
Service Quality of the Cooperatives and Micro Enterprises Service in the Development and Empowerment of Micro, Small, and Medium Enterprises in Batam City

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Abstract: *This Research Aims To Analyze Service Quality Of The Cooperatives And Micro Enterprises Service In The Development And Empowerment Of Micro, Small, And Medium Enterprises In Batam City. The Type of Research Used in This Study Is Descriptive Qualitative. The Interaction Between The Cooperatives And Micro Enterprises Service In The Development And Empowerment Of Micro, Small, And Medium Enterprises In Batam City As Service Providers With Micro, Small, And Medium Enterprises As Service Recipients, And Researchers Aim To Determine The Quality Of Services By The Development And Empowerment Sector As The Sector Responsible For The Development And Empowerment Of Micro, Small, And Medium Enterprises, The Method Of Determining Informants Is By Purposive Sampling And Snowball Sampling For Active Micro, Small, And Medium Enterprises And Inactive Micro, Small, And Medium Enterprises. Data Analysis in This Study Uses Qualitative Data Analysis. The Research Results Show That Service Quality of The Cooperatives and Micro Enterprises Service in The Development and Empowerment of Micro, Small, And Medium Enterprises in Batam City Consists of Dimensions of Responsiveness, Assurance, Tangibles, Empathy, And Reliability. Service Quality Provided to Business Actors Needs to Be Improved in The Dimensions of Tangibles, Empathy, And Reliability Which Will Affect the Development and Empowerment of Micro, Small, And Medium Enterprises in Batam City.*

Keywords: *Service Quality, Development, Empowerment.*

1. INTRODUCTION

Government agencies are organizations that have a role in providing public services to the community. It is undeniable that the community cannot be separated from public service



providers in their neighborhood. Government agencies providing public services have become a necessity for the local community. Therefore, it is the government's obligation to fulfill the needs of the community. Quality public services in fulfilling community satisfaction greatly affect public trust in the government, to maintain that trust the government should improve the quality of services provided. Rasyid (2000:38) stated that the government does not exist to serve itself but the government exists to serve the community. Good quality of service will have a positive impact on the community to establish strong ties with the government, so that the government knows the expectations and needs of the community as recipients of services. Thus the government can improve quality services by fulfilling community expectations. However, if the government cannot play a role in providing good services to the community, it will cause disappointment with the services provided.

Batam City as one of the regions that applies the concept of regional autonomy in various lines of government. One of the forms of application of the concept of regional autonomy carried out by the Batam City government is through public services. Based on Law Number 25 of 2009 concerning Public Services, which states that public services are activities or a series of activities to fulfill service needs in accordance with laws and regulations for every citizen and resident for goods, services, and/or administrative services provided by public service providers.

Micro, small, and medium enterprises are one aspect that revitalizes the Indonesian economy, reflected in the large quantity spread throughout Indonesia as additional income for each local region, which will then also have an impact and contribute to the country as a whole. Micro, small, and medium enterprises have an important role in overcoming the impact of the economic crisis that occurred in 1997 where micro, small, and medium enterprises were able to survive the crisis conditions while in contrast to many companies that went bankrupt. Micro, small, and medium enterprises as facilitators to ensure economic operations, especially for people with lower middle class economies and are also able to create new job vacancies, so that they also absorb human resources who are not yet working.

Business actors have an honest, creative and innovative personality character to increase consumer trust. The more often business actors receive motivation and positive responses, the greater the desire to make micro, small and medium enterprises grow.

Innovation in public services is very influential which will provide convenience in services and services can be done easily and on time. The quality of public services is a strategic assessment because it not only directly touches the community, but also has an impact on the economic, political, and socio-cultural fields. Referring to the explanation above, research is needed to realize public services categorized as good for micro, small, and medium enterprises as the implementation of this research is intended to determine the quality of services provided by the Cooperative and Micro Enterprises Service in developing and empowering micro, small, and medium enterprises in Batam City. Based on the results of the research later, it is possible for the Cooperative and Micro Enterprises Service in Batam City to improve services to micro, small, and medium enterprises and can provide innovation for all Micro, Small, and Medium Enterprises in Batam City.



This research aims to analyze service quality of the Cooperatives and Micro Enterprises Service in the development and empowerment of Micro, Small, and Medium Enterprises in Batam City.

2. RELATED WORKS

2.1 Service Quality

Public services are prioritized for providing satisfaction to the general public. In order to be realized as desired, quality services are needed. Its implementation is intended to create satisfaction for all service users, whether or not customers are satisfied is reflected through positive responses and a good image felt by the public regarding the government. The implementation of quality services indicates the success of the government in implementing services as stipulated. Parasuraman (2001:26) explains 5 elements of satisfaction, called "RATER" (responsiveness, assurance, tangible, empathy, and reliability). Referring to its meaning, various organizations use it as a guideline for implementing the actualization of their services, so that there is no gap between parties through providing similar services to the wider public, without distinguishing social or economic status. All government employees use RATER as a guideline for realizing their increased performance. All of them aim to create a positive image by the wider public in order to obtain the greatest possible benefits in various aspects of life. When receiving services, the public certainly expects quality services. Therefore, service providers are obliged to realize it through the best service that will be provided, considering that customer satisfaction is an important aspect that needs to be considered. Thus, an employee is required to have high sensitivity while serving their customers. A deep understanding of needs then becomes an important thing that must be understood and understood by employees during the provision of public services. Every organization knows the importance of providing quality services to customers, because it will have an impact on the assessment given. It is important for every service provider to explain in detail and in detail about their services to customers in order to provide ease of understanding. Government organizations, their main job is to provide services to the public without exception fairly and evenly. It is said so, because all parties have the right to receive equal and similar services. Therefore, it is important for him to realize the creation of quality public services. Employee performance affects the service guarantee provided to customers, which can show that the employee is competent so that trust is created to entrust service matters to him. Reliability, independence, and professionalism reflect his quality. Customers tend to feel satisfied when served by qualified or competent employees. Not only that, organizational commitment is an aspect that is no less important, through commitment it is possible to force all employees to serve customers well according to the provisions or policies that have been determined.

2.2 Development

Development includes providing opportunities for individuals to continue learning, the purpose of which is to create increased knowledge and expertise as needed to carry out work (Sunyoto, 2004). Long-term efforts to realize increased capabilities and motivation so that they are used properly to become valuable and invaluable assets. Learning activities at



certain times to realize increased performance to satisfy all parties. Referring to the presentation, it is concluded that the development of micro, small, and medium enterprises is a government effort to realize welfare for the wider community, through empowering micro, small, and medium enterprises by providing long-term facilities, guiding, assisting, and providing assistance in order to create increased competitiveness and ownership of important and strategic roles in the Indonesian economy.

2.3 Empowerment

Empowerment is the result of ideological level interaction by growth, together with people centered (Dwiyanto, 2005). This theory is broader, not only trying to fulfill basic needs, its purpose is to emphasize the autonomy of community group decision-making based on democratic participation and through the experience they have to be used as learning, the focus of empowerment is locality. The reason for this is because of the readiness of civil society to be recorded through various local issues. The emphasis is focused on the argument that states that economic power and structures outside civil society should not be ignored. So it can be seen that empowerment does not only focus on economic empowerment, more broadly also includes political aspects, its purpose is to create a society with a bargaining position that is categorized both nationally and internationally. Thus, empowerment is related to efforts to provide strength, knowledge, skills, and resources to individuals or groups so that they can make decisions and act independently in improving their living conditions. In the context of this study, empowerment theory can be used to analyze the extent of services by the Cooperatives and Micro Enterprises Service in the development and empowerment of Micro, Small, and Medium Enterprises in Batam City.

3. METHODOLOGY

The type of research used in this study is descriptive qualitative. The purpose of descriptive research is to provide an explanation regarding the resolution of current problems that refer to various information or data that have been obtained after the research was carried out, all of which are then presented, analyzed, and interpreted (Djamal, 2015). In line with the views of Abdussamad and Sik (2021:31) who state that descriptive research aims to describe data or phenomena found by researchers when conducting research by explaining that what was found was in accordance with the evidence obtained. Referring to the explanation, this study is aimed at micro, small, and medium enterprises as service user subjects to provide an assessment of the quality of public services at the Cooperatives and Micro Enterprises Service in the development and empowerment of Micro, Small, and Medium Enterprises in Batam City. The services provided can be categorized as good or bad reflected by the assessment of service users through the results of interviews conducted by researchers with selected sources to obtain data used to answer the formulation of the problem

Participants are all individual participants or those involved in the activities and main efforts to obtain research information as desired by qualitative research methods (Dantes, 2012). All data obtained cannot be separated from the direct involvement of research objects who have been willing to provide information.



Creswell (2008) stated that qualitative research allows researchers to freely determine the objects or participants involved in their research. However, even so, not all objects are able to participate in the research carried out, selection or selection must be made to the objects or research locations in order to obtain the data as needed. This study selected its research participants through the use of purposive sampling, due to the limitations of researchers to interview all objects at the research location. Thus, participants will be obtained who are able to represent all research objects at the location. It does not have an impact on reducing the credibility of research data. Its use also provides flexibility for researchers to determine participants with the ability to provide answers as expected through answering all questions asked in order to realize the research objectives. It is known that the interaction between the Cooperatives and Micro Enterprises Service in the development and empowerment of Micro, Small, and Medium Enterprises in Batam City as service providers with micro, small, and medium enterprises as service recipients, and researchers aim to determine the quality of services by the development and empowerment sector as the sector responsible for the development and empowerment of micro, small, and medium enterprises, the method of determining informants is by purposive sampling and snowball sampling for active micro, small, and medium enterprises and inactive micro, small, and medium enterprises.

Data analysis in this study uses qualitative data analysis.

Qualitative data analysis is a systematic search for something in order to determine parts, relationships between studies or as a whole through direct observation (Bungin, 2008). Data analysis is an effort to find and systematically arrange interview results, notes and all collected materials in order to realize an increase in understanding of all collected data and become the basis for conveying the information obtained. Miles and Huberman (1992) put forward 3 mandatory stages carried out during the implementation of data analysis in qualitative research, namely data reduction, data presentation, and concluding and verifying.

4. RESULTS AND DISCUSSION

General Description

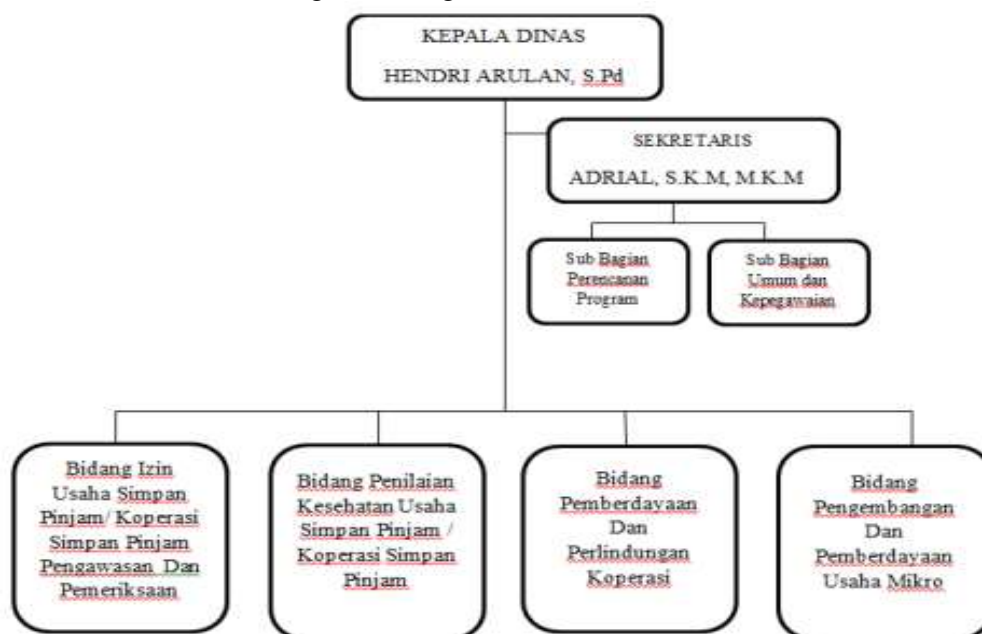
The Cooperatives and Micro Enterprises Service in Batam City is one of the regional institutions in Batam City and is located at Jalan Pramuka Number 1, Sungai Harapan, Sekupang, Batam City, Riau Islands, Postal Code 29424. The Cooperatives and Micro Enterprises Service in Batam City has the task of carrying out regional government affairs in the field of cooperatives and micro businesses and carrying out other tasks assigned by the Mayor in accordance with the scope of its duties and functions. In carrying out its duties, the Cooperative and Micro Business Service is led by a Head of Service who has the main task of leading, organizing, formulating, fostering, controlling, coordinating, and being responsible for all technical policies for the implementation of regional government affairs based on the principle of autonomy and assistance tasks in the field of cooperatives and regional micro businesses in accordance with its authority.

The Cooperative and Micro Business Service in Batam City has a vision, "Realizing

Cooperatives and Micro Businesses that are Resilient, Independent and Competitive in Strengthening Community Economic Resilience". The missions are as follows:

- a. Increasing human resources of pious, competitive, and professional apparatus.
- b. Realizing a Cooperative and Micro Business Service that has domestic and regional market competitiveness.
- c. Cultivating new entrepreneurs, expanding job opportunities, and increasing competitive advantages through facilities and infrastructure as well as expanding business networks for the Cooperative and Micro Business Service.
- d. Improving the institutional capability of human resource quality and capital structure and financing facilities of the Cooperatives and Micro Enterprises Service so that it becomes a strong, healthy, resilient, and independent business.

Figure 1. Organizational Structure



Source: The Cooperatives and Micro Enterprises Service in Batam City

The organizational structure is a chart to make it easier for employees to carry out work according to their expertise and with the existence of an organizational structure it can be seen to whom the employee will be responsible. In addition, the organizational structure can clarify the duties, authorities, and responsibilities that will help in achieving a common goal. This has also been implemented by the Cooperative and Micro Enterprise Service in Batam City. To achieve common goals, employees work clearly according to their duties and responsibilities and to whom employees must give their authority. For more details, please see the organizational structure of the Cooperatives and Micro Enterprises Service in Batam City.



Service Quality of the Cooperatives and Micro Enterprises Service in the Development and Empowerment of Micro, Small, and Medium Enterprises in Batam City

Service quality focuses on meeting the needs and timeliness according to the expectations of business actors. The best service quality is able to provide comfort, satisfaction, and trust to business actors.

Service quality of the Cooperatives and Micro Enterprises Service in the development and empowerment of Micro, Small, and Medium Enterprises in Batam City consists of dimensions of responsiveness, assurance, tangibles, empathy, and reliability.

Service quality provided to business actors needs to be improved in the dimensions of tangibles, empathy, and reliability which will affect the development and empowerment of Micro, Small, and Medium Enterprises in Batam City.

a. Responsiveness

Responsiveness, namely responsiveness in providing the required services quickly and clear and easy to understand delivery is the main factor in this dimension. Service users will feel appreciated if employees provide services with good responses. Responding to service users can have a positive impact on the quality of public services at the Cooperative and Micro Enterprise Service in Batam City. Employees respond and are responsive to service users who want to get services can be done by greeting and asking about what needs can be met. Fast service is one of the mandatory things that must be given to business actors as a form of responsiveness to service users so that users feel satisfied with the service provided. Speed and accuracy are interrelated, service users will also feel helped if the service is carried out properly. Appropriate service can be interpreted as a match between the service provided and the expected service so that the desires obtained by service users can be resolved properly which ultimately achieves user satisfaction. In addition to speed and accuracy, accuracy also needs to be considered in providing services. This is useful for minimizing the possibility of errors during the service process. If employees are not careful in serving service users, errors will occur and will add new work. For example, accuracy in the process of typing a business actor's identity, if an error occurs, it will harm business actors as service users. Therefore, employees are required to be careful in carrying out their duties and responsibilities in order to provide careful service and can provide satisfaction to business actors.

b. Assurance

Assurance is something that includes knowledge, good communication, politeness, and trustworthiness possessed by employees. Assurance is an effort to protect the community as recipients of services if problems occur in the service delivery process. The Cooperative and Micro Enterprise Service in Batam City as a whole provides a guarantee of timely service, if it can be resolved at that time it is even better. However, if it cannot be completed immediately, the employee will provide proof of collection so that when the period is over, it can be collected using the proof of collection that has been given to the customer. However, what concerns the researcher is that the proof of collection does not state when the collection can be made again. Based on observations by researchers who went to the field to visit micro, small, and medium enterprises according to the predetermined schedule. On that day, based on the schedule, visits were made to 4 business actors with different sub-districts. However,



only visits to 2 business actors were realized because the locations of the visits were far apart and the rest were done tomorrow. Determination of costs in providing services will be determined by the type of service. Not all services are free of charge. For example, the Cooperatives and Micro Enterprises Service in Batam City provides training and development of product packaging without charge. Legality guarantee is a basic guarantee that guarantees the activities carried out. Legality guarantee will increase trust in the service provider agency, because it guarantees the security of information related to individuals who have an interest.

c. Tangibles

This tangible dimension is related to physical evidence of service, namely employee appearance, comfort of place, ease of service process, employee discipline in service requests, and ease of customer access in service requests. Employee appearance is one of the categories assessed in service quality. Employee appearance is related to the use of attributes or uniforms and the cleanliness and neatness of uniforms are things that should be considered. Employees who appear clean and neat will give a good impression to business actors. The comfort of the service place greatly influences the assessment of service users related to the quality of public services. Therefore, the Batam City Cooperative and Micro Business Service as a public service provider must provide a comfortable place for service users. Service providers must provide good infrastructure in order to create conducive services. Comfortable facilities will affect the quality of service. Therefore, service providers must pay more attention to the facilities provided, such as tables and air conditioners. Providing access so that complaints can be heard and the Batam City Cooperative and Micro Business Service as an evaluation material for the services provided also strongly supports the provision of a Criticism and Suggestion box and placing it in a place that is easily accessible to business actors. If a good service place is available, service users will also feel comfortable. Ease of service is very necessary for service users so that the service process can run smoothly. Based on the findings of researchers at the Batam City Cooperative and Micro Business Service, it has provided convenience in service. Such as, registration, business licensing and halal product certification.

d. Empathy

Giving attention with a personal nature is one form of employee concern in providing services. Employees who care and are communicative about customer needs will be one of the supporting factors for service users to provide a good assessment of the services received. Thus, a harmonious relationship will be established between employees and the community who provide services. The main point of a service is the satisfaction of service users. whatever the needs of service users related to services at the Cooperatives and Micro Enterprises Service in Batam City must be given top priority and in accordance with what is needed by service users. Giving priority to the interests of service users is very important because it affects the assessment that will be given. If service users are not prioritized, it will cause complaints and give a bad impression to the Cooperatives and Micro Enterprises Service in Batam City. Friendliness is very much needed by employees in carrying out a service process. If service employees are friendly, they will give a good assessment from



service users. Based on observations made by researchers, employees of the Cooperatives and Micro Enterprises Service in Batam City have provided friendliness to service users because no employees showed an indifferent attitude. Understanding customer needs is an attitude that is needed in providing quality service. By understanding business actors, it will provide comfort and trust to business actors. Based on research, employees of the Cooperatives and Micro Enterprises Service in Batam City do not yet understand the needs required by micro, small, and medium enterprises. Understanding the needs of actors in providing services will result in a positive response to the services provided, business actors will feel open to the shortcomings of their products so that there will be good cooperation between the development provided by the Cooperative and Micro Business Service in Batam City. The service system in the Cooperative and Micro Business Service in Batam City is not discriminatory because employees serve public complaints based on their needs. Based on observations made by researchers, the Cooperative and Micro Business Service in Batam City is very fair and does not discriminate against service recipients based on ethnicity, religion, race, and class.

e. Reliability

Reliability is the attitude of employees in providing services that are in accordance with service needs, namely services that are appropriate, accurate, reliable, and consistent. Based on the researcher's observations, the Cooperatives and Micro Enterprises Service in Batam City do not yet have clear service standards. Therefore, the services provided are not on time because they do not yet have standard operating procedures. Accuracy is one of the service processes that can affect the assessment of service users. If employees are not careful in providing services, it can cause errors that will affect the work done by employees. Such as, accuracy in typing, if an error occurs, then it must be corrected again. Therefore, employees must be required to be careful in doing their work and be responsible in order to produce services that are in accordance with what is expected together. The Batam City Cooperative and Micro Business Service does not yet have good service standards, namely it does not have a standard operating procedure so that the services provided to business actors are irregular and cause disappointment with the services provided, by using standard operating procedures in services that function as guidelines for working, both from work procedures to service procedures. The ability of employees to use assistive devices will certainly affect the service process. If employees are considered capable, it will speed up the service process, and vice versa if employees are not able to use assistive devices, it will slow down the service process. Based on the researcher's observations at the Batam City Cooperative and Micro Business Service regarding the ability of employees to use assistive devices in the service process, it is necessary to improve such as in storing data so that when needed it is not difficult to find it.

5. CONCLUSION AND SUGGESTION

The research results show that service quality of the Cooperatives and Micro Enterprises Service in the development and empowerment of Micro, Small, and Medium Enterprises in Batam City consists of dimensions of responsiveness, assurance, tangibles, empathy, and



reliability. Service quality provided to business actors needs to be improved in the dimensions of tangibles, empathy, and reliability which will affect the development and empowerment of Micro, Small, and Medium Enterprises in Batam City.

Based on the conclusions that have been presented, the suggestions that can be given in this study are:

- a. In order to improve the quality of the Cooperatives and Micro Enterprises Service in Batam City, there needs to be an improvement and evaluation of the dimensions related to service, especially the dimensions of empathy and reliability.
- b. To support better service, a standard operating procedure is needed.
- c. Before providing good service to business actors, the Cooperatives and Micro Enterprises Service in Batam City should provide training to employees so that they are able to develop and empower Micro, Small, and Medium Enterprises in Batam City.
- d. Provide access to the community concerned to submit complaints about the services of the Cooperatives and Micro Enterprises Service in Batam City, such as providing a criticism or suggestion box in front of the service desk.
- e. The Cooperatives and Micro Enterprises Service in Batam City should establish cooperation with institutions, companies, and others as a form of development for business actors.
- f. In developing and empowering business actors in Batam City, it is necessary to provide assistance and take a personal approach to business actors in order to improve the quality of human resources so that business actors can be confident in developing their businesses.

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