New Forms of Public Service Delivery – are they really valuable?

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Abstract

One of the major challenges currently faced by Public Administrations is the creation of more value for both citizens and firms, mainly because of the increasing budgetary constraints and challenging demands from society. In fact, in the last two decades there has been a general movement of public reform in almost all developed countries, and for this reason it became essential to understand how users assess public services’ quality.

This paper aims precisely at understanding which the determinants of public services’ quality are. Due to the nature of the research problem, the case-study methodology has been chosen. Thus, this paper presents the case-study of Citizen Shops in Portugal, a recent and innovative channel of public services’ delivery, within a strong relational perspective.

This research involved an extensive qualitative and quantitative data collection. The main findings and implications are presented and discussed.

Keywords: public services; Citizen Shops; quality determinants; satisfaction; dissatisfaction

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1. Introduction

In the last few years public services’ assessment has been a current issue in public management literature and practice. Due to the specificities of this context, there are a few important issues that should be taken into consideration. First, because we are dealing with services, public services quality can be regarded from the services marketing perspective. Services quality became a central topic of research in the 80’s (cf. Parasuraman, Zeithaml and Berry, 1985), namely because of the increasing competition among organizations in a growing competitive world. On the other hand, although the importance of quality management is widely recognized in the public arena (cf. Pollitt and Bouckaert, 2000; Doherty and Horne, 2002; Talbot et al., 2005), there is a debate on the meaning of public services quality (cf. Mintzberg, 1986; Walsh, 1991; Swiss, 1992; Radin and Coffee, 1993; Hazlett and Hill, 2000). The concept and measurement of services quality have been one of the most controversial issues in the services marketing debate (Brady and Cronin, 2001). In fact, assessing services quality is much more complex than when we are dealing with products, because services are “deeds, acts or performances” Berry (1980), and have specific characteristics – intangibility, inseparability between production and consumption, perishability and heterogeneity (cf. Berkowitz et al., 1986) that make them unique (cf. Grönroos, 1990; Kotler and Andreasen, 1995). Thirdly, although the adoption of models and instruments designed for private initiative is not free from criticism or caution (cf. Swiss, 1992; Rago, 1994; Halachmi, 1995), others claim that the frontiers between the two sectors are shading and, consequently, it is feasible to use those constructs in public service research (Cohen and Eimike, 1994; Rago, 1994; Gaster, 1995).

There are two main paradigms in services quality research: the expectation-disconfirmation paradigm and the performance paradigm. For the first one, perceived service quality results from the comparison between performance and expectations (Oliver, 1980). Although it is agreed that there are multiple quality dimensions, there is no consensus on their number and nature: two (cf. Grönroos, 1982; Lethinen and Lethinen, 1982; Mels, Boshoff and Nel, 1997), three (Rust and Oliver, 1994), five (Parasuraman, Zeithaml and Berry, 1988) and ten (Parasuraman, Zeithaml and Berry, 1985, in the original version of SERVQUAL). On the other side, the performance paradigm argues that expectations are irrelevant and only performance should be considered. These two perspectives gave rise to two alternative frameworks: SERVQUAL (Parasuraman, Zeithaml and Berry, 1985; Zeithaml, Berry and Parasuraman, 1988) and SERVPERF (Cronin and Taylor, 1992). Even though they are widely used in services quality assessment, some authors claim that they are not generic and, consequently, a few adaptations should be made for each specific context (cf. Carman, 1990; Finn and Lamb, 1991; Dabholkar et al., 2002; Zhao et al., 2002). There are other developments in the literature, such as modified versions of SERVQUAL and the importance-performance paradigm proposed by Martilla and James (1977).

Additionally, although it is consensual that customer satisfaction is essential for organization success (cf. Vavra, 1997; Dabholkar, Shepherd and Thorpe, 2000; Rust, Moorman and Dickson, 2002; Keiningham, Munn and Evans, 2003; Fornell et al., 2006; Stradling, Anable and Carreno, 2007), there is no agreement on the relation between quality and satisfaction. Luo and Homburg (2007) present a clear and complete systematization of customer satisfaction outcomes and the respective academic articles. Similarly, there isn’t any universal definition for satisfaction (cf. Yi, 1990; Peterson and Wilson, 1992). As a matter of fact, for some authors satisfaction is an evaluation process (cf. Hunt, 1977; Oliver, 1980; Fornell, 1992), but for others it is the answer to
that evaluation process (cf. Howard and Sheth, 1969; Oliver, 1980, 1997; Westbrook and Reilly, 1983; Tse and Wilton, 1988). It can also be viewed as a cognitive answer (cf. Howard and Sheth, 1969; Tse and Wilton, 1988; Bolton and Drew, 1991) or an affective response (Westbrook and Reilly, 1983; Cadotte, Woodruff and Jenkins, 1987). Besides, some authors argue that satisfaction precedes quality (Parasuraman, Zeithaml and Berry, 1988; Bitner, 1990; Bolton and Drew, 1991), while others support the opposite (Oliver, 1993; Parasuraman, Zeithaml and Berry, 1994; Cronin and Taylor, 1994; Liljander and Strandvik, 1995; Fornell, 1996; Grönroos, 2000; Brady et al., 2002). In our viewpoint, it is possible to adapt the frameworks designed for private services to assess public services quality. Therefore, our model considers both citizens’ expectations and perceptions.

Furthermore, there is also a debate on the relation between satisfaction and dissatisfaction. In this sense, besides the purpose of satisfaction maximisation, it is also important to minimise dissatisfaction. Although this has been neglected in most empirical works in services (Liljander, 1999; Dawes and Rowley, 1999), satisfaction and dissatisfaction cannot be considered opposites (Johnston, 1995). As a matter of fact, similarly to SERVQUAL (Berry, Zeithaml and Parasuraman, 1985), service quality literature attempts to identify the dimensions or attributes that generate positive evaluations of quality by customers - concern in understanding and defining positive concepts such as quality and satisfaction, instead of the negative ones - dissatisfaction. Researchers from other fields of knowledge also have pointed out the importance of dissatisfaction analysis, without considering it merely the opposite of satisfaction. This is the case of Scitovsky (1976) in neurophysiology, Herzberg (1968) in psychology, and Kano et al. (1984) in quality studies. In fact, when we consider the concerns of customers with information accuracy, waiting time, attendance duration, bad attendance, etc. (negative incidents) satisfaction becomes to some extent a secondary concern (Johnston, 1995; Dawes and Rowley, 1999). But as far as minimum quality criteria are respected dissatisfaction tends to decrease. Concluding, without a strategy that includes both dissatisfaction removal and increase of satisfaction, employees and customers might become sceptical about the attempts of service quality improvement in the organization. Therefore it is important to identify the causes of the problems that lead to dissatisfaction. These results can be used to establish a priority for corrective measures, namely in terms of back-office rearrangements.

Our model has three main parts. Firstly, it explores the kind of relationships that are developed during the public service encounter between the citizen, the public agency and society (all stakeholders involved), considering that the public service encounter involves a ‘pseudo-relationship’ (Gutek, 2000). In fact, it is a situation of repeated contact, so as the citizen does not anticipate any future interaction with a particular person, but instead with the organization in general. In the second part of the model, citizens’ perceived quality is determined by comparing perceptions and expectations, which can result from previous experiences, word-of-mouth, suggested positioning and personal needs. Emotions are considered to exert a significant influence on citizens’ perceptions, because this encounter seems to be strongly relational. In fact, individuals may already have a predisposition to see incidents as negative or positive experiences and this may not have anything to do with incidents, but can instead be related to the customer’s mood when he/she receives the service (Johnston, 1995). Indeed, both positive and negative emotions that customers associate with the service have a growing importance in literature in the creation of satisfaction, as well as the analysis of their intensity and frequency (Friman, Edvardsson and Gärling, 2001). However, with a few noticeable exceptions (cf. Bitner, 1992) there still exists a lack of research on the links
between emotions and post-consumption variables, such as satisfaction (Liljander and Bergenwall, 1999). Moreover, the model considers that citizens may admit that their expectations may not always be met, and therefore accept a service performance level somewhere between the adequate and desired level of expectations and still don’t feel dissatisfied. This concept was introduced by Berry and Parasuraman (1991) but barely applied to public services quality research. Finally, the model considers that public services’ quality results both from citizens’ perceptions, but also from value to society, viewed as the relation between benefits and loss to all other stakeholders.

2. Research Questions

This investigation is aimed at understanding on what depends the public service quality. The research context is framed by the Portuguese Citizens Shops, where service quality and distribution are central and interwoven issues. In this sense, this research was designed to answer three research questions in the context of the Citizen Shop:

- How is the interaction process developed in the public service encounter?
- How are citizen/user’s perceptions of public service quality developed?
- What is the impact of public services’ quality in the value to society?

These questions also imply exploring the following issues:

- Knowing the organizational processes focusing the citizen in the Citizen Shop.
- Assessing the positive and negative aspects of delivering public services through the Citizen Shop.
- Understanding how can citizens’ needs and demands be more effectively met.
- Understanding the value of physically delivered public services, both to the citizens and society, without real service integration.

3. Methodology

This section is aimed at presenting and justifying the methodological options that were on the basis of the empirical research. According to Yin (1994), the exploratory research is the most adequate when the research questions are of the type “how?” and when the main purpose is understanding a subject that is still almost unknown. Therefore, it was followed predominantly an explanatory qualitative methodology and, among the alternatives, it was chosen the case-study approach, using multiple sources of empirical evidence. As a matter of fact, case studies are considered an adequate methodology for exploratory and explanatory research (Yin, 1994). Thus, it was chosen the Citizen Shop case-study. The choice of this particular case-study was based on four main reasons. First, because although its growing importance for the daily lives of urban populations, there is still scarce research about this public service delivery channel. Secondly, because it fits the one-stop-shopping trend in western countries. On the other hand, because it is an innovative approach, between traditional Public Administration and e-Government. Finally, for its organizational diversity and complexity. More specifically, the evidence was collected in six Citizen Shops, located in the most important Portuguese cities. This option aimed at assuring robustness of analysis (Eisenhardt, 1991) and saturation (Smith, 1990).

It was given a special emphasis to verbal reports (Ericsson and Simon, 1980), and it was used an adaptation of the Critical Incident Technique - CIT (Flanagan, 1954). This technique was introduced in the marketing literature by Swan e Rao (1975) and in the services marketing arena by Bitner, Booms and Tetreault (1990). Since then, many studies have been based in CIT adaptations (cf. Edvardsson, 1988, 1992; Bitner, 1990;
The incidents were collected with the citizens using a questionnaire and categorized according to the five dimensions proposed in SERVQUAL (Zeithaml, Berry and Parasuraman, 1988). Besides, all other qualitative data was obtained by means of personal semi-structured interviews (with managers and front and back-office public servants) and focus groups (with citizens and public servants). In fact, focus groups have been extensively used in services marketing research, and more recently their use has been explored in the public services analysis (Krueger, 1994). Complementarily to the main methodological option, it was also made an importance/performance analysis based on data obtained with the questionnaire (Martilla and James, 1977). This procedure does not conflict with the case-study methodology, which allows the use of qualitative and quantitative methods (Amaratunga and Baldry, 2001; Jensen and Rodgers, 2001). Data diversity may be even considered one of the main contributions of this research, since triangulation strengthens constructs and hypothesis (Eisenhardt, 1989). The analysis followed the principles of the grounded-theory approach aiming at the emergence of new theoretical constructs on the basis of the data analyzed (Strauss and Corbin, 1990).

In practice, the data was collected from November 2004 until May 2007. There were made 59 interviews, in a total amount of 28.5 hours of tape recording. There were also made four focus groups in a total of 5 hours of tape recording. The interviews had a strong ethic concern, since all participants were previously informed about the purpose of the investigation and were asked permission for tape recording, as well as guaranteed absolute anonymity. Besides, there were made 340 questionnaires with the citizens/users in the Shops. These were used to collect the incidents as well as the data used in the importance/performance analysis (the participants were asked to rate in a five point Lickert scale 29 items that resulted from the qualitative data analysis). The qualitative data gathered from the interviews and focus groups were coded in categories intimately related with the conceptual framework and research questions. It was used the QSR NVivo 2.0.

4. The Case of the Citizen Shop

The idea to create Citizen Shops in Portugal was inspired in the Citizen Attendance Service in the Brazilian State of Bahia. This is a huge state, where citizens have to travel long distances to have access to some public services. In Portugal, the first Citizen Shop was founded in Lisbon in 1999. Since then, ten more have been created, spread among the principal cities. Citizen Shops were designed to implement the administrative modernization started in the 1980s inspired in the main principles of New Public Management. This aimed at breaking with the traditional slow and bureaucratic delivery, following a logic of concentration, accessibility, simplification and speed of response. Citizens Shops intend to be citizen-focused, in order to deliver better service quality and improving the relationship between Administration and the citizen. In practice, they are like a shopping centre where the citizen can find a broad variety of services that do have a great importance for their daily lives and, consequently, have a very significant demand. Although not all the Portuguese public services are present at the Citizen Shops, mainly due to some resistance to change, there have already been established more than fifty partnership agreements with government agencies that deliver the services in the Citizen Shops, which define the services to deliver – conditions, processes and staff. Currently, there are eleven categories of services
delivered through Citizen Shops in Portugal: Water, Electricity, Gas and Telephones; Banks; Certificates and Registrations; Post-office; Personal Documents; Taxes; Labour Relations and Professional Training; Social Security; Health Services; Services for Public Servants; Communications and Transports.

There is also a great concern about the physical infrastructures. The building for each Citizen Shop has good accessibility, including for disabled people, good working conditions and a modern layout. Some supporting services are also available such as coffee shops, cash machines, copies and photo services, waiting areas and places for attendance of disabled people. The opening hours are extended, compared to traditional offices, and there is a special emphasis on recruitment based on skills and competence, which is supposed to be constantly improved by training courses and motivation techniques. There is also an extensive use of information technology facilities and databases.

5. Findings

The theoretical contributions of this investigation derive from each of the three parts of the conceptual model that resulted from the research questions and framed the empirical work. Firstly, given the nature of the service delivered, the public service presents special features of a pseudo-relationship that involves three mains participants: the citizen/user, the public agency and society. More specifically, in most of the situations each contact of the citizen with the public agency involves different public servants and, given the public character of the service, the model considers society as part of the relationship. Secondly, quality is viewed from the citizen perspective, resulting from the comparison between users’ perceptions and expectations, and the relevance of expectations in citizens’ assessment of public service attributes was confirmed. Two main conclusions were obtained: on the one hand, expectations should be carefully promoted because a significant part of citizen dissatisfaction comes exactly from expectations’ disconfirmation and, on the other hand, citizens’ perceptions are crucial once they allow to understand that public service attributes have different impacts on their satisfaction in the sense that some are primarily a source of satisfaction, others tend to cause dissatisfaction and others are neutral. A third contribution comes from the importance given to the role of emotions in the citizen/public agency interaction. In fact, even though citizen satisfaction was understood to be mainly a functional issue, emotions were found to exert a strong influence in the service encounter interaction and, consequently, besides the service process itself, citizen perceptions and satisfaction were also influenced by their mood before and during the interaction. Additionally, it was confirmed the existence of a zone of tolerance on citizens’ assessments, once they admit that it is not always possible to meet their expectations and still do not feel necessarily dissatisfied. Situational items, word-of-mouth, previous experiences and the compulsive character of the service affect the adequate level of expectation. Finally, the conceptual model takes into consideration public services specificity and thus includes not only citizens’ perceptions, but also the value to society. Although it was found a valuable contribution of one-stop-shopping to all stakeholders, namely as an incentive to foster public modernization, there are still significant limitations mainly derived from the absence of a real back-office integration.

Additionally, there have been found a few main contributions to management. Firstly, citizens’ expectations based on word-of-mouth and on the Citizen Shop initial positioning were found to be primarily a source of dissatisfaction. Therefore, a special attention should be given to communication with citizens and society, in order to inform
about the specificities of each Citizen Shop and, more generally, about the real capacities of the project. Secondly, managers should focus on citizens’ perceptions to understand the sources of satisfaction and dissatisfaction. Empathy is highly perceived as a positive issue that tends to surprise the citizen, and so it should be used to improve service quality. In this sense, selection, recruitment and training are critical in promoting excellent service perceptions. In turn, responsiveness was found to be an extremely important source of both satisfaction and dissatisfaction with concentrated public services delivery. On the other hand, it was found a strong “Citizen-Shop culture” aiming at providing high-quality service to the citizen, encouraging excellent performance among employees and developing strong leadership in the promotion of partnerships between all public agencies in each Shop. This is quite innovative in the public service arena. Fourthly, there are still a few significant limitations in terms of responsiveness derived from the dependence of the Shops in relation to the central agencies. In this sense, the success of the project depends on achieving real back-office coordination. Finally, service quality improvements claim for a front-office reorganization considering citizens’ interests, namely in terms of life events, instead of focusing on Administration organization. Information technologies may accelerate coordination and higher autonomy from central services.

6. Conclusion

Public Administration modernization has fostered new delivery solutions aimed at providing better public services to the citizen. Consequently, there is a need to develop new models especially adequate to know how citizens evaluate them. Constructs and frameworks designed to assess services’ quality in the private arena seem to be useful to the public context, but there is still the need to adapt them to the specificity of public services.

The central purpose of this research was to understand on what depends public services’ quality. The focus on citizens’ perspective within a highly relational framework, complemented by the analysis of the value to society, was found to give new insights on public services assessment.
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