

**EFFECT OF INTERNAL SERVICE QUALITY ON EMPLOYEE SATISFACTION AND  
ITS IMPACT ON INTERNAL CUSTOMER SATISFACTION  
DIVISION PORT BONTANG COAL TERMINAL PT INDOMINCO MANDIRI**

**Syahidul<sup>1)</sup>, Gusti Noorlitaria Achmad<sup>2)</sup>, Syarifah Hidayah<sup>3)</sup>**

*Faculty of Economics and Business, University of Mulawarman<sup>1</sup>*

*Faculty of Economics and Business, University of Mulawarman<sup>2</sup>*

*Faculty of Economics and Business, University of Mulawarman<sup>3</sup>*

E-mail: [syahidul.syah@gmail.com](mailto:syahidul.syah@gmail.com), [gusti.noorlitaria.achmad@feb.unmul.ac.id](mailto:gusti.noorlitaria.achmad@feb.unmul.ac.id),  
[syarifah.hidayah@feb.unmul.ac.id](mailto:syarifah.hidayah@feb.unmul.ac.id)

**Abstract:** Internal quality service is the important aspect at the organization that can be increase employee satisfaction and internal customer satisfaction. Aim to this research an investigate influence of internal service quality on employee satisfaction with impact to the internal customer satisfaction. This study is focused on the services division especially in port division Bontang Coal Terminal PT. Indominco Mandiri. Researchers took research data through a Google Form questionnaire. A field-survey using a structured questionnaire to PT Indominco Mandiri employees who have a close cooperative relationship with the BoCT port division, such as the STSC division which includes the SC and CBIC divisions, the CHP division and the BoCT port division itself and 84 respondents were recorded as filling in the questionnaire to test all the hypotheses. There are 3 (three) variables in this study namely internal service quality, employee satisfaction and internal customer satisfaction. The data analysis technique used PASW Statistics 18 to test the level of validity and reliability of all items, while to test the results of the hypothesis, the researcher used SEM PLS to determine the relationship between variables. The findings of this study are that the internal service quality variable has a significant positive effect on employee satisfaction, the internal service quality variable has a positive but insignificant effect on internal customer satisfaction, and the employee satisfaction variable has a significant positive effect on internal customer satisfaction.

**Keywords:** *Internal Service Quality, Employee Satisfaction, Internal Customer Satisfaction*

---

## **1. Introduction**

Synchronization between the production, operational and marketing sections as well as the parts therein is a must. For example, a lot of incoming and outgoing production but the operation is not carried out properly will have an impact on the poor operational service so that it has an impact on complaints from internal customers and external customers. To address this problem, the port

operations section (Port Division) was formed at the Bontang Coal Terminal to be able to regulate the entry of coal from the IMM mine or from its sister company and it is hoped that the port division can also regulate and ensure that the coal that goes into and out of export or import ships is according to quality desired by internal customers and external customers. The strongest and largest market for services in the port division of BoCT are companies related to electricity services, especially buyers located in Indonesia, India, Thailand, China, Hong Kong, Japan, Taiwan, the Philippines, Australia, Bangladesh, Korea, Vietnam, Malaysia. and many other countries. In recent years, demand for coal has decreased in line with the global economic slowdown. Many factors have contributed to the decline in coal demand, apart from the economic slowdown which was exacerbated by the devaluation of the yuan and the dollar exchange rate as well as the decline in petroleum prices, also recently due to the spread of the COVID-19 epidemic which affected all world economic activities including coal demand. This decrease has an impact on business work that must be adjusted to economic conditions, such as production must be efficient in carrying out mining, coal supplies, storage of production, shipping operations must also be as effective as possible, and maximize the role of internal service quality, internal marketing and employee functions so that they can creating satisfaction in internal customers can then create synchronization so as to provide satisfaction to external customers.

According to (Kotler & Armstrong, 2008) that customer satisfaction is the level at which product performance estimates match the buyer's expectations. Overall customer satisfaction has three dimensions, namely perceived quality, perceived value, and customer expectations. Perceived quality directly has a positive effect on overall customer satisfaction. Overall customer satisfaction will have a negative effect on customer complaints and have a positive effect on customer loyalty or loyalty (Frisdiantara & Graha, 2013). Complaints given by customers are the best indicators to determine whether a service-oriented business can operate properly and in accordance with customer expectations. If a company does not handle customer complaints properly and promptly, negative customer feedback will further cause major damage to the business (Trappey et al., 2010). In his book (Lovelock et al., 2009) customer complaints are because customers want to get restitution or compensation, vent anger, help to improve services and for altruistic reasons. Customer complaints, both internal and external, can arise because customer expectations of the products or services provided are not fulfilled so that the customer complaint indicator becomes the benchmark for service success.

Based on the strategy applied by the BoCT port division, that is to provide customer satisfaction in order that existing complaints can be eliminated so that the services provided are truly in line with customer wishes. The phenomenon of decreasing coal production illustrates that the coal source currently mined by PT Indominco Mandiri is running low as well as the phenomenon of customer complaints that still exists even though all divisions have collaborated to achieve one goal, namely zero complaint. With these two phenomena, it provides an overview of a service that must be provided to the customer, namely the fulfillment of the demand for coal quantity along with the guarantee of the quality of the given coal. Whether these demands are still well guarded or not, given the many competitors of coal producers in Indonesia, if the service is not improved it can provide opportunities for loyal customers to move to other coal producers. Based on the facts above, it is necessary to have

research on how internal service quality, employee satisfaction, and internal customer satisfaction can have an influence on existing services in the BoCT port division

Internal services are provided by employees of an organization to other employees who work in the same organization (Stauss, 1995). By treating each other as internal customers, employees should aim to meet each other's expectations in their efforts to optimize the customer experience (Marshall et al., 1998). (Gremier et al., 1994) suggest that the interactions between internal customers and service providers (ie, internal service encounters) are like those between internal and external customers, in terms of expectations, perceptions and evaluation of service encounters. The idea of internal customers is the philosophy of Total Quality Management (TQM) in which employees view colleagues as customers. Therefore, the ability to manage task interdependence and coordination with others in the organization is considered important to help achieve one's job goals (Wong et al., 2007). Referring to (Schneider and Whitem, 2004), to ensure that employees provide quality service, services need to be provided with the tools needed by resources. According to (Jain & Gupta, 2004), service quality has been recognized as a strategic tool to achieve operational efficiency and improve business performance. Internal service quality has a direct impact on employee satisfaction. If the quality of internal service is low, employee satisfaction will also be low. Conversely, if employees have high satisfaction, this is due to good internal service quality (Jarvi, 2012). According to (Elsamen & Alshurideh, 2012) internal customers are defined as "every member (employee) of an organization who receives services and products from other organizational members to carry out their work". Internal services are services provided between different departments in an organization (Jarvi, 2012)

Employee satisfaction is generally described as the feeling of gratification or prosperity an employee gets from his job; whether they enjoy working or not, find their work meaningful, or the extent to which their work has a negative physical / psychological effect on them (Griffin & Moorhead, 2013), (Abuhashesh et al., 2019). (Locke & Dunnette, 1976) see job satisfaction as a pleasant or positive emotional state that results from appraising one's job or work experience. Job satisfaction is an effective reaction to someone's job. The most common way to measure job satisfaction is the use of a rating scale in which employees report their reactions to their jobs, and satisfaction questions are usually related to pay levels, job responsibilities, job variations, promotion opportunities, job itself, and co-workers.

Understanding customer satisfaction can be interpreted as good performance at least the same as expected. (Oliver Barnes, 2003) states that customer satisfaction is feedback on needs. Meanwhile (Jarvi, 2012) said that internal customers are individual departments in organizations that are served by internal suppliers. An organization consists of a chain of individual units, which are linked together, then the existing units are connected to satisfy external customers. Furthermore, in his research, he stated that internal customers are individuals in other departments within the organization that are served by internal suppliers.

The formulation of the problem in this research are:

1. Does Internal Service Quality affect to Employee Satisfaction?
2. Does Internal Service Quality affect to Internal Customer Satisfaction?
3. Does Employee Satisfaction affect to Internal Customer Satisfaction?

## **2. Research Method**

To limit the focus of the discussion in this study so that it remains in line with the title that has been presented, the scope of this study only focuses on divisions within the PT Indominco Mandiri company, especially PT Indominco Mandiri employees who have a close relationship with the port division BoCT, like the STSC division which includes the SC and CBIC divisions, the CHP division and the BoCT port division itself.

The questionnaire was used in this study, for data collection the questionnaire was given to employees in divisions related to operational activities at the BoCT port to be filled in or answered according to what was done, felt, experienced, or perceived. The questionnaire was made using the help of Google Form to make it easy and fast in distributing the questionnaire considering that in communication at the port, many use IT assistance such as email, WhatsApp, line applications making it easier for questionnaires

Our research model to explain Internal Service Quality, Employee Satisfaction, Internal Customer Satisfaction, and their influence on outcomes is presented in Figure 1. ISQ include five dimensions: (1) Tangibility, (2) Reliability; (3) Responsiveness, (4) Assurance and (5) Empathy. ES include five dimensions: (1) IT Facility; (2) Good Care; (3) e-message Reply; (4) Good Relationship; (5) Welcome for Help and for ICS include four dimensions: (1) Comfort; (2) Information; (3) Process; (4) Product. ISQ practices to be the independent variable of employee satisfaction and internal customer satisfaction. The dependent variable for this model is Employee satisfaction and internal customer satisfaction.

Based on above explanation, the hypothesis is drawn as follow:

- H1: Internal Service Quality has a significant effect on Employee Satisfaction
- H2: Internal Service Quality has a significant effect on Internal Customer Satisfaction
- H3: Employee Satisfaction has a significant effect on Internal Customer Satisfaction



**Figure 2.1**  
**Research Framework**

### 3. Results and Discussion

#### 3.1. Result

In a study, it is necessary to have an object to be studied, namely the population. According to (Sugiyono, 2015), population is a generalization area consisting of objects / subjects that have certain qualities and characteristics that are determined by researchers to be studied and then drawn conclusions. In this case the total population is all existing employees, amounting to 100 people who are in several divisions related to operational activities at the BoCT port.

Based on the answers from questionnaire, we found the detail data that given by the respondents in this study, and it can be explained several criteria in the table of Sample Characteristics bellow:

**Table 3.1**  
**Sample Characteristics**

<b>Demography</b>	<b>n</b>	<b>%</b>
<b>PT IMM Employee (n=84)</b>		
<b>Age of Employee</b>		
<i>15-25 Years</i>	2	2.4
<i>26-35 Years</i>	21	25.0
<i>36-45 Years</i>	33	39.3
<i>46-55 Years</i>	28	33.3
<b>Gender of Employee</b>		
<i>Male</i>	80	95.2
<i>Female</i>	4	4.8
<b>Marital Status</b>		
<i>Single</i>	79	94.0
<i>Married</i>	5	6.0
<b>Types of position</b>		
<i>Manager</i>	4	4.8
<i>Dept. Head</i>	4	4.8
<i>Superintendent</i>	9	10.7
<i>Section Chief</i>	12	14.3
<i>Supervisor</i>	8	9.5
<i>Forman</i>	25	29.8
<i>Operator</i>	22	26.2
<b>Last Education</b>		
<i>High School Equal</i>	59	70.2
<i>Diploma</i>	3	3.6
<i>Bachelor's degree</i>	21	25.0
<i>Master's degree</i>	1	1.2
<b>Years of Service</b>		
<i>1-5 Years</i>	3	3.1
<i>6-10 Years</i>	10	10.2
<i>11-15 Years</i>	19	19.4
<i>16-20 Years</i>	6	6.1
<i>21-25 Years</i>	39	39.8
<i>26-30 Years</i>	3	3.1
<i>31-35 Years</i>	4	4.1
<i>&gt;31 Years</i>	14	14.3

Table 3.1 show that the average respondent who filled out the questionnaire was male. This finding is not surprising because the average worker in mining is male. 95.2% of the respondents were male and approximately 39.3% were between 36 and 45 years old and 94% were already

married, the average types of position that filled out the questionnaire were 29.8% foreman and 26.2% operators. Most of the education is from high school equal to 70.2%, while in terms of years of work, there are 39.8% who have worked for 21-25 years

### 3.2. Discussion

To measure the level of validity of an item and determine whether an item is suitable for use or not, it is tested with the results of the correlation coefficient with PASW Statistics 18. In determining the appropriateness of an item used, a valid significance test is used if it is significantly correlated with the total score. The validity test used is the Bivariate Pearson correlation (Pearson Moment Product) and the Corrected Item-Total Correlation. The results of the PASW Statistics 18 test (previously SPSS Statistics) with df 30. From the results of the analysis, the item score can be obtained with the total score. Then we compare this value with the r table value. r table is looked for at 5% significance with a two-tailed test with N = 32 then the value of df = 30 is obtained, if it is seen from the list of r tables (Junaidi, 2010) with df 30, then the number is 0.3494. If the r value of the analysis results is less than (<) r table, it can be concluded that these items are not significantly correlated with the total score or are declared invalid and must be excluded or corrected.

#### 3.2.1. Validity of Internal Service Quality Items

ISQ variable has 5 indicators, and in each of these indicators has 3 question items, totaling 15 questions. As for the results of the r value is more than (>) r table, it can be concluded that these items have a significant correlation with the total score or are declared valid.

**Table 3.2**  
**Validity of Internal Service Quality Items**

No	Item	r count	r table	Interpretation
1	ISQT1	0.593	0.349	Valid
2	ISQT2	0.641	0.349	Valid
3	ISQT3	0.608	0.349	Valid
4	ISQRel1	0.712	0.349	Valid
5	ISQRel2	0.644	0.349	Valid
6	ISQRel3	0.625	0.349	Valid
7	ISQRes1	0.534	0.349	Valid
8	ISQRes2	0.610	0.349	Valid
9	ISQRes3	0.720	0.349	Valid
10	ISQA1	0.665	0.349	Valid
11	ISQA2	0.717	0.349	Valid
12	ISQA3	0.559	0.349	Valid
13	ISQE1	0.735	0.349	Valid
14	ISQE2	0.603	0.349	Valid
15	ISQE3	0.751	0.349	Valid

### 3.2.2. Validity of Item Employee Satisfaction

Employee Satisfaction variable has 5 indicators, and in each of these indicators has 3 question items, totaling 15 questions. As for the results of the  $r$  value is more than ( $>$ )  $r$  table, it can be concluded that these items have a significant correlation with the total score or are declared valid.

**Table 3.3**  
Validity of Item Employee Satisfaction

No	Item	r count	r table	Interpretation
1	ESIT1	0.730	0.349	Valid
2	ESIT2	0.697	0.349	Valid
3	ESIT3	0.701	0.349	Valid
4	ESGC1	0.458	0.349	Valid
5	ESGC2	0.736	0.349	Valid
6	ESGC3	0.633	0.349	Valid
7	ESEM1	0.743	0.349	Valid
8	ESEM2	0.816	0.349	Valid
9	ESEM3	0.763	0.349	Valid
10	ESGR1	0.691	0.349	Valid
11	ESGR2	0.749	0.349	Valid
12	ESGR3	0.853	0.349	Valid
13	ESWH1	0.874	0.349	Valid
14	ESWH2	0.610	0.349	Valid
15	ESWH3	0.495	0.349	Valid

### 3.2.3. Validity of Internal Customer Satisfaction Items

Internal variable Customer Satisfaction has 4 indicators, and in each of these indicators has 3 question items, totaling 12 questions. As for the results of the  $r$  value is more than ( $>$ )  $r$  table, it can be concluded that these items have a significant correlation with the total score or are declared valid.

**Table 3.4**  
Validity of Internal Customer Satisfaction

No	Item	r count	r table	Interpretation
1	ICSC1	0.655	0.349	Valid
2	ICSC2	0.753	0.349	Valid
3	ICSC3	0.707	0.349	Valid
4	ICSI1	0.788	0.349	Valid
5	ICSI2	0.699	0.349	Valid
6	ICSI3	0.713	0.349	Valid
7	ICSP1	0.865	0.349	Valid
8	ICSP2	0.808	0.349	Valid
9	ICSP3	0.901	0.349	Valid



10	ICSPr1	0.745	0.349	Valid
11	ICSPr2	0.809	0.349	Valid
12	ICSPr3	0.884	0.349	Valid

### 3.2.4. Internal Service Quality Item Reliability

The critical r value (2-sided test) at 5% significance with  $n = 32$  ( $df = n-2 = 30$ ), can be 0.349, it can be concluded that the items of the research instrument are reliable or very high reliability, namely  $> 0.80$ .

**Table 3.5**  
Internal Service Quality Item Reliability

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
ISQT1	58.4375	17.673	.523	.892
ISQT2	58.4063	17.023	.561	.891
ISQT3	58.3125	17.383	.531	.892
ISQRel1	58.4063	17.023	.653	.887
ISQRel2	58.3438	17.717	.589	.890
ISQRel3	58.1250	17.403	.554	.891
ISQRes1	58.0938	17.507	.438	.896
ISQRes2	58.2500	17.806	.549	.891
ISQRes3	58.2500	17.419	.672	.887
ISQA1	58.3438	17.265	.600	.889
ISQA2	58.3125	17.770	.678	.888
ISQA3	58.0000	17.548	.474	.894
ISQE1	58.1875	16.738	.675	.886
ISQE2	58.2813	17.305	.521	.892
ISQE3	58.3750	17.081	.704	.885

### 3.2.5. Employee Satisfaction Reliability

The critical r value (2-sided test) at 5% significance with  $n = 32$  ( $df = n-2 = 30$ ), can be 0.349, it can be concluded that the items of the research instrument are reliable or very high reliability, namely  $> 0.80$ .

**Table 3.6**  
Employee Satisfaction Reliability

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
ESIT1	56.5313	31.354	.687	.909
ESIT2	56.4375	30.899	.640	.910



ESIT3	56.3125	31.448	.653	.910
ESGC1	56.7813	31.531	.333	.927
ESGC2	56.4688	31.289	.692	.909
ESGC3	56.6250	30.048	.540	.916
ESEM1	56.3125	31.190	.700	.909
ESEM2	56.3438	30.943	.786	.907
ESEM3	56.3750	31.468	.727	.909
ESGR1	56.4375	31.802	.646	.911
ESGR2	56.4688	29.934	.693	.909
ESGR3	56.3750	29.855	.822	.904
ESWH1	56.3750	30.242	.850	.904
ESWH2	56.3125	31.641	.544	.913
ESWH3	56.4063	32.765	.427	.917

### 3.2.6. Internal Customer Satisfaction Reliability

The critical r value (2-sided test) at 5% significance with  $n = 32$  ( $df = n-2 = 30$ ), can be 0.349, it can be concluded that the items of the research instrument are reliable or very high reliability, namely  $> 0.80$ .

**Table 3.7**  
Internal Customer Satisfaction Reliability

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
ICSC1	45.0313	22.676	.601	.937
ICSC2	45.1563	21.491	.699	.934
ICSC3	45.0938	22.475	.659	.936
ICSI1	44.9063	22.217	.753	.933
ICSI2	44.9375	21.286	.624	.938
ICSI3	44.9688	21.322	.644	.937
ICSP1	44.7813	20.757	.832	.929
ICSP2	44.9375	21.351	.766	.932
ICSP3	44.9688	21.064	.879	.928
ICSPr1	44.8750	21.403	.688	.935
ICSPr2	44.8438	20.910	.762	.932
ICSPr3	44.8438	20.459	.854	.928

### 3.2.7. Convergent Validity

Convergent validity is fulfilled if the scores obtained with two different instruments measuring the same concept show a high correlation. Indicators that have convergent validity are having an outer loading factor above 0.70, but the loading factor value of 0.50-0.60 can still be tolerated with a t-statistic value above 1.96 or a p-value  $< 0.05$ . The discriminant validity is intended to test that a

construct precisely measures only the construct to be measured, not other constructs. The discriminant validity testing method can use a cross-loading approach between the indicator and the extract and use the root of average variance extracted (AVE)

From the SmartPLS report (Ringle et al., 2015), the AVE test results are shown in the following table:

**Table 3.8**  
**AVE test**

Variable	AVE	Remarks
<i>Internal Service Quality (X1)</i>	0.653	Valid
<i>Employee Satisfaction (Y1)</i>	0.565	Valid
<i>Internal Customer Satisfaction (Y2)</i>	0.563	Valid

### 3.2.8. Reliability Test

Composite reliability and Cronbach alpha are used to test the value of reliability or reliability between the indicators of the constructs that make it up. The composite reliability and Cronbach alpha values are said to be good, if the value is above 0.70 is recommended, but the factor value of 0.50-0.60 can still be tolerated. In other words, good composite reliability and cronbach alpha values indicate that discriminant validity has been achieved

**Table 3.9**  
**Reliability Test**

Variable	Cronbach's Alpha	Composite Reliability	Remarks
<i>Internal Service Quality (X1)</i>	0.962	0.966	Reliable
<i>Employee Satisfaction (Y1)</i>	0.943	0.950	Reliable
<i>Internal Customer Satisfaction (Y2)</i>	0.927	0.938	Reliable

### 3.2.9. Inner Model Evaluation

In assessing the model with PLS, it starts by looking at the R-square for each dependent latent variable. Table 5.18 is the estimation result of R-Square using SmartPLS. In this study, the structural model was evaluated by considering the R-square (R2) and stone-Geisser's Q2 (predictive relevance model). Q2 (predictive relevance model) which measures how well the observation value is generated by the model. Q2 is based on the coefficient of determination (R2) of all endogenous variables. Quantity Q2 has a value range of  $0 < Q2 < 1$ , the closer to the value 1, the better the model. The formula for Q2 Predictive relevance testing is as follows:

**Table 3.10**  
**R Square**

Variable	R Square	R Square Adjusted
----------	----------	-------------------

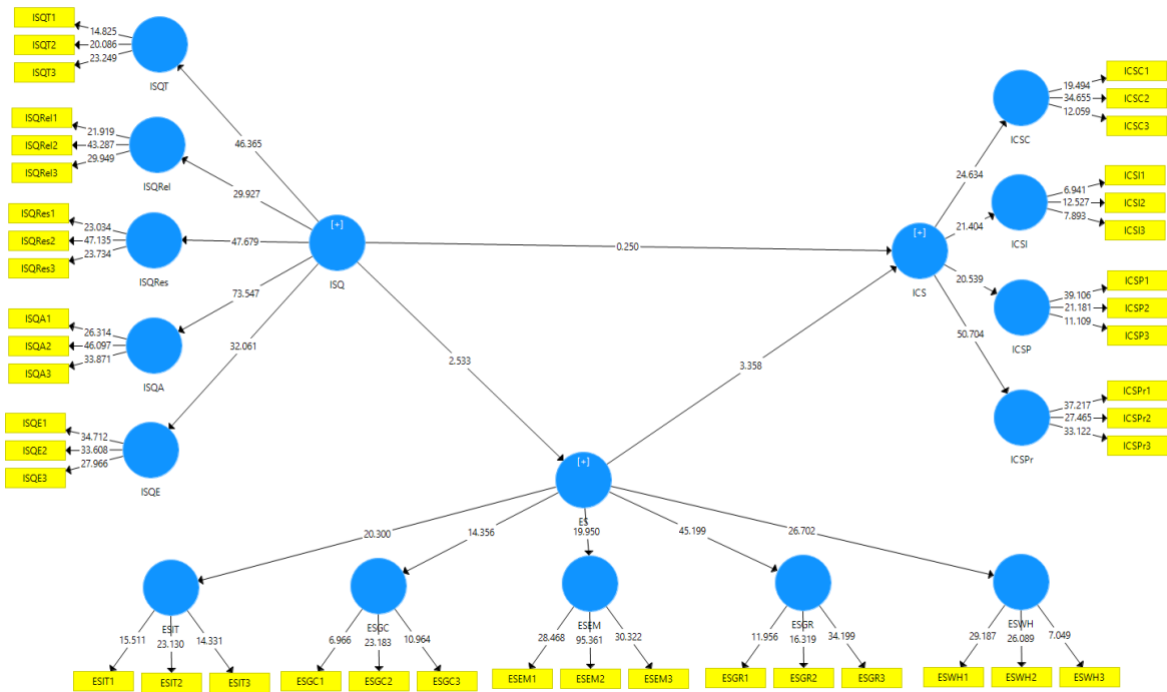
<i>Employee Satisfaction (Y1)</i>	0.119	0.097
<i>Internal Customer Satisfaction (Y2)</i>	0.226	0.197

Furthermore, the structural model evaluated in this study consists of five coefficients of the relationship pathway parameters between exogenous X1 and endogenous (Y1 and Y2), and there are seventeen coefficient of relationship path parameters between exogenous X1 and endogenous ( Y1 and Y2) for each item as shown in Table below:

**Table 3.10**  
**Path Coefficient, T statistic, and P Value Analysis Results**

<b>Influence of Variables to Variables and Variables to Indicators</b>	<b>Original Sample (O)</b>	<b>Sample Mean (M)</b>	<b>Standard Deviation (STDEV)</b>	<b>T Statistics ( O/STDEV )</b>	<b>P Values</b>
<b>ISQ -&gt; ES</b>	0.333	0.321	0.131	2.533	<b>0.012</b>
<b>ISQ -&gt; ICS</b>	0.026	0.028	0.105	0.250	<b>0.802</b>
<b>ISQ -&gt; ISQA</b>	0.951	0.952	0.013	73.547	<b>0.000</b>
<b>ISQ -&gt; ISQE</b>	0.897	0.895	0.028	32.061	<b>0.000</b>
<b>ISQ -&gt; ISQRel</b>	0.901	0.902	0.030	29.927	<b>0.000</b>
<b>ISQ -&gt; ISQRes</b>	0.925	0.925	0.019	47.679	<b>0.000</b>
<b>ISQ -&gt; ISQT</b>	0.918	0.918	0.020	46.365	<b>0.000</b>
<b>ES -&gt; ESEM</b>	0.878	0.875	0.044	19.950	<b>0.000</b>
<b>ES -&gt; ESGC</b>	0.811	0.815	0.056	14.356	<b>0.000</b>
<b>ES -&gt; ESGR</b>	0.930	0.931	0.021	45.199	<b>0.000</b>
<b>ES -&gt; ESIT</b>	0.869	0.868	0.043	20.300	<b>0.000</b>
<b>ES -&gt; ESWH</b>	0.895	0.895	0.034	26.702	<b>0.000</b>
<b>ES -&gt; ICS</b>	0.439	0.450	0.131	3.358	<b>0.001</b>
<b>ICS -&gt; ICSC</b>	0.871	0.868	0.035	24.634	<b>0.000</b>
<b>ICS -&gt; ICSI</b>	0.865	0.869	0.040	21.404	<b>0.000</b>
<b>ICS -&gt; ICSP</b>	0.868	0.869	0.042	20.539	<b>0.000</b>
<b>ICS -&gt; ICSPr</b>	0.925	0.926	0.018	50.704	<b>0.000</b>

The results of the estimation of the structural model with all the PLS Algorithm estimation methods show the path coefficient value through the T-statistic test (> 1.96) and the P value (<0.05) between the construct variables, it can be seen in Figure below:



**Figure 3.1**  
**Results bootstrapping**

**3.2.10. Hypothesis Test Results**

Hypothesis test parameters use a comparison of the t value, that is, if the t value > from T table (1.96) or P value < 0.05, then H0 is rejected and H1 is accepted. The results of the T table and the P value of bootstrapping to see the influence relationship between variables can be seen in the following table:

**Table 3.10**  
**Effect of Exogenous (X) and Endogenous (Y) Variables**

Influence of Variables to Variables	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
ISQ -> ES	0.333	0.321	0.131	2.533	0.012
ISQ -> ICS	0.026	0.028	0.105	0.250	0.802
ISQ -> ISQA	0.439	0.450	0.131	3.358	0.001

If we see Path Coefficients, T statistics, and P Value table and Path Diagram of the PLS Bootstrapping Structural Model, the results of hypothesis can be summarized as follows:

H1: The influence of Internal Service Quality on Employee Satisfaction through a path coefficient value of 0.333 and a T-statistic of 2.533 and a P value of 0.012. The T-statistic value is greater

than T table (1.96) while the P value is smaller than  $<0.05$ . It can be concluded that the Internal Service Quality has a significant positive effect on Employee Satisfaction. This means that with a good internal company condition, what else is supported by good service quality, it will be able to increase employee satisfaction. Internal service quality is a form of service from the BoCT port division to its employees which is provided to support employee performance at work. So it can be said that the quality of internal service here is the quality or how good the service provided by the BoCT port division to its employees so that employees can work optimally and employees feel satisfied with their work.

With the results of this study, it supports research conducted by (Hudayah, 2011), (Dauda, 2013), (Wang, 2012), (Sharma et al., 2016), (Ridwan, 2017), (Puteri, 2017) which states that that Internal Service Quality has a positive and significant effect on Employee Satisfaction

H2: The influence of Internal Service Quality on Internal Customer Satisfaction through the path coefficient value of 0.026 and T-statistic of 0.250 and p value of 0.802. The T-statistic value is smaller than the T table (1.96) while the P value is greater than  $>0.05$ . It can be concluded that Internal Service Quality has a positive but insignificant influence on Internal Customer Satisfaction. This means that the quality of internal services provided in the BoCT port division is not automatically able to provide satisfaction to internal customers, which is in line with the lowest indicator in Internal Service Quality, namely Reliability, in which the BoCT port division will provide the promised service, perform services correctly or not. and be able to eliminate complaints from external customers which also affect internal customers.

With the results of this study, it does not support the research conducted by (Ridwan, 2017), (Sohail & Jang, 2018) which states that Internal Service Quality has a positive and significant effect on Internal Customer Satisfaction.

H3: The influence of Employee Satisfaction on Internal Customer Satisfaction through the path coefficient value of 0.439 and T-statistic of 3.358 and P value of 0.001. The T-statistic value is greater than the T table (1.96) while the P value is greater than  $>0.05$ . It can be concluded that Employee Satisfaction has a significant positive effect on Internal Customer Satisfaction. These results indicate that the better the Employee Satisfaction in the BoCT port division, the more Internal Customer Satisfaction will be. This means that the level of employee satisfaction is directly proportional to the level of internal customer satisfaction, the more satisfied the employee, the higher the level of internal customer satisfaction.

With the results of this study, it supports research conducted by (Mendoza, 2014) (Sohail & Jang, 2018), (Sankar & Ph, 2019), (Kurdi et al., 2020) which states that Employee Satisfaction has a positive and significant effect on Internal Customer Satisfaction

#### **4. Conclusion**

Based on the results of the analysis and hypothesis testing and discussion, several conclusions can be presented as follows: The results of data analysis state that Internal Service Quality has a positive and significant effect on Employee Satisfaction. This means that the existence of a good internal company condition, especially supported by good service quality, will be able to increase employee satisfaction. The results of data analysis state that Internal Service Quality has a positive but insignificant effect on Internal Customer Satisfaction. This means that the quality of internal

services provided in the BoCT port division is not automatically able to provide satisfaction to internal customers because there are still complaints from external customers. The results of data analysis state that Employee Satisfaction has a significant positive effect on Internal Customer Satisfaction. These results indicate that the better the Employee Satisfaction in the BoCT port division, the more Internal Customer Satisfaction will be. This means that the level of employee satisfaction is directly proportional to the level of internal customer satisfaction, the more satisfied the employee, the higher the level of internal customer satisfaction

## 5. Suggestion

Internal Service Quality or internal service quality in the BoCT port division must be continuously improved so that employee satisfaction also increases, so that employees can also work optimally, with maximum work results that will be able to lead to profits for the company, either an improved corporate image or Customer trust in company services through services in the BoCT port division has also increased There needs to be an increase in Internal Marketing in the port division of the BoCT so that employee decisions can increase both the improvement of facilities and infrastructure such as IT facilities, fostering humane relationships with employees, helping employees through solutions in terms of work, being fast and responsive in providing responses and suggestions when communicating so that the products shipped are in accordance with customer expectations so that it has implications for customer satisfaction, especially for external customers, which will certainly be followed by internal customer decisions Customer complaint is the best indicator to determine whether a service-oriented business is operating properly and in accordance with customer expectations, so that it needs to be managed so that the chances of the complaint can be minimized as little as possible. If the company does not handle customer complaints properly and promptly, negative customer feedback can subsequently cause major damage to the company's business The researcher realizes that this research still has many shortcomings, one of which is the less sharp problem, the researcher also realizes that there are many other variables that affect Employee Satisfaction and Internal Customer Satisfaction which have not been studied in this study. Therefore, the researcher hopes that if there are other researchers doing research with a similar theme, what needs to be considered is to examine deeper problems and other things that need to be considered for further research. The next interesting research to be tested is the continuation of Internal Customer Satisfaction to External Customer Satisfaction, then it can also consider the profit variable factors that can be obtained by the company.

## References

- Abuhashesh, M. Y., Aldmour, R., & Ed, R. (2019). *Factors that affect Employees Job Satisfaction and Performance to Increase Customers ' Satisfactions*. April. <https://doi.org/10.5171/2019.354277>
- Dauda, A. (2013). *Effect of Internal Service Quality on Employee Job Satisfaction : Evidence from Abubakar Gimba Library , IBB University , Lapai – Nigeria Mohammed Mallami Maishanu , PhD*. 3(6), 88–96.
- Elsamen, A. A., & Alshurideh, M. (2012). *The Impact of Internal Marketing on Internal Service Quality: A Case Study in a Jordanian Pharmaceutical Company*. 7(19), 84–95.



<https://doi.org/10.5539/ijbm.v7n19p84>

- Frisdiantara, C., & Graha, A. (2013). Pengaruh Dimensi Pelayanan dan Dimensi Fasilitas Terhadap Kepuasan Mahasiswa Pada Universitas Kanjuruhan Malang. *Jurnal Ekonomi Modernisasi*, 9. <https://doi.org/10.21067/jem.v9i2.201>
- Gremler, D. ., Bitner, M. ., & Evans. (1994). The Internal Service Encounter. *International Journal of Service Industry Management*, 5(2), 34–56.
- Griffin, R. ., & Moorhead, G. (2013). *Organizational Behavior: Managing People and Organizations* (11 (ed.)).
- Hudayah, S. (2011). *The Effect of Internal Service Quality Of Job Satisfaction, Quality of the External Service, Customer Satisfaction and Business Performance at Bank BPD Kaltim*. Universitas Hasanuddin Makassar.
- Jain, S., & Gupta, G. (2004). Measuring Service Quality: SERVQUAL vs. SERVPERF Scales. *Vikalpa*, 25–37.
- Jarvi, S. (2012). Developing the Internal Service Quality in Organisation Y. *Business Management Bachelor's Thesis Laurea University of Applied Sciences*.
- Junaidi. (2010). *Tabel r (Koefisien Korelasi Sederhana)*. <https://junaidichaniago.files.wordpress.com/2010/05/tabel-r.pdf>
- Kotler, P., & Armstrong, G. (2008). *Prinsip-prinsip Pemasaran, Edisi Kedua Belas* (pp. 1–440). Erlangga.
- Kurdi, B. Al, Alshurideh, M., & Alnaser, A. (2020). The impact of employee satisfaction on customer satisfaction: Theoretical and empirical underpinning. *Management Science Letters*, 10(15), 3561–3570. <https://doi.org/10.5267/j.msl.2020.6.038>
- Locke, E. ., & Dunnette, M. . (1976). Handbook of industrial and organizational psychology. In *The nature and causes of job satisfaction*.
- Lovelock, C. H., Wirtz, J., & Chew, P. (2009). *Essentials of Services Marketing, 2nd Edition*. January, 197–223.
- Marshall, G. ., Baker, J., & Finn, D. . (1998). Exploring Internal Customer Service Quality. *Journal of Business & Industrial Marketing*, 13(4/5), 381–392.
- Mendoza, M. L. (2014). *Meta-analytic of the relationship between employee job satisfaction and customer satisfaction*. 5(11), 4–9.
- Puteri, C. A. (2017). *The influence of Internal Service Quality on Employee Job Satisfaction, Job Commitment and Well Being Towards Employee Performances in Two Industrial Companies Located in Jababeka*. President University.
- Ridwan, J. (2017). *Influence of Internal Marketing toward Internal Service Quality and impact to Internal Customer Satisfaction: Case Study in Tourism Industry in Yogyakarta Special Territory of Indonesia. September 2014*.
- Ringle, C. M., Wende, S., & Becker, J.-M. (2015). *SmartPLS 3*. <http://www.smartpls.com>
- Sankar, J., & Ph, D. (2019). *Employee Satisfaction and Customer Satisfaction – A Close Comparison*. November.
- Sharma, P., Kong, T. T. C., & Kingshott, R. P. J. (2016). Internal Service Quality as A Driver of Employee Satisfaction, Commitment and Performance: Exploring the Focal Role of Employee Well-being. *Journal of Service Management*, 27(5), 773–797. <https://doi.org/10.1108/JOSM-10-2015-0294>
- Sohail, M. S., & Jang, J. (2018). Understanding the Relationships among Internal Marketing Practices



- , Job Satisfaction , Service Quality and Customer Satisfaction : An Empirical Investigation of Saudi Arabia ' s Service Employees. *International Journal of Tourism Sciences*, 17(2), 67–85.  
<https://doi.org/10.1080/15980634.2017.1294343>
- Stauss, B. (1995). Internal services: Classification and Quality Management. *International Journal of Service Industry Management*, 6(2), 62–78.
- Sugiyono. (2015). *Metode Penelitian Pendidikan (Pendekatan kuantitatif kualitatif dan R&D)*.
- Trappey, A. J. C., Lee, C. H., Chen, W. P., & Trappey, C. V. (2010). A framework of customer complaint handling system. *2010 7th International Conference on Service Systems and Service Management, Proceedings of ICSSSM' 10*, 879–884.  
<https://doi.org/10.1109/ICSSSM.2010.5530119>
- Wang, G. L. (2012). The Influence of Internal Service Quality on Employee Job Satisfaction at Taiwanlisted International Tourist Hotels: Using Organisational Culture as The Moderator. *World Transactions on Engineering and Technology Education*, 10(3), 174–183.
- Wong, S. ., DeSanctis, G., & Staudenmayer, N. (2007). The relationship between task interdependency and role stress: a revisit of the job demands–control model. *Journal of Management Studies*, 44(2), 284–303.