

Public Service in State-Owned Enterprises

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ABSTRACT

Public service delivery constitutes one of the fundamental functions of government. In this regard, the presence of public bureaucracy is indispensable for ensuring the effective provision of services to citizens. The government is responsible for providing goods and services needed by the wider public, both through bureaucratic institutions and through State-Owned Enterprises (SOEs). The role of SOEs reflects the mandate of Article 33 paragraph 2 of the 1945 Constitution of the Republic of Indonesia, which stipulates that strategic sectors of production that are vital to the state and affect the livelihood of the public shall be controlled by the state. Accordingly, state control over these strategic sectors is institutionalized through state enterprises. This article employs a library research approach by drawing on relevant documents, books, academic literature, and other secondary sources. As service excellence has long been associated with the institutional image of SOEs, the delivery of high-quality services to customers should become a core principle guiding all service activities. The discussion focuses on the key dimensions of service quality, namely reliability, responsiveness, assurance, empathy, and tangibles.

Keywords: Public Service Quality; State-Owned Enterprises; Reliability; Responsiveness; Assurance; Empathy; Tangibles.

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INTRODUCTION

Service delivery refers to a process through which a service provider offers a particular form of service to a service recipient. In a commercial context, a service is provided when the recipient is willing to pay for the value offered. Thus, service delivery involves at least three essential components: the provider of the service, the recipient of the service, and the type or form of service being delivered. Within the public sector, service delivery constitutes one of the core functions of government. The existence of public bureaucracy is therefore indispensable for ensuring the provision of public services to citizens. The government is responsible for providing goods and services needed by the wider public, both through bureaucratic institutions and through State-Owned Enterprises (SOEs), locally known as Badan Usaha Milik Negara (BUMN). In Indonesia, the role of SOEs is constitutionally grounded in Article 33 paragraph 2 of the 1945 Constitution of the Republic of Indonesia, which stipulates that strategic sectors of production that are vital to the state and affect the livelihood of the people shall be controlled by the state. This constitutional mandate implies that state control over strategic economic sectors is institutionalized, among others, through state enterprises. The legal basis for SOEs is further articulated in Law Number 9 of 1969, which defines SOEs as all forms of state enterprises whose capital is wholly or partly owned by the state or government and separated from state assets. This definition was subsequently reinforced by Law Number 19 of 2003 concerning SOEs, which defines SOEs as business entities whose capital is wholly or mostly owned by the state through direct equity participation derived from separated state assets.

Indonesia, as a developing country, continues to pursue improvements across various sectors of governance and development. One of the key areas that has received significant policy attention is public service delivery. The Decree of the Minister of State Apparatus Empowerment Number 63/KEP/M.PAN/7/2003 defines public service as all forms of services provided by central and regional government agencies, as well as by State-Owned Enterprises and Region-Owned Enterprises, in the form of goods and/or services, whether for meeting public needs or for implementing statutory regulations. The obligation of the Indonesian government to deliver high-quality public services is further emphasized in Law Number 25 of 2009 concerning Public Services. Article 1 of this law defines public service as an activity or series of activities intended to fulfil service needs in accordance with statutory regulations for every citizen and resident, including the provision of goods, services, and/or administrative services by public service providers. In this context, improving the quality of public services is essential not only for strengthening state–citizen relations but also for supporting broader social welfare. Public services that are accessible, responsive, and satisfactory can enable citizens to conduct economic activities more effectively, thereby contributing to improved welfare and inclusive development.

Public service is legally defined as an activity or series of activities aimed at fulfilling service needs in accordance with statutory regulations for every citizen and resident, including the provision of goods, services, and/or administrative services by public service providers. Public service providers include state institutions, corporations, independent bodies established by law to perform public service functions, and other legal entities established specifically for public service delivery. Within this framework, SOEs constitute one of the legal entities that may function as public service providers. SOEs are business entities whose capital is wholly or predominantly owned by the state through direct equity participation derived from separated state assets. Since public service delivery is often regarded as a sector vulnerable to corrupt practices, SOEs, as institutional actors involved in providing public services, may also face risks of corruption. This

vulnerability highlights the importance of strengthening accountability, transparency, and service quality in SOE-based public service delivery.

In service delivery, providers should consistently orient their activities toward the central objective of achieving customer satisfaction. Satisfaction is ultimately experienced and evaluated by service users themselves and is closely associated with key service quality attributes, such as speed, accuracy, reliability, and courteous interaction. In serving external customers, organizations operating in both commercial and non-commercial sectors must recognize that customer loyalty constitutes an important foundation for organizational sustainability and success. Customers should therefore be regarded as valuable organizational assets. Without sustained customer trust and loyalty, organizations, particularly business entities, will face significant difficulties in maintaining their existence and competitiveness.

Maintaining customer attention and loyalty requires organizations to continuously improve the quality of their services. This can be achieved by monitoring changes in customers needs and expectations over time, anticipating emerging demands, providing services that meet or exceed customer expectations, and treating customers through the best possible service standards. High-quality service functions not only as a means of satisfying customers but also as an important source of organizational attractiveness. For this reason, business corporations frequently employ service quality as a strategic instrument to attract customers and strengthen their competitive position. Customer service programs grounded in consumer care have therefore evolved into a central component of marketing strategies aimed at sustaining competitiveness. Service quality is not determined solely by service providers; rather, it is primarily evaluated by service users who directly experience the service. Customers assess service quality by comparing their expectations with the actual service received. In contemporary service environments, customers have become increasingly informed, selective, and critical. Consequently, organizations are expected to deliver services that are consistent with, or exceed, customer expectations. Any deviation from expected standards may result in negative evaluations of service performance. In the context of SOEs, therefore, service quality should be consistently oriented toward customer satisfaction, public trust, and institutional credibility.

Public service delivery continues to represent a persistent challenge within Indonesia's governance system. Complicated bureaucratic procedures, inefficiency, corruption, collusion, nepotism, and weak bureaucratic performance have contributed to the perception that public service provision remains suboptimal. These conditions underscore the urgency of bureaucratic reform in Indonesia. Although bureaucratic reform has been formally institutionalized since 2010 through Presidential Regulation Number 81 of 2010 concerning the Grand Design of Bureaucratic Reform, its implementation has not yet fully produced the expected improvements. The recurring governance problems observed across public institutions indicate that bureaucratic reform remains difficult to realize comprehensively and consistently. At the regional level, the Ministry of Administrative and Bureaucratic Reform identified several potential obstacles to bureaucratic reform in 2016. These obstacles may be classified into four major categories. First, institutional restructuring has often continued to produce oversized bureaucratic organizations with lengthy chains of decision-making. Second, only a small number of government institutions have demonstrated substantial progress in implementing reform. Third, problems persist in the field of human resources, particularly in relation to professionalism, work culture, and bureaucratic mentality that have not yet met national standards. Fourth, several government institutions have continued to expand the use of

outsourced and honorary personnel without adequate standard operating procedures, clear recruitment criteria, and transparent governance mechanisms.

Given these realities, challenges in public service delivery remain prevalent across government bureaucratic institutions. These challenges are also reflected in the services provided by SOEs in Indonesia. Although SOEs play an important role in delivering public goods and services, the quality of their service provision cannot yet be regarded as fully optimal. Considerable efforts are still required to improve the quality, responsiveness, and consistency of SOE-based public services. The central issue in service delivery lies in the continuous improvement of service quality. Service excellence as the provision of the best or very good service, particularly when such service is delivered in accordance with the standards established by the service-providing institution (Faulina et al., 2020; Parasuraman et al., 1985; Sutikno, 2022a). This concept contains three essential elements: a customer-oriented attitude grounded in care and concern, the commitment to provide the best possible service actions, and the objective of achieving customer satisfaction through adherence to specific service standards.

LITERATURE REVIEW

The Concept of Service

Service is generally understood as a process through which individual or collective needs are fulfilled through interactions between service providers and service users. Rather than being limited to the delivery of tangible outputs, service involves activities, processes, and interactions through which value is created for users. Grönroos conceptualizes service as an activity or series of relatively intangible activities that occur through interactions between customers and service providers, physical resources, or systems, with the purpose of providing solutions to customer problems (Gronroos, 2007). Similarly, the service-dominant logic proposed by (Vargo & Lusch, 2014) emphasizes that service provision, rather than goods exchange, is fundamental to economic and social exchange. In the context of public administration, public service refers to activities intended to fulfil citizens needs through the provision of public goods, public services, and administrative services by authorized public service providers. Indonesian Law Number 25 of 2009 concerning Public Services defines the scope of public service as covering public goods, public services, and administrative services regulated by statutory provisions. This legal framework confirms that public service delivery is not only an administrative function but also a public obligation carried out to ensure citizens access to essential services. This conceptualization is particularly relevant in analyzing public service quality within SOEs. SOEs operate at the intersection of business objectives and public responsibilities, and their services are evaluated not only by technical outputs but also by users experiences, interactions, trust, and perceived value. From a public service-dominant perspective, citizens and service users are central stakeholders in public service delivery processes, and their engagement contributes to value creation and service improvement (Ardiputra, 2021; Osborne et al., 2013, 2015). Therefore, service in the SOE context should be understood as an interactive and citizen-oriented process aimed at fulfilling public needs, solving service problems, and strengthening institutional trust.

Based on the above definitions, service can be understood as a critical determinant of success in service-oriented activities and organizations. Its role becomes increasingly important in competitive environments, where organizations seek to attract and retain customers or service users. Such competition may generate positive effects by encouraging organizations to improve their service delivery mechanisms, adopt more effective methods, and develop innovative approaches to attract users to their products or services.

In this sense, service quality functions not only as an operational requirement but also as a strategic instrument for organizational sustainability and competitiveness.

The Concept of Public Service

Public service refers to organized activities undertaken by public institutions to fulfil citizens needs and ensure access to essential goods, services, and administrative processes (Ardiputra & Prawira, 2020). In the Indonesian context, Law Number 25 of 2009 concerning Public Services defines public service as an activity or series of activities aimed at fulfilling service needs in accordance with statutory regulations for every citizen and resident, including the provision of goods, services, and/or administrative services by public service providers. This legal definition emphasizes that public service delivery is not merely an administrative function, but also a statutory obligation of public institutions to meet citizens rights and public needs. From a public administration perspective, public service is closely related to the relationship between the state and citizens. Denhardt and Denhardts New Public Service perspective emphasizes that public institutions should serve citizens rather than merely steer or control them (Denhardt & Denhardt, 2000). This view positions citizens not only as passive recipients of services but also as rights-bearing members of the polity whose needs, participation, and trust should be central to public service delivery. Similarly, the public service-dominant approach argues that public services should be understood as interactive processes in which value is created through the engagement of service providers, users, and other stakeholders. This perspective is particularly relevant to SOEs in Indonesia. SOEs are not merely business entities, but also institutional actors that carry public service responsibilities, especially in sectors strategically linked to public welfare and citizens access to essential goods and services. In the Indonesian public administration literature, public service is also understood as a process of assisting citizens that requires sensitivity, responsiveness, and relational interaction between service providers and the public (Bazarah et al., 2021). Therefore, public service in the SOEs context should be understood as a set of organized and citizen-oriented activities delivered by state-owned institutions to meet public needs, strengthen service accessibility, and support broader social welfare.

Public service may be understood as all forms of service provision, including public goods, public services, and administrative services, that are principally the responsibility of public institutions. In the Indonesian context, these services are delivered not only by central and regional government agencies but also by State-Owned Enterprises and Region-Owned Enterprises, particularly when they are linked to the fulfilment of public needs and the implementation of statutory mandates. The obligation to provide high-quality public services is formally stipulated in Law of the Republic of Indonesia Number 25 of 2009 concerning Public Services. Article 1 of this law defines public service as an activity or series of activities aimed at fulfilling service needs in accordance with statutory regulations for every citizen and resident, including the provision of goods, services, and/or administrative services by public service providers. Based on this legal framework, public service delivery is fundamentally intended to meet citizens needs and ensure access to essential goods, services, and administrative processes. The government is therefore not only responsible for providing services, but also for ensuring that such services are accessible, efficient, and free from unnecessarily complex procedures. In this regard, the quality of public service depends on the ability of public institutions to simplify procedures, enhance responsiveness, and provide services that are oriented toward citizens needs.

The Concept of Service Quality

Service quality is commonly understood as the extent to which service providers are able to meet or exceed users needs and expectations. In the SERVQUAL tradition, service quality is assessed through the relationship between expected service and perceived service, meaning that users evaluate service quality by comparing what they expect with what they actually experience (Al., 1988; Parasuraman et al., 1985). This perspective emphasizes that service quality is not determined solely by internal procedures or organizational standards, but also by users perceptions of the service encounter. Service quality can also be understood as a multidimensional construct. (Brady & Cronin Jr, 2001a) argue that perceived service quality consists of several dimensions, including interaction quality, physical environment quality, and outcome quality. This view suggests that users assess service quality not only from the final result of the service, but also from the interaction with employees, the supporting service environment, and the overall service process. Therefore, service quality involves procedural compliance, interpersonal interaction, responsiveness, reliability, and the extent to which the delivered service corresponds to users expectations. In the context of public service delivery, service quality may strengthen the relationship between public institutions and service users by encouraging more responsive, accountable, and citizen-oriented services. For SOEs, service quality is particularly important because these institutions operate at the intersection of commercial objectives and public responsibilities. Indonesian empirical evidence also shows that service quality is associated with customer satisfaction and loyalty in SOE-based services, including mobile banking services provided by state-owned banks (Akob & Sukarno, 2022). Thus, improving service quality in SOEs is essential for strengthening user satisfaction, institutional credibility, and public trust.

The Concept of Service Excellence

Service excellence refers to the provision of services that meet, and ideally exceed, established service standards and users expectations. Service excellence is closely related to an institutions capacity to understand users service experiences and to improve service provision based on those experiences. (Wiele et al., 2005) argue that achieving service excellence requires more than measuring customer satisfaction; it also demands deeper insight into how services are actually delivered and experienced by users. In the public sector, service excellence is also linked to clear service standards and accountability mechanisms, as reflected in the Citizens Charter approach to improving public service delivery (Kundo, 2018). In the Indonesian public administration context, service excellence is closely associated with the obligation of public institutions to provide the best possible services to citizens. (Wiliamto et al., 2022) explains that public service providers are expected to deliver their best services in order to satisfy the community, while (Wijaya et al., 2022) highlights that the application of service excellence principles in public service requires more proactive, innovative, and trust-building approaches. Accordingly, service excellence can be understood as the delivery of high-quality services that comply with institutional standards while remaining responsive to users expectations, needs, and satisfaction. In the context of public service delivery, service excellence requires more than procedural compliance. It also demands the development of an institutional value system that emphasizes serving rather than being served. Therefore, the formulation of public policies and programs becomes an important instrument for strengthening service management, improving institutional responsiveness, and ensuring that public services are oriented toward citizens needs and satisfaction. For SOEs, service excellence is especially important because SOEs operate not only as business entities, but

also as public service actors responsible for maintaining customer satisfaction, public trust, and institutional credibility.

The Concept of State-Owned Enterprises

SOEs constitute one of the most visible forms of state involvement in economic and public service activities. In many countries, SOEs are established not only to pursue commercial objectives but also to provide essential public services and support broader development goals. The World Bank defines SOEs as entities that provide goods or services on a commercial basis and are controlled by the state; such enterprises often deliver essential services, including water, electricity, telecommunications, and transportation (World Bank, 2022). In the Indonesian context, Law Number 19 of 2003 concerning SOEs defines SOEs as enterprises whose capital is wholly or predominantly owned by the state through direct equity participation derived from separated state assets. This legal definition confirms that SOEs are positioned as business entities with a distinctive ownership structure and public role. The strategic role of SOEs is also reflected in their broad sectoral presence. Indonesian SOEs operate in various sectors, including finance, infrastructure, energy, transportation, logistics, telecommunications, and port services. This sectoral diversity indicates that SOEs function not only as economic actors but also as instruments through which the state participates in the provision of essential services. The Asian Development Bank notes that Indonesian SOEs have historically played a major role in the economy, although their commercial performance varies and reform remains an important agenda (Asian Development Bank, 2022). This dual character places SOEs at the intersection of commercial objectives and public responsibilities. State ownership in SOEs is exercised through direct capital participation. Article 4 paragraph 3 of Law Number 19 of 2003 stipulates that the separation of state assets for state capital participation in SOEs can only be conducted through direct state participation, and each form of participation must be formally established by government regulation. The capital invested in SOEs is therefore derived from separated state assets. When state ownership is not absolute, a minimum ownership threshold of 51 percent is required for an enterprise to be classified as an SOE, particularly in the form of a state-owned limited liability company. This study examines public service quality in Indonesian SOEs in general, rather than focusing on a single enterprise. The discussion positions SOEs as state-owned business entities that operate at the intersection of commercial objectives and public service responsibilities. Therefore, SOEs are analyzed as institutional actors that are expected to provide services efficiently while also fulfilling the states obligation to meet public needs and support social welfare.

RESEARCH METHOD

This study employs a library research approach to examine public service quality in SOEs. Library research is appropriate because the study aims to synthesize concepts, theories, and previous findings related to service quality, public service delivery, and SOEs. A literature review may function as a research methodology when it is conducted systematically to collect, evaluate, and synthesize existing knowledge in order to identify conceptual patterns, theoretical relationships, and research gaps (Snyder, 2019). Therefore, this study relies on secondary data and conceptual analysis rather than primary empirical data. The research process involved several stages. First, the topic was selected by focusing on public service quality in Indonesian SOEs. Second, relevant information was explored through academic journals, books, legal documents, policy reports, and other written sources related to public service, service quality, service excellence, and SOEs.

Third, the research focus was refined to examine service quality through the dimensions of reliability, responsiveness, assurance, empathy, and tangibles. Fourth, relevant sources were collected, classified, and organized using a literature classification checklist, a conceptual mapping framework, and research notes. These instruments were used to ensure that the reviewed materials were consistent with the focus of the study.

Data were collected through documentation and document analysis. Document analysis is suitable for studies that examine written materials, including academic publications, official documents, reports, and policy texts, in order to interpret their meaning and relevance to the research problem (Bowen, 2009). In this study, the analyzed documents consisted of academic literature on service quality and public service delivery, regulatory documents related to public services and SOEs, and relevant studies discussing service performance in public institutions. The selected sources were assessed based on their relevance to the research focus, conceptual contribution, and credibility. The data were analyzed using qualitative content analysis. Content analysis enables researchers to identify meanings, categories, themes, and conceptual relationships within textual materials (Krippendorff, 2022). In qualitative research, content analysis is also useful for organizing textual data into categories and themes in a systematic and interpretive manner (Elo & Kyngäs, 2008). In this study, the analysis involved reading the selected sources, identifying key concepts, comparing arguments across the literature, categorizing relevant themes, and synthesizing findings into a conceptual discussion of public service quality in SOEs. To strengthen the trustworthiness of the analysis, the study applied cross-source verification by comparing information across different references and ensuring consistency between the theoretical framework, legal context, and discussion of service quality dimensions.

FINDINGS

As service excellence has long been associated with the institutional image of SOEs, the provision of high-quality services should serve as a fundamental principle guiding all service delivery activities. In the context of SOEs, service quality is not only related to customer satisfaction but also to public trust, institutional credibility, and the ability of state-owned institutions to fulfil their public service responsibilities. Therefore, the discussion of service quality in SOEs can be examined through several key dimensions, including:

Reliability

Reliability is a key dimension of service quality that refers to the ability of service providers to deliver promised services dependably, accurately, and consistently. In service management literature, reliability is commonly associated with the consistency of service performance, the accuracy of service delivery, and the fulfilment of service promises. (Zeithaml et al., 2000) emphasize that reliability is one of the most important dimensions of service quality because users expect organizations to perform services correctly and dependably. In the context of SOEs, reliability is particularly important because service users expect services to be delivered in accordance with established standards, procedures, and institutional commitments. Reliable service delivery can strengthen public confidence in SOEs. When employees are able to provide accurate information, deliver services on time, and fulfil service promises consistently, users are more likely to develop trust in the institution. In this regard, reliability is not merely a technical aspect of service delivery, but also an important factor in shaping the public image and credibility of SOEs. (Brady & Cronin Jr, 2001b) argue that perceived service quality is shaped not only by service

outcomes but also by users evaluation of the service process and interaction quality. Therefore, service users tend to assess SOEs not only from the final service outcome, but also from the consistency, accuracy, and dependability demonstrated throughout the service process. In an increasingly competitive service environment, SOEs are required to maintain and improve service reliability in order to remain relevant and trusted by the public. The growth of private-sector service providers has encouraged SOEs to improve their service standards and strengthen their responsiveness to public expectations. Indonesian empirical evidence also shows that service quality in state-owned banking services is associated with customer satisfaction and loyalty, indicating that reliable service delivery is important for maintaining users trust in SOE-based services (Akob & Sukarno, 2022). Therefore, SOEs must ensure that services are delivered optimally, both before and after the main service interaction. Reliable services can enhance customer satisfaction, strengthen institutional trust, and support the strategic role of SOEs as public-service-oriented business entities.

In addition, reliability in SOE-based public service delivery is reflected in the institutions ability to maintain consistency across service units, branches, and delivery channels. This consistency includes timeliness, procedural compliance, information accuracy, and the fulfilment of service promises. In the context of SOEs, reliability influences not only customer satisfaction but also public trust, as SOEs represent the state in providing essential services to society. Indonesian studies on SOE-based services also indicate that reliability is one of the SERVQUAL dimensions used to assess service performance and customer satisfaction, particularly in state-owned banking services (Prasetya & Wardhani, 2021). When services are delivered accurately, consistently, and dependably, SOEs can strengthen their institutional credibility and public image. Conversely, delays, inaccurate information, and inconsistent procedures may undermine public trust and weaken perceptions of service quality.

Responsiveness

Responsiveness refers to the willingness and ability of service providers to assist users and deliver services promptly, appropriately, and clearly. In the SERVQUAL framework, responsiveness reflects the extent to which service personnel are prepared to respond to users needs, provide timely assistance, and communicate relevant information in a clear and accessible manner. This dimension is particularly important because delays in service delivery, especially when users are left waiting without adequate explanation, may generate negative perceptions of service quality. In the context of SOEs, responsiveness is essential because SOEs are expected to serve not only customers but also the wider public. Indonesian evidence from state-owned banking services also shows that responsiveness is one of the service quality dimensions used to assess customer experience and satisfaction in SOE-based services (Widyaningrum et al., 2020). Employees ability to respond quickly, provide accurate information, and address user needs can strengthen the perception that SOEs are capable of delivering reliable and citizen-oriented services. Since service quality is ultimately assessed by service users, SOEs need to maintain and continuously improve the responsiveness of their employees in dealing with customers, clients, and society at large.

Furthermore, responsiveness in SOE-based public service delivery is closely related to the institutions capacity to manage complaints, respond to public inquiries, and provide timely solutions to service problems. A responsive SOE should not only react quickly to users requests but also develop service systems that enable problems to be identified, monitored, and resolved effectively. This includes the availability of accessible complaint channels, clear information mechanisms, digital service platforms, and

employees who are capable of providing immediate and accurate responses. Indonesian research on public service responsiveness also shows that responsive service can be reflected in the ability of public institutions to reduce public complaints and improve service quality through more effective responses to citizens needs (Setianingrum & Tsalatsa, 2020). When SOEs are responsive to user needs and complaints, they can reduce service uncertainty, improve user satisfaction, and strengthen public trust. Conversely, slow responses, unclear information, and weak complaint-handling mechanisms may create frustration among service users and damage the institutional image of SOEs as public service providers.

Assurance

Assurance refers to the ability of service providers to create confidence, trust, and a sense of security among service users. In the SERVQUAL framework, assurance is closely associated with employees knowledge, courtesy, competence, and ability to inspire trust in the services provided. Within SOEs, assurance is particularly important because users expect not only efficient services but also services delivered by competent, trustworthy, and professional personnel. In SOE-based public service delivery, assurance can be reflected in employees ability to provide clear explanations, demonstrate professional competence, treat service users respectfully, and ensure that users feel confident in the service process. When service personnel are knowledgeable, courteous, and capable of handling users concerns, public trust in the institution is likely to increase. Conversely, weak assurance may reduce users confidence and negatively affect the perceived credibility of SOEs. Several Indonesian studies on SOE-based service delivery support the relevance of assurance as an important dimension of service quality. These studies indicate that assurance is commonly used to evaluate users perceptions of service quality, particularly in relation to comfort, security, employees behavior, professional competence, and users confidence in service personnel (Sudarso, 2021; Sutikno, 2022b). These findings suggest that assurance is not only a theoretical dimension of service quality but also an empirically relevant factor in evaluating public trust and satisfaction in Indonesian SOEs. These findings suggest that assurance is not only a theoretical dimension of service quality but also an empirically relevant factor in evaluating public trust and satisfaction in Indonesian SOEs. Several studies suggest that some SOEs have attempted to deliver services in accordance with promised standards and timeframes. Nevertheless, operational constraints may still prevent services from being delivered as expected. Such inconsistencies can weaken public confidence, especially when users perceive that the institution is unable to guarantee certainty, accuracy, or professionalism in service delivery. Therefore, strengthening assurance is essential for improving service quality, maintaining public trust, and reinforcing the institutional credibility of SOEs.

Moreover, assurance is closely linked to the professionalism and credibility of SOE employees in handling public service interactions. Service users are more likely to trust an institution when employees are able to answer questions accurately, explain procedures transparently, and provide guidance in a courteous and convincing manner. In this regard, assurance does not only concern individual employee behavior but also reflects the broader institutional capacity of SOEs to develop competent human resources, maintain ethical standards, and ensure consistency in service delivery. The ability of employees to demonstrate knowledge, responsibility, and integrity can strengthen users perception that SOEs are reliable public service institutions. This is consistent with evidence from public service quality research showing that service quality dimensions are strongly related to service performance and customer satisfaction, while credibility is one of the attributes associated with excellent public service providers (Arawati Agus et al., 2007).

Furthermore, assurance becomes increasingly important when SOEs operate in strategic sectors that directly affect public needs, such as transportation, energy, finance, telecommunications, and port services. In these sectors, users often require certainty, safety, and confidence in the services they receive. Several studies suggest that some SOEs have attempted to deliver services in accordance with promised standards and timeframes. Nevertheless, operational constraints may still prevent services from being delivered as expected. Such inconsistencies can weaken public confidence, especially when users perceive that the institution is unable to guarantee certainty, accuracy, or professionalism in service delivery. Therefore, strengthening assurance is essential for improving service quality, maintaining public trust, and reinforcing the institutional credibility of SOEs.

Empathy

Empathy refers to the extent to which service providers demonstrate care, attention, and understanding toward the individual needs of service users. In the SERVQUAL framework, empathy emphasizes personalized attention, effective communication, accessibility, and the willingness of service providers to understand users specific conditions and expectations. In public service delivery, empathy is particularly important because service users often differ in terms of social background, economic capacity, administrative knowledge, and access to information. Indonesian public service research also shows that empathy is closely related to service providers sensitivity, attention, and ability to understand citizens needs in direct service interactions (Khanifatul Khusna, 2017). Empirical evidence from public service delivery research further indicates that empathy is one of the service quality dimensions used to explain citizens satisfaction with public services, particularly because it reflects the extent to which institutions understand and respond to users needs (Engdaw, 2019). In the context of SOEs, empathy is particularly important because their services often reach broad segments of society, including users with different levels of access, literacy, and administrative capacity. SOEs are therefore expected to provide services that are not only standardized and procedural, but also attentive to users specific needs and circumstances. Empathetic service delivery can be reflected in employees willingness to listen, provide clear explanations, assist users who experience difficulties, and ensure that service procedures are understandable and accessible. Furthermore, empathy strengthens the relationship between SOEs and the public by creating a sense of respect, inclusion, and institutional responsiveness. When users feel that they are treated fairly, listened to, and understood, they are more likely to perceive the institution as responsive, inclusive, and trustworthy. Conversely, a lack of empathy may create perceptions of distance, rigidity, and bureaucratic indifference in service delivery. Therefore, empathy is not merely an interpersonal attribute of service personnel, but also an institutional capacity to deliver citizen-oriented services that recognize the diversity of public needs and uphold the public service responsibility of SOEs.

Tangibles

Tangibles refer to the physical evidence of service delivery, including facilities, equipment, infrastructure, communication materials, and the appearance of service personnel. In the SERVQUAL framework, this dimension reflects the visible and material aspects through which users form initial perceptions of service quality. In the context of SOEs, tangibles may include the condition of service offices, waiting rooms, information counters, digital service facilities, supporting infrastructure, and the professional appearance of employees. The quality of physical facilities can significantly influence

users perceptions of service performance. Adequate, accessible, and well-maintained facilities may strengthen users confidence that the institution is capable of providing reliable and professional services. Conversely, poorly maintained facilities, unclear information systems, inadequate waiting areas, or unprofessional employee appearance may reduce public confidence and create negative perceptions of service quality. Public service quality research also shows that users evaluate services not only from outcomes, but also from process, design, and relationship qualities, indicating that the visible design and physical arrangement of services contribute to users overall service experience (Ardiputra, 2020; Seung-Kyu Rhee & June-Young Rha, 2009). Tangibles are not merely aesthetic elements; they also reflect institutional readiness, discipline, and respect for service users. In public service delivery, even seemingly minor aspects such as neatness, cleanliness, accessibility, and facility arrangement can shape users sense of being respected and treated fairly. This is particularly important for SOEs, which serve diverse groups of society. Leadership support is therefore needed to encourage awareness among employees regarding the importance of maintaining service facilities, complying with service standards, and presenting a professional image. Strengthening the tangible dimension can contribute to better public perceptions, increased trust, and improved service quality in SOE-based public service delivery.

Moreover, tangibles are not merely aesthetic elements; they also reflect institutional readiness, discipline, and respect for service users. In public service delivery, even seemingly minor aspects such as neatness, cleanliness, accessibility, signage, facility arrangement, and the availability of clear information can shape users sense of being respected and treated fairly. Evidence from public sector service quality research also shows that SERVQUAL can be used to identify service attributes that require improvement, including visible and facility-related aspects of service delivery (Wisniewski, 2001). This is particularly important for SOEs, which serve diverse groups of society with different levels of access and service needs. Leadership support is therefore required to encourage employee awareness regarding the importance of maintaining service facilities, complying with service standards, and presenting a professional institutional image. Strengthening the tangible dimension can contribute to better public perceptions, increased trust, and improved service quality in SOE-based public service delivery.

CONCLUSIONS

Based on the literature review, this study concludes that public service quality in SOEs is a crucial element in achieving service excellence, improving user satisfaction, and strengthening public trust in state institutions. SOEs do not merely function as profit-oriented business entities; they also serve as public service actors responsible for providing goods and services needed by society. Therefore, the quality of services delivered by SOEs should be oriented toward customer satisfaction, citizens needs, and compliance with public service standards. The discussion indicates that public service quality in SOEs can be examined through five key dimensions: reliability, responsiveness, assurance, empathy, and tangibles. Reliability reflects the ability of SOEs to deliver services consistently, accurately, and in accordance with promised standards. Responsiveness refers to employees willingness and ability to assist service users promptly and provide clear information. Assurance is related to employees competence, courtesy, professionalism, and ability to generate trust and confidence among service users. Empathy reflects the attention, care, and understanding shown by service providers toward users individual needs. Meanwhile, tangibles refer to physical facilities, infrastructure, service

technologies, and the professional appearance of employees, all of which influence public perceptions of service quality. Accordingly, improving public service quality in SOEs requires continuous efforts, not only through procedural and infrastructural improvements, but also through strengthening service culture, human resource professionalism, accountability, transparency, and citizen-oriented service delivery. High-quality services can contribute to customer satisfaction, user loyalty, a positive institutional image, and stronger public trust in the states role in providing essential public services.

Based on these conclusions, SOEs should continuously improve public service quality by implementing service standards that are clear, measurable, and consistently applied. Each SOE should ensure that its services meet users expectations in terms of timeliness, information clarity, employee courtesy, accessibility, and the availability of adequate supporting facilities. Furthermore, SOEs need to strengthen the capacity and professionalism of their human resources through continuous training, particularly in areas related to public service ethics, customer communication, responsiveness, digital service delivery, and complaint handling. SOEs employees should recognize that public service is not merely an administrative function, but also a moral and institutional responsibility to society. SOEs are also encouraged to strengthen periodic service quality evaluation through customer satisfaction surveys, accessible complaint mechanisms, and prompt, transparent follow-up on public complaints. The use of digital technology should be further developed to accelerate service processes, expand public access, and reduce unnecessarily complex procedures. Through these efforts, SOEs can improve public service quality, enhance institutional competitiveness, and maintain public trust in the role of the state in delivering public services.

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