# The Influence of Leadership Style and Service Quality on Community Satisfaction

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## **ABSTRACT**

This research explains the influence of leadership style and service quality on community satisfaction, by observing 53 community samples. Data were analyzed using PLS-SEM techniques via SMARTPLS version 3 software. Samples were selected and collected through purposive sampling and distributed via online questionnaire via Google form. The results show that Leadership Style has an insignificant effect, with a TStatistic value of 1.461 and P Values of 0.145, while Service Quality has a significant effect, with a TStatistics value of 16.830 and P Values of 0.000 on Community Satisfaction.

Keywords: Leadership Style, Service Quality, Community Satisfaction

## 1. INTRODUCTION

Increasing public satisfaction is the main goal for every organization or public service institution. Leadership style and service quality are two key factors that have a significant impact on community satisfaction. Effective leadership can form a positive organizational culture, while good service quality can create a positive experience for the community. These two factors are interrelated and have the potential to increase overall community satisfaction.

As time goes by and society's demands become increasingly complex, public organizations are required to have adaptive leadership and be able to innovate. Apart from that, optimal service quality is very important in maintaining public trust in the government or public service institutions. Therefore, research on the influence of leadership style and service quality on public satisfaction is relevant to carry out in order to increase the effectiveness and efficiency of public services.

An effective leadership style can create a harmonious work environment, increase motivation, and strengthen employee commitment to their duties. Adaptive leadership is able to face change and adapt to society's needs. On the other hand, good service quality includes aspects of speed, accuracy, friendliness and reliability of service.

However, although the importance of these factors is generally recognized, there are still gaps or problems in the field that have not been resolved. In this context, further research needs to be carried out to identify the extent to which leadership style and service quality can concretely influence community satisfaction. Empirical data obtained from the field will provide a deeper understanding of the dynamics of the relationship between these variables.

The level of public satisfaction with public services in Indonesia is still relatively low, according to the findings of a study that was carried out in 2023 by the Demographic Institute, Faculty of Economics, University of Indonesia. The study revealed that just 53.7% of the general people were content with the services provided by the government. A leadership style that is not acceptable is one of the elements that contributes to poor levels of public satisfaction with the services provided by the government. It is possible for a leadership style that is too autocratic or authoritarian to result in poor levels of staff engagement and performance, which in turn will lead to a decline in

the quality of service. Despite this, the quality of the public services that are provided in Indonesia is still rather poor. There are still a great number of public services that do not fulfill standards, such as how they are slow, how they are not transparent, and how they do not respond to the requirements of the community.

Even though there has been a lot of research examining the influence of leadership style and service quality on community satisfaction, there are several gaps or problem gaps that still need to be addressed. Some of these gaps may include a lack of research that specifically focuses on the local context or the uniqueness of each region. Apart from that, it is also necessary to pay attention to how external factors, such as culture and socio-economic conditions, can moderate the influence of leadership style and service quality.

By understanding the background and problems in this field, it is hoped that this research can make a significant contribution to the development of public service leadership and management theory and provide practical guidance for public service organizations in increasing public satisfaction.

### 2. LITERATURE REVIEW

#### 2.1 Community Satisfaction

Community satisfaction is a situation where recipients of public services feel that their expectations for the services they receive are fulfilled [1]. This understanding emphasizes the aspect of fulfilling community expectations. Community expectations can be in the form of objective expectations, such as speed of service, accuracy of service, and friendliness of staff, as well as subjective expectations, such as feeling comfortable and safe when receiving service. Satisfaction is a positive (or negative) feeling that is influenced by a person's assessment of the job and the experience gained. This feeling is related to how a person feels and thinks about his work. The higher the satisfaction, the more positive a person's view of their environment. Conversely, low satisfaction can give rise to negative feelings and affect performance and attitudes [2]. Public satisfaction is a condition where individuals or groups have a positive view of the quality, accessibility and effectiveness of public services or products provided by an organization [3]. The concept of satisfaction can be seen from various points of view such as emotional, assessment and fulfilment of expectations [4]. Community satisfaction may be defined as the degree to which an individual experiences enjoyment or disappointment as a result of a comparison between the actual product or service they get and their expectations for that product or service [5]. The concept of satisfaction places an emphasis on the emotional components of a situation as well as the fulfilment of expectations from a variety of environmental factors [6]. Community satisfaction is a person's positive assessment of a product or service that they feel has met their needs (Law Number 25 concerning Public Services, 2009). The concept of satisfaction includes emotional, evaluative, cognitive and expectation-experience comparison aspects [8].

Public satisfaction is a condition where recipients of public services feel satisfied with the services they receive [9]. This understanding emphasizes the aspect of people's feelings of satisfaction. Feelings of satisfaction can be measured using a satisfaction scale, such as a Likert scale or a semantic differential scale. Public satisfaction is a positive assessment of public service recipients regarding the services they receive [10]. This understanding emphasizes the positive assessment aspects of society. Positive assessments can be measured using questionnaires or interviews.

## 2.2 The Influence of Leadership Style on Community Satisfaction

The level of happiness experienced by individuals is significantly impacted by the transformational leadership style. An example of a leadership style known as transformational leadership is one that places an emphasis on the development of subordinates and the creation of good change. A clear vision, the ability to motivate subordinates, and the ability to develop strong connections are some of the attributes that define this type of leadership [11]. The transformational leadership style is characterized by characteristics such as a clear vision, motivating subordinates, and building positive relationships. A clear vision helps subordinates to understand the organization's goals and how they can contribute to achieving those goals. Strong motivation encourages subordinates to work hard and achieve better results. Positive relationships between leaders and subordinates create a more enjoyable and productive work environment. All of these characteristics can increase community satisfaction. People will feel satisfied if they understand the goals of the organization and how they can contribute to achieving those goals. People will also feel satisfied if they can work hard and achieve better results. People will also feel satisfied if they work in a pleasant and productive work environment.

Transactional leadership style also has a significant influence on community satisfaction. Transactional leadership style is a leadership style that focuses on giving rewards and punishments to encourage subordinates to achieve goals. This leadership style is characterized by characteristics such as setting clear goals, providing rewards and punishments, and carrying out supervision [12]. Transactional leadership is characterized by characteristics such as setting clear goals, providing rewards and punishments, and carrying out supervision. Setting clear goals helps subordinates to understand what is expected of them. Rewards and punishment are used to motivate subordinates to work hard and achieve these goals. Supervision is used to ensure that subordinates work according to set goals.

When it comes to leadership styles, one that places an emphasis on including subordinates in decision making is known as a participatory leadership style. This style of leadership is defined by features such as listening to the thoughts of subordinates, creating opportunity for subordinates to engage in decision making, and providing encouragement for subordinates to participate according to the guidelines [13]. In the context of leadership, the participatory style is defined by traits such as listening to the ideas of subordinates, creating chances for subordinates to engage in decision making, and providing encouragement for subordinates to participate. It demonstrates that the leader values the contributions and opinions of the subordinates when the leader listens to the opinions of the subordinates. When a leader offers chances for subordinates to engage in decision making, it demonstrates that the leader has faith in the subordinate's capacity to make sound choices.

The autocratic leadership style has a detrimental impact on the level of satisfaction experienced by individuals. One type of leadership style is known as autocratic leadership, which places an emphasis on power and control. The features that define this style of leadership include the fact that choices are made solely by the leader, that subordinates are not given the opportunity to participate in decision-making, and that subordinates are not given any motivation [14]. The autocratic leadership style is defined by qualities such as the leader making choices on their own, not allowing opportunity for subordinates to participate in decision making, and not providing subordinates with motivation. The fact that the leader makes decisions on their own demonstrates that they do not have faith in the capacity of the subordinate to make sound choices. When a leader does not provide chances for subordinates to engage in decision making, it demonstrates that the leader does not appreciate the opinions and contributions of subordinates. The leader's lack of concern for the well-being of subordinates is demonstrated by the fact that they do not provide incentive to those under their supervision.

There are a number of additional elements that might have an effect on the relationship between leadership style and community satisfaction. These include the features of the community, the culture of the organization, and the degree of education in the community. For instance, a transformational leadership style is more successful in improving the level of pleasure experienced by those who possess attributes that involve a willingness to go through change. People who have more conventional qualities are more likely to be satisfied with the transactional leadership style [15]. This style of leadership is more successful in boosting contentment. When it comes to improving the level of pleasure experienced by those who possess more conventional qualities, the transactional leadership style is more effective. This is due to the fact that the transactional leadership style places an emphasis on utilising incentives and penalties as a means of motivating subordinates to accomplish their objectives. There is a tendency for more traditional civilizations to place a high value on leaders who can give structure and direction. Therefore, this research proposes the hypothesis "Leadership Style has a positive and significant impact on Community Satisfaction (H1)

## 2.3 The Influence of Service Quality on Community Satisfaction

Good service quality can increase public satisfaction. The research results show that the better the quality of service provided by an agency or company, the higher the level of satisfaction of the people who receive the service. This is because good service quality can meet the needs and expectations of the community [16]. If an agency or company can provide good service in these aspects, then the public will feel satisfied with the service provided. People will feel that their needs and expectations are met, so they will feel happy and satisfied.

A decrease in public satisfaction can be caused by poor service quality. Nevertheless, a decrease in the quality of service might lead to a decrease in public satisfaction. This occurs due to the fact that a low level of service quality is unable to fulfill the requirements and requirements of the community [17]. It is a well-known truth that the level of satisfaction of individuals who get a service is directly proportional to the quality of the service that is offered by organizations or businesses. This is due to the fact that a low level of service quality is unable to fulfill the requirements and requirements of the community.

Good service quality can increase public trust. High public satisfaction can increase public trust in the agency or company that provides these services. This is because people feel that the agency or company can provide good service and meet their needs[18]. High public satisfaction can increase public trust in the agency or company that provides these services. This is because people feel that the agency or company can provide good service and meet their needs.

Good service quality can increase public loyalty. Community loyalty can increase if they feel satisfied with the services provided. This is because people will prefer to use services or products from agencies or companies that provide good and satisfying service [19]. Community loyalty can increase if they feel satisfied with the services provided. This is because people will prefer to use services or products from agencies or companies that provide good and satisfying service. Therefore, this research proposes the hypothesis "Service Quality has a positive and significant impact on Community Satisfaction (H2)

## 3. METHODS

This research uses primary data collection methods by filling out questionnaires online using Google Forms. The sample involved was 53 respondents, selected using the purposive sampling method. Data analysis was carried out using the Partial Least Square and Structural Equation Modeling (PLS-SEM) method, using SMARTPLS 3.2.9 software. In building the model, this

research applies the Confirmatory Composite Analysis (CCA) approach, and the construction of indicators for each latent variable is based on a strong theoretical foundation that has been identified from previous studies.

The analysis process using the PLS-SEM method consists of two main stages, namely testing the outer model and inner model. The outer model includes a series of statistical analyzes aimed at assessing the validity and reliability of the construct, which consists of a collection of indicators in the survey instrument. In measuring instrument validity, two steps are carried out, namely convergent and discriminant validity. The reliability of the instrument was evaluated using Composite Reliability (CR) and Cronbach's alpha (CA) values, where latent variables with CR and CA values more than 0.70 were considered reliable. Convergent validity is measured through the Average Variance Extracted (AVE) value, which is considered adequate if the value is more than 0.50, in accordance with the guidelines proposed by Hair in [20].

### 4. RESULTS AND DISCUSSION

Figure 1 shows that there are 5 indicator items in this study that have a loading factor value below 0.60, namely GK1 of 0.019, GK2 of 0.485, GK5 of 0.595, GK9 of 0.358 and GK10 of 0.446 so these indicator items are excluded from the model.

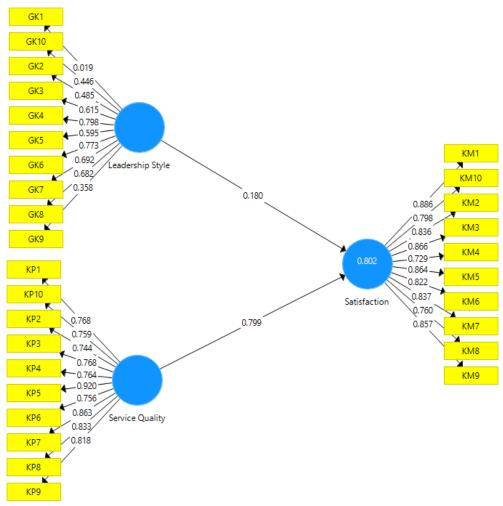


Figure 1. Outer Model 1 Testing

In Figure 2, there is still 1 indicator item in this study which has a loading factor value below 0.60, namely GK9 of 0.338, so this indicator item is removed from the model.

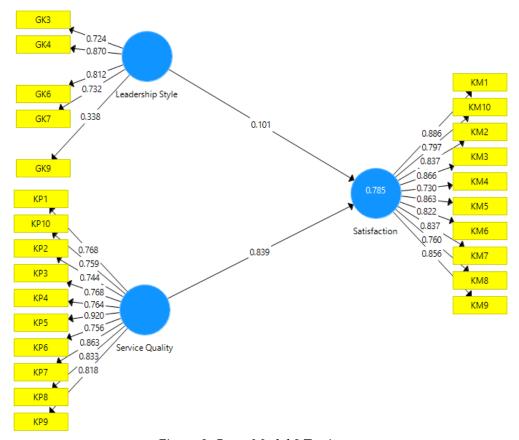


Figure 2. Outer Model 2 Testing

Figure 3 shows that all indicator items in this study have factor loading values above 0.70, which indicates that all the indicators involved represent the construct correctly.

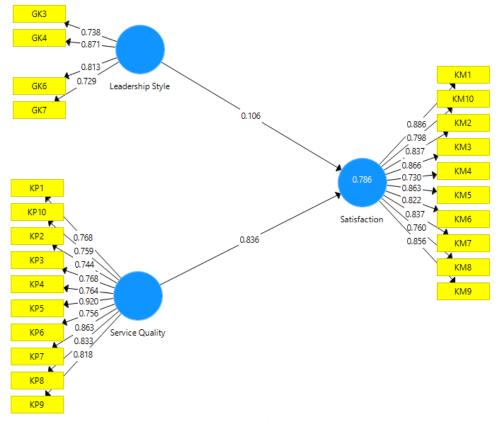


Figure 3. Outer Model 3 Testing

Table 1 shows that all Composite Reliability (CR) and Cronbach's Alpha (CA) values for each latent variable in this study were > 0.60. It was concluded that the measuring instrument developed in this research was reliable. Apart from that, the n value of Average Variance Extracted (AVE) for each latent variable in this study is also > 0.50. This value shows that the instrument developed in this research is valid.

Table 1. Convergent Validity and Reliability of Instruments						
Variable	C.A	CR	AVE			
Leadership Style	0.798	0.868	0.624			
Service quality	0.937	0.947	0.642			
Community Satisfaction	0.948	0.956	0.684			

The next test is the R2 value obtained from the PLS algorithm procedure. The R2 ratio level is classified into three categories, namely 0.75 (strong), 0.50 (medium), and 0.25 (weak; Hair, et.al in [21]. Table 2 shows that the R2 value of the Community Satisfaction variable is 0.786 in the strong category. These results show that the influence of Leadership Style and Service Quality on Community Satisfaction is 0.786 or 78.60% and the remaining 21.40% is influenced by other variables outside of this research variable.

Table 2. Coefficient of Determination Test Results					
	R Square	R Square Adjusted			
Community Satisfaction	0.786	0.778			

The final step of inner model analysis is hypothesis testing through the bootstrapping method.

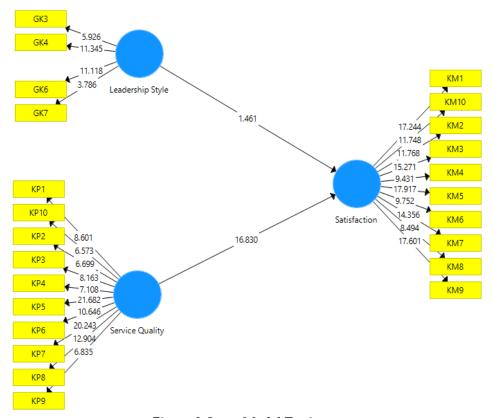


Figure 3. Inner Model Testing

This research uses a significance level of 5–10%. This is a generally accepted level of significance in social sciences and management. The findings of the direct relationship between latent variables are shown in Table 3. Table 3 shows that the Leadership Style variable based on the model has no significant effect on Community Satisfaction, while Service Quality based on the model has a significant influence on Community Satisfaction. Based on these results, it is concluded that hypothesis H1 is rejected while H2 is accepted.

Table 3. Direct Effect Test Results								
Hypothesis	Path	Coefficient	STDs	t-statistic	p-value	Conclusion		
H1	GK => KM	0.106	0.073	1,461	0.145	Not significant		
H2	KP=> KM	0.836	0.050	16,830	0,000	Significant		

Given the findings of the direct connection test, it is possible to draw the conclusion that the two research questions that were posed in this study have been well answered. The study model was successful in explaining that the Leadership Style, as shown by the model, does not have a substantial effect on Community Satisfaction. On the other hand, Service Quality does have a considerable influence on Community Satisfaction. A t-statistic value of 1.461 and a p-value of 0.145 indicate that leadership style does not have a significant impact on community satisfaction. On the other hand, service quality has a considerable impact on community satisfaction, with a t-statistic value of 16.830 and a p-value of 0.000.

According to the findings of the previous research, the conclusion that Leadership Style does not have a substantial influence on Community Satisfaction is not consistent. The level of happiness

experienced by individuals is significantly impacted by the transformational leadership style. An example of a leadership style known as transformational leadership is one that places an emphasis on the development of subordinates and the creation of good change. A clear vision, the ability to motivate subordinates, and the ability to develop strong connections are some of the attributes that define this type of leadership," as stated in reference [11]. There is also a substantial relationship between the transactional leadership style and the level of community satisfaction. An example of a leadership style known as transactional leadership is one that emphasizes the use of incentives and penalties as a means of motivating subordinates to accomplish their objectives. This type of leadership is distinguished by qualities such as the establishment of distinct objectives, the provision of incentives and penalties, and the execution of oversight [12]. Additionally, the participatory leadership style has a substantial impact on the level of pleasure experienced by the community. When it comes to leadership styles, one that places an emphasis on including subordinates in decision making is known as a participatory leadership style. According to [13], this type of leadership is defined by traits such as listening to the ideas of subordinates, creating chances for subordinates to engage in decision making, and providing encouragement for subordinates to participate.

Autocratic leadership style has a negative influence on people's satisfaction. Autocratic leadership style is a leadership style that focuses on power and control. This leadership style is characterized by characteristics such as making decisions alone, not providing opportunities for subordinates to participate in decision making, and not providing motivation to subordinates.[14], The influence of leadership style on community satisfaction can be influenced by other factors, such as community characteristics, organizational culture, and community education level. For example, a transformational leadership style is more effective in increasing the satisfaction of people who have characteristics that are open to change. The transactional leadership style is more effective in increasing the satisfaction of people who have more traditional characteristics [15].

According to the findings of previous studies, the quality of the service has a major impact on the level of satisfaction experienced by the community. The public's pleasure may be increased by providing high-quality service. The findings of the research indicate that the amount of satisfaction experienced by individuals who get a service is directly proportional to the quality of service that is offered by the organization or company that is providing the service. This is due to the fact that a high level of service quality may fulfill the requirements and requirements of the community [16]. A decrease in public satisfaction can be caused by poor service quality. Nevertheless, a decrease in the quality of service might lead to a decrease in public satisfaction. This is due to the fact that a low level of service quality is unable to fulfill the requirements and requirements of the community [17].

Good service quality can increase public trust. High public satisfaction can increase public trust in the agency or company that provides these services. This is because people feel that the agency or company can provide good service and meet their needs[18]. Good service quality can increase public loyalty. Community loyalty can increase if they feel satisfied with the services provided. This is because people will prefer to use services or products from agencies or companies that provide good and satisfying service [19].

## CONCLUSION

On the basis of the findings of the research that has been provided, it is possible to draw the conclusion that the leadership style does not have a substantial impact on the level of satisfaction experienced by the community. This demonstrates that the leadership style that is utilized by the leader does not have a significant impact on the level of contentment experienced by the individuals who are provided with services by the organization. The leadership style that is utilized by the leader is significant; nevertheless, it does not directly impact the level of pleasure experienced by the

community. A good leadership style may help to establish a work atmosphere that is favorable to productivity and can also boost employee enthusiasm to work. At the end of the day, this will have a beneficial effect on the quality of the services that are offered. In the event if the quality of service does not live up to the expectations of the community, then a good leadership style will not be able to raise the level of satisfaction experienced by the community.

The satisfied members of the community are significantly impacted by the quality of the service. The fact that this is the case demonstrates that individuals will have a sense of contentment if the services offered by the organization are of a high quality, both in terms of the speed, correctness, completeness, friendliness, and ease of access. When it comes to determining the level of satisfaction, the quality of the service is the most essential aspect. If the services that are supplied by the agency are able to match the expectations of the public, then the public will feel satisfied. Speed, correctness, completeness, friendliness, and simplicity of access are all examples of the kinds of things that the community may anticipate from organizations.

### RESEARCH IMPLICATIONS

The implications of the research results are as follows:

- a) For government agencies, the results of this research show that service quality is the most important factor in determining public satisfaction. Therefore, government agencies must focus on improving service quality. This can be done in various ways, such as: Increasing employee competency, for example by providing training and development, improving service facilities and infrastructure, for example by providing adequate facilities and infrastructure, Improving the service system, for example by implementing an efficient and effective service system. Improving the service culture, for example by creating a work culture that prioritizes service to the community.
- b) For leaders, despite the fact that a good leadership style is crucial, the findings of this research indicate that it does not directly impact the level of satisfaction experienced by the community. A good leadership style may help to establish a work atmosphere that is favorable to productivity and can also boost employee enthusiasm to work. At the end of the day, this will have a beneficial effect on the quality of the services that are offered. On the other hand, if the quality of service does not live up to the expectations of the community, then a good leadership style will not be able to raise the level of pleasure felt by the community. As a result, leaders are obligated to concentrate on enhancing the quality of service, not only via their own leadership style but also through other initiatives that have the potential to enhance service quality.
- c) For the community, the results of this research show that service quality is the most important factor in determining community satisfaction. Therefore, the public must actively provide input and suggestions to government agencies regarding the quality of services provided. The public must also have the courage to convey criticism and suggestions if there are services that do not meet their expectations.

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