

# Influence of work facilities, competency, communication on business participants' satisfaction through service quality as a variable intervening at investment and one door opening service of the province of the Riau Island Government

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## Abstract

**Purpose:** This study aimed to analyze the effect of Work Facilities, Competence, and Communication on Business Satisfaction through Service Quality as an intervening variable at the Investment and One-Stop Integrated Service Office of the Riau Islands Provincial Government, totaling 168 employees.

**Research Methodology:** The sample used in this study was the entire population of 168 employees of the Investment Service and One-Stop Integrated Service of the Riau Islands Provincial Government. In this study, the sampling technique used was nonprobability sampling with the technique taken, namely saturated sampling (census). The research method uses a quantitative approach with the analysis of partial least squares (PLS) analysis techniques with SmartPLS version 4.0.

**Results:** The results indicate that Work Facilities have a positive and significant effect on satisfaction. Competence has a positive and insignificant effect on satisfaction. Communication had a positive and insignificant effect on satisfaction. Service Quality had a positive and significant effect on satisfaction. Work facilities had a positive and significant effect on service quality. Competence has a positive and significant effect on Service Quality. Communication has a positive and significant effect on Service Quality. Service Quality does not mediate the influence of Work Facilities on Satisfaction. Service Quality mediates the influence of Competence on Satisfaction. Service Quality mediates the influence of Communication on Satisfaction.

**Keywords:** *Work Facilities, Competence, Communication, Satisfaction, and Service Quality*

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## 1. Introduction

The Riau Islands Province is an investment destination in Indonesia, so it must always provide the best service to investors and business actors. Various privileges and incentives in the free trade zone (FTZ) along with the Special Economic Zone (KEK) do not guarantee that investors will enter the Riau Islands if their service is disappointing. The Investment and One-Stop Integrated Service Office (DPM PTSP)

of the Riau Islands Province as a technical Regional Apparatus Organization (OPD), which is the leading sector providing investment services in the Riau Islands, must be able to ensure that investors and business actors who carry out licensing and non-licensing management receive satisfactory services.

To perform its duties and functions, the Riau Islands DPMPTSP continues to make improvements in terms of providing infrastructure and licensing services, creating a conducive investment climate, and increasing investment potential and opportunities. Through this office, licensing services were conducted in accordance with legal certainty, orderly state administration, public interest, openness, proportionality, accountability, efficiency, and effectiveness. DPMPTSP is expected to create a climate that encourages the creation of uniform patterns and steps for the implementation and service by government officials to the community, as well as integrated coordination in the process of providing licensing documents.

To achieve the target as an investment destination, DPMPTSP Kepri continues to make improvements in terms of providing infrastructure, licensing services, creating a conducive investment climate, and increasing the promotion of investment potential and opportunities. The enactment of Government Regulation Number 5 of 2021 concerning the Implementation of Risk-Based Business Licensing (PP 5/2021), which is the implementation of Law Number 11 of 2020 concerning Job Creation, brings about changes to the regulation of business licensing.

Previously, business permits were applied through an electronic-based business licensing system, namely online single submission (OSS) version 1.1. However, since July 2, 2021, applications for electronically integrated business permits have been made through the OSS-RBA system in accordance with the Letter of the Minister of Investment/Head of BKPM Number 1342 / A.1 / 2021. The online single submission risk-based approach (OSS-RBA) is an electronically integrated business licensing system. To support the investment climate mentioned above, the DPMPTSP has set standards with a focus on improving promotion and cooperation to increase investment, improving the quality of investment services by simplifying licensing, realizing the management and availability of investment data based on information technology, and improving governance in the implementation of investment development.

Facilities are a means of maintaining the smooth operation of an organization. The more facilities provided to business actors, the more satisfaction they will experience. Facilities have a direct relationship and are the main support in an activity; they are attributes that must be applied to an organization. In simple terms, what is meant by facilities is a physical means to process an input to the desired output. The lack of work facilities that make employees overwhelmed in doing their jobs, such as lack of cabinets (places for goods) so that files that have been worked on are not neatly arranged, some office computers are still being repaired so that computers that can be used are very limited, which can cause work not to be completed on time, and many jobs that require tools but lack facilities make it difficult for business actors to complete their work.

Then, a problem was found regarding competence, namely, where the organization carries out a development program for business actors, which is believed to be able to cover the mismatch that occurs between the competencies needed in the position and the competencies possessed by business actors. However, the program is only given to business actors who need it, and not all business actors receive it. The programme is only given to business actors who occupy new positions. This results in an uneven increase in competence, and employee performance cannot be increased. Competence itself is a characteristic that underlies a person in relation to the effectiveness of individual work in their work, or a fundamental characteristic of a person that is causally related or as a cause and effect with the criteria used. Competence is the basis for how business actors can work in accordance with the demands of the work that is their responsibility. So in this case, business actors must continue to adapt in order to be willing to meet the competency standards in their field of work.

In addition to the indication of low competence, there is another problem, namely ineffective communication. The importance of communication for a person's life can be developed in the ability to communicate with someone, so that communication is very effective in achieving these goals. Communication is the main tool through which business actors can jointly carry out management activities to achieve predetermined goals. The communication that occurred in this study was still considered less than good because business actors still often experienced misunderstandings caused by unclear communication between employees and business actors.

Based on the background and existing phenomena, a research gap has been found, so this can be used as a basis for researchers to conduct research on **“Influence Of Work Facilities, Competency, and Communication on Business Participants' Satisfaction Through Service Quality as a Variable Intervening At Investment And One Door Opening Service Of The Province of The Riau Island Government.”**

## **2. Literature Review**

### **2.1 Satisfaction**

Business actors are the main focus of the discussion of satisfaction and service quality. In this case, the community plays an important role in measuring the level of satisfaction with the services provided by the agency to assess service quality. Satisfaction is a function of perceptions of performance and expectations. If performance exceeds expectations, the community is satisfied or happy. Many agencies focus on high satisfaction because people with a moderate level of satisfaction will easily change their minds if they receive a better offer. A high level of satisfaction creates emotional attachment to a particular brand, resulting in very high community loyalty (Primita & Rolanda, 2024).

Business actor satisfaction is one of the things that plays an important role in business. Business actor satisfaction is the main milestone in an organization's success. Therefore, in an effort to fulfill business actor satisfaction, the organization must be aware of the shifting needs and desires of business actors that change at all times. If producers can produce products and services according to what business actors want and need, they will feel satisfied. Each business actor has a different level of satisfaction (Thalib, Kumadji, Edis, & Saikim, 2023).

Consumer satisfaction is the level of a person's feelings after comparing the perceived performance (results) with their expectations, and a person's feelings of disappointment or pleasure that come from a comparison between the impression of a product's performance and their expectations. Consumer satisfaction is a specific short-term measure for each transaction, situation, or interaction. Customers will compare it with other service products. If their expectations are met, they become loyal customers and are satisfied with the goods or services they buy. The level of satisfaction between one person and another tends to be different, which is due to several factors such as age, occupation, income, education, gender, social status, economic level, culture, mental attitude, and personality. Thus, the level of community satisfaction is a benchmark and evaluation function of the community, where the community compares the differences between the results of the product obtained with the expectations of the community (Suwaldiman & Rheina, 2023).

### **2.2 Work Facilities**

Every organization is required to provide various facilities that support employees' work. With good facilities, employees find it easier to complete the work given and have an impact on employee work performance, which is increasing. Many organizations that have good capabilities but are not supported by adequate work facilities make it difficult for them to complete the given work tasks. Work facilities in an organization are important for the organization to pay attention to because they function as a means of facilitating a job (Hestyaningsih, Martini, & Anggraeni, 2020).

The work facilities used by each organization vary in terms of their type and benefits. The greater the activity of an organization, the more complete the work facilities and supporting facilities in the work activity process to achieve these goals. According to Barry and Abubakar (2015), work facilities are a

means provided by the company to support the running of the company's tone in achieving the goals set by the control holder. According (Sedarmayanti, 2018) work facilities are all tools and materials faced, the surrounding environment in which a person works, their work methods, and their work arrangements, both as individuals and groups. Facilities are a means to facilitate and facilitate the implementation of functions. Facilities are individual components of an offering that are easy to grow or reduce without changing the quality or model of services. Facilities are also a tool to differentiate one educational institution's program from its competitors (ERNESTIVITA & SUBAGYO, 2020).

### **2.3 Competence**

Competence is a set of knowledge, skills, and behaviors that a person must possess in carrying out their professional duties. According to Wibowo (2016), competence is the basic foundation of a person's characteristics and indicates how to behave or think, adjust situations, and provide support for a fairly long period of time. Related to the understanding of competence as the basic foundation of a person's characteristics, there are five types of competence characteristics: 1) Motive, which is something that people consistently think of or want to cause action. Motives drive, direct, and choose behaviors towards certain actions. 2) Nature refers to the physical characteristics and responses of respondents to situations or information. 3) Self-concept refers to a person's attitude, values, or self-image. Self-confidence is a person's belief that they can be effective in almost every situation and is part of a person's self-concept. 4) Knowledge is the information that people have in a more specific field. (5) Skills are the ability to perform certain physical or mental tasks.

ANGGRAENI (2021) suggests that motives include 1) Orientation towards task achievement, 2) Impact and influence, this reflects the intention to approach, convince, influence, or impress others so that they support a particular agenda or they become influenced. Traits include 1) initiative, 2) working with a team, and 3) building togetherness in the form of a willingness to develop others. The essence of this competence lies in the serious willingness to develop others and their impact rather than a formal role, either by sending people to training programs regularly to meet the needs of employees and agencies or in another way by working to develop colleagues, the community, and even superiors. Teamwork and cooperation mean a serious willingness to work together to become more competitive. Self-concept, including self-confidence and self-control. Self-confidence is the ability to control emotions and suppress negative actions when angry, faced with opposition or rude actions from others, or working under stressful conditions. Self-control is more often found in lower-level managerial and contributor positions with high stress levels (Wulandari & Setyaningrum, 2021).

### **2.4 Communication**

Communication within a company is a determinant of success in achieving a goal. With communication, there is reciprocity from each employee in the company, either in the form of an order, suggestion, opinion, or criticism. In this case, communication is a part of the work life of an agency. Etymologically, according to the origin of the word communication, it comes from the Latin "communication," which means the same meaning about one thing. Communication refers to the process of conveying statements to others. Communication is also a process of conveying messages from one person to another to provide opinions, change attitudes or behavior verbally or through the media (Lontoh, Maryen, & Sapari, 2022). In this case, communication in the form of messages must be conveyed properly so that the recipient of the message can receive it and understand it (Seidy & Roring, 2018). Effective communication is communication that is able to produce a change in attitude (attitude change) in people involved in the communication. Effective communication creates a healthy and transparent agency work climate. Communication is the relationship between two or more people reciprocally using meaningful symbols in the form of symbols or appropriate words. (Lontoh et al., 2022).

Communication refers to the transfer of information and understanding from one person to another. A communication process is required to transfer the information referred to in communication. According to the Webster New Colloquial Dictionary, "the term communication comes from the Latin term *communicare*, the past participle of *communicatio*, and *communicatus*, which means a tool for communicating, especially a system for delivering and receiving news, such as telephone, telegram,

radio, etc. Gibson and Ivan in Ardiansyah (2016) state that "Communication is the sending of information and understanding, regarding verbal or non-verbal symbols". Communication is the process of transferring understanding in the form of ideas or information from one person to another. Luthan in Ardiansyah (2016) provides an understanding that directly leads to organizational change and development, which can only occur through the development of human resources in each environment.

## **2.5 Quality of Service**

Modernity with technological advances will result in tight competition to obtain and retain the community. Service quality must be maintained by agencies to survive and continue to gain public trust. Consumption patterns and lifestyles require agencies to provide quality services (Ramdhan & Rachman, 2023).

According to Wyckof in Lathifah (2021), service quality is the expected level of excellence and control over the level of excellence to meet the desires of the community. If the service received is in accordance with expectations, then service quality is perceived as good and satisfying. If the service received exceeds public expectations, service quality is perceived as ideal. Conversely, if the service received is lower than expected, service quality is considered poor (Lathifah, 2021). Referring to the definition of service quality, the concept of service quality is a responsiveness and reality of the services provided by the organization.

According to Kotler Lathifah (2021), service quality must start with customer needs and end with public perceptions. This means that good quality is not based on the perception of service provision, but on public perception. Service quality refers to the community's assessment of the core of the service, namely the service provider itself or the entire service organization, and most people are now starting to show demands for excellent service; they no longer just need quality products, but prefer to enjoy the convenience of service. Therefore, when formulating service strategies and programs, organizations must be oriented towards the interests of the community and pay close attention to the quality dimension (A. S. Dewi & Muhsin, 2019).

## **2.6 Hypothesis Development**

### **2.6.1 The Influence of Work Facilities on Satisfaction**

To achieve this goal, there are several supporting factors, including work facilities. Work facilities generally support employees to carry out the tasks they do so that they are completed as expected so that they can increase the satisfaction of business actors and the community served. Good work facilities facilitate the work process and produce optimal results. Job satisfaction can be driven by the existence of adequate work facilities, because with adequate work facilities it can support or assist all work activities that are in accordance with the goals of the organization which can increase the satisfaction of business actors and the community. With adequate work facilities, business actors feel that this agency has provided proper work facilities so that they can complete their work properly and quickly so that they can increase community satisfaction (Olayemi, 2020).

The results of this study are reinforced by previous research conducted by Melia, Ardiansyah, Marlin, and Novriful (2023) which stated that facilities have a significant effect on satisfaction.

H1: Work Facilities have a direct effect on Business Actor Satisfaction at the Investment and One-Stop Integrated Service Office (DPMPTSP) of the Riau Islands Provincial Government.

### **2.6.2 The Influence of Competence on Satisfaction**

To increase satisfaction, it is necessary to pay attention to and continue to improve the capacity of business actors to complete the work demands given. Thus, the ability of each superior to select, choose, and empower the improvement of his business actors must always be considered to increase community satisfaction and maintain the continuity of organizational goals. By focusing on each indicator of existing human resource competency, satisfaction can be increased (Omoniyi, 2020).

The results of this study are reinforced by previous research conducted by Diana (2023), who found

that competence has a significant effect on satisfaction.

H2: Competence has a direct effect on Business Actor Satisfaction at the Investment and One-Stop Integrated Service Office (DPMPTSP) of the Riau Islands Provincial Government.

### *2.6.3 The Influence of Communication on Satisfaction*

Communication in an organization is a determinant of success in achieving a goal. Good communication is needed to achieve organizational goals, where there is a network of understanding in the communication, so that it can be understood and implemented between one party and another. Therefore, if good communication is established in an organization, performance can be improved to increase public satisfaction (Jalasi & Ambad, 2020).

The results of this study are reinforced by previous research conducted by Lontoh et al. (2022), who state that communication has a significant effect on employee job satisfaction.

H3: Communication has a direct effect on Business Actor Satisfaction at the Investment and One-Stop Integrated Service Office (DPMPTSP) of the Riau Islands Provincial Government.

### *2.6.4 The Influence of Service Quality on Satisfaction*

Service quality is a characteristic of a product or service that depends on its ability to satisfy the community's needs. Service quality reflects the ability of a service to carry out its duties, which include speed and accuracy in serving the community. Good service quality increases public satisfaction because the performance of its services is in accordance with community expectations. The results of this study are reinforced by previous research conducted by Jaya (2021), who found that service quality has a significant effect on customer satisfaction.

H4: Service Quality has a direct effect on Business Actor Satisfaction at the Investment and One-Stop Integrated Service Office (DPMPTSP) of the Riau Islands Provincial Government.

### *2.6.5 The Influence of Work Facilities on Service Quality*

Work facilities significantly affect service quality. With the availability of adequate work facilities, it can provide quality services and satisfy community concerns. Likewise, if work facilities are inadequate, it will affect the quality of service provided to the community. The results of this study are reinforced by previous research by Kurniasari and Oktarina (2020), who stated that work facilities had a positive and significant effect on service quality.

H5: Work Facilities have a direct effect on Service Quality at the Investment and One-Stop Integrated Service Office (DPMPTSP) of the Riau Islands Provincial Government.

### *2.6.6 The Influence of Competence on Service Quality*

Employee skills and competencies are essential to an organization. Competence as mastery of tasks, skills, attitudes, and appreciation is needed to support success. Therefore, if the competency of business actors is fulfilled, the quality of the service will improve. Similarly, if the competency of business actors is still lacking, the quality of service will also be poor.

The results of this study are reinforced by previous research by Kurniasari and Oktarina (2020), who stated that competence has a positive and significant effect on service quality.

H6: Competence has a direct effect on Service Quality at the Investment and One-Stop Integrated Service Office (DPMPTSP) of the Riau Islands Provincial Government.

### *2.6.7 The Influence of Communication on Service Quality*

Communication is very important for an organization because it is the main tool for members of the organization to be able to work together to carry out management activities in order to achieve predetermined goals. If communication that is established runs well, it can improve the quality of service. Conversely, if communication is hampered, service quality is also hampered.

The results of this study are reinforced by previous research conducted by Kapi (2019), who found that communication has a positive and significant effect on service quality.

H7: Communication has a direct effect on Service Quality at the Investment and One-Stop Integrated Service Office (DPMPTSP) of the Riau Islands Provincial Government.

#### *2.6.8 The Influence of Work Facilities on Satisfaction Through Service Quality as an Intervening Variable*

Work facilities are important for organizations because they can improve the quality of employee services. If the work facilities provided are in accordance with expectations, for example, by increasing the number of computers or better Internet connections, then it can improve the quality of service so that it can also increase satisfaction.

The results of this study are reinforced by previous research by Zakiyah and Wahyono (2020), who stated that service quality can mediate the influence of work facilities on community satisfaction.

H8: Work Facilities have an indirect effect on Business Actor Satisfaction through Service Quality as an Intervening Variable at the Investment and One-Stop Integrated Service Office (DPMPTSP) of the Riau Islands Provincial Government.

#### *2.6.9 The Influence of Competence on Satisfaction Through Service Quality as an Intervening Variable*

Competence is important for organizations because it can improve the quality of service for business actors. If competence has been fulfilled and is in accordance with expectations, for example, training and socialization are held for employees or there is job promotion, then it will be able to improve the quality of service so that it can also increase satisfaction.

The results of this study are reinforced by previous studies conducted by Diana (2023) and Kurniasari and Oktarina (2020), who stated that service quality can mediate the effect of competence on satisfaction.

H9: Competence has an indirect effect on Business Actor Satisfaction through Service Quality as an Intervening Variable at the Investment and One-Stop Integrated Service Office (DPMPTSP) of the Riau Islands Provincial Government.

#### *2.6.10 The Influence of Communication on Satisfaction Through Service Quality as an Intervening Variable*

Communication is very important for an organization because it can improve the quality of employee services. Good communication is needed to achieve organizational goals, where there is a network of understanding in the communication, so that it can be understood and implemented between one party and another. Therefore, if good communication is established within an organization, it can improve the quality of service and increase public satisfaction.

The results of this study are reinforced by previous research by Zakiyah and Wahyono (2020), who stated that service quality can mediate the influence of work facilities on public satisfaction.

H10: Communication has an indirect effect on Business Actor Satisfaction through Service Quality as an Intervening Variable at the Investment and One-Stop Integrated Service Office (DPMPTSP) of the Riau Islands Provincial Government.

## 2.7 Relationship between variables

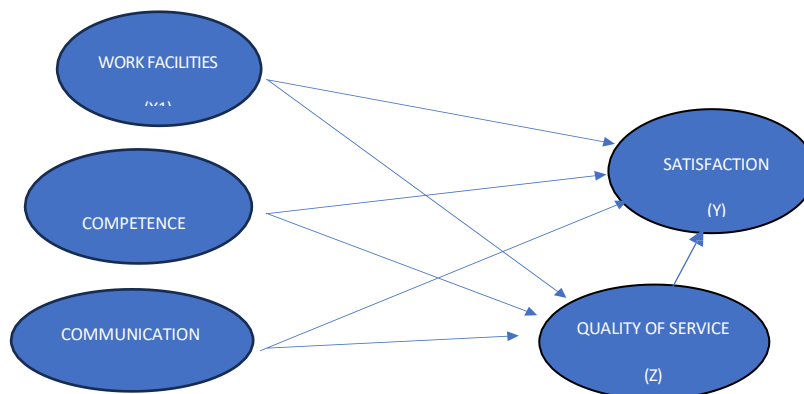


Figure 1. Relationship between variables

## 3. Research Methodology

### 3.1 Place and Time of Research

In this study, the researcher obtained data and took the research location of the Investment and One-Stop Integrated Service Office (DPMPTSP) of the Riau Islands Provincial Government and in this study the researcher scheduled the time starting from February 2024 to July 2024.

### 3.2 Population

Population according to S. Sugiyono (2016) is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn. Determining the population is an important stage of research. This population can provide useful information and data for research. The study population comprised 168 participants.

### 3.3 Sample

A sample is part of a population that is expected to represent the population in a study. According to sugiyono (2017), a sample is a part of the number and characteristics of a population. The subjects in this study were employees of the Investment and One-Stop Integrated Service Office (DPMPTSP) of the Riau Islands Province with the variables of Work Facilities, Competence, Communication, Business Actor Satisfaction and Service Quality of employees of the Investment and One-Stop Integrated Service Office (DPMPTSP) of the Riau Islands Province.

In this study, the sampling technique used was non-probability sampling with the technique taken being saturated sampling (census). According to Sugiyono (2014), the saturated sampling technique is a sampling determination technique in which all members of the population are used as samples. The sample used in this study was the entire population of 168 respondents.

### 3.4 Definition of Variables and Measurement Scales

Table 1. Variable Instrument Grid

Variable	Dimensions/Indicators	Statement Items	Scale
Satisfaction (Robbins, Mangkunegara And Afandi)	1. Job	1, 2, 3	Likert
	2. Salary or wages	4, 5, 6	
	3. Promotion	7, 8, 9	
	4. Co-workers	10, 11, 12	
	Total	12	
Variable	Dimensions/Indicators	Statement Items	Scale
Work Facilities	1. Facilities and Infrastructure	1, 2, 3, 4, 5	Likert



(Barry, Silfa, Moenir and Apriyadi)	2. Work Equipment Facilities 3. Work Equipment Facilities	6, 7, 8 9, 10, 11, 12, 13, 14	
Total		14	
Competence (Lestari)	Task Skills Task Management Skills Contingency Management Skills Job Role Environment Skills Transfer Skills	1, 2, 3, 4, 5, 6 7, 8, 9 10, 11, 12 13, 14, 15	Likert
Total		15	
Communication (Alfihamisyah)	1. Understanding 2. Enjoyment 3. Influence on attitudes 4. Improved relationships 5. Action	1, 2, 3, 4, 5, 6, 7 8, 9, 10, 11 12, 13, 14, 15 16, 17, 18	Likert
Total		18	
Quality of Service (Hamzah And Purwati)	1. Reliability satisfaction 2. Responsiveness satisfaction 3. Assurance satisfaction 4. Empathy satisfaction 5. Tangible satisfaction	1, 2, 3, 4, 5, 6 7, 8, 9, 10, 11, 12 13, 14	Likert
Total		14	

### 3.5 Measurement Scale

The Likert scale according to Sugiyono (2018) is as follows: "Likert scale is used to measure attitudes, opinions, and perceptions of a person or group of people about social phenomena". For each answer choice, given a score, the respondent must describe and support the statement. The selected answers were used. Using a Likert scale, the variables to be measured were described as variable indicators. The indicators are then used as a benchmark for compiling instrument items that can be in the form of questions or statements.

The data analysis tool used was a questionnaire, which was then tested using Smart PLS version 4.0. The answers to each instrument item using the Likert scale range from strongly agree to strongly disagree.

Table 2. Likert Scale

Description	Scale
Strongly Agree	5
Agree	4
Neutral	3
Disagree	2
Strongly Disagree	1

## 4. Analysis and Discussion

### 4.1 Discussion Results

Table 3. Respondent Characteristics

<b>Gender</b>	<b>Total</b>	<b>Percentage</b>
Male	89	52,98%
Female	79	47,02%
Total	168	100%
<b>Age</b>	<b>Total</b>	<b>Percentage</b>
31 s/d 40 Years	125	74,40%
41 s/d 50 Years	32	19,05%
More than 50 Years	11	6,55%
Total	168	100%
<b>Last education</b>	<b>Total</b>	<b>Percentage</b>
SMA/SLTA	107	63,69%
S1	47	27,98%
S2	14	8,33%
Total	168	100%
<b>Length of Service</b>	<b>Total</b>	<b>Percentage</b>
Not Working	25	14,88%
1-5 Years	82	48,81%
6-10 Years	21	12,5%
Over 10 years	40	23,81%
Total	168	100%

### 4.2 Data Analysis

#### 4.2.1 Measurement Model Analysis (Outer Model)

Internal consistency analysis is a form of reliability used to assess the consistency of results across items in the same test. Apriyadi (2017) stated that a latent variable can be said to have good reliability if the composite reliability value is greater than 0.7, and if the Cronbach's alpha value is greater than 0.7.

Table 4. Internal Consistency Analysis

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Satisfaction	0,944	0,948	0,953	0,630
Competence	0,959	0,960	0,963	0,651
Service_Quality	0,965	0,967	0,969	0,691
Communication	0,966	0,967	0,969	0,647
Work_Facilities	0,935	0,941	0,948	0,546

Source: Processed Primary Data (SmartPLS 2024)

Based on the internal consistency analysis data in the table above, the results show that all variables are reliable.

### 4.3 Convergent Validity

#### 4.3.1 Discriminant Validity

Discriminant validity aims to assess whether an indicator of a construct variable is valid, namely, by looking at the Heterotrait-Monotrait Ratio Of Correlation (HTMT) value < 0.90, then the variable has good discriminant validity (valid) (I. G. A. P. Dewi & Santosa, 2018).

Table 5. Discriminant Validity

	X1	X2	X3	Y	Z
X1					
X2	0,703				
X3	0,763	0,877			
Y	0,730	0,756	0,773		
Z	0,706	0,711	0,751	0,789	

Source: Processed Primary Data (SmartPLS 2024)

The results of discriminant validity in Table 5 show that the discriminant validity value of each indicator item against its construct is derived from the discriminant validity value. Thus, it can be concluded that all constructs or latent variables already had better discriminant validity than the indicators in the other blocks.

#### 4.4 Structural Model Analysis (Inner Model)

##### 4.4.1 Direct Effect Hypothesis Testing

The direct influence hypothesis test aims to prove the hypotheses regarding the influence of a variable on other variables directly (without intermediaries). If the probability value (P-value) < alpha (0.05),  $H_0$  is rejected (the influence of a variable on another variable is significant). If the probability value (P-value) > alpha (0.05),  $H_0$  is accepted (the influence of a variable on another variable is not significant).

Table 6. Direct Effect Hypothesis

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
X1 -> Y	0.241	0.248	0.100	2.410	0,016
X2 -> Y	0.242	0.223	0.146	1.650	0,097
X3 -> Y	0.220	0.222	0.149	1.473	0,141
Z -> Y	0.153	0.157	0.056	2.720	0,007
X1 -> Z	0.176	0.171	0.085	2.056	0,040
X2 -> Z	0.266	0.268	0.114	2.345	0,019
X3 -> Z	0.486	0.488	0.116	4.174	0,000

Source: Processed Primary Data (SmartPLS 2024)

1. The direct effect of the Work Facilities variable (X1) on the Satisfaction variable (Y) has an original sample value of 0.241 with a T Statistic of 2.410 > 1.654 (positive), so an increase in the value of the Work Facilities variable (X1) will be followed by an increase in the Satisfaction variable (Y). The effect of the Work Facilities variable (X1) on satisfaction (Y) has a P-value of 0.016 < 0.05, so it can be stated that the effect of Work Facilities (X1) on satisfaction (Y) is positive and significant.
2. The direct effect of the Competence variable (X2) on the Satisfaction variable (Y) has an original sample value of 0.242 with a T Statistic of 1.650 < 1.654 (positive), so an increase in the value of the competence variable (X2) will be followed by an increase in the satisfaction variable (Y). The influence of the competence variable (X2) on satisfaction (Y) has a P-value of 0.097 < 0.05, so it can be stated that the influence of competence (X2) on satisfaction (Y) is positive and not significant.
3. The direct influence of the communication variable (X3) on the satisfaction variable (Y) has an original sample value of 0.220 with a T Statistic of 1.473 < 1.654 (positive), so an increase in the value of the communication variable (X3) will be followed by an increase in the satisfaction variable (Y). The influence of the communication variable (X3) on satisfaction (Y) has a P-value of 0.141 < 0.05, so it can be stated that the influence of Communication on Satisfaction is positive and not significant.
4. The direct effect of the Service Quality (Z) variable on the satisfaction (Y) variable has an original sample value of 0.153 with a T Statistic of 2,720 > 1,654 (positive), so an increase in the value of the Service Quality (Z) variable will be followed by an increase in the satisfaction (Y) variable. The

- effect of the Service Quality (Z) variable on satisfaction (Y) has a p-value of  $0.007 < 0.05$ ; therefore, it can be stated that the effect of Service Quality (Z) on satisfaction (Y) is positive and significant.
5. The direct effect of the Work Facilities (X1) variable on the Service Quality (Z) variable has an original sample value of 0.176 with a T Statistic of  $2.056 > 1.654$  (positive), so an increase in the value of the Work Facilities (X1) variable will be followed by an increase in the service quality (Z) variable. The influence of the Work Facilities variable (X1) on Service Quality (Z) has a P-value of  $0.040 < 0.05$ ; therefore, it can be stated that the influence of Work Facilities (X1) on Service Quality (Z) is positive and significant.
  6. The direct influence of the competence variable (X2) on the Service Quality variable (Z) has an original sample value of 0.266 with a T Statistic of  $2.345 > 1.654$  (positive), so an increase in the value of the competence variable (X2) will be followed by an increase in the Service Quality variable (Z). The influence of the competence variable (X2) on Service Quality (Z) has a p-value of  $0.019 < 0.05$ , so it can be stated that the influence of competence (X2) on Service Quality (Z) is positive and significant.
  7. The direct influence of the communication variable (X3) on the Service Quality variable (Z) has an original sample value of 0.486 T Statistics of  $4.174 > 1.654$  (positive); therefore, an increase in the value of the communication variable (X3) will be followed by an increase in the Service Quality variable (Z). The influence of the communication variable (X3) on Service Quality (Z) has a p-value of  $0.000 < 0.05$ ; therefore, it can be stated that the influence of communication (X3) on Service Quality (Z) is positive and significant.

#### 4.5 Testing the Indirect Effect Hypothesis

Indirect influence hypothesis testing aims to prove the hypotheses regarding the influence of a variable on other variables indirectly (through an intermediary). If the value of the indirect influence coefficient is greater than the direct influence coefficient, then the intervening variable mediates the relationship between one variable and another. Conversely, if the value of the indirect influence coefficient is  $<$  the direct influence coefficient, then the intervening variable does not mediate the relationship between one variable and another.

Table 7. Indirect Effect Hypothesis

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
X1 -> Z -> Y	0.030	0.034	0.039	0.775	0,438
X2 -> Z -> Y	0.132	0.129	0.065	2.039	0,041
X3 -> Z -> Y	0.201	0.200	0.076	2.649	0,008

Source: Processed Primary Data (SmartPLS 2024)

1. The indirect effect of the Work Facilities variable (X1) on the satisfaction variable (Y) with Service Quality (Y) as an intervening variable has an original sample value of 0.030 with a T Statistic of  $0.775 > 1.654$  (positive). The effect of the Work Facilities variable (X1) on satisfaction (Y) mediated by Service Quality (Z) has a p-value of  $0.438 < 0.05$ . The type of mediation produced was partial mediation. Thus, the effect of Work Facilities (X1) on satisfaction (Y) and Service Quality (Z) as an intervening variable is positive and insignificant.
2. The indirect effect of the competence variable (X2) on the satisfaction variable (Y) with Service Quality (Z) as an intervening variable has an original sample value of 0.132, with a T Statistic of  $2.039 > 1.654$  (positive). The influence of the competence variable (X2) on satisfaction (Y) mediated by Service Quality (Z) had a P-value of  $0.041 < 0.05$ . The type of mediation produced was partial mediation. Thus, the influence of competence (X2) on satisfaction (Y) and Service Quality (Z) as an intervening variable is positive and significant.
3. The indirect influence of the communication variable (X3) on the satisfaction variable (Y) with Service Quality (Z) as an intervening variable has an original sample value of 0.201 with a T Statistic of  $2.649 > 1.654$  (positive). The influence of the communication variable (X3) on satisfaction (Y) mediated by Service Quality (Z) has a p-value of  $0.008 < 0.05$ . The type of mediation produced was partial mediation. Thus, the influence of

communication (X3) on satisfaction (Y) with Service Quality (Z) as an intervening variable is positive and significant.

In the table above, the results of the influence of Work Facilities (X1), competence (X2), and communication (X3) on satisfaction (Y) are 64.4%, and the remaining 35.6% are influenced by other variables outside those studied in this study. In the table above, the results of the influence of Work Facilities (X1), competence (X2), and communication (X3) on Service Quality (Z) are 71.7%, and the remaining 28.3% are influenced by other variables outside those studied in this study.

## **5. Conclusion and Suggestions**

### **5.1 Conclusion**

The results of the data analysis in the discussion and hypothesis testing can be summarized as follows:

1. The direct influence of the Work Facilities variable (X1) on the satisfaction variable (Y) indicated that the influence of Work Facilities (X1) on satisfaction (Y) was positive and significant.
2. The direct influence of competence (X2) on satisfaction (Y) indicates that the influence of competence (X2) on satisfaction (Y) is positive and not significant.
3. The direct influence of the communication variable (X3) on the satisfaction variable (Y) indicates that the influence of Communication on Satisfaction is positive and not significant.
4. The direct influence of the Service Quality variable (Z) on the satisfaction variable (Y) indicated that the influence of Service Quality (Z) on satisfaction (Y) was positive and significant.
5. The direct influence of the work facility variable (X1) on the Service Quality variable (Z) indicates that the influence of Work Facilities (X1) on Service Quality (Z) is positive and significant.
6. The direct influence of the competence variable (X2) on the Service Quality variable (Z) indicates that the influence of competence (X2) on Service Quality (Z) is positive and significant.
7. The direct influence of the communication variable (X3) on the Service Quality variable (Z) indicated that the influence of workload (X3) on Intrinsic Motivation (Z) was positive and significant.
8. The indirect influence of the Work Facilities variable (X1) on the satisfaction variable (Y), with Service Quality (Y) as an intervening variable, indicates that the influence of Work Facilities (X1) on satisfaction (Y) and Service Quality (Z) as intervening variables is positive and insignificant.
9. The indirect influence of the competence variable (X2) on the satisfaction variable (Y), with Service Quality (Z) as an intervening variable, indicates that the influence of competence (X2) on satisfaction (Y) and Service Quality (Z) as an intervening variable is positive and significant.
10. The indirect effect of the communication variable (X3) on the satisfaction variable (Y) with Service Quality (Z) as an intervening variable can be stated as the effect of communication (X3) on satisfaction (Y), and Service Quality (Z) as an intervening variable is positive and significant.
11. The R Square result of the effect of Work Facilities (X1), competence (X2), and communication (X3) on satisfaction (Y) was 64.4%, and the remaining 35.6% was influenced by other variables outside those studied in this study. Meanwhile, the table above shows that the results of the effect of Work Facilities (X1), competence (X2), and communication (X3) on Service Quality (Z) is 71.7%, and the remaining 28.3% is influenced by other variables outside those studied in this study.

### **5.2 Suggestions**

Based on the results of the discussion and conclusions, the suggestions of this study are as follows.

1. For companies and employees
  - a. Suggestions for work facilities and agencies must provide equipment that is in accordance with employee needs to help employees work. All employees can use office facilities at any time when needed to help them work. Agencies need to pay attention to office facilities by monitoring each piece of equipment, such as every 6 or 12 months, to anticipate the depreciation period of existing equipment. This is because good and appropriate facilities can increase employee satisfaction and satisfaction with business actors.
  - b. It is recommended that agencies retain employees who have extensive knowledge of the field of work being worked on and that companies pay attention to employees who do not understand how to complete their tasks and responsibilities. The solution that can be taken to improve employee

- performance through competence is to provide intensive education and training on the tasks that are the responsibility of employees. To improve employee performance, agencies should pay more attention to and maximize the competence of employees to maintain employee consistency in working. Providing training and opportunities to continue education can be a way for employees' knowledge, skills, and abilities to be utilized according to their field of work, so that the performance of each employee will be better.
- c. Improving communication between employees and between employees and business actors. Regular meetings where all business actors can convey ideas, suggestions, and questions. Provide assurance to business actors that they can speak openly without fear. Listen and respond well, so that business actors feel appreciated as part of the agency. For employees to be better at communicating with fellow employees or fellow business actors, agencies must provide training on interpersonal skills possessed by employees, so that employees will be better at communicating with colleagues and business actors and better understand what kind of positive atmosphere is better given to their business actors, and the value in the Investment and Integrated One-Stop Service Office of the Riau Islands Provincial Government will also be better.
  - d. It is expected that agencies will increase the satisfaction of business actors by paying more attention to what they want. To increase business actor satisfaction, it is necessary to add factors that can increase the satisfaction of these business actors. For example, facilities for business actors are further improved, such as adding more comfortable waiting room facilities, so that business actors feel comfortable being in the office.
  - e. It is hoped that agencies will continue to improve the quality of existing services and improve employee characteristics in order to maintain customer satisfaction. Increasing the superiority of the quality of services owned in relation to the satisfaction of business actors must be in accordance with the service quality standards perceived by business actors so that business actors feel satisfied with the agency.
2. Further researchers can develop a research model by including other variables that are not included in the model, such as organizational commitment, self-efficacy, and work enthusiasm.

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