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THE IMPACT OF SERVICE QUALITY ON CUSTOMER SATISFACTION AT BANK BTN SUBBRANCH BOJONGSOANG

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Abstract

The assessment of service quality is crucial for companies engaged in the service industry, with banking being one of the sectors where service quality evaluation serves as a key driver for business growth. This study aims to analyze the extent to which the service quality provided by employees influences customer satisfaction at Bank BTN KCP Bojongsoang. The research methodology utilizes both primary and secondary data, gathered through direct field observations and questionnaires distributed randomly to 100 customers visiting the bank. The ANOVA test further supports these findings by showing that the regression model is statistically significant, which states that there is a strong relationship between the two variables. The coefficient of determination (R Square) value of 49.9% shows that nearly half of the variation in customer satisfaction can be explained by employee service quality.

Keywords: Service Quality, Customer Satisfaction, Bank, Linear Regression

Introduction

With the rapid development of technology and modern times, the banking sector has become one of the most influential industries in the global economic system. Banking serves as a platform for financial transactions for society. Consequently, competition within the banking sector is exceptionally high. The Indonesian government owns four state-owned banks: Mandiri, BNI, BRI, and BTN. Bank BTN, a state-owned enterprise since 1942, has been a key player in this competitive environment. The intense competition among state-owned and private banks revolves around enhancing resources to achieve productivity, such as increasing customer savings, deposits, and loans—the primary sources of corporate profits.

To address stiff competition and low profitability, banks must effectively coordinate all functional aspects, including production, marketing, technological development, and employee resources, in compliance with standards. These aspects must be continuously improved to support services, transaction processes, and customer loyalty, ensuring that customers remain with the bank.

Customer satisfaction is a crucial factor in building trust and loyalty among customers. Banks act as facilitators of economic activities, including purchasing, saving, and other financial operations—both digital and conventional. Service quality (SERVQUAL) encompasses five key dimensions: tangibles, reliability, responsiveness, assurance, and empathy (Kotler, 1997:53).

These five factors form the foundation that employees of Bank BTN KCP Bojongsoang must prioritize to enhance customer satisfaction. If customers do not receive maximum service, they may switch to competitors, which is detrimental to the bank. Customers must have high trust in their bank. Providing excellent service and meeting customer needs will lead to satisfaction and loyalty, which are critical for the bank's profitability. Employees must address customers' needs promptly and accurately, offering suitable products and solutions to customer problems.

Research findings indicate that some customers still complain about long queues, unresolved issues, and other factors. These findings are supported by service quality index assessments conducted by MRI, Internal Mystery Shopping, and Self-Assessment by a special team during the July-September 2024 period, which showed a score of 90.61%. While this is a commendable score, it indicates that 9.39% of the services still fall short of standards, affecting customer satisfaction.

This journal aims to discuss the quality of services provided by employees of Bank BTN Bojongsoang by surveying 100 customers who filled out a satisfaction survey. The results of this research will serve as an accurate assessment and feedback for Bank BTN KCP Bojongsoang employees to identify shortcomings and address them promptly, ensuring improved service quality.

Problem Statement

Based on the background presented, this journal focuses on addressing the following questions:

1. What is the level of customer satisfaction at Bank BTN KCP Bojongsoang?
2. To what extent does the service provide impact customer satisfaction?

3. How can customer trust be improved?
4. What solutions should be implemented to enhance service quality?

Literature Review

The quality of service is a critical benchmark used to measure and evaluate how well a service meets customer expectations. Ensuring quality is a top priority for service companies to gain a competitive edge (Octavia, 2019). According to Tjiptono (2012), quality can be understood as a dynamic condition closely related to services, customers, products, processes, and natural resources, aiming to meet desires and expectations. Thus, service quality is the effort to fulfill the expectations, needs, and goals customers have toward a company (Christiana Okky Augusta Lovenia, 2012).

Indicators of consumer satisfaction used to evaluate service quality include:

1. Tangibles: The company's physical appearance and facilities, such as office buildings, provided amenities, and visual representations, contribute to the customer's perception of quality.
2. Reliability: The company's ability to provide accurate, dependable, and timely services to customers.
3. Responsiveness: The willingness to assist customers promptly and effectively, providing easily understandable information without wasting customers' time.
4. Assurance: The employees' ability to convey trustworthiness and courtesy, ensuring customers feel secure and valued.

Empathy: Employees' sincere attention and effort to understand customers' needs and provide tailored support

Table 1 Average Service Index per Regional Office in West Java

KANWIL	KANTOR CABANG	JULI	AGUST	SEPT	SKOR TW II
Jawa Barat	KC CIMAHI	92,35	92,34	92,18	92,29
Jawa Barat	KC PURWAKARTA	92,11	92,10	92,03	92,08
Jawa Barat	KC CIKARANG	92,37	92,37	91,50	92,08
Jawa Barat	KC TASIKMALAYA	92,35	92,36	90,73	91,81
Jawa Barat	KC CIREBON	91,08	91,08	90,79	90,98
Jawa Barat	KC BANDUNG	91,06	91,06	89,72	90,61
Jawa Barat	KC KARAWANG	90,73	90,73	89,86	90,44
Jawa Barat	KC BDG TIMUR	90,20	90,19	89,71	90,03
Jawa Barat	KC BEKASI	90,28	90,28	88,94	89,83
Jawa Barat	KC HARAPAN INDAH	89,97	89,97	88,93	89,62
	Rata-Rata Indeks Layanan TW III Tahun 2024				90,98

The table above is sourced from service quality assessments conducted by three evaluators: MRI, Internal Mystery Shopping, and Self-Assessment by a special team during the July-August 2024 period, which resulted in a score of 90.61%. This score reflects the average service index of Bank BTN KC Bandung, which oversees 11 offices, including KCP Bojongsoang. The findings indicate that 9.39% of the services across KC Bandung's units, including KCP Bojongsoang, do not meet service standards. This could lead to decreased customer satisfaction and pose risks to the company.

Although the achieved index has surpassed Bank BTN's target of 88%, it is hoped that customer satisfaction can reach 100%, providing a more significant positive impact for the company.

Research Methodology

Research Location

The research was conducted at Bank BTN KCP Bojongsoang, located at Jalan Raya Bojongsoang No. 87 A, Bandung, West Java.

Data Collection Method

The researcher conducted data analysis through direct field research and observation of the objects being studied. This research was carried out at Bank BTN KCP Bojongsoang, focusing on customers who visited the bank and reviewing books and journals that had previously analyzed customer service.

Data Sources

A. Primary Data: This data was obtained through direct interviews with and surveys of customers who visited Bank BTN Bojongsoang.
B. Secondary Data: Secondary data is taken from previous research.

Research Method

The research uses a quantitative approach, which is based on valid and reliable scientific principles. It aims to obtain results from a population and uses sampling to group the data based on variables, followed by statistical analysis (Sugiyono, 2018:14). In this study, data was gathered by distributing questionnaires to 100 randomly selected customers at Bank BTN KCP Bojongsoang, assessing customer satisfaction and service quality.

Population and Sample

A. Population: The population refers to all individuals or subjects within a specific area and time frame, determined based on the type and quality to be observed (Sugiyono, 2014). In this study, the target population is the customers of Bank BTN KCP Bojongsoang.
C. Sample: The sample was selected using a non-probability sampling method, that is, the author did not give members of the population the same opportunity to be selected. (Sugiyono, 2018:122). The sampling technique used is accidental sampling, where respondents are selected randomly based on their availability when visiting Bank BTN KCP Bojongsoang. A total of 100 randomly selected customers participated in the survey.

Research Instrument Testing

A. Validity Test
The purpose of this test is to assess how well the instrument measures the variables to be studied. In this research, the validity test was conducted using the Product-Moment correlation technique, which aims to determine the linear relationship between two variables that have a normal distribution.
B. Reliability Test
This test is performed to measure each indicator of a variable. The goal is to determine the consistency of the measurement tool and whether it remains stable over time and across subjects. If the measurement is consistent when repeated, it indicates reliability (Ghozali, 2016:45).

Classical Assumption Test

This test was conducted to evaluate the quality of the data, ensuring the data's accuracy and minimizing any biased estimates. Three tests were conducted as follows:

A. Normality: This test is necessary for research because certain statistical analysis methods, such as t-tests or regression analysis, require a normal distribution of data.
B. Multicollinearity: This test aims to ensure that the independent variables in the regression model do not have high correlations with each other. High multicollinearity can make it difficult to determine the individual effect of each independent variable.
C. Heteroscedasticity: This test examines whether the variance of residuals (errors) from the regression model is consistent across observations.

Data Analysis and Calculation Method

This method outlines the process used to analyze the data with appropriate techniques and procedures. This is a crucial stage in the research as it helps produce outputs that can provide recommendations to solve the problems identified in the study.

Hypothesis Testing Method

Statistical methods are used in hypothesis testing to determine whether a hypothesis regarding population parameters is supported or rejected based on sample data. In this study, the statistical tools used were T-tests and F-tests.

Discussion

The results of this study are expected to provide insight into the extent to which the service quality provided by employees impacts customer satisfaction. Additionally, this section will discuss the implications of these findings, both from a practical standpoint for bank management to improve services, and from an academic perspective, contributing to the literature on service management and customer satisfaction. Therefore, the results and discussion not only answer the research questions but also provide strategic recommendations for PT Bank Tabungan Negara to enhance its service quality.

Validity and Reliability Tests

Validity Test

The validity test results for the service quality variable (X1 to X10) show that all questions have correlation values (R Count) greater than the critical value (R Table) of 0.181 at a 5% significance level. This indicates that all items in the employee service quality variable are valid. The R Count values range from 0.392 to 0.741, demonstrating a strong correlation with the construct being measured. Item X7 has the highest R Count value of 0.741, indicating it is the most powerful in measuring employee service quality.

For the customer satisfaction variable (Y1 to Y10), the validity test also shows that all questions have R Count values greater than R Table, confirming that all items are valid and reliable for measuring customer satisfaction. The R Count values range from 0.498 to 0.673, with Y9 showing the highest correlation of 0.673, indicating its significant contribution to explaining customer satisfaction.

Overall, these validity test results provide empirical evidence that the research instrument used in this study is valid.

Table 2 Validity Test

Variabel	Kode	R Hitung	R Tabel Sig 5% (df=100-2)	Keterangan
Service Quality	X1	0.504	0.181	Valid
	X2	0.555	0.181	Valid
	X3	0.463	0.181	Valid
	X4	0.476	0.181	Valid
	X5	0.680	0.181	Valid
	X6	0.657	0.181	Valid
	X7	0.741	0.181	Valid
	X8	0.434	0.181	Valid
	X9	0.663	0.181	Valid
	X10	0.392	0.181	Valid
Customer Satisfaction	Y1	0.498	0.181	Valid
	Y2	0.665	0.181	Valid
	Y3	0.607	0.181	Valid
	Y4	0.629	0.181	Valid
	Y5	0.661	0.181	Valid
	Y6	0.547	0.181	Valid
	Y7	0.651	0.181	Valid
	Y8	0.572	0.181	Valid
	Y9	0.673	0.181	Valid
	Y10	0.623	0.181	Valid

Reliability Test

Table 3 Reliability Test

No	Variabel	Cronbach's Alpha	N of Items	Keterangan
1	Variabel Service Quality	0.748	10	Reliabel
2	Variabel Customer Satisfaction	0.816	10	Reliabel

The reliability test results show that the instrument used in this study has good internal consistency. Cronbach's Alpha value for the employee service quality variable is 0.748, and for the customer satisfaction variable, it is 0.816. Both values exceed the common threshold of 0.7, indicating that the items used to measure both variables are consistent and reliable.

Classic Assumption Test

Normality Test

The normality test using the One-Sample Kolmogorov-Smirnov Test indicates that the residual distribution in this study follows a normal distribution, with a significance value (Asymp. Sig. 2-tailed) of 0.200. This value is greater than the commonly accepted significance level of 0.05, indicating that the normality assumption required for linear regression analysis is met.

Table 4 Normality Test
Normalitas Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	4.26849298
Most Extreme Differences	Absolute	.049
	Positive	.049
	Negative	-.036
Test Statistic		.049
Asymp. Sig. (2-tailed)		.200[c,d]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Linear Test

Table 5 Linear Test
Linearitas Test

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Sig.
Customer Satisfaction * Employee Service quality	Between Groups	(Combined)	2247.517	22	102.160	5.821	.000
		Linearity	1795.127	1	1795.127	102.283	.000
		Deviation from Linearity	452.390	21	21.542	1.227	.254
	Within Groups		1351.393	77	17.551		
	Total		3598.910	99			

The results of the linearity test using an ANOVA table show that the relationship between employee service quality and customer satisfaction is linear. This is indicated by the significance value for Deviation from Linearity of 0.254, which is greater than the significance level of 0.05. This suggests that there is no significant deviation from linearity, thus meeting the linearity assumption in regression analysis.

Simple Linear Regression Test

Based on the regression analysis results, the regression equation that describes the relationship between employee service quality (X) and customer satisfaction (Y) at Bank BTN KCP Bojongsoang is formulated as follows:

$Y = 6.637 + 0.818X$

Where:

- Y_i represents customer satisfaction.
- X_i represents employee service quality.
- 6.637 the constant (intercept), indicating the value of customer satisfaction when employee service quality is zero.

- 0.818 the regression coefficient for employee service quality, meaning that for every one-unit increase in employee service quality, customer satisfaction increases by 0.818 units

Table 6 Simple Linear Regression Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.637	3.252		2.041	.044
	Employee Service Quality	.818	.083	.706	9.876	.000
a. Dependent Variable: Customer Satisfaction						

Hypothesis Testing

With a coefficient of determination (R Square) analytical result of 0.499, employee service quality accounts for almost 49.9% of the variation in customer satisfaction. The Adjusted R Square value of 0.494 accounts for the number of predictors in the model and similarly shows that nearly half of the variation in customer satisfaction is influenced by service quality. The remaining 50.1% is attributed to other factors outside the model. Additionally, the standard error of the estimate, measured at 4.29022, reflects the model's accuracy in predicting customer satisfaction, with smaller values indicating better predictive performance.

F – Test

Table 7 Anova Test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1795.127	1	1795.127	97.530	.000[b]
	Residual	1803.783	98	18.406		
	Total	3598.910	99			
a. Dependent Variable: Customer Satisfaction						
b. Predictors: (Constant), Service Quality						

The computed F-value, according to the F-test findings, is 97.530 with a significance level of 0.000. At a 95% confidence level, this indicates that the regression model is statistically significant.

Coefficient of Determination Test

Table 8 Coefficient of Determination Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.706[a]	.499	.494	4.29022
a. Predictors: (Constant), Employee Service Quality				
b. Dependent Variable: Customer Satisfaction				

The analysis of the coefficient of determination (R Square) result of 0.499, meaning that approximately 49.9% of the variation in customer satisfaction can be explained by employee service quality. The Adjusted R Square value of 0.494 indicates the adjustment for the number of predictors in the model, which still shows that nearly half of the variation in customer satisfaction can be attributed to the service quality provided. The remaining 50.1% is influenced by other variables. The standard error of the estimate, which is 4.29022, shows how well this model predicts customer satisfaction, the smaller this value, the better the model's predictions.

Conclusion

The regression analysis reveals that employee service quality significantly contributes to explaining the variation in customer satisfaction, with a positive and significant regression coefficient. The ANOVA test further supports these findings by showing that the regression model is statistically significant, indicating strong relationship. The coefficient of determination (R Square) value of 49.9% shows that nearly half of the variation in customer satisfaction can be explained by employee service quality.

The positive relationship between service quality and customer satisfaction supports the theory that these factors are crucial for improving customer satisfaction in the banking service sector (Tjiptono, 2004; Christiana Okky Augusta Lovenia, 2012).

In conclusion, this journal emphasizes the criticall role of employee service quality in enhancing customer satisfaction at PT Bank Tabungan Negara Sub Branch Bojongsoang. The practical implication of this finding is the need for the bank's management to continue focusing on employee training and development to ensure that services meet or exceed customer expectations, example : Weekly roleplay is carried out for employees who have direct contact with customers, in order to increase quality in accordance with specified standards, Socialization of the latest products and programs in accordance with regulations By doing so, the bank can enhance its competitiveness and retain a loyal customer base.

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