

**ANALYSIS OF THE EFFECT OF SERVICE QUALITY AND ORGANIZATIONAL CULTURE ON VILLAGE OFFICIAL PERFORMANCE AND COMMUNITY SATISFACTION**

(A Study at Sanankulon Village Office, Sanankulon District, Blitar Regency)

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**ABSTRACT**

*Village government as one of the government agencies that carry out public services must improve the quality of service in order to create satisfaction that can be felt by the community. However, there are still various arising issues in the community such as not meeting the people's expectations of the right to service that should be received by the community. Therefore, it is necessary to improve public services so that people's bad impression of the government can be fixed. The purpose of this study was to investigate and explain the implications of strategy and significant effect of service quality and organizational culture on the performance of village official and community satisfaction. This study adopted mixed method design. The results showed that service quality had a significant positive effect on village official performance; organizational culture had a significant positive effect on village official performance; service quality had a significant positive effect on community satisfaction; organizational culture had no significant effect on community satisfaction; village official performance had a significant positive effect on satisfaction community; and the implications of the strategy to improve village official performance and community satisfaction at Sanankulon Village Office were to include village officials in workshops to improve leadership competence and management of the village government, use finger print attendance continuously, create vision and mission, hold morning and end-of-the-day ceremonies, provide verbal and written warnings to undisciplined officials, and evaluate the criticisms and suggestions delivered by the community.*

**Keywords:** *Service Quality, Organizational Culture, Village Official Performance, Community Satisfaction*

## **1. INTRODUCTION**

According to Law Number 32 of 2004 concerning Regional Government, regional governments are given such broad authority by the central government to regulate their own regional households, including the provision of services to the community. However, according to (Fajar Diah Astuti et al, 2018), there are still various issues that arise in the community such as not meeting the people's expectations of service rights that should be received by the community. Therefore (Enceng and Purwaningdyah, 2008) suggested the need for improvement of public services so that the public's bad impression to the government can be mended. Such improvement can affect the community satisfaction, so that public trust in the government can be rebuilt. According to (Hasnih *et al*, 2016), the village government as one of the government agencies that carry out public services must also improve the quality of service in order to create satisfaction that can be felt by the community. The community will be satisfied if the Village Official performance meets expectations, otherwise the community will be disappointed if their performance is under expectations. Whereas, according to (Ferry Siswadhi, 2016) the performance of an organization cannot be measured by service providers, but rather from service recipients.

This is because performance is basically output and not input. The party that experiences the output is not the service provider (bureaucracy) but the service user (community). According to (M. Fahmi *et al*, 2018) performance itself is an implication of organizational culture. Organizational culture is a pattern, norms, beliefs, and values that apply in an organization, in which those aspects can affect the actions or behavior of human resources or employees in an organization. Employees who have understood the values in an organization will make these values the personality of the organization. These values and beliefs will eventually be translated into their daily behavior at work, so that it will be an individual performance, and each good individual performance will lead to excellent organizational performance.

The legal basis related to the village and village government in the implementation of public services has been clearly outlined, including as described in Law Number 6 of 2014 concerning Villages; Regulation of the Minister of Home Affairs Number 44 of 2016 concerning Village Authority; Government Regulation Number 47 of 2015 concerning Amendment to Government Regulation Number 43 of 2014 concerning Regulations for Implementing Law Number 6 of 2014 concerning Villages; Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration Number 1 of 2015 concerning Guidelines for Authority Based on Origin and Village Scale Local Authority; Regulation of the Minister of Home Affairs Number 84 of 2015 concerning Organizational Structure and Work Procedure of Village Governments; and Blitar Regent Regulation Number 26 of 2017 concerning Amendments to the Regulation of Blitar Regent Number 8 of 2017 concerning Guidelines for the Preparation of Village Government Organizational Structure and Work Procedures. Although the instructions for the implementation of public services in Blitar Regency are clearly regulated, public services in villages or sub-districts in Blitar Regency have not been implemented optimally.

Research studies on the effect of service quality and organizational culture on performance and satisfaction have been conducted by many researchers. Research conducted by Sabri (2017) regarding official performance and quality of public services at Kadia Village Office, Kadia District, Kendari City revealed that the performance of Village Official in providing quality public services in Kadia – in terms of serving the community – has yet to be in accordance with expectations. Inadequate facilities at the Village Office of Kadia can hamper the smooth implementation of Village Official' tasks in serving the community, hence there are often delays in procesings community requests which are increasingly growing. The results of field research on Village Official indicated that the quality of community service remained low. Subsequent research was carried out by Nova IE Tamara, Lisbeth Mananeke, Christoffel Kojo (2018) concerning the effect of service quality on the satisfaction of Kawangkoan Bawah community in Amurang Barat District, South Minahasa Regency which showed that the simultaneous effect of reliability, responsiveness, assurance, empathy, and direct evidence was significant on community

satisfaction variable. Furthermore, research conducted by Riska Pratiwi (2012) on the effect of organizational culture on employee performance at the State Wealth Services and Auction Office indicated that organizational culture had a significant effect on the performance of employees at the office by 32%, while 68% is influenced by other factors.

## 2. RESEARCH METHODS

The present study adopted mixed method design. It combines two existing methods, namely qualitative quantitative research. Sugiyono (2016) states that the mixed methods research is a research method that combines quantitative with qualitative methods to be used together in a research to obtain more comprehensive, valid, reliable, and objective data.

According to Sekaran (2011: 241) population is the entire group of people, events, or things that researchers want to investigate. Population in this study were people who came to Sanankulon Village Office to ask for services. The sample in this study was determined by using non-probability sampling method, that is, a sampling technique that does not provide the same opportunity for every member of the population to become a sample. Regarding purposive sampling, Sugiyono (2016: 85) states, "*Purposive sampling is a technique of selecting the sample of data sources with certain considerations.*" The reason for using Purposive Sampling technique was that not all samples have criteria that fit the phenomenon under study. To select the sample of questionnaire respondents, simple random sampling was adopted (Kerlinger (2006: 188). The number of sample in this study ranged from 100 people. In this study, the number of indicators were 21. The ten times of the number of indicators were used to determine the sample; therefore, the sample needed in this study were 100. For the better results, Hair et al., (2006: 605) stated that to get a considerably good measurement, the number of participants range from 100-200.

Types of data sources in this study were qualitative and quantitative data. Qualitative data is data obtained in the form of information, both verbal and written information relating to the problem under study. Quantitative data is obtained in the form of figures that can be calculated, which relate to the problem of the study. To obtain the required data, the methods used were Literature Study, Preliminary Study, and Field Study. Literature study was carried out by gathering information from books, journals, and other literature that are relevant to research problems which are then used as a theoretical basis. This literature study was carried out at the stage of preparing the literature review (Chapter II) and compiling research stimuli. Preliminary Study is a pilot study that aims to determine the use of research instruments in obtaining information as efficiently and accurately as possible. The preliminary study was carried out by distributing questionnaires to check public assumptions to 50 participants. Such study was conducted to test whether the field opinions were sufficiently understood by respondents. Field Study is the main study conducted by distributing questionnaires to 100 respondents who met the criteria as

research respondents. Distribution of the questionnaire was performed together with the interview. In the process of distributing research questionnaires, random sampling method was used based on certain criteria or considerations. In addition, and these were used as a reference for previous research.

### **3. DISCUSSION**

#### **Analysis of Service Quality (X1) on Village Official Performance (Y1)**

The result of R2 calculation showed that R2 was strong (0.771 and 0.869). The result of Q2 calculation revealed Q2 value of 0.970001, close to 1 (Perfect). Meanwhile, F2 calculation exhibited the effect of Service Quality (X1) on Village Official Performance (Y1); F2 value (0.232) was sufficient. Hypothesis calculation result showed Original Sample (O) of 0.331 and T Statistics revealed the significance of effect of 3.597, which was greater than t table of 1.984 ( $t \text{ statistics} > t \text{ table}$ ). Thus, Hypothesis 1 was accepted, namely Service Quality (X1) affected Village Official Performance (Y1).

P1 was categorized as good with the indicator of village officials who were speedy, friendly, responsive, and provided clear information, as well as straightforward and free service process. In the future, the community hopes that facilities and infrastructure will be complete; there are innovations, online service facilities, and the officials will not ignore the principles applied. P3 was categorized as good with the indicator of competent, responsive, speedy, effective, and efficient officials, and they can handle complaints from the community. The community soon hopes that the officials will be included in trainings, performing discipline in attendance, and working hard.

From the statement above, strategies that can be applied to improve the performance of village officials are by developing the officials' competency through training, seeking innovations, controlling administrative system, and equipping facilities and infrastructure to support the performance of village officials.

#### **Analysis of Service Quality (X1) on Community Satisfaction (Y2)**

The result of R2 calculation showed that R2 was strong (0.771 and 0.869). Meanwhile, the result of Q2 calculation displayed Q2 value of 0.970001, approaching 1 (Perfect). F2 calculation revealed that the effect of Service Quality (X1) on Community Satisfaction (Y2) had strong F2 (0.430). Hypothesis calculation result indicated Original Sample (O) of 0.609 and T Statistics presented the significance of effect of 6.936, greater than t table of 1.984 ( $t \text{ statistics} > t \text{ table}$ ). Thus, Hypothesis 2 was accepted: Organizational Culture (X2) affected Village Official Performance (Y1).

P1 was categorized as good with the indicator of village official who were speedy, friendly, responsive, and provided clear information, as well as straightforward and free service process. The community hopes that facilities and infrastructure will be complete; there are innovations, online service facilities, and the officials will apply the principles

applied. P4 was categorized as good with the indicators of service quality, organizational culture, and official performance which have been well implemented. The community also will expect that village officials should be discipline, increase self-awareness, enhance supervision, and trusted.

From the statement above, strategies that can be applied to increase community satisfaction are by increasing self-awareness of village officials about their duties and responsibilities, and enhancing supervision. By increasing self-awareness, excellent quality service will be performed. Excellent service quality will result in an increasingly high level of community satisfaction. Meanwhile, by enhancing supervision, it can minimize errors that result in poor quality of service, which automatically also affects the level of community satisfaction as well.

#### **Analysis of Organizational Culture (X2) on Village Official Performance (Y1)**

The result of R2 calculation showed that R2 was strong (0.771 and 0.869). Meanwhile, the result of Q2 calculation revealed Q2 value of 0.970001, which is close to 1 (Perfect). The result of F2 calculation showed that the effect of Organizational Culture (X2) on the Village Official Performance (Y1) had strong F2 value of 0.785. Hypothesis calculation result showed the Original Sample (O) of 0.378 and T Statistics indicated that the significance of effect of 5.186 was greater than t table 1.984 ( $t \text{ statistics} > t \text{ table}$ ). Thus, Hypothesis 3 was accepted: Service Quality (X1) affected Community Satisfaction (Y2).

P2 was categorized as good with the indicators of greeting culture, decent administrative system, multi-functional officials, and clear division of authority. Soon after, the community expects a 5-second smile to be cultivated, an orderly administration system, task-oriented officials, as well as morning ceremony and joint prayers are lasted. P3 was categorized as good with the indicator of competent, responsive, speedy, effective, and efficient officials, and they can fix the community complaints. In the future, the community hopes that the officials will be included in trainings, performing discipline in attendance, and working hard.

From the statement above, the applicable strategies to improve the performance of village officials are to set goals (vision and mission), and cultivate a 5-second smile. Determination of vision and mission is crucial since a clear vision and mission will facilitate a government agency including village office to achieve its goals. In addition, the implementation of a 5-second smile culture is also essential because the main focus of the community's assessment in the service process is the officials' attitude when serving the community. By applying 5-second smile, the community will be impressed with the friendliness of the officials in serving the community. Thus, the community will think if the attitude of village officials is respectable and friendly, the community will automatically assess that their performance is excellent, too.

### **Analysis of Organizational Culture (X2) on Community Satisfaction (Y2)**

The result of R2 calculation showed that R2 was strong (0.771 and 0.869). The result of Q2 calculation revealed Q2 value of 0.970001, approaching 1 (Perfect). F2 calculation result showed that the effect of Organizational Culture (X2) on Community Satisfaction (Y2) had weak F2 (0.031). Hypothesis calculation result showed the Original Sample (O) of 0.123 and T Statistics revealed the significance of effect of 1.148, smaller than t table of 1.984 ( $t \text{ statistics} > t \text{ table}$ ). Thus, Hypothesis 4 was rejected: Organizational Culture (X2) did not affect Community Satisfaction (Y2).

P2 was categorized as good with the indicators of greeting culture, decent administrative system, multi-functional officials, and clear division of authority. The people will soon expect a 5-second smile to be cultivated, an orderly administration system, task-oriented officials, as well as morning ceremony and joint prayers are persisted. P4 was categorized as good with the indicator of well-applied service quality, organizational culture, and official performance. The community also will expect that village officials should be discipline, have self-awareness, enhance supervision, and trusted.

Strategies that can be applied to improve the performance of village officials are to regulate time (especially attendance), apply morning and afternoon ceremonies, and continuously use fingerprint attendance. With the implementation of morning ceremony and joint prayer before starting to work, village officials will be more discipline in terms of attendance. In addition, the presence of afternoon ceremony prevent the officials from leaving the office before homecoming time. The implementation of morning and afternoon ceremonies set the officials to go home properly. It can minimize indiscipline of the officials. On the other hand, by using fingerprint attendance continuously, it can be a reference for the village head to evaluate the level of discipline of his officials. With this strategy, the officials' indiscipline can be detected as early as possible and can be evaluated as quickly as possible. If these strategies are well implemented, it will certainly create an excellent organizational culture, which also affects the level of community satisfaction to be better.

### **Analysis of Village Official Performance (Y1) on Community Satisfaction (Y2)**

The result of R2 calculation showed that R2 was strong (0.771 and 0.869). Q2 calculation revealed the value of 0.970001, approaching 1 (Perfect). The result of F2 calculation exposed that the effect of Village Official Performance (Y1) on Community Satisfaction (Y2) had strong F2 (0.439). Hypothesis calculation result showed Original Sample (O) of 0.500 and T Statistics revealed the significance of effect of 4.656, which is greater than t table of 1.984 ( $t \text{ statistics} > t \text{ table}$ ). Therefore, Hypothesis 5 was accepted: Village Official Performance (Y1) affected Community Satisfaction (Y2).

P3 was categorized as good with the indicators of competent, responsive, speedy, effective, and efficient officials, and they can overcome the community complaints. The

community hopes that the officials will be included in trainings, performing discipline in attendance, and working hard. P4 was categorized as good with the indicators of service quality, organizational culture, and official performance that have been properly implemented. The community will also expect the officials' discipline, self-awareness, enhanced supervision, and trust.

Strategies that can be applied to increase community satisfaction are to encourage village officials to work, maintain community trust, and inviting the community to deliver criticism and suggestions for the officials. Working diligently will produce a decent performance, which will then result in a higher level of community satisfaction. The high level of community satisfaction will create community trust which is crucial to be maintained, given that community trust is one of the objectives of the service process. In addition, involving the community in performance appraisal is also critical because the community is the main party who directly feels the excellent and poor performance of village officials. Criticisms and suggestions can become the basis for the officials to evaluate their performance in the future.

#### **4. RESULT**

##### **Service Quality Findings (X<sub>1</sub>)**

Research findings from Service Quality (X<sub>1</sub>) variables include:

1. Developing the officials' competency through training,
2. Seeking for innovations,
3. Managing administration system,
4. Complementing facilities and infrastructure.

##### **Organizational Culture Findings (X<sub>2</sub>)**

Research findings from Organizational Culture variable (X<sub>2</sub>) include:

1. Increasing the officials' self-awareness of their duties and responsibilities,
2. Tightening supervision.

##### **Village Official Performance Findings (Y<sub>1</sub>)**

Research findings from Village Official Performance variable (Y<sub>1</sub>) include:

1. Setting goals,
2. Cultivating 5-second smile.

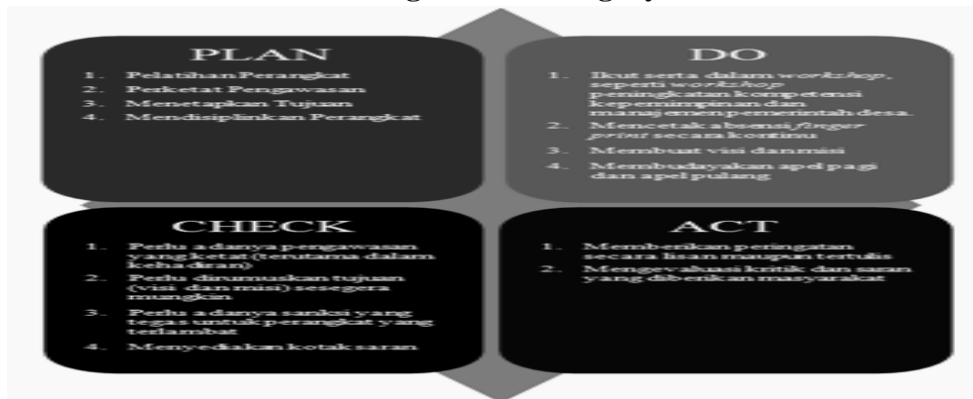
##### **Customer Satisfaction Findings (Y<sub>2</sub>)**

Research findings from Community Satisfaction (Y<sub>2</sub>) variable include:

1. Cultivating morning and afternoon ceremonies,
2. Using fingerprint attendance constantly.

From these findings, researchers formulated the following deming cycle:

Figure. 1 Deming Cycle



## 5. CONCLUSION

Service Quality (X1) had a significant positive effect on Village Official Performance (Y1). Service Quality (X1) was categorized as good with the indicator of village officials who were speedy, friendly, responsive, and provided clear information as well as straightforward and free service process. Village Official Performance (Y1) was categorized as good with competent, responsive, speedy, effective, and efficient officials, and they can cope with community complaints.

Organizational Culture (X2) had a significant positive effect on Village Official Performance (Y1). Organizational Culture (X2) was categorized as good with the indicators of greeting culture, excellent administration system, multi-functional officials, and clear division of authority. Village Official Performance (Y1) was categorized as good with the indicator of competent, responsive, speedy, effective, and efficient officials, and their abilities to deal with community complaints.

Service Quality (X1) had a significant positive effect on Community Satisfaction (Y2). Service Quality (X1) was categorized as good with the indicator of speedy, friendly, responsive officials who provide clear information as well as easy and free service process. Community Satisfaction (Y2) was categorized as good with the indicators of well-implemented service quality, organizational culture, and village officials performance.

Organizational Culture (X2) did not significantly affect Community Satisfaction (Y2). Organizational Culture (X2) was categorized as good but needs to be improved again concerning greeting-the-community culture, proper administrative systems, multi-functional officials, clear division of authority, and the low level of attendance. Community Satisfaction (Y2) was categorized as good with the indicators of service quality, organizational culture, and officials' performance.

Village Official Performance (Y1) was categorized as good with the indicator of speedy, friendly, responsive officials who provided clear information as well as straightforward and free service process. Community Satisfaction (Y2) was categorized as



good with the indicators of well-implemented service quality, organizational culture, and officials' performance.

## 6. SUGGESTION

The implication of strategies in improving the performance of village officials and increasing community satisfaction are to include village officials in workshops to improve leadership competencies and village government management. In addition, fingerprint attendance is continuously used, vision and mission are created, morning and afternoon ceremonies were implemented, the community is involved in delivering criticism and suggestions, and verbal and written warnings are given to undisciplined officials.

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