



# Employee Satisfaction: Service Profit Chain Approach in Tourism Destination

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**Abstract.** Human services are considered an essential factor in bringing profit to a tourism destination. A famous framework called Service Profit Chain stated that customer satisfaction is influenced by the value of the service created by satisfied, loyal, and productive employees. Mainly, employee satisfaction brings high-quality service that creates delighted customers and brings profit to the service. This study aims to understand how the internal service quality strategy affects the service quality delivery according to the employee working duration experience in a tourism destination. An online survey of 100 questions under ten measurements of service profit chain and SERVQUAL has been shared with 27 employees who work onsite and offsite tourism destinations in Takabonerate National Park, Indonesia. The research results reveal the gap between the employees who worked less than one year and the workers with an experience of more than ten years working in the tourism destination. Implications for the destination managers, limitations, and further research possibilities are also furtherly discussed in this paper.

**Keywords:** Service Profit Chain · Service Quality · Employee Satisfaction · Employee working duration · Tourism Destination

## 1 Introduction

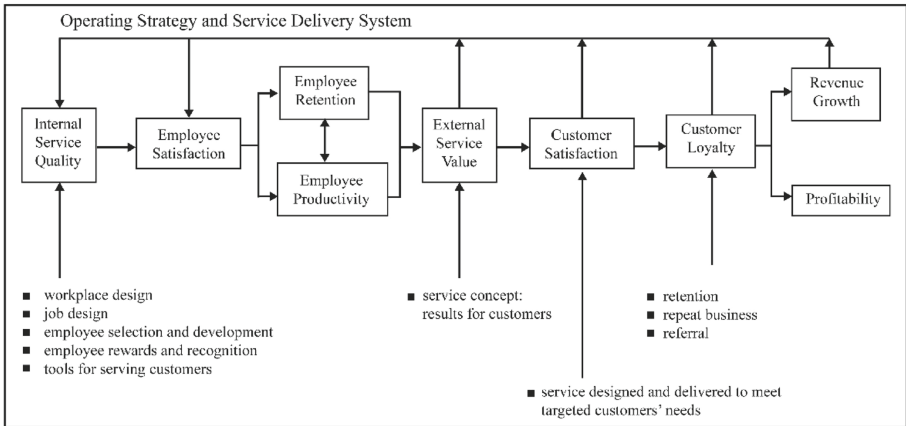
Service Profit Chain specifies relationships between employees and customers. Customer satisfaction directly results in customer loyalty, which comes from the value of the services from a satisfied, loyal, and productive employee [1]. The Service Profit Chain theory's basic principle is that customer satisfaction starts with suitable staffing and treatment of one's employees. In other words, committed employees convey their satisfaction to the customer; hence, the service profit chain is set in motion.

“The SPC gained prominence as an integrative framework of service management that links internal marketing (internal service quality, employee satisfaction, and employee loyalty and performance) to external marketing (external service quality, customer satisfaction, and loyalty). Then ultimately, firm performance (i.e., revenue and profitability) illustrates how investments in internal service quality translate into external service quality, leading to delighted and dedicated customers, which is the basis of superior firm performance [2].

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**Fig. 1.** Service Profit Chain [4]

The service-profit chain as a powerful phenomenon that stresses the importance of people from both employees and customers [3]. The links in the chain (which should be regarded as propositions) are as follows: Profit and growth are stimulated primarily by customer loyalty. Loyalty is a direct result of customer satisfaction. Satisfaction is specially controlled by the value of services provided to customers. Value is created by satisfied, loyal, and productive employees. Employee satisfaction, in turn, results mainly from high-quality support services and policies that enable employees to deliver results to customers [4] (Fig. 1).

Previous studies have been conducted in an exploration of the Service Profit Chain in the tourism and hospitality industry. The variables of a chain reaction that reinforce each other, starting from the internal service variable, affect employee satisfaction, which also affects the quality of service [5]. Subsequently, the quality of service affects guest satisfaction and loyalty, ultimately affecting company profitability, which fuels revenue growth. Employee satisfaction and customer satisfaction are positively correlated, and both impacted positively toward profitability from the side of organizational performance [6]. The relationship between the quality of internal services and performance growth and profitability, which resulted that the service organization that focuses on the quality of internal services for their employees tend to have better growth in sales, assets, and return on assets [7].

Service quality is also considered an important factor that influences the quality of service provided in tourism destinations. Service quality has been an imperative topic of the study linking tourism and the management department [8]. Businesses using Service Quality or often known as SERVQUAL, to measure and manage service quality assessment identified by five elements such as reliability, assurance, tangibles, empathy, and responsiveness, that deploy a questionnaire that measures both the customer expectations of service quality in terms of these five dimensions and their perceptions of the service they receive [9].

The SERVQUAL scale is designed in the form of a survey containing service attributes, grouped into the five service quality dimensions such as [10]:

- **Tangibility:** Appearance of physical facilities, communication of the staff in the service process, and the type of equipment in the service operation.
- **Reliability:** The proficiency of an organization to do an assignment or assistance as promised.
- **Responsiveness:** The readiness of service providers to support the customers, constructing an effort sincerely to deliver immediate service to customers.
- **Assurance:** The service provider's ability to give customers a sense of trust and security.
- **Empathy:** The service provider's ability to communicate with consumers and deliver personalized engagement to them.

High satisfaction levels could encourage employees to extend their co-workers or organizations more than the interest of the customers [11]. However, employee satisfaction might differ within the organization due to their worker's experience. In other words, different working duration might lead to different service value outputs to the customer. The gap in service value provided by the employee experience of working duration might influence the service provided to customer satisfaction and, at the same time, influence the range of possibility of profitability and the growth of the business.

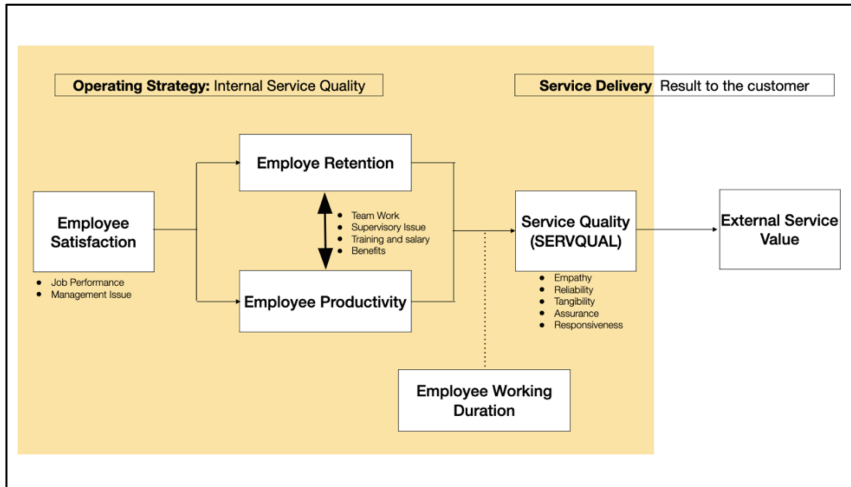
Therefore, this study aims to understand how the internal service quality strategy affects the service quality delivery according to the employee working duration experience in a national park as a tourism destination. Understanding the differences in service delivery, including employee satisfaction, retention, and productivity, will lead to suggestions to destination management on operating strategy. The service delivery is strongly related to employee service quality of empathizing, reliability, tangibility, assurance, and responsiveness that they deliver to the customer. Hence, understanding those issues and grouping them with the working duration in the destination will show appropriate action that needs to take to create internal service with good quality as it is the introduction of the Service Profit Chain cycle.

Figure 2 shows the framework of this research on analysing the critical factors within the internal service quality, which involves employees' understanding. Begin with employee satisfaction that leads to employee retention that interacts with productivity and influences the outcome of service quality (SERVQUAL). In this research, the working duration will be one of the factors that might affect how employee retention and productivity influence the external service value to the customer.

## 2 Methodology

This research uses a quantitative methodology by distributing an online survey questionnaire to the employee who works onsite at the tourism destination and staff who work at the governmental office under the Takabonerate Island tourism section.

Takabonerate national park, located in South Sulawesi, Indonesia, was acknowledged by the UNESCO World Network Biosphere Reserve in 2015 as the third largest atoll in the world. Takabonerate consisted of several atoll islands and was awarded national protection in 1992. Thus, The Indonesian government hired civil servant employees onsite to manage and maintain the destination. Takabonerate is administered as part



**Fig. 2.** Research Framework

of Selayar Regency with an area of 530,765 hectares, making it the biggest atoll in Indonesia and southeast Asia [12].

The Likert-scale online survey consisted of 100 questions and was responded to by 27 employees, 90% of the total population of 30. The questions are adopted Service Profit Chain Dimension and SERVQUAL measurement from previous research by Wang (2012), Wirajaya et al. (2015), and Rezqallah (2018) [13–15]. The original SERVQUAL questionnaire was adapted to study the peculiar characteristics of the services provided by the hospitality industry [9].

The dimension of the Service Profit Chain concludes with Job Satisfaction, Management Issues, Team Work, Supervisory Issue, Training and salary, and benefits dimension. SERVQUAL measurement includes Empathy, Reliability, Tangibility, Assurance, and responsiveness. Hence, this research questioned how the internal service quality strategy affects the service quality delivery according to the employee working duration experience. Moreover, are there any differences in those influences towards the dimensions of service profit chain and service quality?

### 3 Result

The result uses SPSS descriptive analysis that explores three points: the respondent demographic, exploration of the service profit chain dimensions on employees, and the SERVQUAL approach on the employees.

The questionnaire is using Liker-Scale method which 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

#### 3.1 Demographic Analysis

The demographic age and occupation are varied, with the youngest respondent being 21 years old and the oldest being more than 50 years old, with the diverse occupation

**Table 1.** Age and Gender demographic

		Age				Total	
		>50 years old	21 – 30 years old	31 – 40 years old	41 – 50 years old		
Gender	Female	Count	1	5	0	2	8
		% of Total	3.7%	18.5%	0.0%	7.4%	29.6%
	Male	Count	1	6	6	6	19
		% of Total	3.7%	22.2%	22.2%	22.2%	70.4%
Total		Count	2	11	6	8	27
		% of Total	7.4%	40.7%	22.2%	29.6%	100.0%

**Table 2.** Work duration and age demographic

		Age				Total	
		>50 years old	21 – 30 years old	31 – 40 years old	41 – 50 years old		
Work Duration	2 – 5 years	Count	0	5	1	0	6
		% of Total	0.0%	18.5%	3.7%	0.0%	22.2%
	5 – 10 years	Count	0	1	0	0	1
		% of Total	0.0%	3.7%	0.0%	0.0%	3.7%
	Less than 1 years	Count	1	1	0	3	5
		% of Total	3.7%	3.7%	0.0%	11.1%	18.5%
	More than 10 years	Count	1	3	5	5	14
		% of Total	3.7%	11.1%	18.5%	18.5%	51.9%
	2 – 5 years	Count	0	1	0	0	1
		% of Total	0.0%	3.7%	0.0%	0.0%	3.7%
Total		Count	2	11	6	8	27
		% of Total	7.4%	40.7%	22.2%	29.6%	100.0%

from the forest police, forestry extension, and Forest ecosystem, who mainly work onsite at the national park, as well as the staffs who work on the government hall that located in the different island which is far from the onsite destination.

Table 1 shows the demographic information of the crosstabulation of age and work duration of the respondent. Most of the respondents are Male, with a total of 70.4% or 19/27, while the proportion of total female employees is 29.6% or 8/27. Most respondents come from the group of 21–30 years old, with 40.7%, and the least comes from over 50 years old, with a total of 7.4% or 2/27.

Table 2 describes the crosstabulation data between work duration and employee age. Most of the respondents are 21–30 years old, with a percentage of 40.7% or 11/27. In contrast, the least respondent aged more than 50 with a percentage of 7.4% or 2/27.

**3.2 Service Profit Chain Measurement**

Using the dimension of Service Profit Chain in the questionnaire, Table 3 explains the relation between employee duration of working and their performance and satisfaction shown through their level of agreement on job performance, management issues, teamwork, supervisory training, and benefit during the work. The employees were grouped into 2–5 years’ work duration, less than one year, and more than ten years’ work duration.

**Table 3.** Service Profit Chain dimension by the employee's Work duration

Work Duration		Job Performance	Management Issue	Team work	Supervisory & Training	Benefits
2 – 5 years	Mean	4.2000	3.9000	4.0667	4.0167	4.0833
	N	6	6	6	6	6
	Std. Deviation	.39497	.40000	.40332	.47504	.45350
Less than 1 years	Mean	4.4400	4.0200	4.0200	3.8200	3.7200
	N	5	5	5	5	5
	Std. Deviation	.64265	.97570	.97570	.87864	.92304
More than 10 years	Mean	4.4357	4.0929	4.3571	4.2643	4.2357
	N	14	14	14	14	14
	Std. Deviation	.40308	.63302	.59706	.72812	.64998

Overall highest mean score belongs to the group of more than ten years of experience except in the job performance elements. A Group of more than ten years of experience has 4.0929 in management issues, 4.3571 in teamwork, 4.3643 in supervisory and training, and 4.2357 in training. The highest mean job performance score was held by the group of less than 1-year employees that scored 4.4400. However, experience the lowest number in supervisory & training with a total of 3.8200, and benefits at 3.7200 among the other groups.

### 3.3 SERVQUAL Measurement

The SERVQUAL measurement in Table 4 explores how the employees perceived the level of empathy, benefit, reliability, assurance, and responsiveness they provide to the customer.

The highest mean score comes from a group over ten years of experience, with empathy scoring 4.1500, benefit 4.2357, reliability 4.2714, assurance 4.1471, and responsiveness 4.3286. In contrast, the less one-year group experienced the lowest mean score of all dimensions except reliability which is shown through the number of empathies at 3.9600, benefit at 3.7200, assurance at 3.9200, and responsiveness at 3.9600.

## 4 Discussion

The survey result through the service profit chain and SERVQUAL dimension is then classified into three groups that influence the internal service as described in Fig. 2, which includes employee satisfaction, employee retention and production, and the service value brought to the customer.

### 4.1 Employee Satisfaction

Job Performance and management issues are put together under this section. The job performance assessing how the employee understands their work, the vision and mission of their workplace, and how satisfied and valuable their job is will give them a sense

**Table 4.** SERVQUAL dimension by the employee duration of work.

Work Duration		Emphative	Benefits	Reliability	Assurance	Responsiveness	
2 - 5 years	N	Valid	6	6	6	6	
		Missing	0	0	0	0	
		Mean	4.1000	4.0833	4.1667	4.1000	4.0000
		Std. Deviation	.29665	.45350	.40825	.45607	.00000
Less than 1 years	N	Valid	5	5	5	5	
		Missing	0	0	0	0	
		Mean	3.9600	3.7200	4.2000	3.9200	3.9600
		Std. Deviation	.74027	.92304	.83666	1.01587	1.00399
More than 10 years	N	Valid	14	14	14	14	
		Missing	0	0	0	0	
		Mean	4.1500	4.2357	4.2714	4.1571	4.3286
		Std. Deviation	.52146	.64998	.63298	.68130	.61197

of pride and overall satisfaction with their assignment. The employee who worked less than one year has the highest job satisfaction within the organization, which shows the highest mean score among the other group. It shows that the less than 1-year of experience, employees are delighted and value their job.

Management issue covers the point of how their co-workers communicate, value, and trust themselves in the working environment. Moreover, this part also assesses the management role, who could give them direction, describe the work, and provide good facilities in supporting the employee job. The group of employees with more than ten years has the highest mean number, which is not too many differences from those with less than one year. It means both groups like their working environment shown through dependable management style that shows excellent communication and trust among their co-workers. Whereas the group of employees with working experience of 2–5 years’ experience low job performance and management issues which shows they are might in the middle of adapting with their coworking’s or experiencing some changes in their job to find more efficient or adaptable working style.

**4.2 Employee Retention and Productivity**

Teamwork explores how employees feel comfortable working with their co-workers and how they feel supported and appreciated within the team in a safe environment. Supervisory and Training measurements examine how the employee is involved in decision making, has a supportive manager who acknowledges and treats them well, and a manager who always supports and assists them in doing and learning their job to develop their skills. Benefit dimensions explore the employee’s satisfaction with the fulfilment of their needs. It includes how the working place provides good Training according to their job, appropriate wages, holiday, insurance, and compensation equal to their workload.

The group of employees who have worked for more than ten years has the highest mean in teamwork, supervisory & Training, and the benefit compared to the other two groups. Usually, workers who work the longest can highly adapt within the team and

quickly feel comfortable as they have more power than the senior within the team, whereas it is usual for the workers who work less than one year to feel inferior compared to their senior co-workers. Moreover, the group of employees who worked less than one year also experienced the lowest mean in the supervisory, Training, and benefit. The number shows a lack of management system that makes the youngest worker feel inferior within the team, lack support, and need more attention in fulfilling their satisfaction through appropriate benefits offered by their workplace.

## 5 Conclusion

Employees working more than ten years have the highest mean in most service profit chain dimensions and SERVQUAL. In contrast, employees with less than one year experience the lowest number in most dimensions, especially in supervisory Training, benefit, and most of the service quality dimensions of empathy, tangibility, assurance, and responsiveness.

Tourism destination management should pay attention to improving their human service, especially for employees who work for one year, since employee satisfaction also determines the customer's level of satisfaction. Moreover, the managers should arrange proper approaches to help employees with one year's experience to higher their satisfaction level to deliver genuine customer service. Hence, the tourism destination manager should pay more attention to new employees who work for one year to engage them more in the team, increase their sense of belongings within the team through a better supervisory and Training system and provide practical benefits. Furthermore, the management should also focus more on providing appropriate Training to the newest worker in terms of service quality dimension that could directly affect customer satisfaction in the destination.

This paper provides information on the group of employees according to the length of working experience for the tourism destination management can arrange proper approaches and skill development strategies to train their new workers. In addition, this study also mentioned which dimension within hospitality is more needed for Training according to the group of employees' working duration. Specifically, the result of this research appointed the immediate needs for development in teamwork involvement, improvement in Training and supervisory, benefit towards the new workers, and better direction in practicing service value area.

However, this study has a limited number and variance of respondents who only come from domestic residents. Therefore, further study with a large number of respondents large with diverse backgrounds might produce different outcomes that could enhance this study. Furthermore, a deeper exploration of the physiological factors affecting the employees according to their work duration group would explain a more profound view of this issue. Finally, although this study explores on Service Profit Chain that usually should include the customer view to explain the whole process, this study is limited only to the exploration of employee sides that affect the internal service quality covering employee satisfaction, employee productivity, and its relationship with the employee working experience. Hence, further exploration of the entire framework that links the internal service quality and external service value of the customer to provide benefits should be furtherly explored.



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