

The Impact of Public Participation on the Perception of Service Quality with the Moderating Effect of Organizational Culture in Local Government in Thailand

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ABSTRACT

The purposes of this study are; first, to examine the impact of public participation on the perception of service quality of local government officials; and second, to investigate how organizational culture moderates the impact of public participation on the perception of service quality of local government officials. This is a case study of municipalities in Southern Thailand and a survey data via mail was used. The target population is administrative officials. The data were analyzed by Pearson correlation, linear regression, and hierarchical regression in order to investigate the relationship between variables and to test the hypotheses. This study contributes to the existing body of knowledge by integrating the public management and marketing approaches. The results show that there was a significant positively impact between public participation and the perception of service quality of local government officials. While, the moderating effect of organizational culture was found not significant.

Keywords: *Public participation, Service quality, Organizational culture, Local government*

Introduction

Governments of the Organisation for Economic Co-operation and Development (OECD) countries are under pressure to improve public sector performance. In many developing countries, including Thailand, the public sector is poorly managed and lacks the capacity to provide quality public services. In addition, they cannot meet customer satisfaction because of weak incentives for public officials to deliver services efficiently (OECD, 2001) Many studies, for example, in Total Quality Management (TQM) and Good Governance, were considered in order to reform the public sector and to improve the public sector efficiency, effectiveness, and service delivery (Baird, Harrison & Reeve, 2004). Sattarifar (2005) argued that modern-day administrations have philosophized about the idea of a “citizen-centric” government. The way to gather citizen or customer needs and expectations is public participation. Public participation is the key to leading organizations to be successful. Bourgon (2007) notes that public participation, and more recently citizen engagement in policy development, has featured prominently in public sector reform. An important outcome of public participation is to involve people in decision-making processes and gather that information in order to improve service quality. While concerns of improving service quality and public participation are an important step in public sector reform, changing organizational culture in order to support policy-makers and public officials is just as important. Uttal (1983) defined organizational culture as shared values and beliefs that

interact with an organization's structure and control systems to produce behavioral norms. Organizational culture also tends to influence the work norms, communication, and organizational performance. Thus, changing an organizational culture is regularly the main factor to successfully implementing a new policy. Public officials' roles have been improved to increase positive service behaviors that had a great impact on the customers' impression of their services. However, Bourgon (2007) argued that most countries have been unable to establish an innovative culture in their public sector. An appropriate organizational culture will help to increase organizational performance. Thus, public officials who understand and match an organizational culture can obtain the organization's goals and improve productivity. In order to see the impact of organizational culture that might affect the relationship between public participation and service quality, it was decided to use it as a moderator.

Problem Statement

Since 2007, Office of the Public Sector Development Commission Thailand (OPDC) has tried to present public sector reform initiatives based on the concept of Good Governance. In order to increase efficiency, effectiveness, and the capacity of the government sector in Thailand to respond to public needs (OPDC 2007), the government attempted to reform its administration in order to increase the organizational performance, especially service quality through public involvement. The reform focused on both public participation and better quality public service. OPDC (2007) noted that the failure of the Thai bureaucracy can be seen by the lack of public participation in almost every public decision-making and also in service delivery. Mektrairat *et al.* (2008) argued that public participation in Thai local government occurs at a low level and without voluntary participation, and lacks knowledge and inefficient forms of participation. Moreover, Thailand government reform not only links to public participation and service delivery but also impacts on organizational culture that may affect to the public official's behavior and its performance. However, an extensive review of the literature in public participation and service quality revealed that there is a lack of studies concerned directly with the impact of public participation on service quality. In addition, many studies explored the relationship between organizational culture and the effectiveness of public sector organizations but there is a lack of studies focused on the organizational culture as a moderator on the impact of those relationships. Thus, this study decided to use organizational culture as a moderator to examine the effect on the impact of public participation on the perceptions of service quality.

Research Objectives

The objectives of this study are; first, to examine the impact of public participation on the perception of service quality of local government officials; and second, to investigate how organizational culture moderates the impact of public participation on the perception of service quality of local government officials.

Literature Review

Concept of Public Participation

The concept of public participation will be based on the broader context of democratic theory. It's used in this study because one of the major foundations of democratic theory is public participation especially in the decision-making process. According to Overdevest (2000), the primary objective is to involve all citizens in the public decision-making process. Public participation has been accepted to be the key variable of the new democratic theory which focused on enhancing the empowerment of people in decision-making. Sanoff (2000) believes that participation may be seen as direct public involvement in decision-making processes. The government has developed public participation in order to increase empowerment to the grass-root level and the efficiency of local government. Rebori (2005) studied the effectiveness of citizen participation in local governance to assess citizen advisory board effectiveness in local governance. Moreover, Parr and Gates (1989) also believe that participation in decision-making will improve accountability, good performance, and the roles of the officials. In this study, public participation is defined as public involvement in decision-making processes which consists of four dimensions: 1) goal setting that relates to identifying/clarifying the decision to be made, 2) strategy determination that relates to selecting the best alternative with the most advantage, 3) monitoring that relates to implementing the decision and monitoring after implemented, and 4) evaluation that relates to determining whether the decision was appropriate and getting feedback on how well the decision is implemented (Wang, 2001; Wang & Wart, 2007).

Concepts of Service Quality in Public Sector

Service quality has been an important dimension to performance measurement in the public sector since 1990s. According to Giannoccaro, Costantino, Ludovico, & Pietrofort (2008), the competitiveness of countries in the future will be evaluated on the basis of the quality rather than the quantity of services provided to citizens. Parasuraman, Zeithaml, & Berry (1988) defined service quality as the difference between customers' expectations and perceived service delivered. They also presented the empirical of service quality called the SERVQUAL Model. Many researchers have continued to use SERVQUAL to evaluate public service performance. For example, Bakar, Akgun, & Al Assaf (2008) used SERVQUAL with five dimensions to measure service quality in hospitals. Anderson (1995) applied SERVQUAL to measure service quality in public university health clinic. SERVQUAL has been used in many areas including banking service (Cronin & Taylor, 1992), higher education (Ham, 2003; Singh & Khanduja, 2010), a public university (Yunus, Ismail, Juga, & Ishak, 2009), and public service (Munhurrun, Bhiwajee, & Naidoo, 2010; Hsiao & Lin, 2008; Ilhaamie, 2008). SERVQUAL Model consists of five dimensions: Tangibles, Reliability, Responsiveness, Assurance, and Empathy, with 22-item service quality scale. Service quality is the result of comparison between what is expected and what actually occurs. According to Ilhaamie (2010), service quality is an important dimension of organizational performance in the public sector as the main output of public organization is services. In this study, SERVQUAL Model was adopted to survey from the respondents.

Concepts of Organizational Culture

Cameron & Quinn (2005) defined organizational culture as competition, change, and the pressure intensifies for organizations. Kotter (2001) noted that organizational culture is the norms of behaviour and shared values of common with an organization. Similarly, Deshpande & Webster (1989) noted that organizational culture is a pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them with the norms for behaviour in organization. There are many practices within an organization to keep culture alive and try to fit the culture in the organization and its employees. On the other hand, employees should understand and adapt organizational culture to their work norms that match the organization's goals. Organizational culture significantly influences the employees' ability to provide services to customers (Davidson, 2003). Some studies have explored the moderating effect of organizational culture on organizational performance (Tripathi & Tripathi, 2009; Flemming, 2009). In this study, Denison Organizational Culture Survey and Theory developed by Fey and Denison (2003) was used to investigate the moderating effect. The model is based on four dimensions related to four traits: involvement, consistency, adaptability, and mission. Involvement is the idea that will encourage a sense of responsibility, ownership, organizational commitment, and loyalty. Consistency is the idea of a general perspective, shared values, and beliefs. Adaptability is considered in an organization's capacity of adapting rapidly to the changes from the external environment. In addition, mission is the idea of a shared sense of purpose that determines long-term directions and strategy leading members toward goals.

Conceptual Framework

The conceptual framework of this study consisted of three concepts; public participation, service quality, and organizational culture which is illustrated in Figure in 1. The independent variable is public participation (PP), while, the dependent variable is perception of service quality (SQ), and the moderator variable is organizational culture (OC). The measurements were designed to survey from local government officials who work as the administrators. Public participation is limited as citizens' involvement in decision-making processes in local government which consists of 12 items and four dimensions as goal setting, strategy determination, monitoring, and evaluation. Service quality consists of 22 items and five dimensions of service quality as tangibles, reliability, responsiveness, assurance, and empathy. For each dimension, the SERVQUAL scale provides a score for the respondents' expectation (E) and a score for the respondents' perceptions (P) of service quality. The differences between the two scores on each dimension are called gap scores, or the perception gap. The gap equation or the perception gap ($Q = P - E$) is calculated for service quality. The organizational culture consists of 36 items and four dimensions as involvement, consistency, adaptability, and mission. All these measurements were evaluated using a 5-item Likert scale (1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree; 5 = strongly agree).

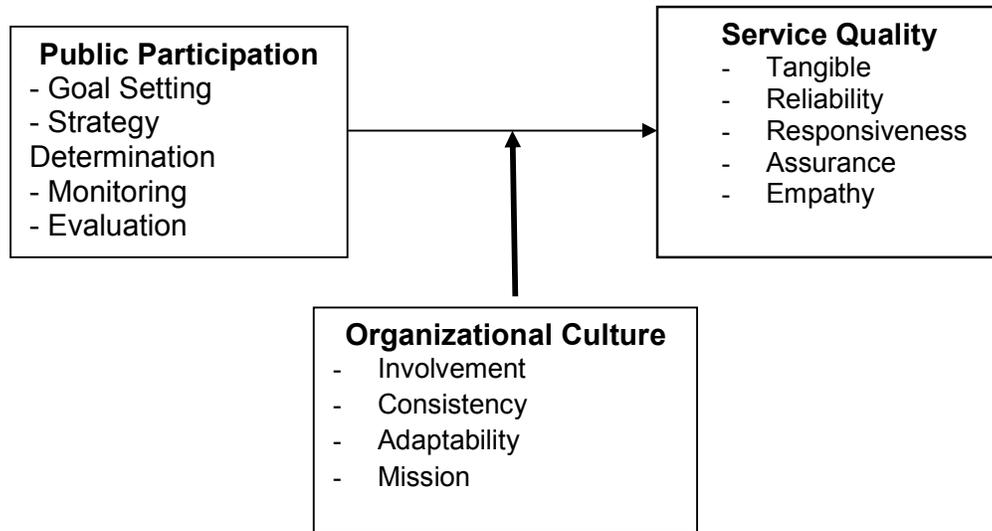


Figure 1: Conceptual Framework of the Study

Significance of the Study

Findings are to: 1) Contribute to the body of knowledge by integrating the theory of public participation, service quality, and organizational culture for testing the conceptual framework in Thai local governments., 2) Apply the SERVQUAL model and an organizational culture model that have been tested in the private sector and the public sector, but might be different for Thai local governments., 3) Provide a conceptual understanding of public participation, service quality, and organizational culture, leading to better responses by local government officials to service delivery efforts and achieving their objectives, and 4) Improve local government administrative capability through improvements in the quality of public participation and service delivery.

Research Hypothesis

The main hypotheses are:

H1: Public participation has positive impact on the perception of service quality of local government officials.

H2: Organizational culture moderates the impact of public participation on the perception of service quality.

And corollary hypotheses are:

H2a: Involvement moderates the impact of public participation on the perception of service quality.

H2b: Consistency moderates the impact of public participation on the perception of service quality.

H2c: Adaptability moderates the impact of public participation on the perception of service quality.

H2d: Mission moderates the impact of public participation on the perception of service quality.

Research Methodologies

Population and Sample Size

The target population of this research is local government officials who are working as administrative officials at municipalities in Southern Thailand. The sampling technique is based on the Proportion Stratified Random Sampling by location and type of municipality. The total sample size is 361 respondents. In this research, data were collected by a five-point Likert scale questionnaire via mail.

Data Analysis and Techniques

Descriptive statistics such as frequency, percentage, mean, maximum, minimum, variance, and standard deviation were used to analyze data. Exploratory factor analysis used to assess the validity and reliability of measurement scales (Hair, Andersson, Tatham, & Black, 2010). Pearson correlation analysis was used to test the relationship between the independent variables and the dependent variable. Linear and hierarchical regression analyses were used as an appropriate statistical tool to examine the moderating effect and test the hypotheses.

Findings

Demographic Data

A total of 304 responses were received. The findings of the survey show that the sample of the officials consists of 62% of male. More than 40% of the respondents are between the ages of 41 to 50 years old. Approximately 61% have a bachelor degree. Half of the respondents are working as a director of the division in *Tambon* municipalities along Southern Border of Thailand.

Reliability

To test the reliability of the measurements, Cronbach's alpha was used to analyze. The Cronbach's alpha values for PP dimensions are between .85 and .88, and 0.96 for overall construct. The Cronbach's alpha for SQ dimensions are between 0.85 and 0.90, and 0.96 for overall. The Cronbach's alpha values for OC dimensions are between 0.77 and 0.93, and overall is 0.96. Hair, Money, Samouel, & Page)2006 (noted that the strength of relations for Cronbach's alpha values that reliability less than 0.60 is considered to be poor, 0.60 to 0.70 is moderate, 0.70 to 0.80 is good, 0.80 to 0.90 is very good, and over 0.90 is excellent. Thus, the

values of Cronbach's alpha show the measurements of this study are above the acceptable level of alpha.

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The results in Table 1 and Table 2 show all four dimensions of PP are significantly correlated with SQ with the strength of the positive relationship ranges from $r = 0.192$ to $r = 0.250$ at the 0.01 level. The highest correlation is presented between strategy determination and SQ, and the lowest correlation is between goal setting and SQ. The overall PP is significantly correlated with SQ with the strength of the positive relationship of 0.247. According to Hair, Money, Samouel, & Page (2006), the correlation coefficient between $\pm .00$ and $\pm .20$ indicates a slight relationship; from $\pm .21$ to $\pm .40$ indicates a small but definite relationship. It is clearly to confirm that the correlation between PP and SQ is significant and weak relationship. The positive relation means, an increase in public participation results in higher the perception of service quality of local government officials. In addition, the results of linear regression indicated that the significance of the predictor (PP) had a correlation with the SQ. The results show that predictor variable ($\beta = .237$, $t = 4.431$, $p < .01$) produced a positive correlation with the perception of SQ. This study concludes that *H1* was supported.

Table 1: Pearson Correlation Coefficient between Public Participation and the Perception of Service Quality

	1	2	3	4	5	6
1. Goal setting	1					1
2. Strategy Determination	.812**	1				.812**
3. Monitoring	.698**	.817**	1			.698**
4. Evaluation	.675**	.735**	.803**	1		.675**
5. PP	.882**	.944**	.911**	.877**	1	.247**
6. SQ	.192**	.250**	.231**	.215**	.247**	.1

** Correlation in significant at the 0.01 level

Table 2: Results of Linear Regression Analysis on PP with SQ

		<i>Coefficients</i>				
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-1.619	.208		-7.802	.000
	PP	.237	.054	.247	4.431	.000

a. Dependent Variable: SQ, $P < .01$

services. The findings of this study can be used as a guideline by management to improve the degree of public participation and the service quality program in local organizations.

However, the findings indicated that OC does not make the difference across the organization and their productivity. Whether the officials are more or less in the differences OC does not matter in the relationship between PP and SQ. The impact of PP on SQ is not related to organizational culture. It may imply that the impact of organizational culture of local government officials' beliefs and attitudes on their performance may differ or may not be powerful enough to predict the model of this study. In addition, the findings show that local government officials in Thailand do not emphasize in organizational culture and its effect. The explanation may rest on the influential factors of local governments in Thailand, such as law and regulations of local government, and political factors. Moreover, in the recent time, local governments have many policies and strategies to improve their officials' skills and their working styles to focus on customer centered. These may possibly be biased on the proposed model.

Implications

The findings of this study contribute new knowledge of public participation, particularly in local governments in Thailand, and its impact on the perception of service quality. The findings of this study contribute to the existing body of knowledge by integrating together public participation in relation to the perception of service quality which is based on marketing approach in order to examine the impact of public participation on the perception of service quality of local government officials. In addition, this study seeks the importance of organizational culture types that might affect as a moderator to the impact of public participation on the perception of service quality. From reviewing of the previous studies, many studies have revealed the role of public participation, the effectiveness of citizen participation (Halvorson, 2003; Bovaird, 2007; Callahan, 2007; Kluyers & Pillay, 2009). Some studies have revealed the public service quality, government service delivery and its satisfaction (Fornell et al, 1996; Glaser & Hildreth, 1999; Brysland, 2001; Ryzin, 2004; Ilhaamie, 2010). Some studies focused on the relationship between citizen involvement and satisfaction (Scott & Vitartas, 2008), customer-orientation and employees' performances (Coyler, 1997; Wright, 2001). However, no research has been found that has examined the effects of public participation on the perception of service quality. This study attempts to find the importance of public participation effects. In addition, this study goes over these studies by providing the moderating role of organizational culture on the impact of public participation on the perception of service quality.

Therefore, local governments should attempt to increase participation in all steps of decision-making processes, especially, evaluation and monitoring step which enable the public to negotiate and control the decisions. It is very important in empowering the public through changing the balance of power and increasing the sense of citizen ownership. Moreover, the most important key way is to dismantle barriers of public participation in order to access the success of implementing policies, services and programs in response to the customers.

Limitations and Future Research Directions

This study has several limitations. Firstly, this study focuses on the respondents from local governments, especially, the officials who are working in municipalities in southern of Thailand. However, none of the official is from other types of local government such as

Provincial Administrative Organization (PAO), and Tambon Administrative Organization (TAO). In addition, this study could not include all levels of Municipality around Thailand because of a financial and time limited. Future research could be operated in other types of local governments and other areas. Secondly, data collection of this study is gathered from questionnaires via mail from the respondents. Future research might use some qualitative instruments such as interview or focus group to gather data from the respondents. Finally, many previous studies found the moderating effect of organizational culture but the model of this study could not be suitable for local governments. Thus, future research might investigate this model with other public organizations.

Conclusion

This study tries to examine the impact of public participation on the perception of service quality with the moderating effect of organizational culture in local government in Thailand. The results show that public participation has positive impact on the perception of service quality. In addition, the study found that the four dimensions of organizational culture and overall organizational culture does not moderate the impact of public participation on the perception of service quality.

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