

Analysis of the Effect of Academic Service Quality on Student Loyalty Through Student Satisfaction and Organizational Performance

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Abstract

This research aims to analyze the significant influence of quality academic services to student loyalty with student satisfaction and organizational performance as intervening. The sample in this study as many as 40 people, data collection using questionnaires, and then analyzed with SEM PLS using smart software PLS 3.0. Based on the results of the analysis show that the quality of academic services affects student loyalty, the quality of academic services has no impact on organizational performance. The quality of academic services influences student satisfaction. Student satisfaction influences organizational performance. Student satisfaction has no effect on student loyalty. Organizational performance influences student loyalty. Student satisfaction does not mediate the effect of academic service quality. Student satisfaction does not mediate the effect of academic service quality on student loyalty. Organizational performance mediates the effect of student satisfaction on student loyalty. Student satisfaction and organizational performance do not mediate the impact of academic service quality on student loyalty, and organizational performance does not mediate the effect of academic service quality on student loyalty.

Keywords: Academic service quality; student loyalty; student satisfaction; organizational performance.

1. Introduction

Nowadays, public awareness of the fulfillment of the need for formal education, especially higher education, is increasing, and this makes universities a very strategic sector that is expected to produce quality resources. The competitive situation among universities requires educational institutions to seriously pay attention to the quality of education and institutions so that the educational institutions are able to excel in the competition (Taman, Sukirno, Sari, Setiawan, & Pustikaningsih, 2013). Service quality is the level of excellence that is targeted or expected and control over these advantages to meet and accommodate customer desires (Tanujaya, 2013). Service quality is the fulfillment of the desires, expectations, or needs of consumers or customers who compare the results with expectations and determine whether the customer or consumer has enjoyed a quality service (Mulyono, 2008). Sustainable quality improvement to improve and guarantee the quality of education services can be carried out by measuring student satisfaction based on the dimensions of service quality (Sriyanto, 2017). Customer satisfaction is the level of personal or someone's feelings to express a comparison result on the performance received or expected (Masri, 2002). Customer satisfaction is a customer response to the evolution of the perceived discrepancy between previous expectations and the actual performance of the product felt (Rahmawati, 2013). This must be the

focus of all parties involved in the management of educational institutions, especially tertiary institutions, including the University of ABC. ABC University, as one of the private tertiary institutions, applies a concept which always prioritizes the satisfaction of its students as customers or customers by providing the best and quality service while continuing to improve the performance of university organizations and ultimately are expected to increase student loyalty. However, observations made by researchers in the engineering faculty at ABC university show that some various problems and weaknesses exist. This is marked by various complaints from students ranging from buildings that are not representative; extracurricular activities are still small, lecturer consulting services, inadequate classrooms, administrative services that are less than optimal. Based on the description above, researchers formulate the problem as follows:

1. Does the quality of academic services affect student loyalty?
2. Does the quality of academic services affect organizational performance?
3. Does the quality of academic services affect student satisfaction?
4. Does student satisfaction affect organizational performance?
5. Does student satisfaction affect student loyalty?
6. Does organizational performance affect student loyalty?

2. Literature Review

2.1 Academic Service Excellence

Quality can be interpreted as a perception or assessment of the customer to the overall service that customers receive. Customer assessment of overall service quality depends on the gap between expectations and perceptions at the actual level of performance (Susanto, 2014). The dimensions of service quality at higher education institutions have several dimensions, the dimensions of service quality include dimensions of learning quality, dimensions of academic guidance, dimensions of supporting resources, dimensions of extracurricular activities, dimensions of aspects of administrative service aspects (Taman et al., 2013). The dimensions of service quality consist of several dimensions: tangible, reliability, responsiveness, confidence. Service quality is the level of excellence or excess desired or expected and control over excellence to meet customer expectations (Tanujaya, 2013).

2.2 Student Loyalty

Consumer loyalty, in this case, student loyalty, can be interpreted as repetitive behavior or attitude that has become a habit, where there is already a high connection and participation in the student's choice of a particular object. It is characterized by the absence of a search for sources of information, both external and evaluation of alternatives (Prasetyaningrum, 2009). Customer loyalty has a positive relationship with the performance of an organization or agency, customer loyalty not only increases value in an organization but also recruits customers, in this case, new students (Aryani & Rosinta, 2010). In the short term will improve customer loyalty will bring benefits to the sustainability of an organization or agency. In the long run, improving loyalty will have an impact or result in more *profitability*, that is, customers are willing to pay higher fees for lecturing, and old customers, in this case, students want to recommend to new customers or prospective new students.

2.3 Student Satisfaction

Satisfaction is interpreted as feelings of like, happy, or disappointed by the customer by comparing expected and obtained from the product (Rahmawati, 2013). A company or agency can make various efforts to meet customer satisfaction. By knowing ways or efforts that can affect customer satisfaction, a company or agency can take corrective and service actions so that the customer is satisfied. Customer satisfaction can

also be interpreted as a complete assessment of a customer's experience of a product or company policy (Mulyono, 2008). Customers who are not satisfied with receiving services will submit criticisms or complaints to the company. Companies that always want to create customer satisfaction should be able to handle complaints or criticisms as well as possible.

2.1 Organizational Performance

Performance is the function - the work results that exist within an organization that is strongly influenced by internal and external factors of the organization in achieving an organizational goal that has been set for a certain period (Khoiriyah, 2011). The concept of performance can be defined as an outcome. This means that the performance of an organization can be seen from the degree to which the organization can achieve a goal based on the goals set. Performance is the result of employee work both in number and quality; organizational performance is a result of complex and comprehensive interactions and aggregation of the performance of many individuals in the organization.

2.5 The relationship between research concepts

Service quality is the result of the process of service delivery performance, and service quality is closely related to customer satisfaction, which will have a direct negative effect on the behavior of moving to competitors. Customer satisfaction, in this case, student satisfaction, is the level of assessment of one's feelings to express comparisons of the performance of an organization to its customers. Organizational performance is closely related to personal or individual performance; in other words, if personal performance is very professional, it will produce an effective and efficient organizational performance. Effective learning can trigger or can have a positive impact on students themselves. Estuary of effective learning is that there will be student loyalty. The quality of academic services, customer satisfaction, in this case, student satisfaction, organizational performance, and student loyalty, have a very close and interrelated relationship.

The quality of academic services is essential for a company or institution to be managed or appropriately managed because the quality of service is a level of excellence to meet a student's desires and expectations (Tanujaya, 2013). If a company or institution applies high standards to the quality of its academic services, it will greatly affect or affect the student loyalty of the student.

H1: The quality of academic services affects student loyalty

Organizations, companies, or institutions as legal entities are seen as individuals, so each employee is required to improve their performance. If every individual already has an excellent performance will have an impact on organizational performance. Excellent organizational performance will also have an impact on the quality of academic services, which is increasing (Monalisa, 2016).

H2: The quality of academic services affects organizational performance.

One factor that determines the level of success of the objectives of the company, agency or organization is the ability of the company, agency or organization in providing services to customers (Devani & Kuncoro, 2012). If all stockpiles of companies, agencies, or organizations are highly committed to the quality of academic services to always strive to improve standards, automatically, customer or student satisfaction will be high. This will have a positive impact on the company, agency, or organization because the customer will automatically have high loyalty; besides that, a positive image of the company, agency, and organization will be conveyed to the public through the delivery of customers in this case students.

H3: The quality of academic services affects student satisfaction.

Academic institutions need continuous innovation and find new ways to provide services more effectively; the way is to have to better understand customer satisfaction provided by an organization or agency (Kardoyo dan Ahmad Nurkhin, 2016). If students feel a satisfaction with the organization's policies, then the performance of the organization runs as it should or according to what has been set.

H4: Student satisfaction affects organizational performance.

Customer satisfaction can be interpreted as a feeling of someone against the comparison of a product or policy between the expected and the results obtained from the product or policy (Rahmawati, 2013). If the customer, in this case, students have high satisfaction at the agency or organization will automatically have an impact or influence on student loyalty from the students themselves.

H5: Student satisfaction affects student loyalty.

Higher education learning is a strategic choice to achieve personal goals for those who declare themselves to commit to learning through formal channels

(Hanifah & Abdullah, 2017). The professional organizational performance will lead a student to study with high commitment and ultimately will increase the loyalty of these students.

H6: Organizational performance influences student loyalty

3. Methods

This research included in descriptive research with quantitative approaches. The method uses PLS Structural Equation Modeling (SEM). For SEM, PLS uses SMART PLS 3.0. PLS is used as a confirmation of theory and to make relationship recommendations and propose testing propositions.

Data collection methods interviews were conducted, and questionnaires were distributed to respondents. The population in this study amounted to 495 students and 40 lecturers in the faculty of engineering, for sampling using quota sampling techniques. Then the samples taken in this study were 40 people. Data obtained from respondents will be tabulated by Likert scale (1 strongly disagrees, 2 disagrees, 3 is moderate, 4 agrees and 5 strongly agrees).

The method used to test a hypothesis is the partial least Square. Outer models are used to test the block of indicators related to latent variables (Ghozali, 2008). Convergent Validity is used to measure the validity of the indicator in measuring its latent variable, said to be valid if the outer loading value > 0.5 . While composite reliability is a measure of the reliability of the indicator block in measuring its construct, the magnitude of composite reliability is > 0.6 . The inner model is used to describe the relationship between latent variables based on substantive theory. The structural model will be evaluated using R-Square, where the value of R Square is > 0.67 (strong), $0.33 - 0.67$ (moderate), < 0.19 (Chin, 1998).

4. Results

4.1 Convergent validity and Composite Reliability

A research indicator is said to be valid and can be used for calculations to analyze the results if the outer loading value > 0.50 . Based on Figure 1, there is an outer loading value that is less than 0.5.

In Figure 2 above, after reestimate shows, there are no research indicators that have an outer loading value below 0.5 so that the indicator can be said to be valid so that it can be continued or continued in the next process.

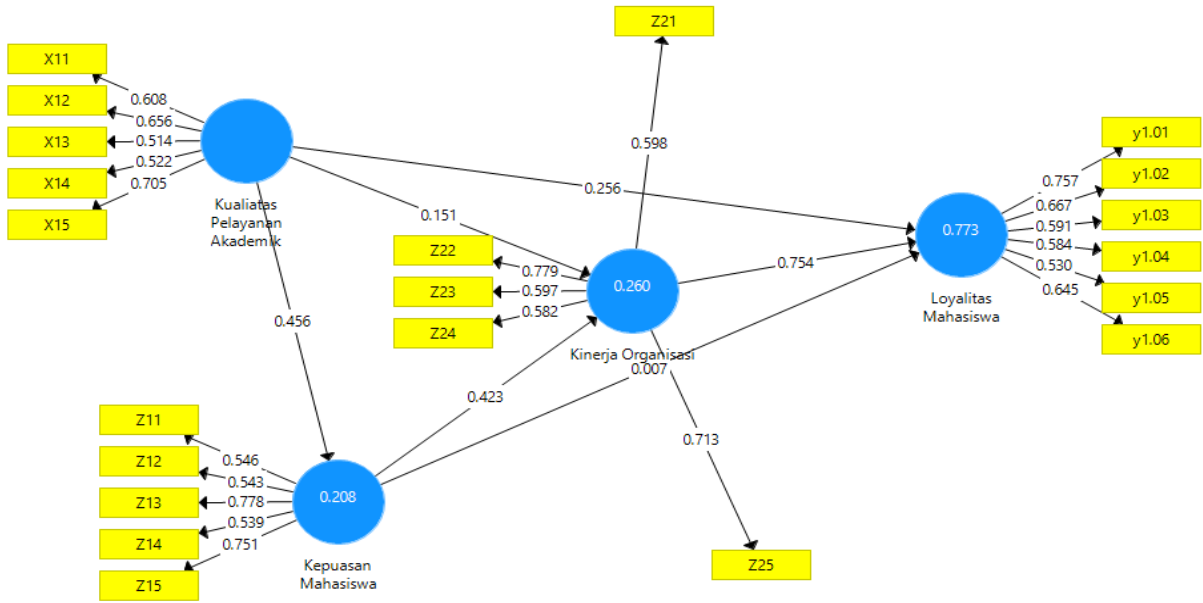


Figure 1. Convergent Validity

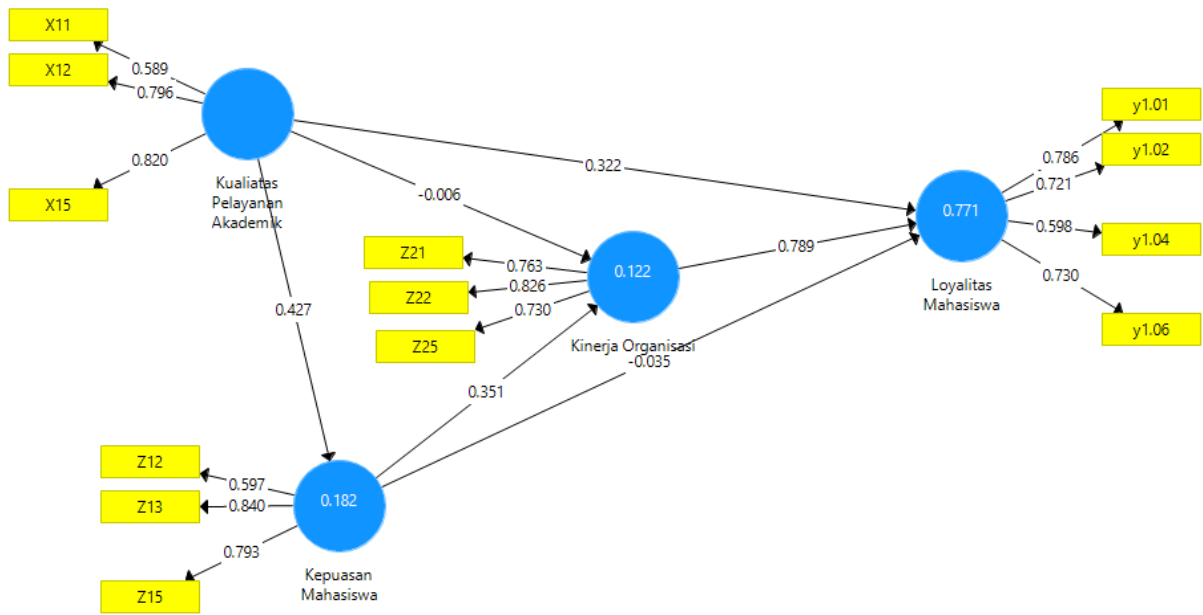


Figure 2. Convergent Validity Re-estimate

The measure of construct validity in estimating the indicator size of each block is said to meet discriminant validity by looking at AVE (Average Variant Extracted) where $AVE > 0.5$. Below is the AVE value obtained from the analysis from Table 1. It appears that AVE all constructs have values > 0.5 .

Table 1 demonstrated the reliability of the instrument in terms of composite reliability. Composite reliability is a measure of the reliability of each indicator block in measuring its construct. Large

composite reliability > 0.60 (Ghozali, 2008). Based on Table 1, the composite reliability value has a value of more than 0.60, so that the next stage of calculation can be continued. The inner model as a structural model is evaluated using R-square for dependent constructs, their interpretation of regression (Ghozali, 2008). R-Square value of 0.67 (strong), 0.33-0.67 (moderate), < 0.19 (weak), (Chin, 1998). Based on data processing using smartPLS 3.0, the R-square value is obtained as follows.

Table 1. Value of Composite Reliability and AVE

Item	Composite Reliability	Average Variance Extracted (AVE)
Student Satisfaction	0.792	0.564
Organizational Performance	0.817	0.599
Academic Services	0.783	0.551
Student Loyalty	0.803	0.507

Table 2. Value of R-Square

Variable	R-Square	R-Square Adjusted
Student Satisfaction	0.182	0.161
Organizational Performance	0.122	0.074
Student Loyalty	0.771	0.752

Based on the Table 2 data above the Q square value, the model is getting stronger, here are the results of the calculation of Q square are 0.836.

Based on the above calculation results obtained Q Square value of 0.836. It can be explained that 83% of the independent variables in this study affect the dependent variable and 17% are influenced by other variables not examined in this study.

4.2 Hypothesis Test

Testing is done by looking at t-table, in this study amounted to 1.684 using a confidence level of 95% ($\alpha = 0.05$) and degree of freedom ($df = (nk-1)$). The following are the results of the hypothesis test from this study.

Table 3. Hypothesis Test Data

Hypothesis	Original Sample	Standard Deviation	T-Statistics
Student Satisfaction → Student Loyalty	0.351	0.186	1.891
Student Satisfaction → Organizational Performance	-0.035	0.095	0.370
Organizational Performance → Student Loyalty	0.789	0.094	8.380
Academic Services → Student Satisfaction	0.427	0.215	1.988
Academic Services → Organizational Performance	-0.006	0.214	0.026
Academic Services → Student Loyalty	0.322	0.127	2.532

Based on Table 3 above is known t-statistics 2.532, while t table 1.683. Therefore, the value of t-

statistic > t-table and a positive value is accepted, meaning that the quality of academic services influences student loyalty. Based on the results of hypothesis testing, it can be concluded that the quality of academic services influences student loyalty at the Faculty of Engineering.

Based on Table 3 is known to calculate t value of 0.026, while t table 1.683. Therefore, the value of the t-statistic < t table, then the hypothesis is rejected, meaning that the quality of academic services does not affect organizational performance. Academic service quality does not affect organizational performance at ABC University Engineering.

Table 3 above is known to calculate t value of 1.988 while t table of 1.683. Because of the value of the t-statistic > t table, then the hypothesis is accepted, meaning that the quality of academic services affects student satisfaction. Academic service quality affects student satisfaction.

Table 3 above is a known t-value of 1.891 while t-table of 1.683. Because the value of t-statistic > t-table, then the hypothesis is accepted, it means that student satisfaction affects organizational performance.

Table 3 above is a known t-statistic of 0.370, while the t table of 1.683. Therefore, the value of the t-statistic < T table, then the hypothesis is rejected, meaning that student satisfaction does not affect student loyalty. Student satisfaction does not affect student loyalty at the Faculty of Engineering, University of ABC.

Table 3 above is known to calculate the t-value of 8.380, while t table of 1.683. Because of the value of the t-statistic > t table, then the hypothesis is rejected, meaning that organizational performance has no effect on loyalty. Organizational performance influences student loyalty.

5. Discussion

First hypothesis results the quality of academic services affects student loyalty is accepted. This indicates that if the quality of academic services increases, the loyalty of students in the Faculty of Engineering, University of ABC will also increase, conversely if the quality of academic services decreases, the loyalty of students in the Faculty of Engineering, University of ABC will also decrease. This result illustrated the quality of academic services provided by the management of the Faculty of Engineering of the University of AB. Providing services to customers in this case, students will have an impact on the loyalty of militant students. The results of this study are in line with previous research

conducted (Hadinata, 2013), which shows that service quality influences customer loyalty.

Second hypothesis the quality of academic services affects organizational performance is rejected. This indicates that the quality of academic services will not affect the organizational performance of the Faculty of Engineering, University of ABC.

Third hypothesis the quality of academic services affects student satisfaction is accepted. This indicates that if the quality of academic services increases, the satisfaction of students at the Faculty of Engineering at the University of ABC will also increase, conversely if the quality of academic services decreases, the satisfaction of students at the Faculty of Engineering at the University of ABC will also decrease. This is illustrated by the improvement in the quality of academic services undertaken by the management of the Faculty of Engineering of the University of ABC in terms of providing quality service to students, which will significantly affect student satisfaction. The results of this study are committed to previous research conducted (Susanto, 2012), which shows that the quality of academic services affects student satisfaction.

Fourth hypothesis student satisfaction affects organizational performance is rejected. Student satisfaction influences organizational performance in the Faculty of Engineering, University of ABC. This shows that if student satisfaction increases will have an impact on improving organizational performance in the Faculty of Engineering, University of ABC.

Fifth hypothesis student satisfaction affects student loyalty is accepted on alpha 10 %. This indicates that when student satisfaction increases do not necessarily have an impact on student loyalty at the Faculty of Engineering, University of ABC. This result is not consistent with previous research by (Husodho, 2015) which shows that student satisfaction affects student loyalty.

Sixth hypothesis organizational performance influences student loyalty is accepted. This indicates that if the organizational performance is good, the loyalty of students at the Faculty of Engineering at the University of ABC will also be better. Conversely, if the performance of the organization is the loyalty of students at the Faculty of Engineering, the University of ABC will also be weak. This finding illustrated that improving the quality of organizational performance in the Faculty of Engineering at the University of ABC in terms of providing services to students will greatly affect student loyalty

6. Conclusions

Based on the analysis and hypothesis, the results can be concluded as follows. First, the quality of academic services influences student loyalty. Second, the quality of academic services does not affect organizational performance. Third, academic service quality influences student satisfaction. Fourth, student satisfaction influences organizational performance. Fifth, student satisfaction does not affect student loyalty. Sixth, organizational performance influences student loyalty with T-Statistics of 8.380. Student satisfaction does not mediate the effect of academic service quality on organizational performance and does not mediate the impact of academic service quality on student loyalty. Organizational performance mediates the effect of student satisfaction on student loyalty. Student satisfaction and organizational performance do not mediate the effect of academic service quality on student loyalty. Organizational performance does not mediate the effect of academic service quality on student loyalty.

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