

## THE EFFECT OF SERVICE QUALITY ON PARTICIPANT SATISFACTION AND ITS IMPACT ON PARTICIPANT LOYALTY OF BPJS KETENAGAKERJAAN NORTH MEDAN BRANCH

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### Abstract

*As a company engaged in the field of social security for workers, BPJS Ketenagakerjaan carries out professionalism in providing services to all participants. Professional service is a major requirement for organizations in order to reach and retain their customers. In this case, one of the Employment BPJS customers is a participant. Even though it is mandatory for all workers in Indonesia, in reality the participation rate is still relatively low where data from 2016 – 2018 still shows unregistered workers at over 60% of the total workforce in Indonesia. The research was conducted using Path Analysis consisting of 5 independent variables (Reliability, Assurance, Tangibles, Empathy, Responsiveness), 1 dependent variable (Participant Loyalty) and 1 intermediate variable (Participant Satisfaction). The results showed that the direct effect of Service Quality had a positive and significant effect on the satisfaction of participants in the North Medan Employment BPJS. Likewise, the indirect effect of showing Participant Loyalty through Service Quality as an intermediate variable has a positive and significant effect on Participants Satisfaction of the North Medan Employment BPJS. Of the 5 (five) independent variables, the variables Reliability, Tangibles, Empathy and Responsiveness have a positive and significant effect on Participant Loyalty through Participant Satisfaction as an intermediate variable. Meanwhile, the Assurance variable has no positive and significant effect on Participant Loyalty through Participant Satisfaction as an intermediate variable.*

*Keywords: Service Quality, Customer Satisfaction, Customer Loyalty, Employment BPJS.*

### 1. INTRODUCTION

Based on Law No. 40 of 2004 Article 2 stipulates "The National Social Security System is organized based on the principles of humanity, the principle of benefit, the principle of social justice for all Indonesian people". In Indonesia itself, the government has facilitated workers' social security and protection through the Employment BPJS program. BPJS Ketenagakerjaan was previously named PT. Jamsostek (Manpower Social Security), according to Law NO 24 of 2011 concerning the Social Security Organizing Agency, PT. Jamsostek changed to BPJS Ketenagakerjaan since January 1 2014. The Employment Social Security Administration Agency (BPJS Ketenagakerjaan) is a Public Legal Entity engaged in the field of social insurance, BPJS Ketenagakerjaan is the executor of the labor social security law. To achieve this goal, then BPJS Employment implements various 4 (four) programs namely the Work Accident Insurance Program (JKK), the Death Insurance Program (JKM), the Old Age Security Program (JHT) and the Pension Insurance Program (JP) which support the implementation of the company's main business activities in accordance with laws and regulations applicable. BPJS Ketenagakerjaan is one of the companies that considers the important role of customers in their business life.

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Through its vision of BPJS Ketenagakerjaan, namely "Becoming a National Pride Social Security Organizing Agency, which is Trustworthy, Good Governance and Excellence in Operations and Services," BPJS Ketenagakerjaan continues to strive to improve the quality of services and strives to develop various benefits that can be directly enjoyed by workers and their families. In 2018 Employment BPJS has opened 123 Branch Offices and 202 Pioneer Branch Offices spread across Indonesia to serve Indonesian workers. Even BPJS Ketenagakerjaan does not only protect workers in Indonesia, they have also protected Indonesian Migrant Workers (PMI) since 2017.

The services provided must be of high quality and consistent. The key is to meet or exceed the service quality expectations of workforce participants as customers. If the quality of the service provided is below the expected quality of service, the workforce participants will no longer intend to join the North Medan Employment BPJS. However, if the quality of service experienced meets expectations, they will be satisfied and re-register themselves to become BPJS Employment participants independently. Quality service quality is related to participant satisfaction, satisfied participants will recommend other workers to become participants of the North Medan Employment BPJS. However, in reality, the implementation of word of mouth has not yet been carried out by participants who have experienced the services of the North Medan BPJS Employment. BPJS Employment participants who are inactive and submit claims for Old Age Security and Pension Benefits do not show an attitude of loyalty to the North Medan Employment BPJS, this can be seen from their not registering themselves again independently as participants for the North Medan Employment BPJS even though they are still working as informal workers

Based on the description of the background of the problem, the reason why this research was conducted is that there is still a high number of non-active members at BPJS Ketenagakerjaan Medan Utara from 2016 to 2018. In connection with the problem above, there are several basic questions related to this problem, namely:

1. Does Service Quality have a significant effect on Participant Satisfaction at the North Medan Employment BPJS?
2. Does Participant Satisfaction have a significant effect on Participant Loyalty at the North Medan Employment BPJS
3. Does Service Quality have a significant effect on Participant Satisfaction and its impact on Participant Loyalty at BPJS Ketenagakerjaan Medan Utara?

Research purposes

The goal to be achieved in this research is to formulate policies to improve service quality in order to increase BPJS Ketenagakerjaan participation with the following targets:

1. Knowing and analyzing the effect of Service Quality on Participant Satisfaction at the North Medan Employment BPJS.

2. Knowing and analyzing the effect of Participant Satisfaction on Participant Loyalty at the North Medan Employment BPJS.
3. Knowing and analyzing the effect of Service Quality on Participant Satisfaction and its impact on Participant Loyalty at BPJS Ketenagakerjaan Medan Utara?

## 2. IMPLEMENTATION METHOD

### 1. Reliability

Assessments made by respondents to the services they felt were in accordance with what was promised

#### Reliability Indicator (Reliability)

1. Employees are able to serve participants who submit claims according to the SLA.
2. Employees have reliable competence in serving the needs of participants.
3. Employees are able to provide the information needed by participants
4. Payment of claims on the right amount and the right people.
5. Employees are able to resolve participant complaints

### 2. Assurance

Respondents' assessment of guaranteed facilities or convenience, employee competence.

#### Assurance Indicator

1. Availability of complaints unit.
2. There are many Hospitals. cooperation that serves Occupational Accidents.
3. Participant data and funds are managed securely.
4. Call Center ready to serve the needs of participants 24 hours
5. Claim settlement commitment does not exceed the specified SLA.

### 3. Tangibles (Physical Evidence)

Respondents' assessment of the physical facilities, equipment and appearance of the service provider personnel

#### Tangibles Indicator (Physical Evidence)

1. The required forms are always available.
2. Employees are neatly dressed, friendly and professional.
3. Comfortable waiting room.
4. The facilities provided are in good used condition.
5. The flowchart of 5 service steps is clearly legible.

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#### 4. Empathy (Empathy)

Respondents' assessment of the level of understanding/sympathy, individual attention to participants

##### Empathy Indicator

1. Employees provide excellent service to customers.
2. Employees are polite and friendly.
3. Employees know the special needs of customers.
4. Care about participant complaints.
5. Give attention to participants who experience information difficulties.

#### 5. Responsiveness

Respondents' assessment of BPJS responsiveness to the difficulties they face and providing a service in a timely manner.

##### Responsiveness Indicator (Responsiveness)

1. Customer Service always says PRIMA greetings
2. Security guards always help labor participants.
3. Willing to hear complaints and needs of labor participants.
4. All employees participate and provide friendly service.
5. Submission of claims until the payment stage does not exceed the specified SLA.

#### 6. Satisfaction

Assessment of respondents by comparing the perceived performance with the expected

##### Satisfaction Indicator

1. Satisfied with responsive and fast service.
2. Satisfied with competent employees who are reliable.
3. Satisfied with company facilities.
4. Satisfied with the attentive attitude of employees.
5. Satisfied with the benefits received

#### 7. Loyalty

Respondents' assessment of staying loyal to become BPJS Employment participants

## Loyalty Indicator

1. Make sure to pay dues every month
2. Referring to others
3. No objection to policy changes in Employment BPJS
4. Believe in the services provided
5. Become a cooperation partner of Employment BPJS

## 3. RESULTS AND DISCUSSION

### Path Analysis

#### Direct Influence

Comprehensive Direct Influence

**F Test Results Direct Effect**

Model		Sum of Squares	df	MeanSquare	F	Sig.
1	Regression	2293,804	5	458,761	567,741	.000 b
	residual	75,956	94	.808		
	Total	2369760	99			

Based on the data in the table above, it was found that the results of the Fcount test value were 567.741 which was greater than the Ftable value (sig.=0.05;df1=5;df2=94) of 2.311 which indicated H1 was accepted. Thus, it can be concluded that overall Service Quality has a positive and significant impact on Satisfaction at BPJS Ketenagakerjaan Medan Utara.

Partial Direct Influence

**Direct Effect t Test Results**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	std. Error	Betas		
1	(Constant)	-.684	.234		-2,923	.004
	reliability	.149	.066	.228	2,270	.026
	assurance	.018	.072	.026	.244	.808
	Tangibles	.089	.080	.136	1,114	.268
	Empathy	.160	.079	.244	2013	.047
	Responsiveness	.235	.086	.357	2,750	.007

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Direct Influence Determination

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	,984a	,968	,966	,89891

Path Charts

The next step is to create a path analysis chart. This information is actually a resume contained in the second table above as follows:

1. The magnitude of the correlation effect of the Reliability variable on Satisfaction (found in the Standardized Coefficients column) is 0.228
2. The magnitude of the influence of the Assurance variable correlation on Satisfaction (found in the Standardized Coefficients column) is 0.026
3. The magnitude of the influence of the Tangibles variable correlation on Satisfaction (found in the Standardized Coefficients column) is 0.136
4. The magnitude of the correlation effect of the Empathy variable on Satisfaction (found in the Standardized Coefficients column) is 0.244
5. The magnitude of the correlation effect of the Responsiveness variable on Satisfaction (found in the Standardized Coefficients column) is 0.357
6. The amount of determination as described in Table 4.16 is 0.968, meanwhile to obtain the value of  $e1 = \sqrt{1 - 0.968} = 0.179$ .

**Indirect Influence**

Comprehensive Indirect Influence

Indirect Influence F Test Results

Model	Sum of Squares	df	MeanSquare	F	Sig.
1 Regression	1733,781	6	288,964	307,553	.000
residual	87,379	93	.940		b
Total	1821.160	99			

Based on the data in the table above, it was found that the results of the Fcount test value were 307.553 which was greater than the Ftable value (sig.=0.05;df1=6;df2=93) of 2.198 which indicated H1 was accepted. Thus, it can be concluded that overall Service Quality has a positive and significant impact on Loyalty through Satisfaction as an intermediate variable at BPJS Ketenagakerjaan Medan Utara.

## Partial Indirect Influence

Indirect Influence t test results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	std. Error	Betas		
1	(Constant)	1,049	.263		3,980	.000
	reliability	.149	.073	.261	2052	.043
	assurance	-.296	.078	-.493	-3,789	.000
	Tangibles	.175	.087	.305	2017	.047
	Empathy	.174	.087	.303	1989	.050
	Responsiveness	.257	.096	.444	2,673	.009
	Satisfaction	.137	.111	.156	1,228	.223

## Determination of Direct Influence

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	,976a	,952	,949	,96931

The next step is to create a path analysis chart. This information is actually a resume contained in Table 4.22 and Table 4.23 as follows:

1. The magnitude of the effect of the correlation variable Reliability on Loyalty through Satisfaction as an intermediate variable (found in the Standardized Coefficients column) is 0.261.
2. The magnitude of the influence of the Assurance variable correlation on Loyalty through Satisfaction as an intermediate variable (found in the Standardized Coefficients column) is -0.493.
3. The magnitude of the effect of the Tangibles variable correlation on Loyalty through Satisfaction as an intermediate variable (found in the Standardized Coefficients column) is 0.305.
4. The magnitude of the correlation effect of the Empathy variable on Loyalty through Satisfaction as an intermediate variable (found in the Standardized Coefficients column) is 0.303.
5. The magnitude of the correlation effect of Responsiveness variable on Loyalty through Satisfaction as an intermediate variable (found in the Standardized Coefficients column) is 0.444.
6. The amount of determination as described in Table 4.18 is 0.952, meanwhile to obtain the path coefficient value  $e1 = \sqrt{1 - 0.952} = 0.219$ .

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**Discussion**

**1. Discussion of Overall Research Results**

The results showed that the overall service quality variable had a significant and positive effect on participant loyalty at the North Medan Employment BPJS. Service quality is one of the influencing factors in the service business world. With good service quality will provide satisfaction to customers. If there are customers who are disappointed with the services provided, the effect will have a big impact and a negative stigma will appear that the service in the company is not good. At the time of conducting interviews with participants, the tangibles (physical evidence) variable that became unsatisfactory was the inadequate/inadequate parking location for four-wheeled vehicles at the North Medan Employment BPJS.

While partially, of the 5 independent variables, not all of them have an effect on the loyalty of BPJS Employment participants, the reliability, empathy and responsiveness variables affect loyalty, while the assurance and tangibles variables ) did not have a positive effect on participant loyalty. This shows that in this study the guarantee factor and physical evidence were not able to convince the participants to remain participants after they were no longer active in membership. This could mean that participants think that the guarantee factor and physical evidence cannot directly benefit them when dealing with BPJS Ketenagakerjaan.

The research results also show that the intervening variable, namely Participant Satisfaction, plays a role as a positive mediator between Service Quality and Participant Loyalty. This shows that interventions to improve service quality can be a predictor of increasing participant satisfaction, and the satisfaction felt ultimately forms an attitude of loyalty in becoming a voluntary BPJS Employment participant.

**2. Service Quality at the North Medan Branch of Employment BPJS**

Based on the guarantee variable (assurance), it still needs improvement, namely that there are still membership data that do not match the data that should be, for example: participant NIK data is not the same as BPJS Employment participant card data so it takes time to correct data because it involves the company to correct the workforce data . BPJS Ketenagakerjaan employees should have entered the correct data from the start of the registration of workers and companies so that data corrections do not occur in the future.

Based on the empathy variable, it is known that where it is necessary to increase employee understanding to find out the wishes and complaints, the personal identity of each individual participant and use it to provide the best service so that participants get satisfaction. Empathy in the form of good communication towards participants becomes a determinant in improving service quality.

The responsiveness variable is currently good enough where participants can be served quickly to complaints and participant needs. What only requires special attention is the service for participants who are still currently submitting Pension Guarantee Claims on a regular basis and still have to confirm the administrative process at the North Medan Employment BPJS office. This requires the responsiveness of BPJS Ketenagakerjaan employees in developing a fast method so

that the administrative payment process for confirmation of periodic Pension Guarantee payments can be carried out without time and place limits.

This reliability variable is very important in improving service quality. What is of concern is the handling of JKK claim cases which are still pending a lot. The shortage of service middle management personnel in verifying guarantees still requires additional personnel because there are personnel who have transferred and rotated positions from 2016 to 2018 and did not immediately get a change of personnel. Timely claims service is a very important factor in improving service quality.

### 3. Participant Satisfaction with the North Medan Employment BPJS

Based on the results of a participant satisfaction survey at Employment BPJS in the "Enough" position in category 3.39. Where the participants so far have not been satisfied with the services provided by the North Medan Employment BPJS. This shows that the efforts of the North Medan Employment BPJS in making customers satisfied have not been successful and this has become a concern for the North Medan Employment BPJS.

Whereas in this study, the population is participants who want to disburse JHT and JP and the object of study is regarding service satisfaction to participants by taking the phenomenon of service satisfaction problems at BPJS Employment with indications:

1. Various complaints from participants when they made a claim
2. Lack of information obtained by participants regarding BPJS Employment products, and.
3. The increasing number of non-active participants

From here, the increase in non-active participants is only one of the phenomena regarding service problems at BPJS Employment, especially at BPJS Employment in Medan Utara. Whereas what is meant by "Active Participants" are participants who routinely pay contributions every month without interruption, and "Inactive Participants" are participants who do not continue paying contributions every month. The majority of inactive participants are participants who are not from companies, but those who are classified as "Participants Not Receiving Wages" (PBPU), such as traders, freelancers, so they pay the full contribution using their money. In contrast to Wage Recipient Participants (PPU), who are generally employees, part of the monthly contribution is paid by the company.

The population in this study were active participants, and the results of this study found that their "Service Satisfaction" was "Enough", while when compared to the level of non-active participants which continued to increase, it showed:

1. "Active Participants" complaints against Employment BPJS are not large (many) and significant so they do not affect the results of this study. Dissatisfaction remains, even if it is small.
2. Becoming a full participant (compared to non-active participants) and experiencing the direct benefits of Employment BPJS makes active participants quite satisfied. This can be strategic advice to non-active participants that their active participants feel quite satisfied, so that it can be an attraction to non-active participants that being an active participant is not detrimental and even beneficial.

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3. There is communication that does not reach non-active participants, where because they are not yet full participants they think that BPJS Ketenagakerjaan services are not good, while research results show the opposite, active participants are proven to be quite satisfied with BPJS Ketenagakerjaan services.

Thus, overall Service Quality has a positive and significant impact on Loyalty and Satisfaction as an intermediate variable at the North Medan Employment BPJS.

Service quality can be interpreted as the level of customer satisfaction. The level of customer satisfaction can be obtained from a comparison of the type of service that is actually received by consumers with the type of service expected by consumers. A good type of service quality is a type of service that is satisfying and in accordance with the service expected by consumers. If the service exceeds consumer expectations, then this type of service quality can be categorized as quality or very satisfying service and will be able to create customer loyalty.

The satisfaction of BPJS Ketenagakerjaan participants is important. If BPJS Employment participants are satisfied, the participants will provide good feedback, and it is unlikely that they will become regular customers or repeat buyers.

**4. The Effect of Service Quality on Participant Satisfaction at the North Medan Employment BPJS.**

- a. The Effect of Reliability on Participant Satisfaction

The results of the survey variable Reliability (reliability) is in the category of "Enough" for employees of BPJS Ketenagakerjaan Medan Utara. Reliability is the company's ability to provide services that meet expectations regarding speed, timeliness, no errors as desired by participants of the North Medan Employment BPJS. The more reliable in serving the needs of participants, the more satisfied customers will be. The thing that is still not satisfactory is that the claim payment service is not on time, there are still claims that are pending payment. And there are still the number of JHT claim balances paid that are not in accordance with the amount that should be due to errors made by BPJS Ketenagakerjaan employees in reconciling labor wage data.

Participants expect timely claim payments where JHT claims  $\leq 5$  days, JKK claims payments  $\leq 7$  days, JKM claims payments  $\leq 3$  days, JP claims payments  $\leq 15$  days. But in reality there are still problems with the process of submitting claims until payment is past the stipulated time. This is due to the lack of service middle management personnel in verifying the claim case. Timely payment services are needed to improve the quality of service for participants of the North Medan Employment BPJS.

- b. The Effect of Assurance on Consumer Satisfaction at the North Medan Employment BPJS.

The survey results for the variable Assurance are in the "Enough" category. The thing that is still unsatisfactory is that there are still submissions up to payment of claims beyond the stipulated time. Participants also felt the need to improve the BPJS Ketenagakerjaan collaboration services with hospitals that serve Work Accidents. The more confident

participants are about the guarantee and certainty of claim services and the number of claims paid is correct and in accordance with the specified time, the customer will be satisfied.

- c. Effect of Physical Evidence (Tangibles) on Consumer Satisfaction at BPJS Ketenagakerjaan Medan Utara.

The survey results for the variable Physical Evidence (Tangibles) are in the "Enough" category. This shows that there is still something that still needs to be improved in terms of the parking lot where the parking space for four-wheelers is not wide enough at the North Medan Employment BPJS. Tangibles are physical proof of the ability of Employment BPJS to present the best for Employment BPJS participants. At BPJS Ketenagakerjaan there is an assessment, namely Physical Evidence, which is an assessment of ease of access, layout of service rooms, tidiness and cleanliness as well as supporting facilities provided by BPJS Ketenagakerjaan of Medan Utara. The facilities provided such as a comfortable waiting room, good toilet conditions, and other facilities are quite good so that participants are quite satisfied with the Physical Evidence of BPJS Ketenagakerjaan Medan Utara

- d. The Effect of Empathy on Consumer Satisfaction at the North Medan Employment BPJS.

The results of the Empathy variable survey are in the "Enough" category. This shows that there are still respondents who feel dissatisfied because of the lack of attention from employees. Empathy in the form of attention given individually by employees to BPJS Employment participants, namely the ease of obtaining information, attention to participants' wishes so that they meet their needs, attention in terms of communication made by employees to participants at the North Medan Employment BPJS. The higher the empathy given by employees, the higher the satisfaction of participants in the North Medan Employment BPJS

- e. The Effect of Responsiveness on Consumer Satisfaction at the North Medan Employment BPJS.

The survey results for the Responsiveness variable are in the "Enough" category. This shows that there are still respondents who are dissatisfied with the responsiveness of employees. Participants still feel that their difficulties regarding the information they need are still not being responded to quickly by the North Medan Employment BPJS. In this case, BPJS Employment also needs to carry out various outreach to companies, workers and the public regarding information on BPJS Employment. Responsiveness is in the form of responsiveness in providing fast or responsive services and accompanied by clear and easy-to-understand delivery methods. The more responsive employees are to needs and the wishes of the participants, the more satisfied they are with the North Medan Employment BPJS.

## 5. The Effect of Service Quality on Participant Loyalty

Subsequent results in this study found that Service Quality had a positive and significant effect on Participant Loyalty through Participant Satisfaction as an intermediate variable. In the previous discussion, the role of Service Quality in increasing Participant Satisfaction has been

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*Laura Agustina Hasibuan, Sukaria Sinulingga, Linda T. Maas*

described, this study also found the role of Service Quality on Participant Loyalty. The main target in this research is to examine the service quality factor on BPJS Employment loyalty, because as in the introduction, BPJS Employment experiences problems in terms of membership loyalty. Many of the participants who only registered only a few months later did not renew their membership

#### **4. CONCLUSION**

In accordance with the hypothesis in the study, it is concluded that:

1. Through Direct Influence:

Overall (simultaneously) the quality of service has a positive and significant impact on the satisfaction of participants in the North Medan Employment BPJS, this is indicated by the Fcount value of 567.741 which is greater than the Ftable value (sig.=0.05;df1=5;df2=94) of 2.311 which shows H1 is accepted

Partially the variables Reliability, Empathy, and Responsiveness have a positive and significant effect on satisfaction, while the Assurance, and Tangibles variables have no positive and significant effect on satisfaction at BPJS Ketenagakerjaan Medan Utara.

2. Through Indirect Influence:

Overall (simultaneous) Loyalty through Service Quality as an intermediate variable has a positive and significant effect on the satisfaction of participants of the North Medan Employment BPJS, this is indicated by the Fcount value of 307.553 greater than the Ftable value (sig.=0.05; df1=6; df2=93) of 2.198 which indicates H1 is accepted.

Partially, the variables Reliability, Tangibles, Empathy and Responsiveness have a positive and significant effect on Loyalty through Satisfaction as an intermediate variable. While the Assurance variable has no positive and significant effect on Loyalty through Satisfaction as an intermediate variable.

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