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Internal Service Quality and Employee Performance: Case of Swiss Belin Kristal Hotel- Indonesia

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Abstract

Competition among hotels in Indonesia, for the last 5 years, indicated that every hotel has demonstrated its service quality. This service quality will affect the satisfaction of the guests, and eventually will influence the decision of staying at the hotel and enjoying the hotel services. The competition is not only directed to physical quality but also to the internal quality which is delivered by the employees. Thus, both physical and internal aspects of the services should be prepared in order to face the competition. In addition, internal service quality will boost the guests' satisfaction in the hotel industry. Competition demands for internal service improvement, as to increase the employees' job satisfaction and enhance the employees' working spirit. This study collected data from 226 employees of Swiss Belinn Kristal Hotel in Kupang-Indonesia, as the population with sample of 70 employees using stratified sampling method. This study used instrumental examination, multiregression technique, classical assumption, hypotheses testing (T and F tests). The results of the study indicates that internal quality service influence significantly towards the employees' satisfaction in Swiss Belinn Kristal Hotel accounted for 86.7%. Simultaneously, internal service quality affected significantly towards employees' job satisfaction. However, partially, management support did not affect employees job satisfaction whereas recognition, awards and training positively influenced employees job satisfaction.

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1. Introduction

Conceptualization pertaining ”services” lately has dominated management research especially those in which related to customer satisfaction, as exhibited in management literature (Hallowell, 1996; Zeithaml, Berry, & Parasuraman, 1988; Zemke, 1989). Customer satisfaction draws attention from practitioners and scholars since its roles in generating profits and company’s performance (Samadara & Fanggidae, 2020). Hallowell (1996) showed that internal quality significantly affected job satisfaction. In the study, Hallowell (1996) identified eight internal quality components which influence job satisfaction. Internal quality also has received little attention in empirical studies therefore theoretically has motivated this study to conduct investigation regarding the impact of internal quality service toward job satisfaction at a 4-star hotel in Kupang City, in particular, at Swiss Belinn Hotel Kupang.

Employees’ job satisfaction according to Hallowell (1996) is determined by internal service quality delivered by the company to its employees, comprised of objectives coordination, management suport, recognition and award, teamwork, regulation and procedure, communication, trainning and devices. Objectives coordination is needed among departments, between a department and leader so as to achieve the objectives. Management or leader supports toward a job accomplishment in each department is needed particularly to departments which is considered contributes insignificantly to the hotel’s service quality.

Lack of recognition and appreciation form a company towards achievements of the employees also influence the job satisfaction measure. The problem of job satisfaction especially in hotel industry is caused by a growing number of hotels in Kupang City, both in types and sizes. In general, hotels function to handle accommodation for their guests, however, these days hotels have more functions than it used to, namely meeting cite, seminar, wedding ballroom and cultural exhibitions. In their activities, hotels’ locations highly influence their functions as transition place, business and resting area.

The success of hotel services is not only determined by physical qualities and supporting facilities offered to deliver customers’ satisfaction, but also determined by the quality of their employees. This is important considering that high quality employees are essential assets in a company. This research focuses on hotel’s management supports, recognition and awards of management to their employees.

Problem definition

Based on the above discussion, the research questions are presented below:

1. Is there a significant simultaneous effect of the quality of internal services on the Job Satisfaction of hotel employees?
2. Is there a significant partial effect of the quality of internal services on the Job Satisfaction of hotel employees?

2. Literature Review

Internal Service Quality

Zeithaml et al. (1988) defined service as an act, process, and performance. Service refers to an act or performance which yields in benefits for customers and generates a desired change in or for common good (Fanggidae, 2019). Service quality is one measure of success in providing guarantees

for customer satisfaction, through the service quality a customer can give an objective assessment in an effort to create customer satisfaction (Lupiyoadi, 2001).

According to Batilmurik, Sahetapy, Noach, and Samadara (2017) in managing human resources, the internal quality of service to employees is a starting point to excellent performance. In his article, Hallowell (1996) explored the significance of internal service quality on job satisfaction and customer satisfaction. There are 8 components in the quality of internal services, namely; (1) Alignment of Targets, (2) Management Support, (3) Awards and Recognition, (4) Team Work, (5) Policies and Procedures, (6) Communication, (7) Training, and (8) Equipment.

Job Satisfaction

Gibson, Ivancevich, and James (1996) argued that needs show the perceived weakness of a person at a certain time. These needs are physiological (the need for food), psychological (the need for self-esteem), or sociological. According to Robins (1996), job satisfaction refers to an individual's general attitude towards his job. An individual with a high level of job satisfaction shows a positive attitude towards their work. An individual who is dissatisfied with his work shows a negative attitude towards work. Gibson et al. (1996) defines job satisfaction as the individuals' attitude regarding their work. Several factors that affect employee job satisfaction are: 1) Work that is mentally challenging; 2) Reward/promotion; 3) Supporting working conditions; 4) Supporting partners (Robins, 1996).

3. Material and Methods

Measurement

Measurement of internal service quality according to Hallowell (1996) are: (1) Alignment of Targets, (2) Management Support, (3) Awards and Recognition, (4) Team Collaboration, (5) Policies and Procedures, (6) Communication, (7) Training, and (8) Equipment, using Scale 5-1 (strongly agree-strongly disagree). This research is limited to 3 indicators: 1) Management Support; 2) Award and Recognition; and Training with consideration to job specifications.

Job satisfaction refers to Robins (1996); which are: 1) Mentally challenging work; 2) Reward / promotion; 3) Supporting working conditions; 4) Supporting business partners, using Scale 5-1 (strongly agree-strongly disagree).

Participants

The population in this study were 226 employees of the Swiss Hotel Belin Kristal Kupang. The sample selection was carried out based on the simple random sampling method with a total sample of 70 people. Determination of the number of samples using the Slovin formula (Slovin, 2007).

4. Results and Discussion

Validity and Reliability of the Instrument

The testing of internal service quality instruments in this study refers to the R-Product Moment value between 0.756-0.923, while job satisfaction is at a score of 0.786-0823 and has a good level of

validity, while the reliability test; both variables have good reliability scores with Cronbach Alpha value of 0, 864 (internal service quality); and 0.901 (job satisfaction).

Descriptive Analysis

The average of respondents' answers to each research variable are in the high category. The details are: the average value of internal service quality is 3.71 and job satisfaction is 3.60.

Statistics Analysis

1) Correlation coefficient

The correlation analysis showed that correlation coefficient value of R = 0.931, which shows that there is a strong relationship between the quality of internal services to employee job satisfaction.

2) Determination coefficient

R square of 0.867 indicates that the quality of internal services is able to explain the job satisfaction of employees at Swiss Belin Kristal Kupang by 86.7%, while the remaining of 13.3% (100% -86.7%) is explained by factors other than the quality of internal services which are not examined.

3) Multiple Regression

The results of multiple regression calculations with the SPSS 18.0 program are shown in Table 1 below.

Table 1
Multiple regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.436	.955		-2.551	.013
	Management support	-.006	.197	-.002	-.031	.976
	Recognition and Award	1.834	.186	.792	9.865	.000
	Training	.451	.137	.197	3.288	.002

a. Dependent Variable: Job Satisfaction
Source : SPSS 18.0 results

The multiple regression results above show that the independent variables namely Management Support, Recognition and Awards, and Training have a positive effect on the dependent variable, employee job satisfaction. Where every increase that occurs in the independent variable will be followed by an increase in the dependent variable.

Hipotheses testing

1) F test

Simultaneous or F test is a joint test to examine the significant influence of service quality variable consisting of management support, recognition and appreciation, and training, on employee job satisfaction variable. Based on the results of calculation with SPSS 18 program. Based on the test results obtained Fcount value of 143,305 > fTable value of 2.50. Thus, it is concluded that theoretically the quality of internal service has a significant influence on employee job satisfaction, as Rangkuti (2004: 56) argued, that employee job satisfaction is the difference between the level of importance and perceived performance or results. What customers have experienced regarding the services compared to what they want.

2) T test

Based on the calculation with SPSS program, the results are elaborated as follows:

a. Management support (X1)

Based on the test results the value of t is smaller than the value of t table (-.031 <1.68). In addition, p-value was 0.976, so when compared with an alpha value of 0.05, the p-value was greater than the alpha value (0.976 > 0.05). This shows that H_0 is accepted and H_1 is rejected or in other words the management support variable has no significant effect on job satisfaction.

b. Recognition and Rewards (X_2)

The results of the t test show that t value is greater than the value of t table (2.159 > 1.68). In addition, p-value is 0.036, when compared with the alpha value of 0.05, the p-value is smaller than the alpha value (0.036 < 0.05). This shows that H_0 is rejected and H_1 is accepted or in other words the recognition and award variable have a significant effect on employee job satisfaction.

c. Training (X_3)

The results exhibited that the calculated t value is greater than the t table value (3,288 < 1.68). In addition, the p-value is 0.002, or smaller that alpha value (0.002 > 0.05). This shows that H_0 is rejected and H_1 is accepted or in other words the Training variable has a significant effect on employee job satisfaction.

4. Conclusion

The acceptance of hypothesis 1 regarding the simultaneous influence of internal service quality on job satisfaction is consistent with Zeithaml et al. (1988) and Hallowell (1996). This illustrates that the quality of internal services is in a good level that can increase job satisfaction. In contrast to Hallowell (1996), the independent variable analyzed in this study is internal service quality only.

The acceptance of hypothesis 2 about the partial effect of internal service quality on job satisfaction, although there are differences, the results of this study supports Hallowell, et al. (1996). In their study, all predictors (independent variables) have a positive and significant effect on job

satisfaction. In this study only several variables have a significant positive significant effect towards dependent variable, while 1 (one) variable has significant negative effect, and the other have insignificant positive-negative effects.

Partial results in favor of Hallowell, et al. (1996) is that management support has a negative effect on job satisfaction. Rewards and recognition also have a significant positive effect on job satisfaction. Rewards and recognition have a level of meaning that is almost as large as the previous two variables, although it is definite that statistically ranks third in terms of influence on job satisfaction.

The t test in this study aimed to find out which variables have an effect on employee job satisfaction based on the service method that has been implemented by Swiss Belin Kristal Kupang. The results indicated that only the recognition and rewards and training variables have a partial effect on employee job satisfaction, while management support did not influence employee job satisfaction in Swiss Belin Kristal Kupang. This showed that in its services Swiss Belin Kristal Kupang should pay more attention to services in the field of management support.

Simultaneously, internal service quality factors have positive and significant effects on employee job satisfaction at Swiss Belin Kristal Kupang, but partially, although recognition and rewards and training are positively and significantly related to job satisfaction but not with management support which shows a negative relationship.

Limitation, Recomendation, and Future Study

This research is limited to 3 indicators of the quality of internal service which was conducted in the city of Kupang. In the future the research needs to be expanded by conducting a study using all of the indicators of internal service quality proposed by Hallowell, et al. (1996) and extend to all employees to obtain and analyze problems that are more general in nature.

Some recommendations given as suggestions include: 1) need to increase management support from hotel leaders to all employees in order to improve their performance; and 2) recognition and rewards are needed for the achievements of hotel employees by giving incentives for those who excel at company services.

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