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EFFECT OF FINANCIAL APPLICATION PROGRAM ON SERVICE EXCELLENCE, USER SATISFACTION AND EMPLOYEE PERFORMANCE: A STUDY ON EMPLOYEES OF FINANCE DIVISION, BRAWIJAYA UNIVERSITY

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ABSTRACT

This study aimed to determine the effect of a Financial Application Program on Service Excellence, User Satisfaction and Employee Performance. Sampling was conducted on 75 respondents working in the Financial Division of Brawijaya University. Path analysis was done on the collected data using AMOS program for Windows version 18. The results of the path analysis showed that the parameter of the Financial Application Program variable affected User Satisfaction. It was very clear that the Finance Application Program significantly affected User Satisfaction, indicating that the use of the Financial Application Program can increase the user satisfaction of employees. Meanwhile, the indirect effect was that the User Satisfaction variable was capable of mediating the Finance Application Program variable on Employee Performance. Thus, to improve the service excellence so as to provide satisfactory services, the Financial Application Program support is still needed so that the employee performance can be increasingly better.

KEY WORDS

Financial application program, service excellence, user satisfaction, employee performance.

Innovation is introducing new ideas, new services and new ways that are more useful. The term of 'innovation' in an organization was first introduced by Joseph Schumpater in 1934. Innovation derives from the word 'to innovate' which means making changes or introducing something new. Besides, innovation is sometimes interpreted as 'discovery'. According to the American Heritage Dictionary, innovation is the act of introducing something new in a new way (in Milson, 2008:51). Implementation of successful application program technology can be utilized by staffs maximally and used for work effectiveness and efficiency (Doll W.J. and Torkzadeh, 1988). However, when the implementation of information technology has been completed, development needs to be done in the form of adjustments to fit the needs of the latest employees.

The factor of users plays an important role in the use and utilization of information application program technology along with the rapid development of technology. The benefits and objectives of using a technology feature, of course, are to obtain accurate, complete and up-to-date information or data, to display data faster, and to help quickly in taking a decision from information obtained accordingly with user needs. User involvement in the utilization of information system technology is highly crucial and decisive to the success of produced system and information qualities. The quality of service is related to the sustainability of the service products and the needs of the service users (Mahendra, 2008). Service quality can be interpreted as the perception of service users about the advantage or disadvantage of a service and/ or the acceptance of a service. From the above definition, it can be concluded that service quality is the perception of service users about the services provided by an individual. Brawijaya University is an institution at the higher education level that is in charge of preparing qualified learners or graduates in accordance with the vision of Brawijaya University, that is to become a superior university with international standards and able to

play an active role in national development through education processes, research and community services.

The purposes of this study entitled “*Effect of Financial Application Program on Service Excellence, User Satisfaction and Employee Performance*” were: (1) to analyze the effect of the Financial Application Program on user satisfaction, (2) to analyze the effect of the Financial Application Program on service excellence, (3) to analyze the effect of service excellence on user satisfaction, (4) to analyze the effect of user satisfaction on employee performance, (5) to analyze the effect of service excellence on employee performance, and (6) to analyze the effect of the Financial Program Application on performance.

LITERATURE REVIEW

Innovation is making changes or introducing something new. Innovation is sometimes interpreted as a new discovery. Poejiadi (2003) explained that the word ‘to discover’ literally means to open the lid. That is, before opening the lid, people certainly do not know what the thing is in it. Therefore, innovation as an invention is interpreted as something new for someone or a group of people.

Another key word in the sense of innovation is ‘new’. Santoso S. Hamijoyo in Wijaya, *et al.* (1992:6) described that the word of ‘new’ here refers to anything that is not yet understood, accepted or executed by the one receiving the renewal although it may not be something new to others. However, more important than the ‘new’ nature, innovation has a qualitative nature that is different from the previous. ‘Qualitative’ means that innovation allows for reorganization or resetting in the innovated field.

Service activities in Brawijaya University still require innovation supports, one of which importantly to be applied is the innovation of Financial Application Program to facilitate financial services. Innovation strategy is the most important factor in small, medium and large financial services, especially to improve productivity and operational reliability in a government agency. One of the factors that can intensify the innovation strategy is the company’s leadership orientation, thereby increasing the level of staff performance supported by innovations whose implications will improve staff performance in financial services.

The basic concept (the principal of innovation in the process of financial disbursement) that needs to be applied in financial services can be seen in Figure 1.

Service activity is known as service excellence, which means the concern to customers or community by providing the best service to facilitate the fulfilment of needs in realizing the satisfaction so that they will be loyal to the company (Barata, 2004:27). In providing excellent services as an effort to achieve customer satisfaction, there is one guidance reference on the Service Excellence variable as explained by Barata (2004:31).

According to a study conducted by Swastika (2005), service excellence can be represented by 6 variables namely ability, attitude, appearance, attention, action, and accountability. Meanwhile, Tjiptono (2005:58) stated that service excellence consists of 4 basic elements, covering speed, accuracy, friendliness, and comfort.

METHODS OF RESEARCH

Research Design. Singarimbun and Effendy (2006:5) explained “*explanatory research is a research used to explain the causal relationship between the variables through hypothesis testing. This type of research can be used in many more facets and better ways than other research methods. Besides, this research method can provide up-to-date information that is useful for the development of science.*” Based on the above theoretical explanation, this research is categorized into survey research – a research that takes samples from a population and uses questionnaires as a means of collecting basic data. In linear with the research objectives to be achieved, this descriptive research was trying to find the influence of organizational motivation and culture on employee performance. The scope of this study and testing was the Financial Division’s employees of Brawijaya University. In this research, there were two groups of samples namely the sample of employees and the sample of leaders. For the sample of employees, a method of taking Y to the Total Sampling or Census was used. According to Sugiyono (2001:55), a population is a generalization area consisting of objects/ subjects that have certain qualities and characteristics set by researchers to be studied and concluded. The population of this study was all the Financial Division staffs of Brawijaya University, amounted to 75 people. Data collection methods included Questionnaire and Documentation, while the research instrument tests consisted of Validity Test and Reliability Test.

Data Collection Methods. Based on the research hypotheses and design, the data collected in this study would be analyzed using several analysis models as follows:

1. Descriptive statistical analysis technique. Descriptive analysis technique is used to describe the characteristics of each research variable. Moreover, this technique was applied to determine the average value of each variable and its development.
2. Path Analysis. Path analysis is a possible method of statistical analysis in providing a quantitative interpretation or explanation of the relationship of a number of variables in the model. The purpose of this path analysis is to determine the direct and indirect effects of a number of variables and to examine the contribution shown by the path coefficients on each path diagram of the causal relationship between the variables of X_1 , X_2 , X_3 , X_4 , X_5 and Y and its effects on Z . Correlation and regression analysis is the basis of the path coefficient calculation. In the path coefficient calculation, the researchers used software from AMOS program for Windows version 18. Kerlinger (1986:990) stated that path analysis is the application of multiple regression analysis in testing complex hypotheses that is useful for analyzing the direct and indirect effects of the independent variables on a dependent variable. Multiple regression analysis itself aims to test the effect of some independent variables on the dependent variable with the measurement scale of interval or ratio.

Path Analysis Results. The results of the path analysis showed that Service Excellence significantly influenced User Satisfaction, indicated by the probability value of 0.000 (<0.05). On another side, User Satisfaction also showed a significant effect on Employee Performance, indicated by the probability value of 0,000 (<0.05). Based on Table 6, the

exogenous variable of Service Excellence directly affected the endogenous variable of Employee Performance as much as 0.225. Meanwhile, the indirect effect through User Satisfaction obtained an effect value of 1.170 (0.415×0.410). This indicates that the User Satisfaction variable was able to mediate the Service Excellence variable on Employee Performance. The path analysis results of the effect of the Financial Application Program and Service Excellence on Employee Performance through User Satisfaction are presented in the following figure:

Figure 5 above suggests that the Financial Application Program had a direct influence on User Satisfaction of 0.47 and on Service Excellence of 1.38. Furthermore, Service Excellence showed an influence on User Satisfaction of 0.42 while User Satisfaction had an influence on Employee Performance of 0.4138.

Based on the path analysis results explained above, the relationship between the variables can be explained from various aspects as follows:

1. Financial application program significantly affected service excellence.

Based on the analysis results above, the influence of the Financial Application Program on Service Excellence was represented by the success percentage of 42.2%, indicating that this program can support and facilitate the completion of financial tasks. Meanwhile, the less good perception of 15.6% was on how to provide data details. Based on the percentages resulted, it can be concluded in Hypothesis 1 that the application program innovation can support better services.

2. Financial application program significantly affected user satisfaction.

Based on the above analysis, the financial application program has a significant effect on the satisfaction of 55.6% which states agreeing 68.9% and who stated strongly agree and declare the ease of managing the data as 48.9%. From the above results can be concluded that this financial application program can meet the needs of users.

3. Service excellence significantly affected user satisfaction.

Based on the analysis results explained above, the influence of the Financial Application Program on User Satisfaction was shown by the success percentage of 48.9%. It turned out that this application can help to process and complete data timely. The less good perception of 2.2% was concerned on how the program could provide complete information. According to the percentages resulted, for Hypothesis 1, it can be concluded that excellent service can enhance user satisfaction.

4. User satisfaction significantly affected employee performance

The analysis results suggested that the influence of user satisfaction on employee performance was 46.7%. It turned out that user satisfaction affected the performance of employees by overtime works. On another side, the less good perception of 6.7% was on the target resulted. From the percentage results, it can be concluded that in Hypothesis 1, user satisfaction is significantly able to improve employee performance.

5. Service Excellence significantly affected employee performance

The results of the analysis above showed that service excellence highly influenced the performance of employees by 42.2%, indicating that service excellence can result in emphatic and communicative attitudes, while the less good perception of 11.1% was regarding the users' needs or how to provide appropriate services in accordance with the users' needs. Based on the percentage results, it can be sum up that service excellence can significantly improve employee performance.

RESULTS AND DISCUSSION

Effect of Financial Application Program on User Satisfaction. The path analysis results showed that the parameter of the Financial Application Program variable significantly affected User Satisfaction. The significant effect was obviously shown by the probability value of 0.031 (<0.05), the calculated t value (t_{count}) $>$ the tabulated t value (t_{table}) ($2.159 > 1.992$) and the path coefficient of 0.473. This coefficient indicates that the improvement of the Financial Application Program will increase the employees' User Satisfaction. Therefore,

the hypothesis stating that *Financial Application Program has a significant effect on User Satisfaction* was accepted.

Theoretically, it is explained that a Financial Application Program is a broader concept that discusses the application of new ideas, products and processes, also defined as a successful application of a company's creative ideas. Therefore, companies are expected to create new ideas in facing both competitors, customers and markets existing. It is such a thinking activity that produces something that is new, useful and understandable/ acceptable. New products include (1) products that are very new or create an entirely new market (have never existed before), (2) products resulting from the combination of several old products, and (3) products resulting from the innovation or evolution of things that already exist. A creative product is said to be useful if the product is able to make a positive difference in its nature such as facilitating, accelerating and supporting works, reducing obstacles or bring in better or more results

Effect of Financial Application Program on Service Excellence. Based on the path analysis results presented in Table 13, it can be seen that the Financial Application Program significantly affected service excellence. The significant effect was obviously shown by the probability value of 0.000 (<0.05), the calculated t value (t_{count}) $>$ the tabulated t value (t_{table}) ($8.018 > 1.992$), and the path coefficient of 1.382. This coefficient indicated that the improvement of the Financial Application Program would increase service excellence. Therefore, the hypothesis stating that *Financial Application Program has a significant effect on Service Excellence* was accepted.

Theoretically, it is mentioned that a Financial Application Program can be interpreted widely and varies in various ways, providing new solutions that can deliver value to customers as a psychological and socio-cultural phenomenon. Both aspects can be the key to the success or failure of an organization. Companies as organizations can grow rapidly when triggered by changes in the external environment. A company's progress will increase the intensity of competition among other companies. To respond to the competition among companies, the improvement of human resource quality and ability is highly demanded in addition to other resources such as technology and production processes. User satisfaction deals with individual variables and situational variables. Individual variables include attitude, personality characteristics, physical characteristics, motivation, age, gender, education, experience and other personal variables. On another side, situational variables consist of physical and job variables (including work methods, workplace, work arrangement, and physical environment) as well as organizational and social variables (including organizational character, training and supervision, incentive and compensation type [salary and promotion], and social environment).

Effect of Service Excellence on User Satisfaction. Based on the path analysis results presented in the table, it is indicated that Service Excellence significantly influenced User Satisfaction, clearly indicated by the probability value of 0.000 (<0.05), the calculated t value (t_{count}) $>$ the tabulated t value (t_{table}) ($3.394 > 1.985$) and the coefficient path of 0.225. This coefficient indicates that the enhancement of Service Excellence will also increase User Satisfaction. Therefore, the hypothesis declaring that *Service Excellence has a significant effect on User Satisfaction* was accepted. As an example, the huge amount of complaints expressed by the community either directly or indirectly (through the mass media) such as on the complicated procedures, no certainty of the settlement period, the cost to be incurred, not transparent requirements, less responsive attitude of officers can result in a less favorable government image. To overcome these conditions, some efforts need to be done to improve the quality of the implementation of public services on an ongoing basis to realize public service excellence.

Service excellence, theoretically, is a very good service and/ or the best service. It is said 'very good' or 'the best' because it is in accordance with service standards applied or owned by agencies that provide services. If a service agency does not have service standards, the determination of whether the service is very good/ the best or excellent can be only made when the service is able to satisfy the served parties (customers/ users). So, in this case, service excellence is in line with customer expectations. Service excellence is a

concept that is really oriented to customer needs. Customer satisfaction is a goal to be achieved. It requires employees to be more creative in creating and developing ways that support the creation of qualified services as well as trying to position the needs of customers (community) as the main goal and understand deeply the customer characters with the aim of providing services that is in accordance with the customer need or taste because the need or taste of each customer is not certainly or always the same. Thus, further service improvement is needed accordingly with the customer needs or the development of times.

Effect of User Satisfaction on Employee Performance. The results of the path analysis showed that the parameter of the User Satisfaction variable significantly affected on Employee Performance, obviously indicated by the probability value of 0.001 (<0.05), the calculated t value (t_{count}) $>$ the tabulated t value (t_{table}) ($7.449 > 1.992$), and the path coefficient of 0.410. The path coefficient indicates that the increased User Satisfaction will also improve Employee Performance. With these results, the hypothesis declaring that *User Satisfaction has a significant effect on Employee Performance* was accepted. Theoretically, user satisfaction is a person's feeling of being satisfied with the work results. That is, the conception of User Satisfaction is the results of human interaction with the work environment. This attitude is reflected by work morale, discipline, and work performance. User satisfaction is enjoyed in the job by obtaining praise of good work, placement, treatment, equipment and working environment.

Effect of Service Excellence on Employee Performance. Based on the path analysis results, the parameter of the Service Excellence variable indicated a significant effect on Employee Performance, indicated clearly by the probability value of 0.002 (<0.05), the calculated t value (t_{count}) $>$ the tabulated t value (t_{table}) ($4.504 > 1.992$), and the path coefficient of 0.225. The coefficient suggests that the more increasing the Service Excellence is, the better the Employee Performance will be. Thus, the hypothesis stating that *Service Excellence has a significant effect on Employee Performance* was accepted. Theoretically, as explained above, the essence of service excellence (excellent service) relies on the creativity of the employee so as to improve the service quality and productivity. Creative is the ability to develop new ideas and ways of solving problems and find opportunities in providing services requiring to develop the creativity and to be more responsive to the needs and tastes of the community. Too task-oriented management style also makes employees feel unencumbered to the results and quality of public services. Formality in the details of organizational tasks demands high uniformity. As the result, employees are afraid of misbehaviour and tend to adapt as much as possible their jobs to the instructions of implementation even though the circumstances they encounter in the field are very different from those rules. Meanwhile, we realize that the quality of a service not only depends on the effectiveness and efficiency but also on the support of good decency and responsivity factors from service providers.

Effect of Financial Application Program on Employee Performance. Grounded on the results of the path analysis, it is indicated that the parameter of the Financial Application Program variable generated a significant effect on Employee Performance, obviously indicated by the probability value of 0.000 (<0.05), the calculated t value (t_{count}) $>$ the tabulated t value (t_{table}) ($5.119 > 1.992$), and the path coefficient of 0.429. This coefficient indicates that the improved Financial Application Program will upgrade Employee Performance. Thus, the hypothesis declaring that *Financial Application Program has a significant effect on Employee Performance* was accepted.

Theoretically, roles in boosting performance require all the important aspects that can add value to the company competitiveness, including process, product, market, management and so on. The activities generally have two models. The first is a source-based model which is based on the perspective of developers or sources. Developers create new product or service creations with an authenticity of ideas to the stage of products or services' final marketing. The second is a user-based model which is based on the perspective of users. They create processes based on awareness of needs or opportunities for change to be associated with user behaviours. The process of innovation cannot be separated from all the supports existing around employees who can influence them in carrying out the duties and

responsibilities. These supports can make employees feel happy to work in the company and have an emotional bond with all the company elements that ultimately make the company have an importance or speciality for the employees and by the use or creation of Financial Application Programs, the performance of employees can be increasingly better. Performance, basically, depends on the compatibility between working techniques and the Financial Application Program. Techniques relate to basic work activities that can directly affect the product or process. Meanwhile, Financial Application Programs are not directly related to the organization's basic activities.

Effect of Financial Application Program on Employee Performance through User Satisfaction. According to the path analysis results, it appears that the parameter of the Financial Application Program variable significantly influenced Employee Performance through User Satisfaction. The significant effect of the Financial Application Program on Employee Performance was indicated by the probability value of 0.000 (<0.05) and the path coefficient of 0.429. The significant effect of User Satisfaction on Employee Performance was shown by the probability value of 0.000 (<0.05) and the path coefficient of 0.410. Based on these research results, the relationship between the exogenous variable of Financial Application Program and the endogenous variable of Employee Performance resulted in a direct effect of 0.428. Meanwhile, the indirect relationship through User Satisfaction resulted in an effect of 0.193. It indicates that the User Satisfaction variable was able to mediate the relationship between the Financial Application Program variable and Employee Performance. As said before, performance depends on the compatibility between working techniques and the Financial Application Program. Techniques are very associated with basic work activities that can directly affect the products or processes. On another side, Financial Application Programs are not directly related to the organization's basic activities. Financial Application Programs are a broader concept that addresses the application of new ideas, products or processes, also defined as a successful application of a company's creative ideas. Therefore, companies are expected to create new ideas in the face of competitors, customers and markets existing. Meanwhile, satisfaction is a person's feelings of being satisfied with the work results. Thus, it can be concluded that the conception of user satisfaction is the results of human interaction with the work environment.

Effect of Service Excellence on Employee Performance through User Satisfaction. The results of the path analysis suggested that the parameter of the Service Excellence variable significantly affected Employee Performance through User Satisfaction. The significant effect of Service Excellence on Employee Performance was indicated by the probability value of 0.000 (<0.05) and the path coefficient of 0.225. As for the significant effect of User Satisfaction on Employee Performance, it was obtained the probability value of 0.000 (<0.05) and the path coefficient of 0.410. Based on these research results, the relationship between the exogenous variable of Service Excellence and the endogenous variable of Employee Performance showed a direct effect of 0.225. On another side, the indirect relationship through User Satisfaction obtained an effect of 0.170. It indicates that the User Satisfaction variable was able to mediate the relationship between the Service Excellence variable and Employee Performance. Service excellence, theoretically, is a very good service and/ or the best service. It is said 'very good' or 'the best' because it is in accordance with service standards applied or owned by agencies that provide services. If a service agency does not have service standards, the determination of whether the service is very good/ the best or excellent will be only made when the service is able to satisfy the served parties (customers/ users). So, in this case, service excellence is in line with customer expectations.

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