



SSS Diliman Going Digital: A Study on its Effect Towards Quality Service Delivery

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Abstract

The rapid evolution of digital technologies has reshaped public service delivery worldwide, with government agencies adopting digital platforms to enhance efficiency, transparency, and accessibility. In the Philippines, the Social Security System (SSS) has embraced digital transformation in response to legislative mandates such as the Ease of Doing Business Act (RA 11032) and rising public expectations. This study focuses on the SSS Diliman Branch, examining how its digital initiatives, including the My.SSS portal, mobile application, and E-Center facilities, affect service quality and customer satisfaction. A quantitative research design was employed, combining descriptive-evaluative and causal approaches. Data were collected through a structured survey administered to 385 randomly selected members transacting at the Diliman E-Center in January 2025. The instrument measured service quality using the SERVQUAL framework (tangibility, reliability, assurance, empathy, responsiveness) and assessed digitalization and satisfaction on a five-point Likert scale. Partial Least Squares Structural Equation Modeling (PLS-SEM) was applied to test direct and indirect relationships among service quality, digitalization, and customer satisfaction. Findings revealed consistently high ratings across all SERVQUAL dimensions, with assurance ($M = 4.64$) as the highest-rated factor, underscoring confidence in staff competence and system security. Digitalization assessment yielded strong satisfaction (overall $M = 4.54$), with ease of use ($M = 4.56$) and clarity of instructions ($M = 4.58$) as key strengths, though convenience ($M = 4.51$) showed minor access issues. Customer satisfaction was very high (overall $M = 4.65$), with respondents strongly agreeing that digital services improved their overall experience ($M = 4.69$) and expressing loyalty through recommendations ($M = 4.67$). Structural model testing confirmed that service quality significantly influenced both digitalization ($\beta = 0.784$, $p = 0.000$) and customer satisfaction ($\beta = 0.844$, $p = 0.000$). However, digitalization alone did not have a significant direct effect on satisfaction ($\beta = 0.018$, $p = 0.784$). The study demonstrates that while digitalization enhances accessibility, efficiency, and trust, customer satisfaction is primarily driven by service quality dimensions rather than digital tools alone. This suggests that technology must be complemented by reliable, empathetic, and competent service delivery to achieve meaningful improvements. The findings provide practical insights for SSS management in refining digital strategies and highlight the broader implications of digital governance reforms in the Philippine public sector.

Keywords: digital transformation, public service delivery, client satisfaction, service quality, ease of doing business



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INTRODUCTION

There has been great transformation of the period in the manner in which governments provide services, and it starts with an era of digital government due to the increased emergence of digital technology. Across the world, the adoption of digital solutions in government is considered as a way of making services more convenient, transparent and efficient. As an example, the study conducted by

Alomari et al. (2021) discovered that citizen-centered digital services in Jordan vastly improved the responsiveness of the government and enhanced the level of trust by its people. Likewise, Osei-kojo and Andrews (2022) observed that the digital platforms promoted accountability of social protection programs in a number of African nations, thus, reducing processing delays. Such cases show that digital transformation is highly effective when introduced and has a potentially high

impact on the quality and access of the citizen to public services.

This trend in digitalization is institutionalized in the Philippines with a policy called the Full Digital Transformation Act of 2020 advocated by Senator Sherwin Gatchalian. The law requires all government-related agencies, Government-Owned and Controlled Corporations (GOCCs) and local government units (LGUs) to implement digital strategies that complement with the Philippine Digital Transformation Strategy 2022. This move is strengthened by Republic Act No. 11032, or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, which aimed at simplifying the operations, cutting through the red tape and ensuring that services are fast and efficiently delivered (within this framing, digital transformation has been deemed an important means towards a cost-effective, responsive and citizen-centered governance [Department of Information and Communications Technology, 2022]).

Amid various national initiatives, the Social Security System (SSS), a key Government-Owned and Controlled Corporation, plays a vital role in safeguarding the welfare of Filipino workers. It provides social insurance to employees in the private sector and other qualified members, ensuring equitable protection and financial security. Established under Republic Act No. 1161, or the Social Security Act of 1954, and later strengthened through Republic Act No. 8282 in 1997, the SSS has continually evolved to meet the changing needs of its stakeholders. In recent years, the agency has advanced its service delivery by adopting digital platforms such as the My.SSS portal, the SSS mobile application, and E-Centers. These innovations streamline processes for benefit applications, loan requests, and account management, thereby enhancing accessibility, efficiency, and member satisfaction.

The SSS Diliman Branch, known for being one of the most frequented and accessible branches in the country, has been a pilot site for the

implementation of these digital services. Despite the rollout of these initiatives, questions remain about their actual effectiveness in improving service delivery. This concern is especially valid considering the 2021 report by the Civil Service Commission (CSC), which identified SSS as the most complained-about government agency due to slow turnaround times, long queues, and delayed benefit processing (Filipino News, 2021). These persistent service issues challenge the agency's mission to provide world-class and responsive public service.

The enactment of Republic Act No. 11032 during the term of former President Duterte intensified pressure on agencies like the SSS to improve public-facing operations. Nevertheless, as SSS swells up to millions of active members and volume of transactions continue to rise, branch offices are still experiencing overcrowding and inefficiencies in processing. The SSS has, in turn, embarked on increasing its digital infrastructure through the creation of Information and Communication Technology (ICT)-based services which aimed at speeding up the process, decongesting its operations and attaining the requirement postulated in the ease-of-doing-business directive.

The SSS has responded to these concerns, by implementing a multi-pronged digital strategy. This involves setting up of digital branches which have E-Centers, Mobile App Learning Centers, and Customer Care Centers- all these were created so that the members can familiarize themselves with the digital services offered by the agency. These are tools that will enable to fill the gap between innovation and accessibility, particularly to members who do not know how to use online tools.

The present paper examines how digitalization projects of the SSS Diliman Branch contributed to the improvement of service quality. It aims to assess the satisfaction levels of members using these digital platforms, identify barriers to effective use, and evaluate the systems' capacity to fulfill SSS's goal of delivering fast, reliable, and member-centered services.

Drawing upon global and national digital governance trends, this research provides a localized evaluation of how digital transformation impacts social service delivery in a developing country context.

The researcher, who is currently assigned as a Member Service Representative in the Benefits Section, plays an active role in facilitating member transactions. Given this firsthand exposure, the researcher recognizes the value of understanding and evaluating the effectiveness of the digitalization program in SSS operations. This study intends to generate findings that could be used by agency management to further refine and strengthen its digital service delivery.

Guided by its vision to become a viable social institution offering universal and equitable protection through world-class service, the SSS has made strides in leveraging digitalization. Yet, there remains a significant research gap particularly in assessing how these initiatives translate into improved service quality and user satisfaction at the branch level. Despite being one of the most technologically advanced branches, SSS Diliman has not yet been the subject of a comprehensive study evaluating its digital transformation. This research seeks to fill that gap by examining real-world implications of digital efforts on service delivery, directly from the perspectives of its members.

LITERATURE REVIEW

Service Quality. The SERVQUAL model, developed by Parasuraman et al. (1988), is a widely recognized framework for assessing service quality across various sectors. The model identifies five key dimensions: tangibles, reliability, responsiveness, assurance, and empathy. Assessing these areas allows organizations to identify service gaps, determine measures and enhance customer satisfaction.

With the shift to online services, scholars recommend combining SERVQUAL with e-

service quality models. Sweeney and Soutar (2021) suggest that integrating digital service quality factors into the SERVQUAL framework is effective for evaluating online services. Similarly, Tzeng et al. (2022) investigated cultural differences in service quality perceptions and highlighted the need to adapt SERVQUAL to diverse cultural contexts. Despite the need for adaptation, SERVQUAL remains a flexible and valuable tool for measuring service quality in both traditional and digital environments.

Over the years, SERVQUAL has been successfully applied in retail (Khan & Moin, 2020), telecommunications (Iddris & Yeli, 2021), financial services (Mekkaoui & Ammari, 2020), and tourism and hospitality (Prayag et al., 2017). These studies demonstrate the model's utility in assessing customer perceptions of service reliability, responsiveness, tangibility, empathy, and assurance.

Before digitalization, customers often faced long queues, extensive paperwork, and multiple visits to service offices (Li et al., 2023), which resulted in dissatisfaction. Digitalization has mitigated many of these issues by enabling online transactions from the convenience of one's home (Ma et al., 2021). This shift emphasizes e-service quality, encompassing attributes such as effectiveness, reliability, responsiveness, and user satisfaction (Salsabilla, 2023). Understanding and improving e-service quality ensures that SSS Diliman members can access reliable services and fully benefit from digitalization.

Studies indicate that improvements in service effectiveness, reliability, and personalization contribute to higher service quality (Zhang et al., 2023). While challenges like cybersecurity threats and the digital divide remain, SSS actively works to maintain safe, fair, and high-quality services. The organization's commitment to addressing evolving member needs ensures the full benefits of digital transformation are realized. This proactive approach strengthens trust and enhances accessibility for all stakeholders involved.

Digitalization. Digitalization refers to the broader transformation of processes and services through technology. It often begins with digitization, the conversion of analog data into digital form, such as typing records into a computer system or scanning paper documents. More advanced digitalization uses online technologies to improve service delivery, efficiency, and user experience.

Many organizations, including the Philippine SSS, have embraced digitalization to enhance service efficiency and accessibility (Al-Gahtani et al., 2019). At SSS Diliman, the adoption of digital tools aims to reduce traditional service challenges, such as long queues, excessive paperwork, and repeated in-person visits.

Digitalization impacts service delivery in several significant ways. Automated processes reduce repetitive tasks, shorten processing times, and minimize errors, thereby improving overall efficiency (Al-Refaei et al., 2023). Members can now transact, file claims, and view accounts online, saving time and increasing convenience. The availability of 24/7 digital services ensures inclusivity, particularly for those unable to visit during business hours.

Digital platforms also enhance transparency and responsiveness. Members can access multiple support channels, receive updates, and track their applications in real time, increasing trust in the system (By et al., 2023). Enhanced cybersecurity measures further protect private information. To deliver high-quality public services in the digital era, SSS focuses on efficiency, accessibility, user satisfaction, and system robustness (Buchert et al., 2023).

The digital transformation has significantly improved operational efficiency at SSS Diliman. Tasks that were once laborious and prone to error are now automated, speeding up transactions and improving accuracy (Broccardo et al., 2023; Calumarde et al., 2023). Digitalization also improves service accessibility, enabling members to access SSS services anytime, anywhere—a crucial benefit in a country like the Philippines with

geographical and logistical challenges (Capistrano et al., 2020; Chowdhury et al., 2023).

Moreover, digital platforms facilitate feedback collection, allowing SSS to respond quickly to user complaints and continuously improve services (Dhaniswara et al., 2023; Djimesah et al., 2022). Digital systems are more stable and scalable than manual ones, enabling SSS to manage increasing transaction volumes without compromising service quality (Ginting et al., 2023).

However, digitalization comes with challenges. The digital divide may prevent older or less tech-savvy members from fully utilizing online services (Joshua et al., 2023). To mitigate this, SSS has implemented support systems such as the Member Assistance Learning Center (MALC), help desks, user guides, and E-centers (Jou et al., 2022). Cybersecurity remains another critical concern, requiring continuous investment in encryption, audits, and expert oversight (Kulal et al., 2024; Kumolu-Johnson, 2024). Despite these challenges, SSS's proactive approach demonstrates its commitment to delivering safe, equitable, and high-quality services (Lai, 2019).

Customer Satisfaction. Customer satisfaction is a cornerstone of service quality and organizational success. It reflects the degree to which services meet or exceed customer expectations, generating confidence, encouraging service utilization, and enhancing institutional credibility.

Digital systems present opportunities to improve customer satisfaction, particularly in traditionally bureaucratic environments. However, technology alone does not guarantee satisfaction; effective digital services require proper user orientation and guidance (Alomari et al., 2021). Demographic and cultural factors also shape satisfaction perceptions. In the Philippine context, customers value personal communication and confirmation, even when interacting with automated systems (Reyes & Cruz, 2019). Consequently, a hybrid model combining digital tools with human assistance

may be the most effective approach for organizations like SSS.

Local studies support this perspective. Lizada and Maturan (2023) found that the My.SSS portal reduced the need for in-person visits, especially during the pandemic, though older adults struggled to adapt. De Castro and Angeles (2024) noted that system lag and inadequate user support can undermine satisfaction, despite the convenience of online channels. Garcia (2023) observed that SSS Diliman's E-Center effectively facilitated the transition to digital services, though capacity issues occurred during peak hours. Overall, customer satisfaction is a complex concept influenced by service-specific attributes and environmental factors related to service delivery.

Synthesis of the Reviewed Literature and Studies. The literature reviewed highlights the significant importance of the digital transformation in the improvement of the quality of services and satisfaction of customers and especially during the globalization and technical development. Providing quality service is not a simple and formal challenge, because it is closely linked to the changing customer demand and IT.

Digital transformation has opportunities and challenges especially in the context of the public sector organizations. The successful examples of international case studies of countries, like Jordan, or other African samples, show the attempts of the digitalization of the public sector. There has however been a gap which is observed at the localized level of study mainly within the Philippine context-towards how such transformations influence the delivery of public service. A case study that is timely and relevant is the digitalization of the Social Security System (SSS) initially carried out in the Diliman Branch as an example. By using online portals, self-service kiosk, and mobile application, SSS has tried to enhance its experiences in receiving services by making them more accessible, faster, and easier to receive. According to some anecdotal reports

and internal feedback they are said to be experiencing improvement in the productivity of the staff, they also have seen a slight decline in physical office congestion, and it is just getting more convenient to the members.

Nevertheless, whereas the benefits of a digital transformation are agreed upon, there is a lack of formal assessments of the real effect of such digital initiatives on the SSS service quality and customer satisfaction rates in Philippine government. The majority of the known studies focus on digitalization in the environment of the private sector that has different operational requirements and customer needs. Moreover, empirical studies on particular branches of the government like SSS Diliman Branch are rare and it is at these branches that the impact of digital implementation can be distinctly studied because of their volume of services and the diversity of its members. Moreover, although SERVQUAL was adjusted to the digital environment and applied worldwide, e-SERVQUAL was not tested at the local level and applied to digital services provided in SSS.

The research aims to close this gap and give an intensive appraisal of the digitalization initiative in the SSS Diliman Branch. It will gauge the extent to which the digital tools affect customer satisfaction and their perceived service quality to advance the topic of discussion on digital transformation of a public sector. The results of the work would provide practical recommendations to the SSS and other such organizations that want to leverage their digital services in their quest to achieve operational excellence and customer satisfaction

METHODS

Design. The study employed a quantitative approach to objectively measure relationships between variables, test hypotheses, and evaluate the outcomes of SSS Diliman's digitalization initiatives. A combined descriptive-evaluative and causal research design was utilized. The descriptive aspect focused on characterizing how digital services were used and perceived, while the causal

component aimed to determine the impact of digitalization on service quality and customer satisfaction. Partial Least Squares Structural Equation Modeling (PLS-SEM) was applied to test hypotheses and assess the mediating effect of digitalization between service quality and customer satisfaction.

Population and Sampling. The respondents consisted of SSS members transacting at the E-Center of the Diliman Branch during weekdays in January 2025. Due to the unavailability of the total population size, Cochran's formula was used to calculate the minimum sample size of 385 members at a 95% confidence level and 5% margin of error. Random sampling ensured that each individual had an equal chance of selection.

Based on the gathered data (Table 1), majority of the respondents were high school and college graduates, reflecting a generally educated group. In terms of gender distribution, females comprised the larger proportion at 58.44 percent. Age-wise, most participants fell within the 20 to 40 years bracket, accounting for 51.69 percent of the sample. Regarding the type of digital transactions conducted, the majority were related to benefits (52.47 percent), with a smaller share involving inquiries (5.45 percent). As for membership classification, employed members represented the largest segment at 50.13 percent, followed by those in the voluntary and self-employed categories.

Table 1
Distribution of Respondents' Profile in terms of Educational Attainment and Type of Transaction Conducted

Educational Attainment	f	%	Sex	f	%
Not Graduated	87	22.60	Male	160	41.56
Elementary Graduate	19	04.94	Female	225	58.44
High School Graduate	136	35.32	Age	F	%
College Graduate	138	35.84		82	21.30
Full-fledged Master's Degree	5	01.30		117	30.39
Full-fledged Doctoral Degree Holder	0	00.00		77	20.00
Type of Transaction conducted Through Digital Services	F	%	51-60 years old	61	15.84
			61 years old & above	48	12.47
Membership	f	%	Type of SSS Membership	f	%
Payment	18	04.68	Employed	193	50.13
Benefits	202	52.47	Self-employed	46	11.95
Inquiries	21	05.45	Voluntary	100	25.97
Loans	76	19.74	OFW	16	04.16
DAEMS	2	00.52	Household Helper	15	03.90
Web-Registration/DAEM	2	00.52	Non-working Spouse	15	03.90

Instrumentation. Data of the study were gathered through a self-designed, structured survey questionnaire developed to capture both respondent characteristics and their assessment of digital services. The instrument was organized into two main sections. The first section focused on the respondent profile, collecting demographic details and membership information to establish the background of participants.

Table 2
Likert Scale Interpretation Guide

Assigned Weight of Point	Limits or Boundaries	Adjective Equivalent	Symbol Used
5	4.51 – 5.00	Strongly Agree	SA
4	3.51 – 4.50	Agree	A
3	2.51 – 3.50	Moderately Agree	MA
2	1.51 – 2.50	Disagree	D
1	1.00 – 1.50	Strongly Disagree	SD

The second section evaluated digital service quality using the SERVQUAL framework, which encompasses the dimensions of tangibility, reliability, assurance, empathy, and responsiveness. Responses were measured on a five-point Likert scale (Table 2), ranging from Strongly Disagree (1) to Strongly Agree (5), ensuring consistency and comparability of results.

Data Source. The primary data source was the survey responses of SSS members who conducted transactions at the E-Center. Ethics clearance and permission from SSS Diliman Branch were secured. The questionnaire was tested for reliability, printed, and distributed at the E-Center. Respondents were briefed on confidentiality and given sufficient time to answer.

Data Analysis. Data analysis was conducted using Partial Least Squares-Structural Equation Modeling (PLS-SEM) through SmartPLS 4 to examine the mediating effect of digitalization between service quality and customer satisfaction. This method was chosen for its ability to accommodate latent variables and analyze complex relationships among constructs. Frequency counts and percentages

were utilized to describe the demographic characteristics of the respondents, while weighted mean values were computed to summarize Likert-scale responses and quantify perceptions of online service quality. Furthermore, descriptive analysis was employed to present the data in summary form, and inferential statistics were applied to test the formulated hypotheses, ensuring a comprehensive understanding of the study variables and their interrelationships.

RESULTS

Service Quality Assessment. The respondents evaluated the SSS digital services across the five SERVQUAL dimensions – Tangibility, Reliability, Assurance, Empathy, and Responsiveness – with overall strong agreement (Table 3) in all areas, indicating high satisfaction.

The assessment of service quality revealed consistently high ratings across all five SERVQUAL dimensions, indicating strong user satisfaction with the digital platforms. In terms of tangibility, respondents valued the professional and modern appearance of the system, as well as the clarity and accessibility of the information provided, resulting in an overall mean of 4.58.

Table 3
Respondents' Assessment on Service Quality

Service Quality	Mean	Std. Deviation	Remarks
Tangibility	4.58	0.60	Strongly Agree
Reliability	4.57	0.61	Strongly Agree
Assurance	4.64	0.57	Strongly Agree
Empathy	4.57	0.63	Strongly Agree
Responsiveness	4.54	0.70	Strongly Agree
OVERALL MEAN	4.58	0.62	Strongly Agree

Reliability also scored highly at 4.57, reflecting users' trust in the accuracy and consistency of the online services. The highest-rated dimension was assurance, with a mean of 4.64, underscoring members' confidence in staff competence and the security of the system. Empathy received a mean of 4.57, showing that users perceived the services as personalized,

with prompt attention to their inquiries. Finally, responsiveness was rated at 4.54, highlighting the efficiency of the platforms in delivering timely updates and addressing user needs. Collectively, these results demonstrate that the digital initiatives of the agency are well-received, fostering trust, confidence, and satisfaction among its members. The overall service quality mean was 4.58, demonstrating strong positive perception across all dimensions.

Digitalization Assessment. The digitalization assessment results (Table 4) indicate that respondents expressed strong satisfaction with the Social Security System's digital platforms, yielding an overall mean score of 4.54. The platforms were consistently described as user-friendly, visually coherent, secure, and efficient. Among the specific dimensions, ease of use (M = 4.56) and clarity of instructions (M = 4.58) received the highest ratings, underscoring the accessibility and straightforward guidance provided to members. Security (M = 4.55) and reliability (M = 4.52) were likewise recognized as key strengths, reflecting trust in the system's stability and protection of personal information. Meanwhile, convenience (M = 4.51) registered a slightly lower score, suggesting that while digital access is generally effective, occasional minor issues such as system glitches or access delays may still occur.

Table 4
Respondents' Assessment on Digitalization

Customer Satisfaction	Mean	Std. Deviation	Remarks
The digital services provided by SSS Diliman (e.g., online transactions, My.SSS portal, mobile app) are easy to use.	4.56	0.61	Strongly Agree
The SSS digital platforms (e.g., website, mobile app) are visually appealing and well-designed.	4.54	0.62	Strongly Agree
The digital processes reduce the time I need to complete transactions compared to in-person visits.	4.52	0.63	Strongly Agree
I find it convenient to access SSS services through digital channels (e.g., My SSS portal, mobile app).	4.51	0.64	Strongly Agree
The digital services provided by SSS are reliable and available when I need them.	4.52	0.63	Strongly Agree
I feel confident that my personal information is secure when using SSS's digital platforms.	4.55	0.62	Strongly Agree
SSS provides clear instructions and support for using their digital services.	4.58	0.62	Strongly Agree
OVERALL MEAN	4.54	0.62	Strongly Agree

Nonetheless, these findings indicate that SSS's digitalization efforts have been effective in creating a positive, accessible digital

experience for members. Overall, the findings highlight the effectiveness of SSS's digital transformation in enhancing service delivery and member confidence.

Customer Satisfaction Assessment. The customer satisfaction assessment (Table 5) revealed very high levels of approval for the Social Security System's digital services, with an overall mean score of 4.65. The highest-rated item, "I am satisfied with the overall digital experience" (M = 4.69), underscores the strong positive reception of the agency's digital transformation. Respondents also expressed strong agreement in recommending SSS digital services to other members (M = 4.67), reflecting both loyalty and endorsement of the platforms. Meanwhile, slightly lower scores were observed in meeting expectations and preference for digital services over physical branches (M = 4.62), suggesting that while satisfaction is generally high, individual differences in digital readiness may influence perceptions. Overall, the findings highlight the success of SSS's digital initiatives in fostering trust, convenience, and member advocacy.

Table 5
Respondents' Assessment on their Customer Satisfaction

Customer Satisfaction	Mean	Std. Deviation	Remarks
I am satisfied with the overall digital experience provided by SSS.	4.69	0.58	Strongly Agree
The digitalization of SSS services has met my expectations.	4.62	0.65	Strongly Agree
I would recommend using the digital services of SSS to other members.	4.67	0.60	Strongly Agree
I prefer using SSS digital services over visiting their physical branches.	4.62	0.69	Strongly Agree
My satisfaction with SSS services has improved since they implemented digital solutions.	4.64	0.64	Strongly Agree
OVERALL MEAN	4.65	0.63	Strongly Agree

Overall, respondents reported enhanced satisfaction as a result of digital transformation, emphasizing efficiency, usability, and service quality.

Structural Model and Hypothesis Testing. Below are the structural equation results, which examined the hypothesized relationships among service quality, digitalization, and customer satisfaction. The analysis tests both direct and indirect effects, including potential mediation, to determine how these constructs

interact and influence one another within the proposed model.

Direct Effects:

Service Quality → Customer Satisfaction: $\beta = 0.844$, $p = 0.000$ → significant; higher service quality directly increases satisfaction.

Service Quality → Digitalization: $\beta = 0.784$, $p = 0.000$ → significant; better service quality positively impacts digital service implementation.

Digitalization → Customer Satisfaction: $\beta = 0.018$, $p = 0.784$ → not significant; digitalization alone does not directly affect satisfaction.

Indirect Effect (Mediation):

Service Quality → Digitalization → Customer Satisfaction: $\beta = 0.014$, $p = 0.784$ → not significant; digitalization does not mediate the relationship between service quality and satisfaction.

Table 6
Hypothesis Testing

	β	P values	T statistics	Decision
<i>Direct effects</i>				
SQ → CS	0.844	0.000	14.231	Reject H ₀
SQ → DG	0.784	0.000	26.390	Reject H ₀
DG → CS	0.018	0.784	0.274	Failed to Reject H ₀
<i>Indirect effects</i>				
SQ → DG → CS	0.014	0.784	0.275	Failed to Reject H ₀

*Legend: SQ = Service Quality; DG = Digitalization; CS = Customer Satisfaction

The hypothesis testing results in Table 6 provide valuable insights into the relationships between service quality, digitalization, and customer satisfaction. The findings indicate that service quality has a strong and statistically significant direct effect on customer satisfaction, as evidenced by a high standardized coefficient ($\beta = 0.844$) and a highly significant p-value ($p = 0.000$), supported by a t- statistic of 14.231. This suggests that improving service quality has a substantial impact on enhancing customer satisfaction. Additionally, service quality also

has a significant positive effect on digitalization ($\beta = 0.784$, $p = 0.000$, $t = 26.390$), demonstrating that higher service quality leads to better implementation and integration of digitalization efforts.

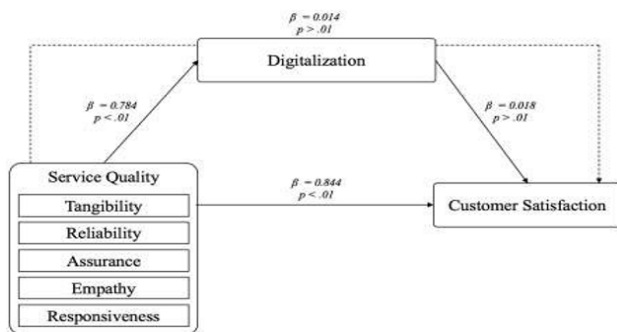


Figure 1
Structural Model

However, the results show that digitalization does not have a significant direct effect on customer satisfaction ($\beta = 0.018$, $p = 0.784$, $t = 0.274$), meaning that improvements in digital services alone do not necessarily translate to higher customer satisfaction. Furthermore, the indirect effect of service quality on customer satisfaction through digitalization is also insignificant ($\beta = 0.014$, $p = 0.784$, $t = 0.275$). This implies that while digitalization may enhance operational efficiency and accessibility, its role in directly influencing customer satisfaction is limited, and other factors, such as service quality dimensions (tangibility, reliability, assurance, empathy, and responsiveness), may play a more crucial role in shaping customer experiences (Figure 1).

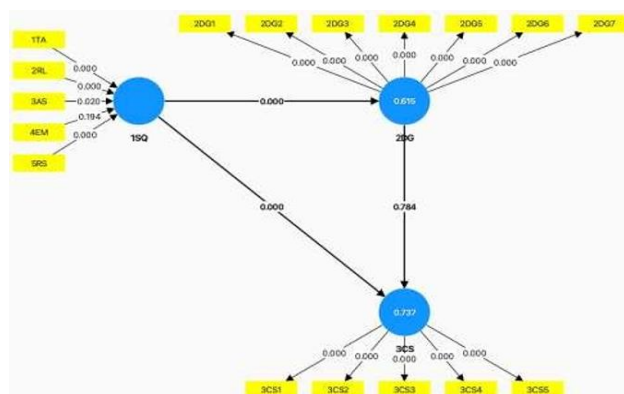


Figure 2
PLS-SEM (Partial Least Squares Structural Equation Modeling) Path Diagram

These findings highlight that while digitalization is an important aspect of modern service delivery, its effectiveness in driving customer satisfaction depends on the quality of service provided. SSS which aims to improve customer satisfaction should prioritize enhancing service quality, as it has a much stronger and more direct impact compared to digitalization alone.

The diagram in Figure 2 visually represents the relationships between service quality (SQ), digitalization (DG), and customer satisfaction (CS). The values along the paths indicate the strength and significance of these connections. Service quality has a strong direct effect on both digitalization and customer satisfaction, as shown by the β coefficients of 0.784 and 0.844, respectively, with significant p-values. However, digitalization does not appear to have a meaningful impact on customer satisfaction, which aligns with the hypothesis testing results. The individual indicators (highlighted in yellow) contribute to their respective constructs, further validating the structural model.

DISCUSSION

The results of the study demonstrate that while digitalization has significantly improved the accessibility, transparency, and efficiency of Social Security System (SSS) services, it is the quality of service itself that remains the most influential factor in shaping member satisfaction. While digitalization improves accessibility and operational efficiency, service quality remains the key determinant of customer satisfaction. Users prioritize interpersonal, reliable, and secure service experiences over digital platforms themselves. The findings revealed that all five SERVQUAL dimensions—Tangibility, Reliability, Assurance, Empathy, and Responsiveness—received high ratings, with “Assurance” emerging as the highest-rated factor. This indicates that clients place considerable trust in the competence, courtesy, and credibility of SSS personnel, as well as in the perceived security of digital transactions. Such results align with Parasuraman et al.’s (1988) framework, which emphasizes the importance of consistent,

empathetic, and dependable service in determining overall satisfaction.

Despite the widespread implementation of digital platforms such as the My.SSS portal, mobile application, and E-Center services, the statistical analysis showed that digitalization alone does not significantly predict customer satisfaction. This suggests that while technology enhances service delivery mechanisms, it does not automatically translate into improved satisfaction unless accompanied by high-quality, responsive service. Similar findings were reported by Alomari et al. (2021), who noted that successful digital transformation in public institutions requires both technological innovation and strong customer service support. In this context, digitalization serves as an enabler—improving speed, accuracy, and convenience—but not as a replacement for the human and relational dimensions of service quality (Reyes & Cruz, 2019).

The mediating analysis using Partial Least Squares–Structural Equation Modeling (PLS–SEM) further supports this interpretation. Although service quality was found to significantly influence both digitalization and customer satisfaction, digitalization did not mediate the relationship between the two. This finding reinforces the notion that user trust and satisfaction are primarily shaped by how effectively services are delivered, rather than by the medium through which they are accessed (Zhang et al., 2023). In the case of SSS Diliman, clients may appreciate the efficiency of online transactions but continue to value the personal reassurance and reliability offered by in-person assistance and staff support.

Nevertheless, digitalization has brought substantial improvements to the organization's operational processes. Respondents strongly agreed that digital platforms are secure, efficient, and easy to navigate—factors that contribute to the perceived reliability of services. These results align with Al-Refaei et al. (2023), who observed that automation and online integration reduce bureaucratic delays

and errors, leading to greater institutional efficiency. However, the study also underscores persistent challenges, such as occasional system lags and the digital divide among older or less tech-savvy members. This reflects findings by Joshua et al. (2023), who emphasized that equitable access and user readiness are crucial for the full realization of digital government benefits.

Overall, the findings affirm that digital transformation initiatives at SSS Diliman have enhanced the delivery of public services but must continue to be supported by human-centered approaches. The study highlights the need for a balanced model that integrates technology with empathy, responsiveness, and professional assurance—core elements of the SERVQUAL framework. Continuous system upgrades, digital literacy campaigns, and user feedback mechanisms are recommended to sustain service quality and ensure inclusive participation in the digitalization process. By maintaining a focus on both technological advancement and service excellence, SSS can further strengthen client trust and satisfaction, contributing to broader digital governance goals in the Philippines.

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