



# Relationship Between The Level of Importance , Benefits and Expectation on Perception Local Government Flagship Program In Border Zone Indonesia

*(Case of Tarakan District North Kalimantan)*

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**Abstract**—The purpose of this study is to identify the relationship between the level of importance, benefits and expectation of local government flagship program in Kota Tarakan. Data were collected the entire of Tarakan Sub-Districts such West of Tarakan, East of Tarakan, and Centre of Tarakan using questioners as the instruments data collecting. The data were analyzed using SPSS 25 version and SmartPLS 3.20 version. This study found that there are strong relationship but not significant effect between the level of importance, the level of benefit local government flagship program on the expectation of local communities, and it is also found that there are strong relationship and significant effect between the level of importance, the level of benefit on the performance satisfaction local government flagship program.

**Keywords:** - importance, benefits, expectation, satisfaction, performance

## I. INTRODUCTION

The successfully of government development depend on how each government could achieve its vision by implementing all the mission, while the mission could be reflected by its programs and flagship programs, hence it could impact on the local communities.

The returns of local government implementation can be measured by the level of local communities' satisfaction especially on local government performance. Some quantitative returns usually showed such as Human Development Index (HDI), Economic Growth, Inflation Rate, Unemployment Rate, and Poverty Rate, while non-quantitative returns such as satisfaction and performance.

It is commonly, even though the local government has it own flagship programs, but it is often they couldn't achieve their target, because so many barriers such as human resources, management, technology, government system and budget, while in running government system, it is complexity and it is obvious that there intercalated among government system and development.

### A. The Problem Statements

It could be mentoned several problems as follows:

1. How is relationship between the level of importance and the expectation of local government flagship programs.
2. How is relationship between the level of benefits and the expectation of local government flagship program.
3. How is relationship between the level of importance and the performance satisfaction of local government flagship program
4. How is relationship between the level of benefits and the performance satisfaction of local government flagship program.
5. How is relationship between the expectation on the performance satisfaction of local government flagship program.

### B. The Aims of Study

The aims of this study is to identify as follows:

1. The relationship between the level of importance and the expectation of local government flagship program;
2. The relationship between the level of benefits and the expectation of local government flagship program;
3. The relationship between the level of importance and the performance satisfaction of local government flagship program;
4. The relationship between the level of benefits and the performance satisfaction of local government flagship program;
5. The relationship between the expectation on the performance satisfaction of local government flagship program.

## II. LITERATURE REVIEWS

### A. *Benefit*

Benefit is something that produces good or helpful results or effects or that promotes well-being (Dictionary, 2002), while business benefit is a tangible outcome of an action or decision that contributes towards reaching one or more business objectives. That definition serves well for many business planning, decision support, and other analysis needs.

### B. *Expectation*

Definition: Customer expectations are the assumptions customers have before, while, or after interacting with a brand, service, or product. Customers anticipate certain actions, behavior, or benefits from a product or brand based on internal or external factors. Glass stated that client expectations and preferences have been thought by many to influence the client's willingness to engage in and be influenced by the therapist and the process of therapy. (Glass, Arnkoff, & Shapiro, 2001)

The template is used to format your paper and style the text. All margins, column widths, line spaces, and text fonts are prescribed; please do not alter them. You may note peculiarities. For example, the head margin in this template measures proportionately more than is customary. This measurement and others are deliberate, using specifications that anticipate your paper as one part of the entire proceedings, and not as an independent document. Please do not revise any of the current designations (Glass et al., 2001). It is note the firms focused on customer expectation such as according to Felix that firms pay more attention to the needs of customers and offer them quality products to satisfy their ever-rising expectations. (Felix, 2015) and the most importance is the expectation related to customer such as Gennaioli etc. stated that Consumer expectations are defined as the desires or wants of customers. Consumer expectations are a very important indicator of customer perception and satisfaction and thus why retailers seek to manage customers' expectations (Gennaioli, Ma, & Shleifer, 2016)

### C. *Satisfaction*

Consumer satisfaction is the result of comparing the expectations and the experience; in other words, the consumer is pleased when the delivery meets or exceeds their expectations (Vasić, Kilibarda, & Kaurin, 2019). That is why strategy needs to be designed for achieving customer satisfaction such as Customer focus strategy has shifted the way the businesses shape their customer satisfaction (Alzoubi, Alshurideh, Kurdi, & Inairat, 2020).

### D. *Expectation and Perception*

Gap between expected quality and perceived quality. This gap exists because of the inequality in the service expectation of customer and his service perception. This can be overcome by identifying, quantifying and monitoring customer expectations and perceptions through the effective use of marketing and marketing research tools (Ramya, Kowsalya, & Dharanipriya, 2019). Ozkan etc. found that customer satisfaction partially mediates the relationship between perceived service quality and customer loyalty (Özkan, Süer, Keser, & Kocakoç, 2020), while found that variances in the expectations, perceptions, satisfaction and loyalty across the customers' demographics. Customer satisfaction partially mediates the relationship between perceived service quality and customer loyalty (Malik, Akhtar, Raziq, & Ahmad, 2020)

### E. *Hypothesis*

Based on the theoretical foundation, the hypothesis can be developed as follows:

1. There is relationship between the level of importance and the expectation of local government flagship program;
2. There is relationship between the level of benefits and the expectation of local government flagship program;
3. The relationship between the level of importance and the performance satisfaction of local government flagship program;
4. There is relationship between the level of benefits and the performance satisfaction of local government flagship program;
5. There is relationship between the expectation on the performance satisfaction of local government flagship program.

III. METHODOLOGY

This research is quantitative research and consist of exogenous variables, mediating variable and endogenous variable. It is also case of Tarakan District Government in 2022 were located in Border Zone Indonesia Malaysia North Kalimantan.

A. Research Scope

Reseach scope is specifcly Tarakan Distric Government implementation in 2022.

B. Conceptual Framework

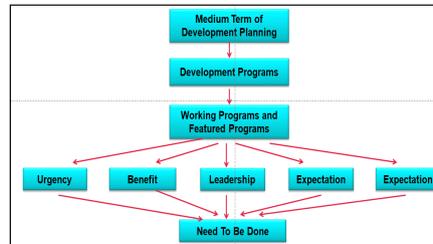


Figure 1 : Conceptual Framework

C. Equations

The research consist of exogeovous (X1, X2 and X3) , mediating (Y1) and endogenous (Y2) variables as follows:

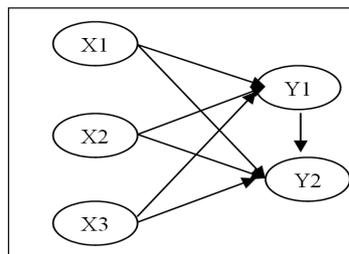


Figure 2 : Structural Equation Model

The equations will be used in this research is structural equation model as follows:

$$Y_1 = \alpha_1 X_1 + \alpha_2 X_2 + \alpha_3 X_3 + E_1 \quad (1)$$

$$Y_2 = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 Y_1 + E_5 \quad (2)$$

X<sub>1</sub> = The level of Urgency Flagship Program

X<sub>2</sub> = The Benefical of Flagship Program

X<sub>3</sub> = The Leadership Comparison

Y<sub>1</sub> = The Expectation Satisfaction of Flagship Program

Y<sub>2</sub> = The Perception or Performance of Flagship Program

D. Instrument Analysis

Instrument analysis will be used for analyzing the data is Structural Equation Model (SEM) SmartPLS 3.20 version. It is consist of extracting Outer and Inner Loading.

E. Data Analysis

Data analysis will consist of several steps as follows:

1. Designing the structural equation model
2. Calculating the data
3. Extracting the Loading Factors (Outer and Inner)
4. Bootstrapping Process
5. Examining the hypothesis

6. Concluding the results

IV. RESULTS AND DISCUSSIONS

By using SmartPLS 3.2.0 version the structured can be developed as follows:

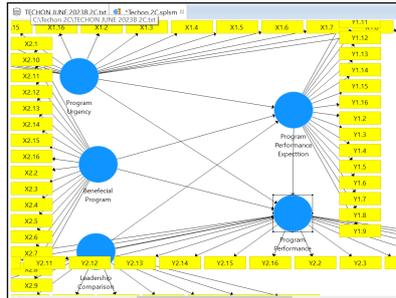


Figure 3 : Calculation Results

After designing the structural model, it need to be calculated, the path coefficients as follows:

Path Coefficients				
Matrix	Path Coefficients	Copy to Clipboard: Excel Format		
	Beneficia..	Leadershi..	Program Performance	Program Performance Expectation
Beneficial Program			0.098	0.609
Leadership Comparison			0.016	0.377
Program Performance				
Program Performance Expectation			0.577	
Program Urgency			0.170	-0.195

Figure 4 : Path Coefficients

Based on Figure 4, the equation can be seen as follows:

$$Y_1 = -0,195X_1 + 0,629X_2 + 0,377X_3$$

The urgency program has negative effect on program performance expectation, while beneficial program and leadership comparison have positive effect on program performance expectation.

$$Y_2 = 0,170X_1 + 0,098X_2 + 0,016X_3 + 0,577Y_1$$

The urgency program, beneficial program, leadership comparison, program performance expectation have positive effects on program performance.

R Square		
Matrix	R Square	R Square Adjusted
	R Square	R Square Adjusted
Program Performance	0.492	0.469
Program Performance Expectation	0.374	0.352

Figure 5 : R Square Adjusted Result

Based on Figure 5, it is identified that the contribution the level of urgency, beneficial program and leadership comparison have 35,2 percent on program performance expectation, while level of urgency, beneficial program and leadership comparison and program performance expectation have 46,9 percent contribution on program performance.

Path Coefficients						
	Original Sample (O)	Sample Mean (M)	Standard Deviation (S)	T Statistics (T)	P Values	
Beneficial Program -> Program Performance	0.098	0.102	0.130	0.752	<b>0.453</b>	
Beneficial Program -> Program Performance Expectation	0.609	0.595	0.108	5.622	<b>0.000</b>	
Leadership Comparison -> Program Performance	0.016	0.031	0.109	0.143	<b>0.886</b>	
Leadership Comparison -> Program Performance Expectation	0.377	0.355	0.148	2.552	<b>0.011</b>	
Program Performance Expectation -> Program Performance	0.577	0.578	0.088	6.550	<b>0.000</b>	
Program Urgency -> Program Performance	0.170	0.178	0.121	1.399	<b>0.162</b>	
Program Urgency -> Program Performance Expectation	-0.195	-0.130	0.168	1.165	<b>0.245</b>	

Figure 6 : Hypothesis Examining

Based on Figure 6, It is already examined that beneficial program has significant effect on program performance expectation, because Tarakan communities are mostly educated people and educated people tend to analyze all the flagship program benefits and its impact on the communities, more it benefit for the communities, lead higher expectation of government flagship program performance.

It is also leadership comparison between existing leader and former leader has significant effect on program performance expectation. It is reasonable because the leader has a power because he won the election, One reason the leader or major won the election because the people love his flagship program, while the quality of flagship program depend on the quality of leader and flagship program was presented during the Champaign time.

Program performance expectation has significant effect on program performance. It can be accepted because since the communities show their high expectation on the government, it motivates all of the government employees, officers and leaders work harder. They will attempt to prove that they could as good as the communities' expectation.

V. CONCLUSION

Based on the results and discussion, it can be concluded as follows:

1. Beneficial program has positive significant effect on Fetured Program Performance
2. Leadership has positive significant effect on Program Performance Expectation
3. Program Performance Expectation has positive significant effect on Program Performance
4. Beneficial program has positive significant indirect effect on
5. Program Performance Through Program Performance Expectation

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