

# Measuring Service Quality in Malaysian Local Government: The SERVQUAL Approach

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## ABSTRACT

Local governments are regarded as an important agency in providing services to the citizens and critical element in this regards will be the quality of the services rendered by these agencies. This study is designed to examine the relationships between attributes of service quality i.e. SERVQUAL methodology with the effectiveness of services provided by a local government in Malaysia. A total of two hundred completed questionnaires were collected and was analyzed using SPSS. While overall findings indicated that all the five service quality attributes i.e. reliability, assurance, tangible, empathy and responsiveness had shown positive relationship between these attributes and the effectiveness of the services provided by local government, more proactive initiatives can be taken to continuously improve the quality of services provided in line with the increasing demand from the citizens. Therefore, relevant recommendations were proposed to the local authority in order to be relevant in providing services in the eyes of Malaysians.

**Keywords:** Local Government, Service Quality, SERVQUAL.

## I INTRODUCTION

Service quality is the measurement of the result between the customer's expectations on the services and also their perception on the service quality that they are actually received (Parasuraman, et al., 1985). The definition of expectation as desires or wants of a consumer which is what they feel a service provider should offer rather than would offer (Robledo, 2001; Ammons, 2013; Shaheen, 2013). If expectations are greater than performance, then perceived quality is less than satisfactory, hence customer dissatisfaction occurs (Parasuraman, et al, 1985; Parasuraman, 2002).

The Malaysian Government has been through a rapid change in terms of technology whereby there

were systems created to ensure that the service quality can be continuously improved (Maniam & Magiswary, 2008). The responsibility of the government is to provide services which are related to improving people's life and also the wellness of the people. The local governments, being a service provider to the public, should not be immune from pressure that drives an organization to be successful with quality services that satisfy the customers and stakeholders (Asgarkhani, 2005). Service quality is subjective and collective experience of the customers who are residents in the service area (Poonikom and Bisalyautra, 2007; Maniam & Magiswary 2008). Service quality depends, among others, on management, the staff perception, the human interface, the service promotions and the customers (Hazman Shah and Ala-Aldin, 2001).

The service quality which is measured by using the SERVQUAL method in five dimensions as reliability, assurance, tangibility, empathy and also responsiveness are a good idea in obtaining the effectiveness of the service quality provided. The conceptual model of service quality serves as a concise framework for understanding, measuring and improving service quality (Parasuraman, et al., 1985). Therefore, service quality measurement can be considered as an important step that need to be taken to understand how it can relate to the effectiveness of the service provided and also lead to the customer satisfaction. Thus, this study uses SERVQUAL method of measurement in order to look at the service quality provided by the Batu Pahat Municipal Council (BPMC) as one of the local governments in Malaysia.

Given the above, the paper is set as follows: section two will highlight some of the important literature on service quality dimensions, section three summarizes the methodology adopted followed by section four highlights key findings, section five provide brief discussion and recommendations and the last section is the conclusion of the paper

## II SERVICE QUALITY DIMENSIONS

Research in service quality and its measurement has been done more than 20 years of academic enquiry. There are many researchers that have been studied the service quality in a variety sectors such as service quality in banking, insurance, real estate and government (Hsu & Spohrer, 2001; Sharil et al, 2004; Gimmore & D'souza, 2006 ;Dror, 2007). The concept of service quality needs to be measured and analyzed by the organizations in order to be more concern towards the demands by the customers (Asgarkhani, 2005; Ammons, 2013). Quality of service is an essential factor involved in a service provider's ability to attract more customers. The customers judge the excellence of the services or products by the measurement of service quality (Kumar et al, 2008; Ammons, 2013; Shaheen, 2013).

As far as service quality is concerned, the local governments as one of the important institution of government are also not exception. The local governments are responsible for large scope of services towards the people as their customers. The primary role of local government is the provision of public services (Breitbarth et al, 2008; Maniam & Magiswary, 2008). They have the responsibility to give the give the best performance to the public while ensuring great transparency and accountability. Transparency in reporting performance is an important factor in the discharge of public accountability (Breitbarth et al, 2008). As emphasized by the Comptroller and Auditor General of the United Kingdom (2001) "consistent, clear reports of performance and publications of the results, are important to record progress and exert pressure for improvement. Such transparency is essential to help ensure that public bodies are fully accountable". Due to this situation, the aspect of services quality plays an important role towards the performance of local government.

Service quality in the government service in Malaysia is a very important issue to be discussed especially in the context of local government due to its close proximity with residents (Phang, 2008). Improving the service quality of service is a key underlying objective of many change efforts. Usually, service quality is depending on the management, the way of staff treating the customers and the speed of the service provided to the customers. As one on electronic service quality by the government, it state that since service quality now is become the most crucial part in the organization, so many practitioners and academicians nowadays is focusing on how to improve online service to attract and retain the

potential customers (Phang, 2008; Maniam & Magiswary, 2008). In order to ensure the effectiveness in the online service, they are also using the SERVQUAL dimensions which are reliability, responsiveness, access, assurance/trust, security/privacy, flexibility, efficiency and appearance. As far as the research is concern, the result obtained is that the customer believe that the reliability is the important aspect in measuring the quality in the online service but for the side of organizations, they believe that the appearance such as the proper use of graphic, color, images and imaginations is the most important aspect of the online service quality.

The most familiar model that can represent the service quality concept is through the service quality model by Parasuraman, Zeithmal and Berry (1985) which was developed based on a perceived service quality relating to five main dimensions as shown in Figure 1.

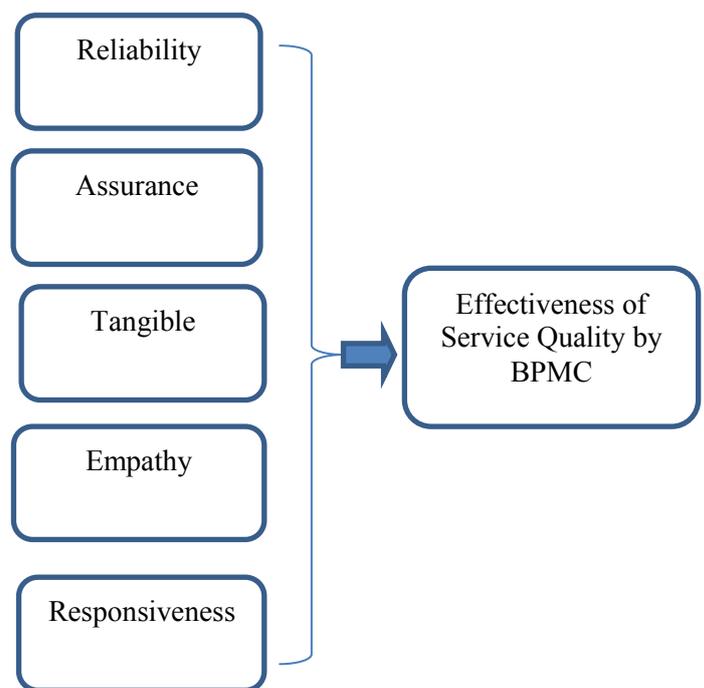


Figure 1. Research Framework.

**Reliability-** Reliability can be defined as the ability to provide the promised service dependably and accurately (Parasuraman et al, 1985). It also comprise of "promises" and "doing it right" sub-dimensions. As the customer, they expect that the services that they are obtaining can be accomplished on time in well manner and without errors. The employees need to provide the accurate services to the customers, so that the customers can satisfied.

**Assurance-** Assurance can be defined as the knowledge and courtesy of employees and their ability to inspire trust and confidence (Parasuraman et al, 1985). Courtesy involves politeness, respect, consideration, and friendliness of contact personnel including receptionists and telephone operators. In addition, the effective communication with the customer has become the important aspect in delivering the services towards them. The firm need to keep the customers informed in language that they can understand and listening to them. The interaction among the personnel and store customers are important as customers are more loyal to a store if the store is seen as warm, friendly and impulsive. The customers want to make the trust and confidence to the organizations by the external view that they can measure towards the employees in providing the services.

**Tangible-**Tangible dimension is means the appearance of physical facilities, equipment, personnel and communication materials (Parasuraman et al, 1985). In other means the condition of the physical surroundings is tangible evidence of the care and attention to details exhibited by the service providers. For an example, customers make inferences about the services quality on the basis of tangible of the bank like the buildings, the physical layout and others that surround the service environment because these can have a significant impact on customers' affective responses.

**Empathy-**Empathy is defined as caring, individualized attention the firm provides its customers. It also includes access to organization's representatives, communication and understanding the customer (Parasuraman, et al., 1985). The level of organizations empathy can be seen through the degree of personalized service offered. All the customers want their needs to be addressed and also be understood by the organization. The organization which can have great empathy level towards their customers indirectly will retain their customer and then it also can enhance its competitiveness. For an example, by showing concern to the customers who are having the problems in receiving their services and it can be the way to improve the overall perceived service quality.

**Responsiveness-**Responsiveness can be defined as the willingness to help customers and provide prompt service (Parasuraman, et al., 1985). The organizations responsiveness usually evaluated by the customers by assessing the amount of the time taken by them to attend towards the customer requests, questions,

complaints and also their problems. When the organization unable to attend the customers' needs in keep them waiting for long, it can lead to the negative perception of the customers towards the service quality provided by the organization. So, in order to cope up with the situation and to ensure that the negative perception will not be last, the organization should be able to recover the problems quickly, or else, they can lose their customers trustworthiness.

Batu Pahat Municipal Council (BPMC) was selected for this study which is located in the state of Johor, Malaysia. The vision of BPMC is "Towards a Progressive and Prosperous Municipal". In addition, the five core values of BPMC include: giving the best service to people and taxpayers particularly from health aspect and comforts of life; all tax collected on will be dealt as good as possible of management objective, service development and public facility maintenance in order to meet municipal member needs; implement laws and policies that are decided by central, state, and local government; town planning control and determine more ordered and systematic development direction to achieved municipal progressed and prosperous objective to encourage the value to love the environment in each planning and development which operate in keeping with Humanity Planning Doctrine which became government policy to preserve human relationship with human, human with creator, and human with the environment; progress and property, which became the struggle pillar of BPMC staff will be implemented with full responsibility and the effect can be felt by all especially from physical development aspects, economy, mental and spiritual.

### III RESEARCH METHODS

This study was conducted to examine the perception on service quality of the local governments using SERVQUAL approach. The main research objective of this study is to examine the level of effectiveness of service quality of local government in Malaysia. The sub objectives are to examine the relationship between:

- i. Reliability with the effectiveness of the service quality provided by BPMC.
- ii. Assurance with the effectiveness of the service quality provided by BPMC.
- iii. Tangible with the effectiveness of the service quality provided by BPMC.
- iv. Empathy with the effectiveness of the service quality provided by BPMC.

- v. Responsiveness with the effectiveness of the service quality provided by BPMC.

Responsiveness	0.533**
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Note: Sig. (1-tailed), N= 200, given p= 0.000

This study was a cross-sectional survey using questionnaires to investigate factors influencing the service quality by BPMC. The sample units for this study were the individuals who used the services provided by BPMC. A total of 200 completed questionnaires were collected for the purpose of data analysis.

#### IV FINDINGS

Table 1 shows the demographic profile of respondents i.e. their gender, race and educational achievement. A total of 200 respondents participated in this study.

**Table 1. Respondents Demographic Profile.**

Descriptions	Frequency	Percentage
Male	115	57.5
Female	85	42.5
Malays	136	68
Chinese	55	27.5
Indians	9	4.5
Secondary Education	115	57.5
Diploma	61	30.5
Degree	24	12
TOTAL	200	100

Table 2 summarizes the overall mean scores for all the five quality dimensions measured based on five point Likert-Scale (1- Strongly Disagree and 5- Strongly Agree). The results depicts that the respondents are satisfied with the quality of services provided by BPMC given the mean score ranging between 3.57 to 3.63.

**Table 2: Mean Score & Std. Deviation**

Variables	Mean	Std. Deviation
Reliability	3.5890	0.40658
Assurance	3.6350	0.58608
Tangible	3.6038	0.46974
Empathy	3.5675	0.49413
Responsiveness	3.5762	0.48026

**Table 3. Correlation Analysis.**

Quality Dimensions	Effectiveness Service Quality (SQ)
Reliability	0.593**
Assurance	0.493**
Tangible	0.529**
Empathy	0.532**

Based on Table 3, it can be observed that all the quality dimensions have recorded significant positive relationships between the effectiveness of service quality and the quality dimensions. However, the correlation value is only moderate i.e. between 0.493 to 0.593. This indicates that the local authority needs to work harder to continuously improve their service quality.

#### V DISCUSSION & RECOMMENDATIONS

Overall, the study reveals that BPMC is providing reasonably good and quality services to its customers. All the five quality dimensions indicated satisfaction level between moderate to strong.

**The Reliability Dimension-** Based on the observation of this study, it shows that reliability has become an important factor which contributes to the level of effectiveness of service quality in local government. Since most of the customers believe that they can rely on the service provided by this local government, BPMC should emphasize on doing things right for the first time in delivering the services to the customer. This is because when the customer gets the services as what was promised, they will feel satisfied and do come again. This correlate with the findings by Berry and Parasuraman (1991) i.e. reliability has become the most critical dimension when measuring the relative importance of the five dimensions using the SERVQUAL questionnaire in ten studies and claim that the reliability dimensions is the essence of service quality or the very core of service marketing excellence.

**The Assurance Dimension -** The staff should improve their knowledge, skill and ability (KSA) in order to provide better customer care. The frontline staff should be well trained and be more responsive and sensitive to customer needs, thus providing services that are more efficient and effective (Folz, 2004). The courtesy and credibility of the staff should be improved in order to produce the services effectively and efficiently. Therefore the top management should highlight the ability of the staff so that they can perform effectively and efficiently.

**The Tangible Dimension-** BPMC should enhance the physical evidence including the infrastructure that will facilitate the customer in dealing with them. The parking area always being a problem since BPMC received many complaints from the customers. Thus, BPMC also should improve the facilities and

equipments that can be used in providing services and also to ensure that the customers will feel more comfortable dealing with BPMC. It can be done through the advancement of technology in implementing the services which can facilitate more for the customers such as paying summon or compound via online which it can save cost and effort of the customer in getting the services.

**The Empathy Dimension** - Empathy is the fourth dimensions in measuring the effectiveness of service quality in BPMC. Based on the findings, BPMC authority should plan HR activities to improve the ability of their staff in understanding the needs and request from the customers. This can be done via suggestion box or direct feedback from the customers or via customer engagement survey. In addition the staff of BPMC also should increase their level of empathy towards the customers by showing leadership examples .

**The Responsiveness Dimension-** As far as the responsiveness in the service quality of BPMC is concerned; it refers to the timeliness of the service provided by the key personnel of BPMC towards the customers. It also refers to the prompt service, willingness to help the customers and the respond of the staff to the customers need. The survey reveals that more can be done to improve the responsiveness dimension such as reducing the waiting time of the customers, staff being more responsive in dealing with customers, providing fast service, creating a one-stop center so that customers can save time moving to many counters etc. In addition, employee who can multi-task will definitely help in improving the level of responsiveness in that context providing quality service delivery.

## VI CONCLUSION

The findings indicate positively significant relationship between the service quality dimensions (reliability, assurance, tangible, empathy, responsiveness) and the effectiveness of service quality provided by BPMC. Moving forward, BPMC authority should plan proactive strategies to continuously improve their service delivery to their stakeholders. The management should look out for new ways to reach out to their residents using technology such as e-Government, mobile technology, e-Business services etc. This help the organization to be relevant and current in the eyes of its customers.

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