International Journal of Economics, Management, Business, and Accounting (IJECOMBA)
Volume 01, Number 01, January 2026, pp 47-59 Copyright © 2026 International Journal of Economic, Management, Business, and Accounting (IJECOMBA).
https://www.dafazpublisher.com | ijecomba@dafazpublisher.com

Service Quality and Employee Welfare Effects on Customer Satisfaction: Evidence from Indonesian Coffee Chain

Watriningsih[1], Verza Maghirah Setyono[2], Yudhistira Adwimurti[3], Fransisca Hanita Rusgowanto[4]
[1,2,3]Faculty of Economic and Business, Prof. Dr. Moestopo (Beragama) University, Indonesia
[4]Accounting & Finance Department, Binus University, Indonesia

ARTICLE INFO

Article history:

Received Des 10, 2025
Revised Jan 25, 2026
Accepted Jan 27, 2026

Keywords:

Service quality; Employee welfare; Customer satisfaction; Coffee shop industry; Hospitality management

JEL:
M31; M12; L83; D12

ABSTRACT

The intensifying competition in the specialty coffee industry demands comprehensive understanding of customer satisfaction determinants beyond product quality alone. Despite theoretical expectations that both service quality and employee welfare positively influence customer satisfaction, prior empirical findings remain inconsistent regarding their relative contributions and pathways. This study examines the direct and simultaneous effects of service quality and employee welfare on customer satisfaction in coffee shop settings. Employing a quantitative cross-sectional design, primary data were collected through structured questionnaires administered to baristas at Dua Coffee establishments across five branch locations in Greater Jakarta, Indonesia. The findings reveal asymmetric effects: service quality demonstrates a significant positive influence on customer satisfaction, whereas employee welfare exhibits a positive but insignificant direct effect. However, both variables jointly explain meaningful variation in customer satisfaction when examined simultaneously. These results advance service management theory by clarifying that service quality operates as a proximate satisfaction determinant while employee welfare exhibits a positive but statistically insignificant direct effect, suggesting potential indirect mechanisms warranting future mediation analysis. These results offer practitioners preliminary evidence that service quality improvements may yield more immediate satisfaction gains, though balanced attention to both factors remains advisable.

Corresponding Author:

Watriningsih,
Faculty of Economic and Business,
Prof. Dr. Moestopo (Beragama) University,
Hang Lekir 1st No 8th Road, Gelora Senayan, Jakarta Pusat 10270, DKI Jakarta, Indonesia.
Email: watriningsih_ayu@dsn.moestopo.ac.id

1. INTRODUCTION

The rapid expansion of the coffee shop industry has fundamentally transformed consumer expectations and competitive dynamics in the hospitality sector. In many markets, coffee shops increasingly compete not only on product attributes but also on the total customer experience, as consumers evaluate firms through holistic and memorable service encounters (Pine & Gilmore, 1998; Meeprom, 2025). This phenomenon is particularly pronounced in emerging markets where urbanization and lifestyle shifts accelerate coffee consumption and the normalization of café-going as a modern routine (Purnomo et al., 2021). Indonesia's coffee industry has experienced remarkable growth, with the domestic market reaching approximately USD 5.8 billion in 2023 and projected to grow at 8.7% annually through 2028 (Statista, 2024). The proliferation of specialty coffee shops, particularly in urban centers such as Greater Jakarta, has intensified competitive pressures, compelling operators to differentiate through superior service experiences

(Mulyana et al., 2022). The coffee shop sector has evolved from merely providing beverages to functioning as social and productive "third places," elevating service excellence as a strategic imperative for sustainability and differentiation (Waxman, 2006; Purnomo et al., 2021). Consequently, firms operating in this intensely competitive landscape are expected to adjust operational strategies and human resource practices to remain legitimate and competitive.

This shift compels coffee shop operators to reorient their strategic choices, positioning customer satisfaction as a visible and monitored outcome that determines long-term viability. Customer satisfaction reflects an evaluative judgment formed by comparing pre-consumption expectations with perceived performance, shaping post-purchase attitudes and behavioral intentions (Oliver, 1980). In service contexts with strong competition and easy switching, satisfaction becomes critical because dissatisfied customers can readily move to alternative providers, undermining retention and revenue continuity (Hallowell, 1996). Beyond product innovation, firms must address the human dimensions of service delivery, recognizing that frontline employees—particularly baristas—serve as the primary interface shaping perceptions of the brand and the service experience (Hwang et al., 2021; Winowatan et al., 2021). This study highlights two strategic levers through which coffee shop firms can enhance customer satisfaction: service quality and employee welfare.

Service quality refers to customers' overall assessment of service excellence, commonly conceptualized as a multidimensional construct comprising tangibility, reliability, responsiveness, assurance, and empathy (Parasuraman et al., 1988). Through timely service delivery, responsive problem-solving, and professional demeanor, service quality shapes customers' cognitive and affective evaluations that culminate in satisfaction judgments (Cronin & Taylor, 1992). Empirical evidence in services consistently indicates that stronger service performance is associated with higher satisfaction and downstream outcomes such as loyalty and profitability (Hallowell, 1996; Cronin & Taylor, 1992). In coffee shop contexts, service quality manifests through barista interactions, operational efficiency, and atmospheric cues that collectively determine whether expectations are met or exceeded (Meeprom, 2025; Hwang et al., 2021).

Employee welfare encompasses the set of organizational conditions and supports that signal the organization values employees' contributions and cares about their well-being, including rewards, job conditions, and supportive work environments (Eisenberger et al., 1986; Rhoades & Eisenberger, 2002). When employees perceive strong organizational support, they tend to show higher commitment and positive service behaviors, which can strengthen service delivery consistency (Kurtessis et al., 2017). Within the service-profit chain logic, internal service quality and employee-related conditions constitute enabling factors that support external service quality and customer satisfaction outcomes (Heskett et al., 1994; Chi & Gursoy, 2009).

The mechanism through which employee welfare influences customer satisfaction warrants careful examination. Unlike service quality, which customers directly experience, employee welfare operates internally and may influence customer outcomes indirectly through service behaviors and service quality execution. Empirical and meta-analytic evidence on the service-profit chain indicates that the strength of links among employee outcomes, service quality, and customer satisfaction can vary by service setting and contextual conditions, implying that indirect pathways are plausible and sometimes dominant (Hogreve et al., 2017; Yee et al., 2011). Without adequate welfare and organizational support, service quality improvements may become difficult to sustain as frontline employees struggle to maintain consistent performance (Chi & Gursoy, 2009). This suggests that employee welfare functions as an enabling condition supporting—rather than directly producing—customer satisfaction outcomes.

Despite substantial theoretical and practical importance, prior research examining the relationships among employee outcomes, service quality, and customer satisfaction reports variability across contexts. While foundational evidence supports the service quality–satisfaction link (Cronin & Taylor, 1992; Hallowell, 1996), comprehensive synthesis shows that effect sizes differ across types of services and operational environments (Hogreve et al., 2017). These variations motivate closer examination of the conditions under which employee welfare translates into customer satisfaction, particularly whether employee welfare primarily operates through service quality as a transmission mechanism rather than exerting direct effects (Yee et al., 2011; Hogreve et al., 2017).

Theoretically, this study advances prior work by simultaneously examining service quality and employee welfare as determinants of customer satisfaction, clarifying their distinct pathways and relative contributions. Drawing upon service quality theory and organizational support perspectives, we develop an integrated model explaining how operational and human resource factors jointly shape customer outcomes (Parasuraman et al., 1988; Eisenberger et al., 1986). Contextually, we provide evidence relevant to the rapidly growing coffee shop culture in Indonesia, where lifestyle transformation and café-based consumption have become increasingly prominent (Purnomo et al., 2021). Given intensifying competition and the strategic importance of customer retention, understanding satisfaction

determinants is practically urgent for managers seeking sustainable advantage (Hallowell, 1996).

This study pursues two primary objectives: first, to examine the direct effects of service quality and employee welfare on customer satisfaction in coffee shop settings; second, to determine the relative contributions and potential interactions between these two strategic levers in producing customer outcomes.

This investigation offers three contributions. Theoretically, it extends service management literature by testing service quality and employee welfare concurrently, clarifying whether employee welfare operates directly or requires service quality as a transmission mechanism (Hogreve et al., 2017). Practically, findings guide coffee shop managers in prioritizing investments between service development and employee-support programs based on differential impacts on customer satisfaction. For industry stakeholders, results inform human resource policies and operational standards that balance employee-focused and customer-focused objectives in pursuit of sustainable competitive advantage (Chi & Gursoy, 2009; Yee et al., 2011).

2. THEORETICAL FRAMEWORK AND HYPOTHESIS

2.1 Theoretical Foundations

This study draws on service quality theory and organizational support theory to explain how service quality and employee welfare influence customer satisfaction. Service quality theory, rooted in the SERVQUAL framework, emphasizes that customer evaluations emerge from comparing expected service with perceived performance across five dimensions: tangibles, reliability, responsiveness, assurance, and empathy (Parasuraman et al., 1988). This lens implies that service quality affects customer satisfaction through customers' cognitive and affective appraisal of whether service delivery meets or exceeds expectations.

To conceptualize employee welfare, this study adopts Organizational Support Theory, which posits that employees develop global beliefs about the extent to which the organization values their contributions and cares about their well-being; such perceived organizational support fosters reciprocal commitment and improved work performance (Eisenberger et al., 1986; Rhoades & Eisenberger, 2002). Meta-analytic evidence further shows that perceived organizational support is systematically associated with attitudinal and behavioral outcomes that matter for service delivery (Kurtessis et al., 2017).

Meanwhile, the service-profit chain framework highlights sequential linkages from internal service quality and employee outcomes to external service value and, ultimately, customer satisfaction and loyalty (Heskett et al., 1994). Empirical hospitality evidence supports these linkages, including the association between employee satisfaction and customer satisfaction and their implications for performance (Chi & Gursoy, 2009). Overall, these lenses suggest that operational service excellence and employee-supportive conditions jointly shape customer satisfaction outcomes, with employee-side factors plausibly exerting influence through service execution pathways (Yee et al., 2011; Hogreve et al., 2017).

Based on this theoretical reasoning, the hypotheses are developed as follows.

2.2 Service Quality and Customer Satisfaction

Service quality refers to customers' overall evaluation of service excellence across tangible cues, reliability, responsiveness, assurance, and empathy (Parasuraman et al., 1988). Tangibles capture physical facilities and equipment; reliability reflects accurate and dependable service; responsiveness denotes prompt help; assurance concerns competence and courtesy; and empathy reflects individualized attention.

Three mechanisms link service quality to customer satisfaction. First, strong service performance reduces uncertainty and signals competence, strengthening positive cognitive evaluations. Second, high-quality interactions generate favorable affective responses (e.g., comfort), which feed into satisfaction judgments. Third, superior service increases perceived value when the experienced benefits meet or exceed customer expectations and perceived costs.

From a theoretical standpoint, satisfaction is commonly explained through expectation–disconfirmation logic: satisfaction increases when perceived performance meets or exceeds expectations and decreases when performance falls short (Oliver, 1980). Empirically, service quality has been shown to be a robust predictor of satisfaction in services research (Cronin & Taylor, 1992). In coffee shop settings specifically, evidence indicates that service quality contributes positively to customer satisfaction alongside other experiential components such as ambience (Duman, 2020). Moreover, barista-related service encounters are central to customer experiences in coffee shops, and the human service element has been shown to shape satisfaction-relevant outcomes (Hwang et al., 2021; Winowatan et al., 2021).

H1: Service quality has a positive effect on customer satisfaction.

2.3 Employee Welfare and Customer Satisfaction

Employee welfare in this study refers to organizational supports and favorable job conditions that help employees meet practical and psychological needs—such as organizational rewards, fair treatment, and supportive working conditions—beyond base pay alone (Rhoades & Eisenberger, 2002). When employees perceive such support, they

tend to reciprocate through higher commitment and improved performance (Eisenberger et al., 1986). Meta-analytic findings further indicate that perceived organizational support is consistently linked with employee attitudes and behaviors that can improve service delivery consistency (Kurtessis et al., 2017).

The mechanism linking employee welfare to customer satisfaction is expected to operate primarily through employee attitudes and service behaviors. Welfare/support reduces stressors and strengthens motivation, which can translate into better interaction quality and more reliable service execution. In service-profit chain terms, employee outcomes are upstream drivers of service value and customer satisfaction (Heskett et al., 1994). Empirical studies in hospitality also show meaningful connections between employee satisfaction and customer satisfaction (Chi & Gursoy, 2009). Broader evidence suggests these employee–customer linkages often operate through service performance and operational outcomes, supporting the plausibility of indirect and context-dependent effects (Yee et al., 2011; Hogreve et al., 2017).

H2: Employee welfare has a positive effect on customer satisfaction.

2.4 Simultaneous Effects of Service Quality and Employee Welfare

The preceding hypotheses treat service quality and employee welfare as distinct predictors. However, theory suggests these constructs may operate through interconnected pathways. Employee welfare can function as an enabling condition that strengthens the organization's capacity to deliver consistent service quality, while service quality represents the proximate determinant that customers directly experience and evaluate.

This reasoning aligns with the service-profit chain framework, which positions internal service quality and employee outcomes as upstream factors enabling external service value creation and customer satisfaction (Heskett et al., 1994). Empirical evidence supports these linkages in hospitality contexts (Chi & Gursoy, 2009), and operational service contexts show that employee-side attributes and operational performance jointly relate to customer outcomes (Yee et al., 2011). Meta-analytic synthesis further indicates that effect sizes along the service-profit chain can vary by service type and context, implying that a combined model incorporating both service-related and employee-related factors may provide greater explanatory power than isolated predictors (Hogreve et al., 2017).

H3: A model incorporating both service quality and employee welfare significantly explains variation in customer satisfaction.

2.5 Control Variables

Beyond the focal constructs, this study controls for respondent demographic characteristics including gender, age, educational background, employment status, and tenure. Gender may influence service orientation and interaction styles. Age captures generational differences in work attitudes and customer engagement approaches, particularly relevant given the Gen Z and Millennial workforce composition. Educational background reflects knowledge and skill bases affecting service delivery capability. Employment status distinguishes full-time from part-time workers who may differ in organizational commitment and service consistency. Tenure captures experience effects and organizational socialization influencing service quality delivery. These controls are included to ensure that the estimated effects of service quality and employee welfare on customer satisfaction reflect incremental explanatory power after accounting for fundamental individual-level characteristics.

2.6 Conceptual Framework

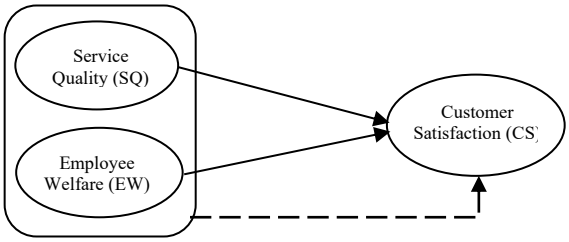

Figure 1. Conceptual Framework

Figure 1 depicts the conceptual framework: service quality and employee welfare serve as independent variables influencing customer satisfaction. Service quality is hypothesized to exert positive direct effects (H1), employee welfare is expected to positively influence satisfaction (H2), and both variables are proposed to jointly affect customer satisfaction when examined simultaneously (H3). Control variables including demographic characteristics are included as additional predictors of customer satisfaction to isolate the focal relationships from confounding influences. The framework reflects a quantitative research design employing multiple linear regression analysis to test the hypothesized relationships using primary data collected from coffee shop baristas.

3. RESEARCH METHOD

3.1 Research Design

This study adopts a quantitative, cross-sectional survey design to test the proposed hypotheses at a single point in time (Creswell & Creswell, 2018). Data collection occurred between March and July 2025, providing a contemporaneous snapshot of baristas' perceptions regarding service delivery practices, employee welfare conditions, and perceived

customer satisfaction outcomes. Online survey administration using Google Forms was selected to facilitate standardized item presentation and automated data capture consistent with tailored survey design principles (Dillman et al., 2014).

The unit of analysis is individual baristas working at Dua Coffee establishments across multiple branch locations in Jakarta and Tangerang, Indonesia. The empirical strategy estimates the direct effects of service quality (SQ) and employee welfare (EW) on customer satisfaction (CS) while controlling for demographic characteristics (gender, age, educational background, employment status, and organizational tenure). The cross-sectional approach is appropriate because the study aims to examine associations among constructs rather than changes over time (Creswell & Creswell, 2018).

3.2 Population and Sampling

The population comprises all baristas employed at Dua Coffee across five branch locations: Emerald (Tangerang Selatan), Bintaro (Tangerang Selatan), Kuningan (Jakarta Selatan), Cipete (Jakarta Selatan), and Tebet (Jakarta Selatan). Based on organizational records obtained from the Human Resources Division, the total population consists of 62 baristas (full-time and part-time).

Purposive criteria required respondents to be actively employed as baristas, have direct experience in customer service delivery, and belong to Generation Z (born 1997 onward) or Millennial (born 1981–1996) cohorts (Dimock, 2019).

Regarding sample size, regression-focused guidance emphasizes that minimum N should be evaluated against the number of predictors; Green (1991) reports support for rules-of-thumb of $N \geq 50 + 8m$for estimating the multiple correlation and $N \geq 104 + m$for testing individual predictors (partial correlations), where m is the number of predictors. However, because the population is finite (N=62), this study used a census-based approach by targeting all baristas. The final dataset yielded 54 valid responses (response rate 87.1%), which is robust relative to response-rate patterns reported in organizational survey research (Baruch & Holtom, 2008).

3.3 Data Collection Procedures

Primary data were collected through a structured online questionnaire (Google Forms). The instrument comprised three sections: (1) demographic profile; (2) items measuring service quality and employee welfare; and (3) items measuring perceived customer satisfaction outcomes. A pilot test was conducted to improve clarity and reduce measurement error, consistent with recommended survey development practices (Dillman et al., 2014).

All multi-item constructs used a five-point Likert scale from 1 (strongly disagree) to 5 (strongly agree) (Likert, 1932).

Internal consistency reliability was assessed using Cronbach's alpha, originally formulated by Cronbach (1951). For interpretation, alpha values around 0.70 are commonly treated as acceptable for research instruments, while acknowledging that reliability should be evaluated alongside construct meaning and item quality (Tavakol & Dennick, 2011).

3.4 Variable Definition and Measurement

All multi-item constructs were measured using five-point Likert scales ranging from 1 (strongly disagree) to 5 (strongly agree). Table 1 summarizes the variable operationalization.

Table 1. Variable Operationalization

Variable	Definition	Dimension	Item	Source
Customer Satisfaction (CS)	Evaluative judgment comparing expectations against perceived performance	Six items capturing satisfaction with service received, product quality, expectation fulfillment, repurchase intentions, positive feedback frequency, and service exceeding expectations	6	Oliver (1980); Anderson & Sullivan (1993)
Service Quality (SQ)	Degree of excellence in service delivery across multiple dimensions	Five items measuring timeliness, responsiveness, friendliness/courtesy, communication ability, and professional appearance	5	Parasuraman et al. (1988); Cronin & Taylor (1992)
Employee Welfare (EW)	Organizational provisions addressing worker physical, psychological, and social needs	Five items assessing compensation satisfaction, coworker relationships, work-life balance, work environment comfort, and financial security	5	Eisenberger et al. (1986); Rhoades & Eisenberger (2002); Spector (1985)

Source:data adapted from various journals

Customer satisfaction is defined as an evaluative response shaped by expectations and expectancy disconfirmation (Oliver, 1980) and is consequential for outcomes such as repurchase and performance-relevant effects (Anderson & Sullivan, 1993). Operationally, this study measures baristas' perceptions of customer satisfaction as reflected in customer reactions and feedback during service interactions.

Service quality is grounded in the SERVQUAL conceptualization (Parasuraman et al., 1988) and empirical work linking service quality to satisfaction (Cronin & Taylor, 1992). Operational items reflect barista-delivered service behaviors aligned with SERVQUAL dimensions but adapted to the coffee shop frontline context.

Employee welfare is operationalized as organizational support and job condition provisions that foster employee well-being and reciprocal work effort (Eisenberger et al., 1986; Rhoades & Eisenberger, 2002). Item content also reflects job satisfaction facets related to ay/conditions/coworkers as a practical proxy for welfare-related job conditions (Spector, 1985).

Controls include gender, age, educational level, employment status, and tenure to reduce confounding in estimating the incremental effects of X1 and X2.

3.5 Analytical Procedures

Hypothesis testing employed multiple linear regression using SPSS version 27. The model specification is:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

Prior to hypothesis testing, classical assumption diagnostics were conducted, beginning with an assessment of residual normality using the Kolmogorov–Smirnov test. It is noted that such testing should be interpreted cautiously and complemented with other diagnostics, a perspective supported by Razali and Wah (2011) in their discussion on the comparative properties of common normality tests. Furthermore, multicollinearity was examined using VIF and tolerance metrics; although a VIF of less than 10 is often used as a heuristic, O'Brien (2007) cautions against rigid rules-of-thumb and recommends contextual interpretation. Finally, the model was tested for heteroscedasticity using the approach established by Glejser (1969).

Hypothesis testing used t-tests for individual coefficients (H1, H2) and an F-test for overall model significance (H3), with $\alpha = 0.05$. Adjusted R^2 was used to evaluate explained variance. Although demographic characteristics (gender, age, educational background, employment status, and tenure) were collected and initially considered as controls, preliminary analyses indicated these variables did not significantly predict customer satisfaction (all $p > 0.10$) and their inclusion did not substantively alter focal relationship estimates. Consequently, the final parsimonious model reports only the theoretically central predictors to maximize statistical power given the sample size constraints (Green, 1991).

A methodological consideration warrants acknowledgment: both service quality and customer satisfaction were assessed through barista perceptions rather than direct customer surveys. Service quality items capture self-reported service behaviors, while customer satisfaction items reflect baristas' perceptions of customer responses during service encounters. This approach, while practical for accessing frontline employee perspectives, introduces potential self-enhancement bias and limits direct inference about actual customer evaluations (Podsakoff et al., 2003). Consequently, findings should be interpreted as representing employee-perceived service delivery effectiveness and perceived customer satisfaction outcomes rather than direct customer assessments. Future research employing multi-source designs collecting both employee and customer data would strengthen construct validity.

3.6 Common Method Bias Assessment

Given that all constructs were measured using self-report questionnaires from a single source, common method bias (CMB) represents a potential threat to internal validity (Podsakoff et al., 2003). To assess CMB, Harman's single-factor test was conducted by entering all measurement items into an unrotated exploratory factor analysis. Results indicated that the first factor explained 34.72% of total variance, which is below the 50% threshold commonly used to indicate problematic CMB levels (Podsakoff et al., 2003). While this procedural test has acknowledged limitations, the results suggest that CMB does not substantially inflate the observed relationships, though readers should interpret findings with this methodological constraint in mind.

4. RESULTS AND DISCUSSIONS

4.1 Results

4.1.1 Descriptive Statistics

Table 2 presents descriptive statistics for the study variables based on 54 valid responses from baristas across five Dua Coffee branch locations.

Table 2. Descriptive Statistics

Variable	N	Mean	Median	Mode	Std. Dev.	Min	Max
SQ	54	22.48	23.00	25	2.15	17	25
EW	54	20.43	21.00	21	2.29	16	25
CS	54	26.59	26.00	30	2.53	20	30

Note: SQ = Service Quality; EW = Employee Welfare; CS = Customer Satisfaction. Source: Data processed by the author (2025)

Service quality exhibits the highest relative mean (22.480) against its maximum possible score of 25, indicating that baristas generally perceive their service delivery behaviors favorably. The standard deviation of 2.152 suggests moderate homogeneity in service quality perceptions, with most responses clustering near the upper range. The mode of 25 reinforces this positive skew, indicating that the most frequent response pattern reflected maximum service quality self-assessments.

Employee welfare demonstrates a comparatively lower mean (20.430) relative to its maximum, suggesting more varied perceptions regarding welfare provisions. The standard deviation of 2.295—the highest among the three constructs—indicates greater heterogeneity in welfare assessments across respondents. This variation aligns with the finding that compensation satisfaction received notably lower scores than other welfare dimensions, creating dispersion in composite scores.

Customer satisfaction shows a mean of 26.590 against a maximum of 30, reflecting generally positive assessments of customer responses to service delivery. The standard deviation of 2.537 indicates moderate variation, suggesting that while most baristas perceive positive customer satisfaction outcomes, some variation exists in these perceptions across respondents and service contexts.

Regarding respondent characteristics, the sample comprises predominantly female baristas (53.7%) and

Generation Z members (74.1%), consistent with contemporary coffee shop workforce demographics. Educational attainment is primarily high school level (66.7%), with part-time employment status predominating (70.4%). Organizational tenure clusters in the 1–3 year range (57.4%), indicating a relatively experienced but not long-tenured workforce.

4.1.2 Validity and Reliability Assessment

Table 3. Validity and Reliability Test Results

Var	Items	Validity	Reliability (Cronbach's α)	Result
SQ	5	0.663 – 0.794	0.783	Valid & Reliable
EW	5	0.493 – 0.697	0.750	Valid & Reliable
CS	6	0.370 – 0.814	0.772	Valid & Reliable

Note: SQ = Service Quality; EW = Employee Welfare; CS = Customer Satisfaction. Source: Data analysis results (n = 54). Thresholds: $r_{table} = 0.263$; $\alpha \geq 0.70$.

The assessment confirms that the research instrument possesses adequate psychometric properties. Validity is established for all items, as the calculated correlation coefficients ($r_{calculated}$) for every item range from 0.370 to 0.814, effectively surpassing the critical r_{table} threshold of 0.263. Similarly, Reliability is confirmed, with all constructs exhibiting Cronbach's Alpha values between 0.750 and 0.783. Since these values exceed the recommended 0.70 threshold, the variables demonstrate strong internal consistency, ensuring the data is accurate and suitable for subsequent hypothesis testing.

Table 4. Convergent and Discriminant Validity Assessment

Construct	CR	AVE	√AVE	SQ	EW	CS
SQ	0.812	0.467	0.683	(0.683)		
EW	0.779	0.418	0.647	0.576	(0.647)	
CS	0.803	0.412	0.642	0.621	0.482	(0.642)

Note: CR = Composite Reliability; AVE = Average Variance Extracted; diagonal values (in parentheses) represent √AVE; off-diagonal values represent inter-construct correlations.

Table 4 presents the assessment of measurement model quality. All constructs demonstrate satisfactory internal consistency, with Composite Reliability (CR) values ranging from 0.779 to 0.812, exceeding the recommended threshold of 0.70. Regarding convergent validity, although Average Variance Extracted (AVE) values are slightly below 0.50 (ranging from 0.412 to 0.467), convergent validity is accepted because all CR values are well above 0.60 (Fornell & Larcker, 1981). Finally, discriminant validity is established according to the Fornell-Larcker criterion, as the square root of AVE for each construct (diagonal values) exceeds the highest correlation with any other construct (off-diagonal values).

4.1.3 Common Method Bias Assessment

Harman's single-factor test was conducted to assess potential common method bias. Exploratory factor analysis with all 16 measurement items (unrotated) yielded four factors with eigenvalues exceeding 1.0. The first factor accounted for 34.72% of total variance, below the 50% threshold indicating problematic CMB (Podsakoff et al., 2003). This suggests that while single-source measurement limitations exist, common method bias does not appear to substantially distort the observed relationships.

4.1.4 Diagnostic Tests

Table 5. Classical Assumption Diagnostics

Assumption Tested	Method	Key Stat.	Threshold	Result
Normality	Kolmogorov-Smirnov	Sig. = 0.200	Sig. > 0.05	Residuals are normally distributed
Multicollinearity	VIF & Tolerance	VIF = 1.498; Tolerance = 0.668	VIF < 10; Tol > 0.1	No multicollinearity detected
Heteroscedasticity	Glejser Test	Sig. (X1) = 0.532; Sig. (X2) = 0.350	Sig. > 0.05	Homoscedasticity established

Source: Data processed by the author (2025)

The classical assumption diagnostics confirm that the regression model is statistically valid. Normality is satisfied as the Kolmogorov-Smirnov significance (0.200) exceeds 0.05, indicating the residuals follow a normal distribution. Multicollinearity is absent, demonstrated by VIF values well below 10 and Tolerance values above 0.1, meaning the independent variables (Service Quality and Employee Welfare) do not share excessive correlation. Finally, the Heteroscedasticity test (Glejser) yielded significance values above 0.05 for both variables, ensuring the variance of the residuals remains constant. Consequently, the model is suitable for hypothesis testing.

4.1.5 Hypothesis Testing

Table 6. Summary of Regression Analysis Results

Variable	Coeff.	t-stat	p-value	Result
Constant	8.553	2.971	0.005	—
SQ	0.583	3.782	< 0.001	H1 Supported
EW	0.241	1.672	0.102	H2 Not Supported
R^2	0.417			
Adj. R^2	0.394			
F-stat	18.243			H3 Supported
Sig. (F-test)	< 0.001			

Note: n = 54; SQ = Service Quality; EW = Employee Welfare; CS = Customer Satisfaction. Source: Data processed by the author (2025)

The results indicate that service quality has a positive and significant effect on customer satisfaction (β = 0.583, t = 3.782, p < 0.001), supporting H1. The positive coefficient indicates that each one-unit increase in service quality is associated with a 0.583-unit increase in customer satisfaction, holding other variables constant. The standardized coefficient (Beta = 0.495) confirms that service quality represents the strongest predictor in the model,

accounting for substantial variation in customer satisfaction outcomes.

The results indicate that employee welfare has a positive but insignificant effect on customer satisfaction ($\beta = 0.241$, $t = 1.672$, $p = 0.102$), failing to support H2. Although the coefficient direction aligns with theoretical predictions, the relationship does not achieve statistical significance at conventional thresholds. This finding suggests that employee welfare does not directly translate into customer satisfaction improvements within this sample, potentially operating through indirect pathways or requiring additional enabling conditions.

The F-test results demonstrate that the regression model incorporating both service quality and employee welfare significantly explains variation in customer satisfaction ($F = 18.243$, $p < 0.001$), supporting H3. This indicates that at least one predictor contributes meaningfully to explaining customer satisfaction variance, with the model collectively accounting for 39.4% of variance (Adjusted $R^2 = 0.394$).

The regression equation is expressed as:

$$\mathbf{Y = 8.553 + 0.583X_1 + 0.241X_2 + \varepsilon}$$

Where Y = perceived customer satisfaction, X_1 = self-reported service quality behaviors, and X_2 = employee welfare perceptions. The findings reveal asymmetric effects: service quality emerges as the statistically significant predictor ($\beta = 0.583$, $p < 0.001$), while employee welfare demonstrates a positive but non-significant direct effect ($\beta = 0.241$, $p = 0.102$). This pattern suggests that employee welfare's influence on customer outcomes may operate through indirect mechanisms rather than direct pathways, consistent with service-profit chain propositions (Heskett et al., 1994).

The findings reveal asymmetric effects wherein service quality emerges as the dominant predictor while employee welfare demonstrates directionally consistent but statistically insignificant influence. This pattern suggests that customer satisfaction in coffee shop contexts responds more directly to observable service behaviors than to internal welfare provisions that customers do not directly experience.

4.2 Discussions

4.2.1 Summary of Findings

This study examined the effects of service quality and employee welfare on customer satisfaction among baristas at Dua Coffee. The results show an asymmetric pattern: service quality has a positive and statistically significant relationship with customer satisfaction, while employee welfare shows a positive but statistically insignificant direct effect. This pattern is consistent with the broader service literature that positions service quality as a proximal determinant of satisfaction because it is directly experienced and evaluated during service encounters (Parasuraman et al., 1988; Cronin & Taylor, 1992; Oliver, 1980). When assessed jointly, service quality and employee welfare contribute to explaining variation in customer satisfaction, suggesting that an integrated perspective aligning frontline execution and internal people practices remains important for service outcomes (Heskett et al., 1994; Hogreve et al., 2017)..

4.2.2 Theoretical Mechanisms

The significant effect of service quality on customer satisfaction is consistent with service quality theory. In the SERVQUAL tradition, customers evaluate services by comparing perceived performance with expectations across core dimensions (e.g., reliability, responsiveness, assurance, empathy, and tangibles) (Parasuraman et al., 1988). When baristas deliver timely, courteous, and competent interactions, the expectation–performance gap narrows, producing favorable evaluations that culminate in satisfaction; this mechanism aligns with expectancy–disconfirmation logic in satisfaction formation (Oliver, 1980). Empirically, service research also supports that perceived service quality is a strong driver of satisfaction, although alternative measurement traditions exist (e.g., SERVQUAL vs performance-only approaches) (Cronin & Taylor, 1992).

In contrast, the insignificant direct effect of employee welfare can be interpreted through the distinction between internal employee-side conditions and external customer-side evaluations. Organizational support theory suggests that when employees perceive strong organizational support—reflecting the organization's valuation of employees and concern for their well-being—they reciprocate through stronger commitment and improved work-related behaviors (Eisenberger et al., 1986; Rhoades & Eisenberger, 2002). However, welfare provisions (e.g., compensation fairness, supportive work environment, work-life balance) are typically not directly observable by customers; thus, their influence on customer satisfaction may plausibly operate through indirect mechanisms involving employee attitudes and service delivery behaviors that customers directly experience (Heskett et al., 1994; Yee et al., 2011). While this study did not formally test mediation pathways, the pattern of results—wherein welfare shows a positive but non-significant direct effect when service quality is included—is consistent with theoretical propositions that employee-side factors influence customer outcomes primarily through service execution rather than directly. Future research employing formal mediation analysis would be valuable to empirically validate this interpretation.

This indirect pathway is explicitly articulated by the service-profit chain, which links internal service quality and employee outcomes to external service value and customer satisfaction (Heskett et al., 1994).

Meta-analytic evidence further supports that the proposed links are generally significant but vary in magnitude across contexts and service types, implying that employee-side antecedents may show weaker or conditional direct associations with customer satisfaction depending on organizational and measurement conditions (Hogreve et al., 2017).

4.2.3 Comparison with Prior Studies

The strong role of service quality in predicting customer satisfaction is consistent with evidence in coffee shop contexts showing that service quality contributes positively to customer satisfaction and loyalty, alongside other experiential elements such as ambience and product quality (Duman, 2020). It is also consistent with general service research highlighting frontline service encounters as central determinants of satisfaction outcomes (Parasuraman et al., 1988; Cronin & Taylor, 1992). In addition, coffee shop research indicates that barista-related human service encounters (e.g., the quality of interaction and service execution) are meaningful components of the customer experience that shape satisfaction-relevant outcomes (Hwang et al., 2021).

Regarding employee welfare, hospitality and service-profit chain research typically frames employee-side conditions as upstream drivers that affect customer outcomes through service value creation rather than as immediate direct predictors. For instance, evidence in hospitality demonstrates systematic associations among employee satisfaction, customer satisfaction, and financial outcomes (Chi & Gursoy, 2009). Empirical tests of the service-profit chain also support the view that employee-related antecedents influence customer outcomes through intermediate performance and service delivery mechanisms (Yee et al., 2011). Thus, the finding that employee welfare is not significant directly (while service quality is significant) is compatible with the interpretation that welfare is more distal and may require a mediating pathway through service delivery (Heskett et al., 1994; Hogreve et al., 2017).

4.2.4 Explaining Divergence

Several factors can explain why employee welfare shows an insignificant direct effect in this study.

First, the distinction between proximal and distal causality matters: customers evaluate what they experience during the service encounter (service quality), whereas welfare is an upstream condition whose effects may appear through sustained employee behaviors and service consistency rather than immediately in satisfaction outcomes (Heskett et al., 1994; Yee et al., 2011; Hogreve et al., 2017).

Second, measurement-source considerations can influence statistical relationships. When constructs are measured from the same source or when perceptual measures are used as proxies for outcomes at different levels, results can be affected by common method bias or attenuation/contamination patterns, which requires careful interpretation (Podsakoff et al., 2003). In this study, employee welfare is captured through barista perceptions, while customer satisfaction is proxied through baristas' perceptions of customer responses; such a structure can dampen direct effects and strengthen the apparent role of proximate service behaviors (Podsakoff et al., 2003; Cronin & Taylor, 1992).

Third, employment status composition may moderate welfare effects. In coffee shop operations where part-time employment is common, the nature of the employment relationship may shift the salience of organizational support and welfare provisions. Evidence indicates that work status (part-time vs full-time) is associated with differences in perceived organizational support and the exchange relationship, implying that welfare–outcome links may differ by employment status composition (Gakovic & Tetrick, 2003; Rhoades & Eisenberger, 2002). Therefore, a predominantly part-time sample could reduce the direct association between welfare perceptions and customer satisfaction outcomes compared with settings characterized by stronger long-term employment ties (Gakovic & Tetrick, 2003).

4.2.5 Why These Findings Matter

Overall, these findings imply that managers aiming to enhance customer satisfaction in coffee shop settings may consider service quality improvement as a more proximate lever for immediate gains, given its direct statistical association with satisfaction outcomes in this study. However, employee welfare should not be deprioritized, as its non-significant direct effect does not preclude meaningful indirect contributions through sustained service consistency and employee retention (Heskett et al., 1994). The cross-sectional design precludes causal inference; thus, balanced investment in both service training and employee support programs remains advisable pending longitudinal evidence. This interpretation reconciles mixed prior findings by distinguishing between direct encounter-based determinants of satisfaction and upstream HR/organizational conditions whose effects are more likely to appear indirectly through service execution and value creation (Hogreve et al., 2017; Yee et al., 2011). In practice, this suggests that welfare investments should be coupled with mechanisms that translate employee well-being into observable service improvements, such as training, standard operating procedures, and supportive supervision that enhance frontline consistency (Rhoades & Eisenberger, 2002; Chi & Gursoy, 2009).

5. CONCLUSION

5.1 Research Summary

This study investigated the influence of service quality and employee welfare on customer satisfaction among baristas at Dua Coffee establishments in Indonesia. Grounded in service quality theory and satisfaction formation logic, customer satisfaction can be understood as emerging from customers' evaluations of perceived performance relative to expectations (Parasuraman et al., 1988; Oliver, 1980). Using primary survey data from baristas and multiple linear regression analysis, the findings show that service quality exerts a significant positive effect on customer satisfaction. This result is consistent with established service research that positions perceived service performance/quality as a proximal driver of satisfaction outcomes (Cronin & Taylor, 1992; Parasuraman et al., 1988). In contrast, employee welfare demonstrates a positive but statistically insignificant direct effect, suggesting that internal people practices may not translate into customer satisfaction through a simple direct pathway when proximate service execution is accounted for. This pattern is consistent with the service-profit chain logic in which employee-side conditions are typically upstream enablers whose influence is realized through service delivery and operational performance mechanisms (Heskett et al., 1994; Hogreve et al., 2017; Yee et al., 2011). When examined simultaneously, service quality and employee welfare jointly explain meaningful variation in customer satisfaction, supporting an integrated view that aligns operational service excellence with internal workforce conditions in shaping customer outcomes (Hogreve et al., 2017; Chi & Gursoy, 2009).

5.2 Practical Implications

For coffee shop managers and hospitality practitioners, several evidence-based implications emerge. First, investments in service quality enhancement should be prioritized as the most direct pathway to improving customer satisfaction, because customers evaluate what they directly experience during the service encounter (Parasuraman et al., 1988; Cronin & Taylor, 1992). Training and operational reinforcement targeting timeliness, responsiveness, courteous interactions, communication clarity, and professional appearance are therefore likely to generate immediate satisfaction gains through improved perceived performance (Oliver, 1980).

Second, the non-significant direct effect of employee welfare should not be interpreted as evidence that welfare provisions are unimportant for customer outcomes. The service-profit chain framework suggests welfare operates through employee attitudes and service behaviors rather than affecting customers directly (Heskett et al., 1994). Organizations should maintain welfare investments while recognizing that their customer-facing benefits may manifest through improved service consistency over time rather than immediate satisfaction gains.

Third, managers should recognize the different time horizons implied by these mechanisms: service quality improvements can affect customer satisfaction immediately through encounter evaluations, whereas welfare-related investments are more plausibly realized over time via improved service consistency and employee-related outcomes consistent with service-profit chain evidence (Hogreve et al., 2017). Fourth, because employee perceptions and outcomes may vary by work status, managers should pay attention to employment composition (part-time vs full-time) when designing welfare programs and expectations for their downstream effects (Gakovic & Tetrick, 2003).

5.3 Key Contributions

This study contributes theoretically, methodologically, and practically. Theoretically, it clarifies distinct pathways: service quality operates as a proximate determinant directly shaping satisfaction judgments, while employee welfare is more consistent with a distal/enabling mechanism whose effects are expected to be transmitted through service delivery and operational performance (Parasuraman et al., 1988; Heskett et al., 1994; Hogreve et al., 2017). This distinction helps reconcile mixed results in the literature by emphasizing the need to model indirect pathways rather than assuming direct welfare → satisfaction effects (Yee et al., 2011; Chi & Gursoy, 2009).

Methodologically, the study provides an internal frontline perspective by using barista perceptions to capture both predictors and perceived customer satisfaction outcomes. This approach may yield practical insight into service delivery processes, while also requiring caution regarding potential method-related bias when perceptions are used for multiple constructs (Podsakoff et al., 2003). Practically, the results inform resource allocation: immediate improvements in customer satisfaction are more likely to be obtained via service quality reinforcement, while welfare initiatives should be treated as longer-term capability-building inputs that enable sustainable service performance (Heskett et al., 1994; Hogreve et al., 2017).

5.4 Limitations and Future Research

Several limitations motivate future research. First, longitudinal designs are recommended to capture how upstream employee-side conditions translate into customer outcomes over time, consistent with chain-based models that unfold sequentially rather than instantaneously (Heskett et al., 1994; Hogreve et al., 2017). Second, future studies should test mediating mechanisms explicitly—particularly whether service quality or operational performance mediates the employee welfare–customer satisfaction

relationship, as suggested by service-profit chain evidence (Yee et al., 2011). Third, multi-source data designs (e.g., combining employee data with direct customer survey data) are recommended to reduce common method concerns and strengthen causal inference (Podsakoff et al., 2003).

Fourth, a significant limitation concerns construct-respondent alignment: service quality and customer satisfaction were assessed through barista perceptions rather than direct customer evaluations. While this approach provides valuable insight into employee-perceived service effectiveness, it introduces potential self-enhancement bias and limits generalizability to actual customer satisfaction. Future studies should employ multi-source designs collecting parallel data from both employees and customers to strengthen construct validity and enable cross-level analysis (Schneider et al., 2005).

Finally, cross-context comparisons should examine whether these relationships differ by service type, brand positioning, and employment composition, given that work status can shape perceived organizational support dynamics and downstream outcomes (Gakovic & Tetrick, 2003).

BIBLIOGRAPHY

Adams, B. (2016). *Does organizational form drive competition? Evidence from the coffee shop industry* (NBER Working Paper No. 22548). National Bureau of Economic Research. https://www.nber.org/system/files/working_papers/w22548/w22548.pdf

Anderson, E. W., & Sullivan, M. W. (1993). The antecedents and consequences of customer satisfaction for firms. *Marketing Science, 12*(2), 125–143. https://doi.org/10.1287/mksc.12.2.125

Baruch, Y., & Holtom, B. C. (2008). Survey response rate levels and trends in organizational research. *Human Relations, 61*(8), 1139–1160. https://doi.org/10.1177/0018726708094863

Chi, C. G., & Gursoy, D. (2009). Employee satisfaction, customer satisfaction, and financial performance: An empirical examination. *International Journal of Hospitality Management, 28*(2), 245–253. https://doi.org/10.1016/j.ijhm.2008.08.003

Cronbach, L. J. (1951). Coefficient alpha and the internal structure of tests. *Psychometrika, 16*(3), 297–334. https://doi.org/10.1007/BF02310555

Cronin, J. J., Jr., & Taylor, S. A. (1992). Measuring service quality: A reexamination and extension. *Journal of Marketing, 56*(3), 55–68. https://doi.org/10.1177/002224299205600304

Creswell, J. W., & Creswell, J. D. (2018). *Research design: Qualitative, quantitative, and mixed methods approaches* (5th ed.). SAGE Publications.

Deloitte. (2024). *Deloitte Coffee Study 2024*. https://www.deloitte.com/ch/en/Industries/consumer/perspectives/coffee-study.html

Dillman, D. A., Smyth, J. D., & Christian, L. M. (2014). *Internet, phone, mail, and mixed-mode surveys: The tailored design method* (4th ed.). Wiley. https://doi.org/10.1002/9781118456149

Dimock, M. (2019, January 17). Where millennials end and Generation Z begins. *Pew Research Center*. https://www.pewresearch.org/short-reads/2019/01/17/where-millennials-end-and-generation-z-begins/

Duman, F. (2020). Effects of coffee shops' food quality, service quality and ambience quality on customer satisfaction and loyalty in Batman, Turkey. *International Journal of Innovative Approaches in Social Sciences, 4*(3), 54–68. https://doi.org/10.29329/ijiasos.2020.278.1

Eisenberger, R., Huntington, R., Hutchison, S., & Sowa, D. (1986). Perceived organizational support. *Journal of Applied Psychology, 71*(3), 500–507. https://doi.org/10.1037/0021-9010.71.3.500

Gakovic, A., & Tetrick, L. E. (2003). Perceived organizational support and work status: A comparison of the employment relationships of part-time and full-time employees attending university classes. *Journal of Organizational Behavior, 24*(5), 649–666. https://doi.org/10.1002/job.206

Glejser, H. (1969). A new test for heteroskedasticity. *Journal of the American Statistical Association, 64*(325), 316–323. https://doi.org/10.1080/01621459.1969.10500976

Green, S. B. (1991). How many subjects does it take to do a regression analysis? *Multivariate Behavioral Research, 26*(3), 499–510. https://doi.org/10.1207/s15327906mbr2603_7

Hallowell, R. (1996). The relationships of customer satisfaction, customer loyalty, and profitability: An empirical study. *International Journal of Service Industry Management, 7*(4), 27–42. https://doi.org/10.1108/09564239610129931

Heskett, J. L., Jones, T. O., Loveman, G. W., Sasser, W. E., Jr., & Schlesinger, L. A. (1994). Putting the service-profit chain to work. *Harvard Business Review, 72*(2), 164–174. https://hbr.org/1994/03/putting-the-service-profit-chain-to-work-2

Hogreve, J., Iseke, A., Derfuss, K., & Eller, T. (2017). The service–profit chain: A meta-analytic test of a comprehensive theoretical framework. *Journal of Marketing, 81*(3), 41–61. https://doi.org/10.1509/jm.15.0395

Hwang, J., Choe, J. Y. J., Kim, H. M., & Kim, J. J. (2021). Human baristas and robot baristas: How does brand experience affect brand satisfaction, brand attitude, brand attachment, and brand

loyalty? *International Journal of Hospitality Management, 99*, 103050. https://doi.org/10.1016/j.ijhm.2021.103050

Kurtessis, J. N., Eisenberger, R., Ford, M. T., Buffardi, L. C., Stewart, K. A., & Adis, C. S. (2017). Perceived organizational support: A meta-analytic evaluation of organizational support theory. *Journal of Management, 43*(6), 1854–1884. https://doi.org/10.1177/0149206315575554

Likert, R. (1932). *A technique for the measurement of attitudes*. Archives of Psychology. https://legacy.voteview.com/pdf/Likert_1932.pdf

Loveman, G. W. (1998). Employee satisfaction, customer loyalty, and financial performance: An empirical examination of the service profit chain in retail banking. *Journal of Service Research, 1*(1), 18–31. https://doi.org/10.1177/109467059800100103

Meeprom, S. (2025). Customer experience and satisfaction in coffee consumption: An experiential marketing perspective. *Cogent Business & Management, 12*(1). https://doi.org/10.1080/23311975.2025.2450296

Mulyana, A., Hidayat, R., & Suryani, T. (2022). Competitive strategies in Indonesia's specialty coffee industry: A multiple case study. Journal of Indonesian Economy and Business, 37(2), 145–162. https://doi.org/10.22146/jieb.v37i2.3254

O'Brien, R. M. (2007). A caution regarding rules of thumb for variance inflation factors. *Quality & Quantity, 41*(5), 673–690. https://doi.org/10.1007/s11135-006-9018-6

Oliver, R. L. (1980). A cognitive model of the antecedents and consequences of satisfaction decisions. *Journal of Marketing Research, 17*(4), 460–469. https://doi.org/10.1177/002224378001700405

Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing, 64*(1), 12–40. https://www.marketeurexpert.fr/wp-content/uploads/2023/12/servqual.pdf

Pine, B. J., II, & Gilmore, J. H. (1998). Welcome to the experience economy. *Harvard Business Review, 76*(4), 97–105. https://hbr.org/1998/07/welcome-to-the-experience-economy

Podsakoff, P. M., MacKenzie, S. B., Lee, J.-Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology, 88*(5), 879–903. https://doi.org/10.1037/0021-9010.88.5.879

Purnomo, M., Yuliati, Y., Shinta, A., & Riana, F. D. (2021). Developing coffee culture among Indonesia's middle-class: A case study in a coffee-producing country. *Cogent Social Sciences, 7*(1). https://doi.org/10.1080/23311886.2021.1949808

Razali, N. M., & Wah, Y. B. (2011). Power comparisons of Shapiro–Wilk, Kolmogorov–Smirnov, Lilliefors and Anderson–Darling tests. *Journal of Statistical Modeling and Analytics, 2*(1), 21–33. https://www.researchgate.net/publication/267205556

Rhoades, L., & Eisenberger, R. (2002). Perceived organizational support: A review of the literature. *Journal of Applied Psychology, 87*(4), 698–714. https://doi.org/10.1037/0021-9010.87.4.698

Schneider, B., Ehrhart, M. G., Mayer, D. M., Saltz, J. L., & Niles-Jolly, K. (2005). Understanding organization-customer links in service settings. Academy of Management Journal, 48(6), 1017–1032. https://doi.org/10.5465/amj.2005.19573107

Spector, P. E. (1985). Measurement of human service staff satisfaction: Development of the Job Satisfaction Survey. *American Journal of Community Psychology, 13*(6), 693–713. https://doi.org/10.1007/BF00929796

Statista. (2024). Coffee market in Indonesia. Statista Market Insights. https://www.statista.com/outlook/cmo/hot-drinks/coffee/indonesia

Tavakol, M., & Dennick, R. (2011). Making sense of Cronbach's alpha. *International Journal of Medical Education, 2*, 53–55. https://doi.org/10.5116/ijme.4dfb.8dfd

Waxman, L. (2006). The coffee shop: Social and physical factors influencing place attachment. *Journal of Interior Design, 31*(3), 35–53. https://doi.org/10.1111/j.1939-1668.2006.tb00530.x

Winowatan, W. J., Suarta, I. P., & Sukarana, M. (2021). Customer satisfaction on barista service. *Journal of Applied Management Research and Emerging Studies (JAMREMS), 2*(4), 33–38. https://doi.org/10.47616/jamrems.v2i4.182

Yee, R. W. Y., Yeung, A. C. L., & Cheng, T. C. E. (2011). The service-profit chain: An empirical analysis in high-contact service industries. *International Journal of Production Economics, 130*(2), 236–245. https://doi.org/10.1016/j.ijpe.2011.01.001

APPENDIX A

Table A1. Measurement Items by Construct

No	Code	Measurement Items
A.	**Service Quality (SQ) -** Parasuraman et al. (1988); Cronin & Taylor (1992)	
1	SQ1	I consistently provide timely service to customers (Reliability).
2	SQ2	I respond promptly to customer requests (Responsiveness).

3	SQ3	I maintain friendly and courteous behavior with every customer (Assurance).
4	SQ4	I demonstrate effective communication skills when serving customers (Empathy).
5	SQ5	I maintain professional appearance while working (Tangibles).
B.	**Employee Welfare (EW) -** Eisenberger et al. (1986); Rhoades & Eisenberger (2002); Spector (1985)	
1	EW1	I am satisfied with my salary and benefits received.
2	EW2	My relationships with coworkers are supportive and positive.
3	EW3	I can balance work time with personal life adequately.
4	EW4	The work environment at Dua Coffee is comfortable and supportive.
5	EW5	I feel financially secure from my current employment.
C.	**Customer Satisfaction (CS) -** Parasuraman et al. (1988); Cronin & Taylor (1992)	
1	CS1	I perceive that customers are satisfied with the service I provide.
2	CS2	I believe customers are satisfied with products available at Dua Coffee.
3	CS3	I am confident that good service increases customer expectations.
4	CS4	I believe customers will return after receiving my service.
5	CS5	I observe customers frequently providing positive feedback.
6	CS6	I feel our service exceeds customer expectations.

Note: All items are measured on 5-point Likert scales (1 = strongly disagree to 5 = strongly agree). Items reflect barista self-reported service behaviors and perceived customer responses.