaction from the public in the Directorate General of Customs and Excise Office. In this research, the researcher organizes the writing into four parts. First is the introduction that contains abstract and focus of the research; second is the literature review, in this part the researcher tries to present the experts point of view toward service quality to public satisfaction. In the third part, the researcher provides the data and methodology; next is discussion, in this part the researcher will reveal the finding of the overall respondents’ data and try to compare it with related literature review. The last is conclusion; this chapter conclude all previous chapters, the researcher also add limit and implication of the study.

II. LITERATURE REVIEW

A. Quality of Service

Grönroos (2000) defines service as process, which consists of a series of activities that are not necessarily always tangible or less tangible. It takes place within the customer and service employees and or physical resources or goods and or service providers systems, which are provided as solutions to the problems of customers. Fogli (2006) defines service quality as the “global decision or attitude which is about certain services; customers overall impression of the relative inferiority or superiority of the organization and its services.”

The researcher has some identified the dimensions of service quality. Parasuraman (1985) identifies five major of service quality namely: reliability, assurance, tangibles, attention, and responsiveness. Garvin, D. A (1987) develops the scopes of service quality into eight items, namely: Performance, Features,
Reliability, Conformance to Specifications, Product, Durability, Serviceability, Aesthetics, and Noticed Quality. Groenroos, C. (1990) mentions there are three main parts of the service quality, namely result - related, process - related and image - related criteria. The following six conditions can describe these parts: professionalism and skills, attitudes and behavior, accessibility and flexibility, reliability and trustworthiness, recovery reputation and credibility. Lovelock, Christopher, Jochen Wirtz, and Jacky Musser (2011) explains the feature of service has the following nine values, such as responsiveness, reliability, competence, friendliness, communication, credibility, ability.

One of the major driving forces for organizational survival, sustainability and important for the company’s development is the quality of service (Rust and Oliver, 1994). Experts, researchers and practitioners have defined various interpretation of quality of service. According to Zeithaml and Bitner (2009: 85), Focused on evolution of quality service reflects the customer; while the specific scopes perception of service quality includes reliability, responsiveness, assurance, empathy and tangible. Those are building the idea, which is centered on noticing quality; it defines as an assessment of the entity’s customers to overall excellence or superiority (Zeithaml 1987).

According to Parasuraman et al (1985), quality of service is difference between the expected services and the result of the service. If the expected service is greater than the result, so the service quality is less satisfactory and reaches dissatisfaction.

B. Customer Satisfaction of Public Institution

Satisfaction is an attitude of customer or client to evaluate a condition before and after buying a certain product or service by using his or her common sense (Oliver, 1980). Kotler (1996) defines customer satisfaction as the level of one's generated person feelings by comparing a product perceived to the performance or expected results. Customer satisfaction can be considered as comparison behavior between before and after using the products or services (Wang et al 2006, p.197).

In other words, customer satisfaction measures how well an organization’s products or services meet or exceed customer expectations. Expectation reflects many sides on the company, including products or services, the physical environment, facilities, staff, etc.

Each governmental Organizations in providing public services is always eager to know what the customer needs. Zamil, Shammot (2011) explains that public institution have several methods and approaches in serving its customers in various ways. The departments, ministries, agencies, and other public institution, which represent the government, need to divide the groups based on their needs. Division of needs will be able to define expectations of services, which is provided by public institution. Moreover, Mori (2004) divides the needs into several parts, such as, housing, benefits, social care, environment, libraries and recreation, education, and public safety.

Kotler has further defined a satisfaction as one's feelings of pleasure or disappointment, resulting from the comparison of a product or service noticed performance (result). It has a connection to his or her needs. (Kotler, 2000, p.36).

Marketing researchers agree that satisfaction is a response to experience related to consumption (Yi, 1990; Anderson et. Al, 1995). They also state customer satisfaction is a collective result of opinion, evaluation and psychological reaction to the consumption experience of a product or service. According to File and Prince (1992), satisfied customers tell the others about their experience and it increases the mouth-to-mouth advertisement. Giese and Cote (2000) identifies customer satisfaction as one response (emotional or cognitive), emphasis on the response of a particular focus (product, consumption, experiences, expectations). The response occurs at a specific time (after selecting the service or product, based on the amassed experience, after consumption). Those are important in recognizing the various types of satisfaction. Johnson et. Al (2008), Omachonu et. Al (2008); Garbarino and Johnson (1999) has conducted previous studies, they clearly define the difference between the two types of satisfaction - overall satisfaction and finding satisfaction. Hoyer & MacInnis (2001) says the satisfaction may have association with feelings of acceptance, happiness, relief, joy, and excitement.

In short, satisfaction is the customers experience or clients who have experienced or accepted the entire interaction with the organization. Satisfaction on the other hand, is about the customer experiences who receive services specifically at various stages of the service.

C. Quality of Service and Customer Satisfaction

Kotler has further defined satisfaction as a feeling of pleasure or disappointment of a person, resulting from comparing a product or service noticed performance (or result) towards his or her expectations (Kotler, 2000, p.36). In line with this idea, Yi (1990), also states that customer satisfaction is a collective result of view, evaluation and psychological reaction to the consumption experience with a product or service. It is important for recognizing various types of satisfaction. Previous studies by Johnson et. Al, 2008, Omachonu et al, 2008; Garbarino and Johnson, 1999, it clearly defines the difference between the two types of satisfaction - overall satisfaction and finding satisfaction.

Satisfaction is the customers or clients experience who have experienced or received contact with the organization. Satisfaction on the other hand, is about the specific experience customers who have received various stages of service. Depending on nature of service industry, one of the two types will be dominant (Fatima and Razzaque, 2010). For example, in banking industry, because the nature of this service is continuing, and long-term, overall satisfaction would be more applicable than the finding satisfaction (Lovelock, 1983). Therefore, the set that expectation plays an important role in the customer satisfaction. Confirmation or disconfirmation theory (Churchill and Surprenant, 1982; Oliver, 1980) argues that fulfillment of expectations can achieve satisfaction (Ndubisi and Gee, 2005).

Fatima and Razzaque (2010) regard expectation as a satisfaction feature because achieving satisfaction is a way to fulfill expectation. They assume these connections as the main reason for using the “role theory” as a theoretical background in most of customer relation (service meeting) literature. Role theory argues role study as a cluster of social cues that guides and directs the individuals’ behavior in a given setting. It is a behavioral study related to particular position, which is defined socially, and the subject of the study is not from the particular individuals who occupy these positions. It is the study of the extent to which certain parts of the society act well (role-playing) as determined by the response of associate actor and observer or audience (Solomon et. Al, 1985). It means that customers have high expectations of the role of the employees.
of an organization - especially, for the front line staff; therefore the successful meeting of customer expectations will reflect their satisfaction.

Davidow and Uttal (1989) believe that many uncontrollable forces form customer expectations. They include the previous experience with previous institution and existing advertisement, customer psychological condition at the service, customer background and the values and image of a product or service bought. Zeithaml et. Al (1990) add, complex conditions influence the customers‟ expectations toward the service. For example, the condition of the customer before they buy the product and other people's opinions. Similarly, Miller (1977) states the customer or client’s expectations have a relation to different levels of satisfaction. This attitude has a direct correlation to several reasons such as the previous products or services experience, learning from the advertisement and communications. The expectations can be seen as pre - consumer stance before the next purchase, involving experience.

Sriyam (2010) has conducted research customer satisfaction about the quality of the front office staff services. The results show the quality of service affects the customer satisfaction. Assurance may raise expectations to the highest level, while the tangibility meets the highest perception. This study also reveals the customer assessment toward the officer in front office in term of service quality. Overall, the average scores of perception is higher the expectations of all, resulting in a positive servqual gap. Therefore, the customers feel satisfied with all the service quality scopes. The findings also identify tangibility as the most important in finding out customer satisfaction.

About the correlation between customer satisfaction and service quality, Salazar et. Al (2004), also agrees there are two conflicting views. First, satisfaction is antecedents of service quality, and seconds is the world’s view (Bitner, 1990; Bolton and Drew, 1991). However, the quality of service has also been seen as a cause of customer satisfaction (Cronin and Taylor, 1992; Spreng and Mackey, 1996).

Ahmed et. Al, 2010 has conducted a research on the association between customer satisfaction and service quality and it has expanded to customer loyalty. Coner and Gungor (2002), finds out the higher quality of services will lead to more loyal customers. Liu, Chang - Yung (2000), also found there is a positive correlation among service qualities scopes such as tangibles, empathy and assurance in one side to customer satisfaction. It further sets up a positive connection between customer satisfaction and the aim of the use or retention among the satisfied customers. Barnes (1997), highlights the loyal client will recommend their experiences to others. This will create a positive image and attract more potential clients to public institution.

A study by Ahmed et. Al (2010), in assessing the association between service quality and customer satisfaction among telephone subscribers, they found that all dimensions of service quality has a significant correlation with customer satisfaction. In particular, tangibles and assurance cause much higher impact than the other does, with empathy showed the lowest effect. Research also shows that except for empathy, the four dimensions have positive association related to customer satisfaction.

According to the theoretical ideas, the researcher can make outline of research. In line with the variable of research, we can arrange the following research hypothesis:

H1 :Reliability, assurance, tangible, empathy, responsiveness, noticed quality, and recovery, which simultaneously influence on the customer satisfaction.
H2 a :Reliability which influence on the customer satisfaction
H2 b : Assurance which influence on customer satisfaction.
H2 e : Tangible which influence on customer satisfaction.
H2 d : Empathy which influence on customer satisfaction.
H2 f : Responsiveness which influence on customer satisfaction.
H2 g : Recovery which influence on customer satisfaction.

III. DATA AND METHODOLOGY

This study involves 111 respondents; they are the owner or manager of cigarette factory in Malang, which is still active in contributing excise. The respondents are the customer who receives a front liner service from office of Inspection and Service, Customs and Excise Malang, Type Medium, Malang. The office wants to perform each of services has their own standard of time and supervisors, so they can achieve a fast and excellent service. The researcher uses questionnaires as the method of data collection; the questionnaire consists of twenty-one questions, it represents seven research variable of service quality dimensions; therefore, each variable of service quality consists of three question.

The questionnaire is conducted to representation of cigarette factory in Malang when they visit the office of Inspection and Service, Customs and Excise Malang, Type Medium, Malang twice a week (usually on 1 and 15 each month). The purpose of their visit is to report the tobacco production, this event helps the researcher in collecting and cross-checking the data. When the researcher was conducting the data collection, the respondents give positive responds to answer the questionnaire. Since they regard this survey is important to improve the service of Customs and Excise office.

In this research, the researcher applies Likert rating scale models Questionnaire, it has estimate range as follows: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree. The researcher analyses the data by using two statistical methods, namely descriptive statistics and inferential. Hypothesis testing is conducted by testing the effect of study variables simultaneously and partially.

IV. RESULT

A. Description of Respondents Answer

Respondents answers to the variable X1 on the item X1.1 (the service of front liner is reliable in handling the documents), most of the respondents agree and the score is equal to 46.9 %. Average score for items X1.1 is 4.44, means that most of the answers agree on that. Respondents’ answers on items x2 are careful and meticulous in term of service and completion of the documents. Most of the respondents agree and the score is equal to 58.6 %. Average score for items X1.2 is 4.25, means most of the answers agree. The researcher analyses the data by using two statistical methods, namely descriptive statistics and inferential. Hypothesis testing is conducted by testing the effect of study variables simultaneously and partially.
Respondents answers to the variable X2 on the item x2.1 (comprehensive knowledge and skills of front liners). Most of them agree and their answer is equal to 75.7 %. Average score for the x2.1 is 4.08, means most of the respondents’ answer agree on the x2.2. Respondents’ answers on item x2.2 (front liners is tactful in solving the customers’ problem), most of them agree and it is equal to 50.5 %. Average score for the x2.2 is 4.44, means most of the answers agree. Respondents’ answers on x2.3, it is about timeliness of completion of documents by service appointments. Most of them agree and their answers are equal to 40.5 %. Average score for x2.3 is 4.00, means most of the answers agree. Overall, average scores on the variable X2 are equal to 4.17 means most of respondents agree.

Respondents answers to variable X3 on item x3.1 (availability and completeness of facilities and services). Most of the respondents’ answers agree and it is equal to 70.3 %. Average score for the item x3.1 is 4.16, means most of the answers agree on that. While respondents’ answers on the item x3.2 about the cleanliness, tidiness and comfort of the available facility and service. Most of them answer and agree, which is equal to 49.5 %. The average score for item x3.2 is 4.22, means that most of the answers agree on that item. For items x3.3, which has relation to front liners in place during service hours. Most of the respondents’ answers agree and it is equal to 66.7 %. Average score for item x3.3 is 3.86, means most of the answers agree. Overall average scores on the variable X3 is 4.08, meaning most of respondents agree on that variable.

Respondents answers to variable X4 on the item x4.1, which correlated to the friendliness and politeness of the front liner, most of their answer strongly agree and it is equal to 53.2 %. Average score for item x4.1 is 4.53, means most of the answer could not agree on the item. On the item x4.2, the front liners always give good service, the respondents’ answers strongly agree and it is equal to 50.5 %. Average score for the item x4.2 is 4.3; it means most of the answers agree. Respondents answers on the item x4.3 the front liner officers have communication competence, which is relevant in the service delivery, most of the answer agree and the score is 74.8 %. Average score for item x4.3 is 4.18, means most of the answers agree on that. Overall, average scores on the variable X4 are equal to 4.37, means most of respondents agree on that.

Respondents answers to the variable X5 on items X5.1 (front liners works fast and responsive), most of the answer agree and it is equal to 79.3 %. Average score for item X5.1 is 3.99, means that most of the answers agree. Respondents answers on the item x5.2, which has a relation to openness of front lines to respond to suggestions, criticisms, and complaints positively from the users of services. Most of the respondents’ answer agrees and it is equal to 45.9 %. Average score for the item x5.2 is 4.21, which means most of the answers agree. Respondents answers on items x5.3 and it is about the enough number of front liner in providing services to customer. Most of them answer and agree, it is equal to 50.5%. The average score for the item x5.3 is 4.11, means most of the answers agree on that. Average scores on the variable X5 are equal to 4.10, means most of respondents agree on that variable.

Respondents answers to the variable X6 on the items x6.1, which is about the front liners excellent service and free from corruption, the answer is equal to 79.3 %. The average score for items x6.1 is 4.09, which means most of the answers agree. Respondents answers on item x6.2 (the front liner has high performance and reflects committed civil servants), they mostly agree and it is equal to 68.5 %. The average score for items x6.2 is 3.97, which means most of the answers agree on that aspect. Respondents answers on items x6.3, about the impact or benefit from the services of the front liners in helping the needs of service users, agree and it is equal to 67.6 %. Average score for aspect x6.3 is 4.25, which means most of the answers agree. Overall, average scores on the variable X6 are equal to 4.11, means the majority of respondents agree.

Respondents answers to the variable X7 on the items x7.1 items, which related to the front liners’ annual improvement at services to customer, agree and the score is 50.5 %. Average score for x7.1 is 4.26, means most of the answers agree. Respondents answers on the x7.2 “Innovation which is conducted by the Customs and Excise office related to the services reform towards a more effective and efficient service,” agree and it is equal to 53.2 %. The average score for the aspect x7.2 is 4.31, which means that most of the answers agree on that. Respondents answers on the x7.3, the front liners always conduct sympathetic approach to the problems of the customer, agree and it is equal to 76.6 %. Average score for items x7.3 is 3.95; it means most of the answers agree. Overall, average scores on the variable X7 is equal to 4.17, means most of respondents agree.

Respondents answers to the variable Y on the y1 (service of front liners are compassionate in providing service to the customers), they agree and it is equal to 51.4 %. Average score for the y1 is 4.51, means most of the answers agree on it. Respondents answers on items y2, the front liners provide excellent services to the needs of customers, agree and the score is 72.1 %. Average score for the y2 is 4.13, means most of the answers agree on the item. Respondents answers on the items y3, the front liners provide proper services to meet the customer expectations, it is equal to 64.9 %. The average score for the y3 is 4.18, which means most of the answers agree. Overall average scores on the variable Y is equal to 4.27, means most of respondents agree on that variable.

**B. Hypothesis Testing**

**F- test**

To test the relationship between the independent variables with the dependent variables simultaneously, F test is applicable. The researcher uses F Testing to find out whether the results of the regression analysis significant or not, in other words the exact model allegedly proper or not. Hypothesis testing which is used in the simultaneous regression model coefficients can be seen in Table 1.

**TABLE 1**

<table>
<thead>
<tr>
<th>No</th>
<th>Hypothesis : 1</th>
<th>Value F Test</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>item There is a significant influence simultaneously of variables Reliability, Assurance, Tangible, Empathy, Responsiveness, Perceived quality and Recovery on Customer Satisfaction</td>
<td>F = 59,433, Sig F = 0.000, Ftable = 2,100</td>
<td>H0 rejected / H1 received</td>
</tr>
</tbody>
</table>

*Table 1 F test is used to determine the effect of independent variables together (simultaneously) on the dependent variable. Significant means that the relations can be applicable to the population.*
According to Table 1, it can be seen that the score of $F_{\text{counted}}$ is 59.433, while $F_{\text{table}}$ is 2.100, because of $F_{\text{counted}} > F_{\text{table}}$ and has sig F < 0.05 is equal to 0.000 so that H0 is rejected and H1 is accepted. It means that the variables simultaneously: Reliability (X1), Assurance (X2), Tangible (X3), Empathy (X4), Responsiveness (X5) Perceived quality (X6) and Recovery (X7), have a significant effect on customer satisfaction variable (Y).

From the description of the results of multiple regression test, the researcher can draw a conclusion. each variable, such as reliability, assurance, tangible, empathy, responsiveness, perceived quality and recovery, toward customer satisfaction has a direct proportional effect between the independent variables and the dependent variables, it indicates that an increase in the quality of service it will be followed by customer satisfaction.

To see the contribution of the independent variable on the dependent variable simultaneously, we can apply the coefficient of determination. Based on the calculation, the results show in table 2:

1. The score of the coefficient of determination or the Adjusted $R^2$ Square is 0.788.
2. The variable quality of service to the customer satisfaction is 78.8 %.
3. The other variables that are not incorporated into the model equation is 21.2 %

**TABLE 2**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.89</td>
<td>0.802</td>
<td>0.788</td>
<td>0.60884</td>
</tr>
</tbody>
</table>

Table 2 provides Test results of the adjusted R-squared (R$^2$) effect of independent variables on the dependent variables in a multiple regression model and a statistical test results partially from the independent variable (reliability, assurance, tangible, empathy, responsiveness, noticed quality) effect on the dependent variable (customer satisfaction). The results of statistical variable reliability show $0.423 > 0.05 > 0.10$. It means no effect on customer satisfaction.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>-0.377</td>
<td>0.684</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Reliability</td>
<td>0.058</td>
<td>0.073</td>
<td>0.062</td>
</tr>
<tr>
<td>3</td>
<td>Assurance</td>
<td>0.138**</td>
<td>0.066</td>
<td>0.155</td>
</tr>
<tr>
<td>4</td>
<td>Tangible</td>
<td>0.159**</td>
<td>0.069</td>
<td>0.170</td>
</tr>
<tr>
<td>5</td>
<td>Empathy</td>
<td>0.176**</td>
<td>0.068</td>
<td>0.183</td>
</tr>
<tr>
<td>6</td>
<td>Responsiveness</td>
<td>0.187**</td>
<td>0.064</td>
<td>0.213</td>
</tr>
<tr>
<td>7</td>
<td>Perceived Quality</td>
<td>0.209**</td>
<td>0.061</td>
<td>0.196</td>
</tr>
<tr>
<td>8</td>
<td>Recovery</td>
<td>0.128**</td>
<td>0.062</td>
<td>0.143</td>
</tr>
</tbody>
</table>

The description of Table 3:

1. The score of constant coefficient is -0.377, it shows the satisfaction variable value is negative or low if there is no influence of the independent variable (the quality of service).
2. Regression coefficient (b1) shows the score of Reliability (X1), it is 0.058. It means the Reliability and Customer satisfaction have a direct connection and positive influence. Therefore, increase and decrease of Reliability will affect the customer pleasure.
3. Regression coefficient (b2) shows the score of Assurance (X2) is 0.138. It means the Assurance and Customer satisfaction have a positive influence and direct connection. Therefore, increase and decrease of Assurance will affect the customer pleasure.
4. Regression coefficient (b3) shows the score of Tangible (X3), it is 0.159. It means the Tangible and customer satisfaction have a direct connection and positive influence. Therefore, increase and decrease of Tangible will affect the customer pleasure.
5. Regression coefficient (b4) shows the value of Empathy (X4), and it is 0.176. It means the Empathy and customer satisfaction have a direct connection and positive influence. So, increase and decrease of Empathy will influence the customer pleasure.
6. Regression coefficient (b5) shows the score of Responsiveness (X5) of 0.187 means the Responsiveness and customer satisfaction have a direct connection and positive influence. It means increase and decrease of Responsiveness will affect the customer pleasure.
7. The regression coefficient (b6) shows the score of Noticed quality (X6) is 0.209. It means the Noticed quality and customer satisfaction have a direct connection and positive influence. It means increase and decrease of Noticed quality will affect the customer pleasure.
8. Regression coefficient (b7) shows the score of Recovery (X7) is 0.128. It means the recovery and customer satisfaction have a direct connection and positive influence. It means increase and decrease of Recovery will affect the customer pleasure.
The explanation of the table 5:

1. Reliability (X1)
   By using a two-way test and a significance level 5%, the score of table on the variable reliability is 1,983 and by using the statistic testing, the result of tcount is 0.804. The tcount < ttable; the conclusion is H0 accept (Reliability variable (X1) has no partial effect on the customer satisfaction (Y)).

2. Assurance (X2)
   By using a two-way test and a significance level 5%, the score of the tabel is 1,983, and by using statistic testing the result of tcount is 2.096. The tcount > ttable, the conclusion is H0 reject (Assurance variable (X2) has a partial effect on the customer satisfaction (Y)).

3. Tangible (X3)
   By using a two-way test and a significance level 5%, the score of the table is 1,983 and by using statistic testing the result of tcount is 2.323. The tcount > ttable; the conclusion is H0 reject; (Tangible variable (X3) has partial effect on the customer satisfaction (Y)).

4. Empathy (X4)
   By using a two-way test and a significance level 5%, the score of the tabel is 1,983, and by using statistic testing, the result of tcount is 2.603. The tcount < ttable, the conclusion is H0 accept; (Empathy variable (X4) has no partial effect on the customer satisfaction (Y)).

5. Responsiveness (X5)
   By using a two-way test and a significance level 5%, the score of the table is 1,983, and by using statistic testing, the result of tcount is 2.927. The tcount > ttable, the conclusion is H0 reject (Responsiveness variable (X5) has partial effect on customer satisfaction (Y)).

6. Noticed quality (X6)
   By using the two-way test and a significance level 5%, the score of the table is 1,983 and by using statistic testing for tcount is 3,435. The tcount > ttable, the conclusion is H0 reject; (Noticed quality variable (X6) has no partial effect on customer satisfaction (Y)).

7. Recovery (X7) by using a two-way test and a significance level 5%, the score of the tabel is 1,983, and by using statistic testing for tcount is 2.065. The tcount > ttable, the conclusion is H0 reject (Recovery variable (X7) has partial effect on customer satisfaction (Y)).

According to the data, the researcher can draw a conclusion the dimensions of service quality variables include Reliability (X1) partially does not significant affect toward Y (customer satisfaction), while the variable such as Assurance (X2), Tangible (X3), Empathy (X4), Responsiveness (X5), Perceived quality (X6) and Recovery (X7) partially have significant affect toward Y (customer satisfaction).

**Dominant Test**

To determine the independent variables, which has the greatest effect on the customer satisfaction, the researcher applies the Standardized Beta Coefficient. To see the test results of the dominant variables, it can be seen in Table 5.

### Table 4

<table>
<thead>
<tr>
<th>No</th>
<th>Hypothesis</th>
<th>Score</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.a</td>
<td>Reliability significantly influences the customer satisfaction.</td>
<td>t = 0.804, Sig t = 0.423, t&lt;sub&gt;table&lt;/sub&gt; = 1.983</td>
<td>H0 accepted</td>
</tr>
<tr>
<td>2.b</td>
<td>Assurance significantly influences the customer satisfaction.</td>
<td>t = 2.096, Sig t = 0.039, t&lt;sub&gt;table&lt;/sub&gt; = 1.983</td>
<td>H0 rejected</td>
</tr>
<tr>
<td>2.c</td>
<td>Tangible significantly influences the customer satisfaction.</td>
<td>t = 2.323, Sig t = 0.022, t&lt;sub&gt;table&lt;/sub&gt; = 1.983</td>
<td>H0 rejected</td>
</tr>
<tr>
<td>2.d</td>
<td>Empathy significantly influences the customer satisfaction.</td>
<td>t = 2.603, Sig t = 0.011, t&lt;sub&gt;table&lt;/sub&gt; = 1.983</td>
<td>H0 rejected</td>
</tr>
<tr>
<td>2.e</td>
<td>Responsiveness significantly influences the customer satisfaction.</td>
<td>t = 2.927, Sig t = 0.004, t&lt;sub&gt;table&lt;/sub&gt; = .983</td>
<td>H0 rejected</td>
</tr>
<tr>
<td>2.f</td>
<td>Noticed Quality significantly influences the customer satisfaction.</td>
<td>t = 3.435, Sig t = 0.001, t&lt;sub&gt;table&lt;/sub&gt; = 1.983</td>
<td>H0 rejected</td>
</tr>
<tr>
<td>2.g</td>
<td>Recovery significantly influences the customer satisfaction.</td>
<td>t = 2.065, Sig t = 0.0041, t&lt;sub&gt;table&lt;/sub&gt; = 1.983</td>
<td>H0 rejected</td>
</tr>
</tbody>
</table>

Table 4 test is used to test the partial of each variable, t test results can be seen in the table in the column sig coefficients (significance). If the t-value or significance probability <0.05, there is significant correlation between the independent variables on the dependent variable partially. If the probability value or significance is t > 0.05, there is no significant influence of each independent variable on the dependent variable.

### Table 5

<table>
<thead>
<tr>
<th>Variables</th>
<th>Beta Coefficient Standardized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability</td>
<td>0.062</td>
</tr>
<tr>
<td>Assurance</td>
<td>0.155</td>
</tr>
<tr>
<td>Tangible</td>
<td>0.170</td>
</tr>
<tr>
<td>Empathy</td>
<td>0.183</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>0.213</td>
</tr>
<tr>
<td>Perceive Quality</td>
<td>0.196</td>
</tr>
<tr>
<td>Recovery</td>
<td>0.143</td>
</tr>
</tbody>
</table>

Table 5 shows the beta coefficients of the independent variables to determine the dimensions of the most dominant in affecting the value of the dependent variable in a multiple linear regression model seen from the beta.

The researchers can draw a conclusion:

1. Variable that has the highest value the of the Standardized Beta Coefficient is responsiveness (X5) (0.213),

2. Responsiveness (X5) has the most effect on the customer satisfaction (Y) when it is compared to the other independent variables (Reliability, Assurance, Tangible, Empathy, Noticed quality and Recovery).

### V. DISCUSSION

According to the data analysis by using the simultaneous test, it shows that all the independent variables have a significant influence toward the dependent variable. This shows the quality of service that includes reliability, assurance, tangible, empathy, responsiveness, noticed quality, and recovery together significantly affect satisfaction of the service user. The seven dimensions of service quality is a combination of three respectable researcher (Parasuraman: 1988, Garvin: 1987, and Grobros: 2000).

While the partial test shows that reliability does not affect the customer’s satisfaction. Reliability is the ability to run a service based on written regulation accurately and reliably. According to the data analysis, the reliability aspect has the negative values, which indicates the service of the Office is not
satisfactorily to the customer. The lack accuracy and reliability of service can be seen from the lack of command of officers of the government’s to implement the changes on law on customs and excise. It can be shown, that the officers provide information services to the service users in connection with the enactment of the Customs and excise, they still hesitate in answering the needs of the users. From the results of the evaluation of the reliability of the officer, as well as supported by Ilhaamie’s (2008) in his research on the public institution in Malaysia, he states that reliability which does not effect on the customer satisfaction shows that government organizations gain less credibility from community in term of services. While Hamali, Abdullah (2014) states that it is important for public institutions to have employees who can inspire confidence among the customers. By knowing the complaints from the customers, public sector organizations can develop strategies in the service delivery system (Hsiao and Shin Lin, 2008).

Assurance is combination of knowledge, courtesy of employees and personnel abilities in providing services, trust, and confidence to customer. Yu, CH, Chen, CG, Yang, HJ and Chang, HJ (2003) argue the officers of public institution should strive hard to know the needs of customers so customers get an ideal service. Birori, Okibo, Wamalwa (2014) explain the public institution should increase the assurance by increasing their knowledge. Therefore, the employees can give quick respond the client, provide resolution to the customer complaints, and set up good image. Besides, they should improve their employees by providing relevant training to improve their skill, such as resolution of client issues, the on time provision of services and the accuracy-speed in completing the duties.

Tangible covers the physical appearance, fixtures employee characters, confidence of the personnel, and communication materials. Customs office under the ministry of finance has succeed in providing tangible that meet the needs of its customers. In contrast to the opinion of Azizzadeh, Khalili, Soltani (2013) which is taken from the results of their case study of post office services in Iran, the tangible do not affect the customer’s satisfaction.

Empathy is the disclosure concern and attention to the customer. The implementation is the officers provide care, attention, and hospitality in their services, so the customers feel satisfied. Birori, Okibo, Wamalwa (2014) explains that to improve empathy, institution has to increase this by providing personnel training to improve communications, respect, friendliness and attention to the customer needs.

Responsiveness is the willingness to help the customers and provide services immediately. The implementation of responsiveness (the employee serves the customer complaints fast and provides the best solutions) gives satisfaction to the service users. At the Customs and Excise Office shows, the responsiveness affects the customer satisfaction; it shows the officers quickly respond to the customer complaints in term of services. Azizzadeh, Khalili, Soltani (2013) in their study of public service quality (a case study of post office services in Iran) explains that responsiveness does not affect to customer satisfaction, it shows the difference in the interest in the use of public administration services. Ilhaami (2010) in his research on public Organizations in Malaysia explains that responsiveness also does not affect the customer’s satisfaction.

Perceived quality is an image and reputation of services and responsibilities of an agency from the viewpoint of service users. Implementation of noticed quality aspects is that the personnel provides good service and free of from corruption, the employees have a good performance and reflects the status of civil servants. The Procedure System Operational in the Office of Customs supports this and Excise that is strict in monitoring employee’s deviation, thus the system maintains the satisfactory service to the customers.

Recovery is the process of taking action by an agency to control situation, improve the quality of remanufacturing, and look for the right approach to the problem of the customer. To fulfill the recovery, the institution can ask their customer to give advice, comment, and critics. In the researcher case, the Office of Inspection and Service, Customs and Excise has followed up of various suggestions and criticisms that have been given by their customer. The institution provides complaints box services, besides it makes a breakthrough by providing online system for excise stamps booking service applications and production reports.

VI. CONCLUSIONS

The study aims for finding out the influence of the service quality on customer satisfaction from the public especially at government Organizations, in the Office of Customs and Excise, Type Medium, Malang. The researcher collected the data by using questionnaire which consist of twenty-one questions, and to analyze the data, the researcher applies statistical analysis tool. Then, the researcher applies F and t test to evaluate the result analysis to prove the research hypothesis.

The main finding in this result is that the customers satisfaction towards public office (Office of Inspection and Service, Customs and Excise, Type Medium, Malang) is determined by service quality, namely reliability, assurance, tangible, empathy, responsiveness, noticed quality, and recovery; yet, each dimension has different influence to customer. Each of these dimensions of service quality of the front liner services such as assurance, tangible, empathy, responsiveness, noticed quality, and recovery partially has a significant impact on the user satisfaction; and service quality dimensions of reliability does not affect satisfying the customer services. Among the seven dimensions of front liner services, the responsiveness has the greatest influence on satisfaction of the customer. This result can give solution to the Office of Inspection and Service, Customs and Excise, Type Medium, Malang to improve its service quality to the customer. Since good service can give the customer satisfaction and improve the performance of excise revenue.

VII. LIMITS OF THE STUDY

The excisable goods consist of ethyl alcohol, drinks containing ethyl alcohol, and tobacco products. The researcher conducts the research on tobacco since it has great influence to the state revenue on excise; the research scope is conducted on all tobacco factories in Malang. The researcher focuses her study in Malang; therefore, the result of the research cannot represent the overall excise revenue in Indonesia.

VIII. SUGGESTIONS

Through this research, the researcher gives several suggestions for the next researchers who have the same interest in conducting research in excisable goods especially in Indonesia. First, beside tobacco, ethyl alcohol and drinks containing are also excisable goods; therefore, the next researcher can study on those excisable goods. Second, the next researcher can expand the scope of research: for example in the malang.
province and state level. Thus, the result of the research can give the whole picture of the service quality in the higher level.

REFERENCES


BIOGRAPHY
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