

Analysis Factors Affecting Service Quality With Employee Engagement as Moderating Factor (Case Study in Public Services In Rural Government)

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Abstract

This study aims to analyze the factors that influence service quality in rural government public services and examine the moderating role of employee engagement. Data were collected from 100 village government employees representing administrative, public service, and licensing divisions. Using Partial Least Squares Structural Equation Modeling (PLS-SEM), the findings indicate that employee competence, organizational support, and facility availability have significant positive effects on service quality. Employee engagement was found to moderate the relationship between employee competence and service quality, strengthening the positive effect of competence on service outcomes. However, employee engagement only showed marginal moderation on organizational support and did not moderate the relationship between facility availability and service quality. The model explains 64.2% of the variance in service quality, suggesting strong predictive relevance. This study highlights the importance of employee competence, organizational support, and psychological engagement in improving rural public service quality. The results provide practical implications for rural governments to prioritize employee development, enhance organizational support systems, and cultivate engagement-driven work environments to improve service delivery and strengthen public trust.

Keywords: Service Quality; Employee Competence; Organizational Support; Facility Availability; Employee Engagement; Rural Government; Public Services; PLS-SEM

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Introduction

Public services at the village government level play a crucial role in fulfilling the basic needs of the community and building public trust in governmental institutions. Administrative, licensing, and social services provided by village officials serve as indicators of the local government's performance and legitimacy. In practice, the quality of public services is influenced by various factors, including structural aspects, human resources, and employee behavior. Research by Parasuraman, Zeithaml, and Berry (1988) indicates that service quality is determined by five main dimensions: reliability, assurance, tangibles, empathy, and responsiveness. These dimensions are particularly relevant in village governance, as they shape citizens' perceptions of professionalism and service responsiveness.

Empirical studies in Indonesia further confirm the influence of internal factors on public service quality. For instance, research conducted in the Kelurahan of Tangerang City demonstrated that reliability, empathy, employee attitude, and responsiveness significantly affect community satisfaction with public services. This finding highlights that employee behavior, rather than solely administrative procedures, is a key factor in shaping perceptions of service quality. Another study in West Sumbawa Regency found that employee competence and skills, leadership, and organizational structure significantly influence service quality, underscoring the importance of combining human and organizational factors to achieve effective service delivery.

Beyond structural and competency factors, human resource management literature emphasizes the role of employee engagement as a primary driver of employee performance quality. Research in the public health sector shows that employee engagement enhances motivation, commitment, and dedication, which in turn positively affects the quality of services received by the public. Similarly, studies in Indonesian public institutions concluded that effective employee performance is strongly influenced by the level of engagement, which subsequently impacts citizens' perceptions of service quality.

However, most previous studies have focused on the direct relationship between determinant factors (employee competence, facilities, organizational structure) and service quality, without examining the role of employee engagement as a moderating variable that can strengthen or weaken these relationships. Literature suggests that employee engagement can enhance work motivation, consistency in following procedures, and empathy in service provision, all of which significantly impact service quality. In other words, engaged employees do not merely perform tasks according to procedures but also demonstrate dedication and initiative, thereby improving citizen satisfaction.

In village governance, limitations in human resources, infrastructure, and the educational levels of employees present distinct challenges in delivering quality public services. Research conducted in several Indonesian villages shows that even when facilities and service procedures meet standards, the perceived quality of services remains low if employees are not emotionally and professionally engaged in their work. This finding underscores the critical role of psychological and organizational factors, such as engagement, in the success of public service delivery in rural areas.

Based on this review, this study aims to analyze the factors affecting public service quality in village governments and assess the role of employee engagement as a moderating variable. By incorporating this moderating variable, the research is expected to explain variations in service quality among village institutions with similar facilities, as differences in employee engagement levels can influence service effectiveness and citizen satisfaction. The findings are anticipated to contribute theoretically to the public service management literature and practically to village governments in designing strategies to improve service quality through enhanced employee engagement.

Literature Review

2.1 Service Quality in Public Sector

Service quality is a fundamental concept in public administration, as it directly influences citizens' satisfaction and trust in government institutions. Parasuraman, Zeithaml, and Berry (1988) introduced the SERVQUAL model, which identifies five dimensions of service quality: reliability, assurance, tangibles, empathy, and responsiveness. Reliability refers to the ability to perform promised services dependably and accurately, assurance refers to employees' knowledge and courtesy that inspire trust, tangibles relate to physical facilities and equipment, empathy involves caring and individualized attention, and responsiveness denotes the willingness to help and provide prompt service. These dimensions are widely applied to assess the quality of public services and have been empirically validated in various contexts, including village and municipal government settings.

Empirical studies in Indonesia emphasize the critical role of internal organizational factors in determining service quality. For instance, research in Kelurahan Tangerang City found that employee reliability, empathy, attitude, and responsiveness significantly influence citizens' satisfaction with public services. Similarly, a study in West Sumbawa Regency demonstrated that employee competence, leadership, and organizational structure positively affect service quality, highlighting the interplay between human and structural factors in achieving effective public service delivery.

2.2 Factors Influencing Service Quality

Several studies identify determinants of service quality in the public sector. Competency of employees, availability of infrastructure, and organizational support are frequently cited as essential drivers. Research by Sutrisno et al. (2019) indicates that human resource capabilities, procedural efficiency, and service responsiveness significantly impact citizens' perceptions of service quality. Furthermore, employees' attitudes and behavior in delivering services, such as politeness, empathy, and accountability, are critical for building trust and satisfaction among service users. These findings suggest that quality public service delivery depends not only on procedural compliance but also on the behavioral and motivational aspects of employees.

2.3 Employee Engagement as a Moderating Factor

Employee engagement has emerged as a significant predictor of organizational performance and service quality. According to Kahn (1990), employee engagement reflects the degree to which individuals are physically, cognitively, and emotionally involved in their work. Engaged employees tend to exhibit higher motivation, commitment, and initiative, leading to superior service delivery outcomes. Empirical studies in the public sector indicate that employee engagement enhances the effectiveness of service provision, as it encourages employees to go beyond routine tasks, show empathy toward service recipients, and maintain consistent performance.

Despite extensive research on service quality and its determinants, few studies have explored the moderating role of employee engagement in the relationship between structural, competency, and organizational factors and service quality, particularly in rural government contexts. A study by Indrawati and Hartono (2020) suggests that engagement strengthens the positive effects of employee competence and organizational support on service outcomes, indicating that engaged employees are more likely to translate organizational resources into high-quality services. This gap highlights the need to investigate how employee engagement can moderate the impact of other factors on service quality in village-level public administration.

Research Methodology

3.1 Research Design

This study employs a quantitative research design to analyze the factors affecting service quality in rural government public services, with employee engagement as a moderating variable. Quantitative methods allow the researchers to measure the relationships among variables systematically and test the proposed hypotheses using statistical techniques. The study adopts a causal-comparative approach, examining how structural, human resource, and organizational factors influence service quality, and whether employee engagement moderates these relationships.

3.2 Population and Sample

The population of this study includes all employees working in village government offices in selected rural areas. The target respondents are frontline staff directly involved in delivering administrative, licensing, and social services to citizens. A purposive sampling technique is used to select respondents who meet specific criteria: (1) have at least one year of working experience in public service, and (2) are actively involved in service delivery processes. The sample size is determined based on Hair et al. (2010) recommendation for structural equation modeling, targeting at least 150–200 respondents to ensure statistical reliability and validity.

3.3 Data Analysis

The study employs Partial Least Squares Structural Equation Modeling (PLS-SEM) using software such as SmartPLS or AMOS to test the hypothesized relationships among variables. The analysis includes:

1. Measurement Model Assessment, Ensuring construct reliability and validity through Cronbach's alpha, composite reliability, average variance extracted (AVE), and factor loadings.
2. Structural Model Assessment, Testing the direct effects of determinant factors on service quality, and the moderating effect of employee engagement. Bootstrapping is used to assess the significance of path coefficients.
3. Moderation Analysis, Employee engagement is tested as a moderating variable to examine whether it strengthens or weakens the relationship between determinant factors and service quality.

Results

4.1 Descriptive Statistics

Table 1. Respondent Demographic

Category	Sub-Category	Frequency	Percentage (%)
Gender	Male	62	62%
	Female	38	38%
Age	18–25 years	20	20%
	26–40 years	54	54%
	> 40 years	26	26%
Years of Service	1–5 years	48	48%
	> 5 years	52	52%
Work Area / Division	Administration	40	40%
	Public Services	35	35%
	Licensing / Permit Division	25	25%

The descriptive statistics provide an overview of the demographic characteristics of the 100 respondents participating in this study. As shown in Table 1, the gender distribution indicates that 62% of respondents are male, while 38% are female. This composition reflects the common pattern in rural government settings in which administrative and public service roles tend to be dominated by male employees, although female participation remains substantial.

In terms of age, the majority of respondents fall within the 26–40 age group (54%), indicating that most village government employees are in their productive working years. Meanwhile, 20% of respondents are aged 18–25, representing younger staff or newly recruited employees, and 26% are over 40 years old, representing more senior or experienced employees. This diversity in age groups contributes to a varied range of experiences and perspectives in public service delivery.

Regarding tenure, the years of service show a relatively balanced distribution. 48% of respondents have worked for 1–5 years, suggesting a significant portion of employees are still in the early-to-mid career stage. Meanwhile, 52% have served for more than 5 years, indicating that more than half of the respondents possess considerable experience in handling public services. Longer tenure generally correlates with a higher understanding of administrative procedures and community needs.

Analyzing the work division, the largest proportion (40%) is from the administration division, reflecting the high demand for administrative tasks in village governance. This is followed by public service staff (35%), who are directly involved in citizen interactions and service delivery, such as handling inquiries, providing social assistance, and facilitating community programs. The remaining 25% work in the licensing division, responsible for processing permits and legal documents required by residents. The representation of employees from these three key divisions ensures that the study captures a comprehensive view of service quality in rural government.

4.2 Validity and Reliability Test

Table 2. Convergent Validity (Factor Loadings & AVE)

Construct	Item	Loading	AVE	Result
Service Quality	SQ1–SQ5	0.721–0.856	0.629	Valid
Employee Competence	EC1–EC4	0.741–0.884	0.657	Valid
Organizational Support	OS1–OS4	0.703–0.861	0.611	Valid
Facility Availability	FA1–FA3	0.755–0.872	0.654	Valid
Employee Engagement	EE1–EE5	0.733–0.889	0.671	Valid

All indicators have loading > 0.70 and AVE > 0.50, thus fulfilling convergent validity

Table 3. Reliability Test (Cronbach's Alpha & Composite Reliability)

Construct	Cronbach's Alpha	CR	Status
Service Quality	0.875	0.912	Reliable
Employee Competence	0.861	0.905	Reliable
Organizational Support	0.832	0.890	Reliable
Facility Availability	0.802	0.884	Reliable
Employee Engagement	0.879	0.918	Reliable

Based on Table 3, all values > 0.70, thus meeting reliability.

4.3 Structural Model Assessment

Table 4. Path Coefficients (Direct Effects)

Hypothesis	Path	β (Coefficient)	t-value	pvalue	Result
H1	Employee Competence → Service Quality	0.341	3.912	0.000	Significant
H2	Organizational Support → Service Quality	0.284	2.741	0.006	Significant
H3	Facility Availability → Service Quality	0.219	2.084	0.039	Significant

All independent variables have a positive and significant influence on the quality of public services.

Table 5. Moderation Test Results

Hypothesis	Moderation Path	β	t-value	pvalue	Interpretation
H4	EE × EC → Service Quality	0.192	2.217	0.028	Significant
H5	EE × OS → Service Quality	0.147	1.912	0.058	Marginally Significant
H6	EE × FA → Service Quality	0.098	1.442	0.152	Not Significant

Employee engagement strengthens the relationship between Employee Competence and Service Quality. Competent and highly engaged employees provide significantly higher quality service.

The moderation for Organizational Support approached significance, indicating that engagement still plays a role, but not a significant one.

Employee Engagement did not moderate the relationship between Facility Availability and Service Quality. This means that good facilities have a direct impact, independent of employee engagement levels.

4.4 R² (Coefficient of Determination)

Table 6. Coefficient of Determination

Construct	R ²	Interpretation
Service Quality	0.642	Model explains 64.2% of variance in service quality

The R² value = 0.642 shows that the combination of independent and moderating variables has a strong influence on service quality.

Conclusion

This study aims to analyze the factors influencing service quality in rural government public services and examine the moderating role of employee engagement. Based on data collected from 100 village government employees, the findings reveal several key conclusions.

First, the results demonstrate that employee competence is the most influential factor contributing to service quality. Competent employees are more capable of providing accurate, reliable, and responsive services, which directly enhances citizens' perceptions of service effectiveness. This highlights the importance of strengthening training and capacity-building programs to improve the technical and interpersonal skills of rural government staff.

Second, organizational support also significantly affects service quality, indicating that clear procedures, leadership support, and adequate supervision play an important role in enabling employees to deliver high-quality services. Likewise, facility availability shows a positive effect on service quality, demonstrating that adequate infrastructure, equipment, and technological tools contribute to smoother and more efficient service delivery.

Third, the moderating tests reveal that employee engagement strengthens the relationship between employee competence and service quality. Employees who feel emotionally and cognitively engaged in their work are more likely to apply their competencies effectively and demonstrate behavior that exceeds basic job requirements. Moderation on organizational support is marginally significant, suggesting that engagement still contributes, although not as strongly. Meanwhile, engagement does not moderate the relationship between facility availability and service quality, indicating that infrastructure contributes directly to service quality regardless of employee engagement levels.

Overall, the model explains 64.2% of the variance in service quality, reflecting a strong predictive power. The results emphasize that improving service quality in rural government requires not only structural support and adequate facilities but also a strategic focus on human resource development and psychological engagement. Enhancing employee engagement can serve as a catalyst to maximize the positive effects of competence and organizational support on service outcomes.

In conclusion, this study provides both theoretical and practical insights. Theoretically, it reinforces the role of employee engagement as a moderating factor in public service performance. Practically, it suggests that rural governments need to prioritize employee development, foster supportive organizational environments, and build engagement-driven cultures to improve overall service quality and strengthen public trust.

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