



The Influence of Service Quality and Product Quality on The Royal Pita Maha Company Performance

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ABSTRACT

Keywords:

service quality,
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company
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Background: Company performance is a result of operational activities in using the company's resources. The successful contribution of employees will have an impact on the level of customer satisfaction, where satisfied customers will minimize the level of complaints and retention levels and play a role in assessing company performance as evaluation material for company management.

Purpose: The purpose of this research is to determine the influence of service quality and product quality on company performance at The Royal Pita Maha.

Method: This research is a type of associative research with a quantitative approach. The data collection method was carried out by direct observation, interviews and distributing questionnaires to 160 respondents, namely employees of The Royal Pita Maha who were selected using a non-probability sampling method with a quota sampling technique. The research instrument was tested using validity and reliability tests, then data analysis was carried out using multiple linear regression using SPSS.

Results: The research results show that service quality has a positive and significant effect on company performance, as well as product quality has a positive and significant effect on company performance.

Conclusion Based on the research results, it is hoped that company management can pay more attention to the company's operational activities through employee contributions in providing services so as to create a sense of security and comfort for customers and pay attention to the ingredients of the products provided so that they remain safe and last a long time so that the company's performance assessment can be even better.

INTRODUCTION

Business activities in the service sector, especially in hospitality services, have developed very rapidly. This rapid development is accompanied by developments in science and technology. This condition will give rise to competition between business people in fighting for the market because the service sector has intangible characteristics so that consumers will judge the quality of the service as good or bad based on place, service, equipment, communication and price (Dewi & Purnawati, 2021) . Companies must be able to anticipate various things that might affect company performance in order

to maintain the company's survival, so that companies are required to have a competitive advantage in order to be able to help companies improve company performance.

Performance is defined as the process of comparing work results against the standards set by the company in a measurable way so as to be able to describe the company's empirical conditions (Prasetya, Handoko, & Vitasari, 2019) . Previous research provides the concept of performance, namely as a work result that can be achieved by a person or group of people in a company or organization in accordance with their respective authority and responsibilities in order to achieve organizational goals legally and in accordance with applicable morals or ethics (Setiawan & Lestari, 2020) . Performance measurement has a central role in operations management because it functions to measure efficiency and effectiveness in the actions taken by the company and as a way of converting strategic intentions into action.

According to previous research , measuring company performance cannot only be seen from a financial perspective as a measure of company success (Barnes, 2018) . The Balanced Scorecard approach, namely a comprehensive performance measurement model, has three other perspectives that can be used to measure company performance, one of which is the internal business process perspective. The internal business perspective focuses on the company's internal assessment. The company's internal assessment is related to the internal conditions within the company, namely the abilities and skills of each employee who are able to produce good business processes. Internal business processes need to pay attention to innovation processes as well as operational processes. The innovation process is related to employee service in meeting customer needs. Operational processes relate to the process of distributing products to customers efficiently.

According to previous research , to maximize performance, a company must have the ability to implement strategies that can create good value for the company, where this implementation is done by satisfying customer needs, desires and tastes because in measuring company performance, customer responses are used as evaluation material for operational management related to the strategy implemented by the company (Olowokudejo & Oladimeji, 2019) . Customer complaints become a serious problem if they are not handled properly. Customers who feel that their complaints are ignored are likely to move elsewhere to get better quality that meets expectations. In order to minimize complaints, companies need to pay attention to company performance, especially through employee performance in providing better services and products. Management of service quality and product quality can be done as a way to ensure that companies, especially service companies, have advantages in meeting customer desires and achieving company goals.

Service quality can be identified as one of the main features that ultimately leads to company success in terms of customer satisfaction and company performance in service companies (Vidananda & Setiawan, 2021) . Service quality also determines business development in business, including hotel services. Services are defined as a package, where the service package in question is (1) supporting facilities , physical resources that must be available before the process is offered, for example the appearance of the building, yard, air conditioning and heating ; (2) facilitating goods , supporting goods in the service process, for example TV operation, soap supply, ice stock and food served; (3) explicit services , characteristics of essential services such as room cleanliness

and swimming pool water purity; and (4) implicit services, psychological benefits felt by consumers, for example safety and a pleasant atmosphere. Good service that meets expectations will provide satisfaction to consumers (Santoso, 2019). An approach to service that is often used as a guide is SERVQUAL or what can be called Service Quality which consists of 5 dimensions, namely tangibles (the physical form of the products and services provided), reliability (the reliability of the services and products provided), responsiveness (responsiveness) or response to the service or product provided), assurance (guarantee given when using a service or product), and empathy (personal care and attention given to consumers).

Research conducted by previous researchers stated that service quality has a positive and significant influence on company performance (Olowokudejo & Oladimeji, 2019; Purnomo, 2022; El-Borsaly & Hassan, 2020), while different things are stated in the results of other research where service quality does not have a significant effect on company performance (Budiarno, Udayana, & Lukitaningsih, 2022).

Product quality is also one of the things that triggers a response from customers for further evaluation by management within the company. Product quality is one of the important policies in increasing product competitiveness, which is primarily in providing satisfaction to consumers that exceeds or is at least the same as the quality of products from competitors. (Santoso, 2019). Product quality is an important factor that must be considered by service companies, especially hotel services, because apart from the physical resources that must be available before the process is offered, such as buildings, grounds and hotel equipment, there are supporting products that are used to support the service process. These products can be supporting products such as types of food served by the hotel, hotel cloth (rombe), hotel scrubs, hotel kimonos, items used when bathing such as soap, shampoo and dental kits. Product quality can be measured by several criteria, namely: performance, features, reliability, conformanc, durability, service ability, aesthetics, and perceived quality. Good product quality will provide satisfaction for consumers so that consumers are confident to consume or use the product. Product quality that meets expectations will provide satisfaction for consumers who have stayed and will be able to give consumers confidence to stay again (Dilla & Surono, 2022).

Research conducted by researchers states that product quality has a positive and significant influence on company performance (Azkiya, Tanjung, & Gustiawati, 2022; Putri & Setyawan, 2024; Fauzi, 2019), while different things are stated in the results of other research where product quality does not have a significant effect on company performance (Vidananda & Setiawan, 2021; Mentang, Ogi, & Samadi, 2021; Permatasari & Djawoto, 2018).

Ubud is one of the sub-districts in Gianyar Regency. Ubud is currently a tourist destination that is popular with tourists because it is famous for its traditions and culture. Ubud also offers various hotels with a beautiful atmosphere, so this has resulted in the service business in Ubud increasingly developing. Rapid business development will certainly give rise to competition between business people who work in the service sector, especially in hotel services.

The Royal Pita Maha is a local five-star hospitality brand located in Kedewatan Village, Ubud. This hotel was built in 2000 and inaugurated in 2004. The specialty of the construction of this hotel is that the hotel architecture does not use blueprints and only uses natural materials mixed with a few factory materials. A blue print is a design

drawing or sketch of an object in 2-dimensional form which can be used as a reference as the main capital for making a 3-dimensional object. (Fauzi, 2019) . The Royal Pita Maha was designed and designed to preserve Balinese art and culture by carrying out the Hindu philosophy, namely Tri Hita Karana. The Royal Pita Maha provides various facilities, namely room facilities consisting of 75 villas with 6 types of rooms in the form of villas. The Royal Pita Maha is also equipped with additional facilities to meet customer needs during their stay, namely: restaurant and bar facilities, meeting , wedding and bouquet facilities , spa facilities, swimming pool and yoga facilities.

Based on direct observations made at The Royal Pita Maha and by interviewing the hotel, there were several problems encountered related to the company's services and products. The following is a list of complaints from customers regarding the quality of service and product quality at The Royal Pita Maha.

Table 1 List of Customer Complaints for the Royal Pita Maha

| No | Complaint | Amount |
|----|------------------------------------|--------|
| 1 | Employees are not friendly | 9 |
| 2 | Villa facilities are inadequate | 13 |
| 3 | The dish did not meet expectations | 9 |

Source: [tripadvisor.co.id/Hotel_Review/The Royal Pita Maha_Kedewatan_2023](https://www.tripadvisor.co.id/Hotel_Review/The_Royal_Pita_Maha_Kedewatan_2023)

Table 1 shows a list of customer complaints from The Royal Pita Maha regarding both service quality and product quality, where it was found that 41.3% of customers complained about the quality of the hotel's service and products. The calculation of the percentage of customer complaints is obtained from:

$$\begin{aligned}\text{Customer complaints} &= \frac{\text{Number of complaints}}{\text{Number of villas operating}} \times 100\% \\ &= \frac{31}{75} \times 100 \% = 41,3\%\end{aligned}$$

Complaints regarding service quality, in this case, are employees who are not friendly when meeting or serving visitors. Villa facilities are lacking, such as the villa roof which often leaks when it rains. Product quality in this case is a complaint regarding the quality of the dishes served that do not meet expectations.

Based on the background that has been explained where there are still phenomena that indicate a lack of service and product quality at The Royal Pita Maha hotel and there is also conflicting research, the main problem of this research is how service quality and product quality influence company performance.

research has theoretical and practical benefits. Theoretically, this research is expected to provide additional information, references and insights that support further research on the application of service quality and product quality to company performance, especially in the hotel industry. Practically, this research is expected to provide information and solutions for The Royal Pita Maha regarding the problems faced in implementing service quality and product quality and their relationship with company performance, so that it can assist in decision making and performance evaluation to improve company performance. Thus, this research has benefits both theoretically and practically in developing knowledge and practice in the hotel industry.

The aim of this research is to explain the influence of service quality and product quality on the performance of The Royal Pita Maha company. This research aims to gain a better understanding of how service quality and product quality can influence overall

company performance. Thus, this research will provide valuable insight for The Royal Pita Maha in optimizing the quality of their services and products in order to improve company performance.

RESEARCH METHODS

This research was carried out using an associative research method with a quantitative approach. This method was chosen because it can test the relationship between variables from the elements of service quality and product quality to company performance at The Royal Pita Maha. This research was conducted at one of the hotels, namely The Royal Pita Maha, which is located on Jalan Raya Kedewatan Ubud, Ubud District, Gianyar Regency, Bali from 01 December 2023 to 15 January 2024. The independent variable in this research is Service Quality (X_1) and Product Quality (X_2), while the dependent variable in this research is Company Performance (Y). The population in this study was 260 people. Amount The sample members are at least 10 times the number of variable indicators studied, where the indicators in this study are 16 indicators . The qualitative data used is a general description and opinions of all respondents regarding various characteristics of operational management, especially characteristics that correspond to the elements to be tested and other problems experienced in this regard. Quantitative data includes scores from employee answers at The Royal Pitamaha and the number of respondents who have participated. The data sources used in this research are primary data and secondary data. The data used in this research was obtained through interviews, observations and questionnaires. The regression analysis technique carried out is using multiple linear regression analysis techniques

RESULTS AND DISCUSSION

Service quality

In this research, service quality is an independent variable, where there are 26 statements in the questionnaire to measure five dimensions of service quality, including tangibles, reliability, responsiveness, assurance and empathy. Table 2 describes in detail the results of the assessment of service quality variables.

Table 2 Description of Respondents' Assessment of Service Quality Variables

| No | Indicator | Answer Score | | | | Total score | Average | Information |
|------------------|--|--------------|-----|----|----|-------------|---------|-------------|
| | | STS | T.S | S | SS | | | |
| Tangibles | | | | | | | | |
| 1 | Public areas are clean and neatly arranged so that visitors still feel comfortable and make it easier for employees to work. | 4 | 6 | 79 | 71 | 537 | 3.36 | Very good |
| 2 | A large parking area so that visitors and employees do not park carelessly. | 4 | 10 | 88 | 58 | 520 | 3.25 | Good |

| No | Indicator | Answer Score | | | | Total score | Average | Information |
|-----------------------|---|--------------|-----|----|----|-------------|---------|-------------|
| | | STS | T.S | S | SS | | | |
| Tangibles | | | | | | | | |
| 3 | The hotel area is always kept clean so that visitors and employees are comfortable in the hotel area. | 5 | 7 | 83 | 65 | 528 | 3.30 | Very good |
| 4 | Employees who always look neat according to company SOP. | 5 | 7 | 87 | 61 | 524 | 3.28 | Very good |
| 5 | Hotel facilities are always neatly arranged, making it easier for employees to work. | 5 | 10 | 81 | 54 | 524 | 3.28 | Very good |
| Reliability | | | | | | | | |
| 6 | Employees work according to the operating hours applicable in the company. | 4 | 12 | 83 | 61 | 521 | 3.26 | Good |
| 7 | Employees receive salaries according to the workload provided by the company. | 4 | 7 | 85 | 64 | 529 | 3.31 | Very good |
| 8 | Employees serve customers according to company SOP. | 3 | 10 | 88 | 59 | 523 | 3.27 | Good |
| 9 | Employees are able to provide correct information regarding hotel facilities. | 3 | 9 | 78 | 70 | 535 | 3.34 | Very good |
| 10 | Employees always ensure that items or ornaments in the hotel are neatly placed. | 5 | 9 | 80 | 66 | 527 | 3.29 | Very good |
| Responsiveness | | | | | | | | |
| 11 | Hotel employees are responsive in serving customers. | 3 | 9 | 83 | 65 | 530 | 3.31 | Very good |

| No | Indicator | Answer Score | | | | Total score | Average | Information |
|------------------|--|--------------|-----|-----|----|-------------|---------|-------------|
| | | STS | T.S | S | SS | | | |
| Tangibles | | | | | | | | |
| 12 | Hotel employees are able to know the specific needs of customers. | 2 | 9 | 81 | 68 | 535 | 3.34 | Very good |
| 13 | Hotel employees understand the differences between each villa so they are able to meet customer needs. | 5 | 5 | 83 | 67 | 532 | 3.33 | Very good |
| 14 | Employees in each division are quick to respond in providing services when there is a problem with damage to hotel facilities. | 3 | 10 | 83 | 64 | 528 | 3.30 | Very good |
| 15 | Hotel employees are quick to respond to customer complaints. | 2 | 6 | 78 | 74 | 544 | 3.40 | Very good |
| Assurance | | | | | | | | |
| 16 | Hotel employees are able to provide clear information so that it is easy for customers to understand. | 1 | 10 | 82 | 67 | 535 | 3.34 | Very good |
| 17 | Hotel employees serve customers well so that customers feel safe and comfortable while staying at the hotel. | 4 | 8 | 80 | 68 | 532 | 3.33 | Very good |
| 18 | Hotel employees always monitor and replace facilities that are no longer suitable for use so that their quality is guaranteed. | 2 | 17 | 100 | 41 | 500 | 3.13 | Good |

| No | Indicator | Answer Score | | | | Total score | Average | Infor mation |
|------------------|--|--------------|-----|-----|----|-------------|---------|--------------|
| | | STS | T.S | S | SS | | | |
| Tangibles | | | | | | | | |
| 19 | The hotel always checks people entering the parking area so that parking security remains guaranteed. | 8 | 25 | 89 | 38 | 477 | 2.98 | Good |
| 20 | Hotel employees are friendly in serving customers. | 4 | 10 | 83 | 63 | 525 | 3.28 | Very good |
| 21 | Hotel employees are polite in serving customers. | 2 | 9 | 82 | 67 | 534 | 3.34 | Very good |
| Empathy | | | | | | | | |
| 22 | Hotel employees are able to understand the obstacles experienced by customers when staying at the hotel. | 2 | 7 | 101 | 50 | 519 | 3.24 | Good |
| 23 | Hotel employees are able to take complaints and suggestions from customers seriously. | 4 | 5 | 91 | 60 | 527 | 3.29 | Very good |
| 24 | Hotel employees are able to communicate well and correctly with customers. | 2 | 7 | 82 | 69 | 538 | 3.36 | Very good |
| 25 | Hotel employees are always patient in listening to complaints, questions or suggestions from customers. | 1 | 11 | 77 | 71 | 538 | 3.36 | Very good |
| 26 | Hotel operating hours are on time so that employees are comfortable at work. | 3 | 12 | 82 | 63 | 525 | 3.28 | Very good |

Source: Appendix 5, data processed in 2024

Based on Table 2, the majority of respondents' assessment of service quality is very good. This can be seen from the average score of the service quality variable, where the highest score is found in one of the indicators in the responsiveness dimension of 3.40 which is classified in the interval range 3.28 – 4.00 and is in the very good category, while the lowest value is in one of the indicators in the assurance dimension is 2.98 in the interval range 2.52 – 3.27, but is still classified as good.

Product quality

Product quality in this research is an independent variable. There are 19 statements in the questionnaire to measure eight dimensions of product quality consisting of performance, features, reliability, conformance, durability, serviceability, aesthetics, and perceived quality. Table 3 presents the detailed results of respondents' assessments of product quality variables.

Table 3 Description of Respondents' Assessment of Product Quality Variables

| No | Indicator | Answer Score | | | | Total score | Average | Information |
|--------------------|---|--------------|-----|----|----|-------------|---------|-------------|
| | | STS | T.S | S | SS | | | |
| Performance | | | | | | | | |
| 1 | Hotel products work according to their function. | 3 | 7 | 84 | 66 | 533 | 3.33 | Very good |
| 2 | Hotel products are comfortable when used. | 5 | 7 | 88 | 60 | 523 | 3.27 | Good |
| 3 | Hotel products are safe for use by hotel employees and customers. | 2 | 9 | 85 | 64 | 531 | 3.32 | Very good |
| Features | | | | | | | | |
| 4 | Hotel products have various variants on offer (such as food with various types of menu variants). | 2 | 9 | 81 | 68 | 535 | 3.34 | Very good |
| 5 | The product sizes offered are complete (such as food portions provided in various sizes). | 3 | 10 | 86 | 61 | 525 | 3.28 | Very good |
| Reliability | | | | | | | | |
| 6 | Hotel products can be trusted for their use. | 1 | 12 | 81 | 66 | 5.32 | 3.33 | Very good |

| No | Indicator | Answer Score | | | | Total score | Average | Information |
|--------------------|---|--------------|-----|----|----|-------------|---------|-------------|
| | | STS | T.S | S | SS | | | |
| Performance | | | | | | | | |
| 7 | Hotel products function well. | 1 | 15 | 87 | 57 | 520 | 3.25 | Good |
| 8 | Hotel products are produced from quality materials. | 4 | 5 | 87 | 64 | 531 | 3.32 | Very good |
| Conformance | | | | | | | | |
| 9 | Hotel products comply with applicable safety standards (such as being BPOM or having the HALAL logo). | 3 | 9 | 77 | 71 | 536 | 3.35 | Very good |
| 10 | The products provided are in accordance with the prices offered. | 3 | 11 | 91 | 55 | 518 | 3.24 | Good |
| 11 | Product design and operation in accordance with applicable standards. | 3 | 7 | 92 | 58 | 525 | 3.28 | Very good |
| Durability | | | | | | | | |
| 12 | Hotel products last a long time or are long-lasting (such as kimono products, hotel scrubs and hotel sarongs which are not easily damaged or torn). | 3 | 15 | 97 | 45 | 504 | 3.15 | Good |
| 13 | Hotel products are always new (such as the food served is always fresh or not reheated). | 4 | 12 | 79 | 65 | 525 | 3.28 | Very good |

| No | Indicator | Answer Score | | | | Total score | Average | Information |
|--------------------------|---|--------------|-----|----|----|-------------|---------|-------------|
| | | STS | T.S | S | SS | | | |
| Performance | | | | | | | | |
| Serviceability | | | | | | | | |
| 14 | Hotel products are able to function well so they can fulfill customer desires. | 2 | 9 | 75 | 74 | 541 | 3.38 | Very good |
| 15 | Product stock is always available at the hotel so that it can meet customer needs. | 4 | 8 | 74 | 74 | 538 | 3.36 | Very good |
| Aesthetics | | | | | | | | |
| 16 | Hotel products have an appropriate and good shape so they can provide satisfaction to customers. | 3 | 6 | 76 | 75 | 543 | 3.39 | Very good |
| 17 | Hotel products are presented beautifully so that they attract customers' attention (such as food that is plated beautifully). | 2 | 8 | 92 | 58 | 526 | 3.29 | Very good |
| Perceived quality | | | | | | | | |
| 18 | Hotel products provide good quality and match the prices offered. | 1 | 5 | 80 | 74 | 547 | 3.42 | Very good |
| 19 | The product information conveyed is in accordance with product quality. | 1 | 8 | 75 | 76 | 546 | 3.41 | Very good |

Source: Appendix 5, data processed in 2024

Based on Table 3, the majority of respondents' assessment of product quality is very good. This can be seen from the average score of the product quality variable, where the highest score is found in one of the indicators in the perceived quality dimension of 3.42 which is classified in the interval range 3.28 – 4.00 and is in the very good category, while the lowest value is found in one of the indicators. in the durability dimension it is 3.15 in the interval range 2.52 – 3.27, but it is still classified as good.

Company performance

Company performance in this research is the dependent variable. There are 7 statements in the questionnaire to measure three dimensions of company performance variables consisting of efficiency, satisfaction and adaptability. Table 4 presents the detailed results of respondents' assessments of company performance.

Table 4 Description of Respondents' Assessment of Company Performance Variables

| No | Indicator | Answer Score | | | | Total score | Average | Information |
|---------------------|--|--------------|-----|----|----|-------------|---------|-------------|
| | | STS | T.S | S | SS | | | |
| Efficiency | | | | | | | | |
| 1 | Employees are able to work and achieve targets with lower expenses. | 1 | 11 | 79 | 69 | 536 | 3.35 | Very good |
| 2 | Employees are able to work and achieve targets in a shorter time. | 2 | 11 | 87 | 60 | 525 | 3.28 | Very good |
| Satisfaction | | | | | | | | |
| 3 | Employees serve customers well so that customers feel satisfied when staying at the hotel. | 0 | 9 | 86 | 65 | 536 | 3.35 | Very good |
| 4 | The hotel always monitors the quality of the products provided to customers. | 5 | 7 | 86 | 62 | 525 | 3.28 | Very good |
| Adaptability | | | | | | | | |
| 5 | Hotel employees are always consistent in responding to different visitors every day. | 1 | 9 | 85 | 65 | 534 | 3.34 | Very good |

| No | Indicator | Answer Score | | | | Total score | Average | Information |
|-------------------|---|--------------|-----|----|----|-------------|---------|-------------|
| | | STS | T.S | S | SS | | | |
| Efficiency | | | | | | | | |
| 6 | Hotel employees work well so that the results provided can satisfy customers. | 1 | 10 | 87 | 62 | 530 | 3.31 | Very good |
| 7 | Good product quality makes it easier for employees to work (the product is not easily damaged when brought to the villa). | 6 | 11 | 77 | 66 | 523 | 3.27 | Good |

Source: Appendix 5, data processed in 2024

Based on Table 4, the majority of respondents' assessment of company performance is very good. This can be seen from the average score of the company's performance variables, where the highest score is found in the indicators in the efficiency and satisfaction dimensions of 3.35 which is classified in the interval range of 3.28 – 4.00 and is in the very good category, while the lowest value is found in one of the indicators in the adaptability dimension is 3.27 in the interval range 2.52 – 3.27, but is still classified as good.

Multiple Linear Regression Analysis

The multiple linear regression analysis model is used to obtain regression coefficients which will determine whether the hypothesis created will be accepted or rejected. The results of multiple linear regression analysis refer to the results of the influence of the service quality variable (X_1), the product quality variable (X_2) on company performance (Y) at The Royal Pita Maha. The results of multiple linear regression analysis with the SPSS version 26.0 program are as follows.

Results of Multiple Linear Regression Analysis

$$\hat{Y} = 2.815 + 0.122 X_1 + 0.157 X_2$$

$$S(\beta) = (0.021)(0.029)$$

$$t = (5.945)(5.420)$$

$$Sig = (0.000) (0.000)$$

$$R^2 = 0.685; df = 2; F = 170.823; Sig = 0.000$$

Source: Appendix 6, data processed in 2024

The results of the F calculation show a figure of 170,823, with a significance of $0.000 < 0.05$. This means that simultaneously the variables service quality (X_1) and product quality (X_2) influence company performance (Y).

The calculation result of the coefficient of multiple determination (R^2) is 0.685, which means that the existence of ups and downs in company performance is influenced by service quality and product quality by 68.5 percent, while the remaining 31.5 percent is influenced by other factors which are not included in the research model.

Based on the results of multiple linear regression analysis, the following regression equation is obtained:

$$\hat{Y} = 2.815 + 0.122 X_1 + 0.157 X_2$$

Information:

\hat{Y} = Company performance

X_1 = Service quality

X_2 = Product quality

positive coefficient value of X_1 means that X_1 has a positive effect on Y. The significance value of the variable

positive coefficient value of X_2 means that X_2 has a positive effect on Y. The significance value of the variable

Discussion

The influence of service quality on company performance at The Royal Pita Maha

The results of the research show that the service quality variable has a positive and significant effect on company performance, where the results obtained are in accordance with the first hypothesis (H_1) of the research, namely that service quality has a positive effect on company performance at The Royal Pita Maha. The results of respondents' assessments of service quality variables are mostly very good, this can be seen from the average score on each indicator in the dimensions of tangibles, reliability, responsiveness, assurance and empathy which are included in the very good category, where the indicator with the average score The highest is in the responsiveness dimension. This explains that the better the quality of service provided by the company to customers and the good feedback provided by customers, the performance produced by employees will increase and this will indirectly improve the company's performance.

The results of this research support the results of previous research conducted by researchers which stated that service quality has a positive and significant effect on company performance (Olowokudejo & Oladimeji, 2019; Purnomo, 2022; El-Borsaly & Hassan, 2020) .

The influence of product quality on company performance at The Royal Pita Maha

The research results show that the product quality variable has a positive and significant effect on company performance, where the results obtained are in accordance with the second hypothesis (H_2) of the research, namely that product quality has a positive effect on company performance at The Royal Pita Maha. The results of respondents' assessments of product quality variables are mostly very good, this can be seen from the average scores for each indicator in the dimensions of performance, features, reliability, conformance, durability, serviceability, aesthetics and perceived quality which are included in the very good category, where the indicator with the highest average score is in the perceived quality dimension. This explains that the better the quality of the products provided by the company to customers and the good feedback provided by customers, the performance produced by employees will increase and this will indirectly improve the company's performance.

The results of this research support the results of previous research conducted by and which stated that product quality has a positive and significant effect on company performance (Vidananda & Setiawan, 2021; Primadhita, Budiningsih, Wicaksana, & Melani, 2023; Azkiya et al., 2022 ; Fauzi, 2019) .

Implications of Research Results

1. Theoretical Implications

The results of this research have been able to enrich operations management theory, namely to determine company performance through the variables of service quality and product quality of a company. The results of this research have been able to show a positive and significant relationship regarding the influence of service quality and product quality on company performance by carrying out multiple linear regression analysis techniques via SPSS from the tabulation results of respondents' responses to the questionnaires that have been distributed. So, this research has been able to enrich previous research referred to from various sources of articles and scientific journals, both regional, national and international, and adds to empirical studies and confirms the existence of a relationship between service quality and product quality on company performance.

2. Practical Implications

The practical implication of this research is that company management can measure or assess company performance through responses from customers regarding the performance provided by employees and the products provided by the company during their stay at The Royal Pita Maha by paying more attention to the quality of service and product quality provided to customer. Implementing service quality can be done by always paying attention to the neatness and cleanliness of the hotel so that customers always feel comfortable staying and spending time while on holiday. Apart from that, what needs attention is the quality of each employee in serving customers, namely being more communicative in responding to complaints from customers, always providing information in a clear, easy to understand and accurate manner, being polite, friendly and agile. Implementation of product quality can be done by always paying attention to the content and quality of the materials used in making the product so that the product can last longer and last longer, providing accurate specifications for each product provided so that customers do not feel cheated by the results provided because they are not according to the benefits offered. Apart from that, food packaging and presentation models can be made more attractive and less easily damaged when used or consumed.

The research carried out is of course not free from its limitations. This limitation is that the research was only conducted at The Royal Pita Maha with employees as research respondents and with a limited number of variables so it cannot be generalized. The possibility of changes in the environment and trends creates the possibility of changes in research results so that it is necessary to carry out research on similar topics and relationships in the future.

CONCLUSION

Based on the problem formulation, research objectives and results presented in the previous chapter, the conclusion of this research is that service quality has a positive and significant effect on company performance. This means that the better the quality of service provided by the company through the dimensions of service quality (tangibles,

reliability, responsiveness, assurance and empathy) resulting from management strategies, operational activities and employee contributions in providing services, the better the company's performance assessment will be felt and given. by customers. Product quality has a positive and significant effect on company performance. This means that the better the product quality provided by the company through product quality dimensions (performance, features, reliability, conformance, durability, serviceability, aesthetics and perceived quality), the better the assessment of the company's performance by customers from the results of product use and consumption products at The Royal Pita Maha.

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