

## Historical of Customer Satisfaction in Municipal Services

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**Abstract.** Citizens nowadays are often skeptical towards the public sector performance, but relatively satisfied with obligatory services when their needs are well received. The commons problems that always occurred in local services are squalor, slums, traffic congestion, flesh flood, illegal dumping and shortages of water and power characterize urban centre in Asia. While the national governments pursue the goals of economic development, it is generally left to local governments to manage rapidly growing urban areas and provide basic services for their residents until the grass-root. Local governments have to meet the challenges of urban growth in partnerships with other stakeholders (internal and external) due to the limited resources and capacities of urban local governments. Regardless to many constraints in getting allocation and grant by upper level, sometimes local governments failed to manage its service delivery in good manner. To improve with greater experience of the service, municipalities should be well participated with focus groups among municipal manpower, Non-Governmental Organizations (NGO's) and household to perceive the best practice in deals with local affairs.

**Keywords:** Customer satisfaction, Municipal, Services, Performance, Local Affairs.

### 1. Introduction

In rapid development nowadays, customers do not only demand the efficiency, effective, economy and transparency in service delivery but they also want public agencies to be more responsive to the users as well as consumers of public services (Drewry, 2005). The close relationship between government and civil society leads democratic practices and facilitates better provision of public services have shown in several studies (Jamil et al. 2007). Citizens are often sceptical towards the public sector when asked in general and abstract terms, but relatively satisfied with more specific services when demands and needs are well received by them (Christensen and Læg Reid 2005). However, if local institutions are unable to satisfy their needs, citizens may not only express their support with local governments until the grass-root. At the same time, they may also be increasingly dissatisfied with the way local authorities done in their service delivery works in their boundary (Montalvo 2009).

### 2. Overview

Many countries in Asia have experienced rapid development in economic, social and politics growth and led to a rapid rise in their urban populations over the past 20 years. However, the quality of life of an average urban resident remains low even there a significant increase in national wealth and standard cost of living in urban area. The commons problems that always occurred in local services are squalor, slums, traffic

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congestion, flash flood, illegal dumping and shortages of water and power characterize urban centres in Asia. Regardless to many constraints in getting allocation and grant by upper level, sometimes local governments failed to manage its service delivery in good manner. A municipality council is differing than other local authority due to its political structures, its administration community, its power, and multifunction's. The functions of them accordance with political statutory and other relationships among its political structures and has a legal personality (Annelise Venter et al, 2007).

The legitimacy of the political structure and executive departments of municipalities could be in jeopardy if people believe that municipalities do not provide the level of and standard of services as they expect and hope. By improving the levels of performance of municipality, knowledge performance approaches and indicators should be followed accordingly (Annelise Venter et al, 2007). Wider factors could influence performance level in municipalities even differs each other because a compressive system performance measurement and models such as Balanced Score Card and Service Quality (SERVQUAL) can be implemented (Palmer, 1993). Some of the factors that could affect include lack of responsive and experience among staff, low quality of municipality's leadership and municipal institutional factors (Annelise Venter et al, 2007). These quantitative aspects can be rather complex and intangible, such as the general welfare of a community, business community and hence can make performance improvement and productivity measurement extremely in different manners (Wright 1994, Curtis 1999).

Well or not a municipal deliver is depending on its constitutional mandate and obligations and by looking at performance measurement exercised at municipal level. Measures may be applied to municipal services as a whole or to the processes involving in delivery particular services. Municipal councils should asses the economy, efficiency and effectiveness of its operations. A methodology for evaluating local government performance in municipal services, based on quality and satisfaction dimensions, is presented clearly. Quality has become a vital factor for the development of municipal services and an important method for better customer satisfaction. A few models such as Balanced Score Card and SERVQUAL always explain the significant between quality dimensions and satisfaction in respect of improving the relationship between public administration agencies and citizens. Research conducted with citizens are the basis for the series of public policy actions that are aimed at improving administration service quality, which, ultimately should lead directly to better citizen satisfaction. A local council serves all the people living in its area; it cannot pick and choose the most profitable. Some people are direct customers of services such as schools or libraries; others have a wider interest in public services, and how they affect their area as citizens. And for 'universal' services such as recycling and street cleaning, everyone is a customer. Moreover, all these relationships take place within the context of democratic local accountability, where people are voters as well as consumers (Putnam, 2002). To meet the needs of everyone, it is easy to end up focusing on the average customer, rather than being adaptable to different needs. In this matter, customer segmentation identifies key groups of service users such as Non-Governmental Organizations (NGO's), the Households, Community Leaders and Local Authority staff can be a powerful way of building diversity into strategic planning from the start ( Kamarudin Ngah, 2005).

### **3. Experiences of develop and developing countries**

Some of the critical services operated by UK local authorities have been privatized in Malaysia, such as refuse collection and disposal and are totally outside local authority control. UK local authorities, also, receive a higher level of government grant in support of their services in comparison to Malaysian local authorities (Phang, 1985). Local authority accounts in Malaysia are thus, from the point of view of local taxpayers, only relevant to a smaller local taxpaying constituency as compared to the United Kingdom and this coupled with low government grants (and even an intention longer term to phase out federal government grants) are thus lower on the scale of priorities for both Federal and State government. After restructuring of local government due to report of Royal Commission of Inquiry in 1967, local authorities in Malaysia have been given wide powers within the Local Government Act of 1976. The functions not only include mandatory functions but discretionary functions as well. The mandatory functions include all critical functions such as refuse collection, street lighting and activities pertaining to public health. Discretionary

functions include all development functions such as providing amenities, recreational parks, housing and commercial activities.

The French system is among the most non representative. Its basic structure, codified by Napoleon I, developed out of the need of revolutionary France to curtail the power of local notables, while hastening government reform. It stresses clear lines of authority, reaching from the central government's ministry of the interior through the centrally appointed prefect of the department to the municipality, which has a locally elected mayor and municipal council. Variants of this system are found throughout Europe and in former French colonies.

Australian local government has been undergoing extensive and virtually continuous reform for over 25 years. The "first wave" reforms (Gerritsen and Osborn, 1997) were in the structure of local government; powers and responsibilities; forms of participation; funding; and the occupational structure and workforce management. In Australia, they have 3 main tiers of government: Federal Government, State (or Territory) Government and Local Government. All local governments are approximately equal in their theoretical powers, although LGAs that encompass large cities such as Brisbane and Gold Coast Cities command more resources given their larger population base.

In New Zealand, government has a two-tier structure (central and local government) modelled on the United Kingdom system with the British distinction between urban municipalities (cities and boroughs) and rural districts and counties. Local authorities fund most of their own activities. Their financial independence increased significantly between 1986 and 1995; central Government grants were reduced from 20 per cent of their total funds to 2.4 per cent. Rates (taxes on property) are the primary source of funding for local government (Anderson and Norgrove, 1996).

Urban local government bodies are synonymous with municipal government have a long history in India. Municipal bodies are the creation of the British. The first such body called a Municipal Corporation was set up in the former Presidency town of Madras in 1688 and was followed by the establishment of similar corporations in Bombay and Calcutta in 1762. Lord Mayo's Resolution of 1870 encouraged the introduction of an elected President in the municipalities. The extent of the municipality's power as well as the extent of government control over a Municipality/Municipal Council depends on the statute enacted for its creation. Presently, the statutes confer wider controlling and supervisory powers on the state government (Gangadhar Jha & Mohanty B., 1993).

#### **4. Malaysian Case**

The research findings of a number of studies conducted in the past twenty years have shown that public service provisions are ineffective and overly expensive (Crew 1992). In Malaysia, there has been growing media attention on cases of public sector customer grievances, especially at the local government level. The response has been to push initiatives aimed at improving the quality of public service delivery. The Malaysian Federal Government established a unit called MAMPU to introduce 'best-practice' initiatives to LGAs, and assist their capacity-building through providing training programs and operating procedures guidelines. Quality control initiatives have been introduced to LGAs throughout the past decade under the banners of Counter Service, Quality Control Circles, Total Quality Management, Computerized Accounting, Client Charters, Complaints Systems, ISO 9000 and Benchmarking.

Main functions are provision of adequate housing for all citizens; planning and implementation of MHLG policies; setting up of local authorities; provision of efficient fire and rescue services; and strengthening and implementation of Town and Country Planning Act 1976. The MHLG official website features tribunal for homebuyer claims, housing loan scheme and legal clinic, prosecuted and find developers, complaints, licensing, recycle and solid waste and public cleansing management.

Jabatan Kerajaan Tempatan (JKT) is department under the MHLG. The main function of the Jabatan Kerajaan Tempatan (JKT) is to guide and facilitate the Local Authorities (Pihak Berkuasa Tempatan-PBT) with planning and implementation of socio-economic development programmes and municipal services. The JKT official website features JKT profile, info and statistic of Local Authorities (PBT) by state, announcements and services.

The basic law and regulations practiced in Municipal Council as other local authorities is Local Government Act 1976 which is governs the powers and responsibilities of local authorities: control of public places, pollution of streams, preparation and sale of food, operations of markets, sanitation and nuisance, burial places and crematoria. In other hand, Town and Country Planning Act, the Street, Building and Drainage Act, Road Transport Act 1987, and Uniform Building. Once passed, these Local Plans become Law. All development projects (buildings, roads, drains) must have prior approval of local authorities. Mayors will be judged by how well these and other services are provided to their municipality's residents. Transparency International Malaysia Public Opinion Survey, 2001, found that municipal councils were seen as more corrupt than: the land office, judicial office, environment department, health department, police and road transport department. Only 13 cases or 5.4% of arrests for corruption in the public sector were local council officers (Anti-Corruption Agency). Few reports of specific allegations of corruption in local councils are mainly due to opaque processes of what actually takes place. Increasing centralization of Malaysian government functions in the past, Georgetown City Council provided a public bus service, run women and children's clinics but no local authority provides that today. In Malaysia, there has been a pressure to improve the performance of the public sector over time, and Malaysian Administrative and Modernization Planning Unit (MAMPU) of the Prime Minister's Department spearhead the efforts in this respect. Subsequently, there have been a number of government circulars showing what is expected in improving the performance and the current premier has introduced the Key Performance Indicators (KPI's) for the public sector (MAMPU, 2005).

Else, there has been no serious effort in introducing an effective and efficient measuring method to appraise the performance of the public agencies and including local government. An ongoing study on the effectiveness of the local government in Malaysia found that local government officers and councilors indicated that they are largely responsible and accountable to the State and Federal agencies as well as the people they serve. On the other hand, the Public Complaints Bureau under Prime Minister Department identified that about 17% total complaints received are attributed to local governments throughout the country.

The recipients of the services are the best the right stakeholders who could evaluate the performance of their local government. State and local governments are the closet to the people (Olsen & Epstein, 1997) and as such it is highly necessary that public servants in these entities are held accountable to the people they serve. However, local authorities have to bear the burden of having to pay some of the privatized services- especially the privatization of solid waste management and related cleansing services. Under the interim period of privatization plan, the private companies which undertook the provision of the solid waste disposal and urban cleansing services are paid by the local authorities. A number of poorer districts authorities have been faced with lack of funds to pay the companies due to higher cost of private provision of services.

## **5. Conclusion**

In conclusion, the national governments pursue the goals of economic development, it is generally left to local governments to manage rapidly growing urban areas and provide basic services for their residents until the grass-root. Local governments have to meet the challenges of urban growth in partnerships with other stakeholders (internal and external) due to the limited resources and capacities of urban local governments. This article also provides short glimpse of Malaysia and its Local Government System. An overview of the organization of the article has also been given in to many constraints in getting allocation and grant by upper level, sometimes local governments failed to manage its service delivery and stakeholders should be well participated in managing local affairs in order to greater practice from upper to grass-root level.

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