

# **MUNICIPALITY DEVELOPMENT FOR BUSINESS GROWTH: CONCEPTUALIZATION OF STRATEGIC DELIVERY MODEL FOR SRI LANKA**

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## **Abstract**

*This study focuses to review the concepts of strategic delivery model to conceptualize a model for delivery system, delivery of superior customer value, performance of the delivery system and origin of superior customer meaning. The context of the paper refers to municipality, which is an important aspect in local authorities. As per the scope of the study, it examines strategic delivery system & higher order construct to figure out strategic delivery gaps, and the content priorities in designing strategic service delivery systems for local municipality systems. Further, it has reviewed the related literature based sources on the concepts related to managerial perspectives which interlock with service delivering perspectives to build conceptual arguments. The paper suggests how to develop strategic municipality delivery systems by addressing to the service delivery gaps may occur. The conclusion has been made to provide a direction in implementing the proposed propositions for the future studies and to implement for upgrading the effectiveness of the existing service delivering systems in municipality.*

**Keywords:** Municipality, Service Delivery System, Strategic Delivery Gap, Effectiveness

## **1. INTRODUCTION**

### **1.1 Local Government System in Sri Lanka**

Sri Lanka could be noted as a unitary democratic republic system with three tier level of government central, provincial and local. Local government is formed in the 13th amendment to the constitution. The second level provincial authorities are ruled by the Provincial Councils Act 1987 and the main Acts involving to third-tier local authorities are the Urban Councils Ordinance 1939, the Municipal Councils Ordinance 1947 and Pradeshiya Sabhas Act (No.15) 1988. The Ministry of Provincial Councils and Local Government is liable for policy development and regulations at the national level, while the provincial ministers of local government are liable for the execution at local level. There are nine second-tier provinces and 330 third level local authorities, 23 municipal councils, 42 urban councils and 270 rural “Pradeshiya Sabhas”. The central government provides grants to the local authorities. Local authorities’ responsibility is to collect taxes and user fees as well as rents & grants and property rates. Provincial councils’ responsibilities include internal rules and order, education, housing and agriculture, provincial economic plans whilst local authorities have accountability for health, utility services and roads. Pradeshiya Sabhas have further developmental responsibilities depending on regional demands (The Local Government System in Sri Lanka, 2012).

## 1.2 Electoral system of Local authorities

Since 1987, all the local authorities have been nominated using the open list-proportional representation system. There is a single electoral area for the whole local authority. Electors vote for a party/independent group and assign their preference(s) for individual candidates. Each party/independent group nominates one of their candidates as the applicant to become Mayor (MC) or Chairman (UC, DC). If that party obtains the largest number of seats, then their candidate becomes Mayor/Chairman. The following table shows the distribution of local authorities as found in 2011.

**Table 1: Distribution of Local Authorities by Province in 2011**

<b>Provinces</b>	<b>MC</b>	<b>UC</b>	<b>PS</b>	<b>Total</b>
Central	4	6	33	43
eastern	3	5	37	45
North central	1	0	25	26
North western	1	3	29	33
Nothern	1	5	28	34
Sabaragamuwa	1	3	25	29
Southern	3	4	42	49
Uva	2	1	25	28
Western	7	14	27	48
<b>Total</b>	<b>23</b>	<b>41</b>	<b>271</b>	<b>335</b>

Source: [www.clgf.org.uk](http://www.clgf.org.uk)

## 1.3 Overview of the Service Delivery Mechanism in Municipality System

In assessing the appropriateness of different service delivery mechanisms, it is important to note that the choice is not between public and private provision. Rather, the real issue facing each municipality is to find a proper combination of options, one which can most effectively achieve its policy objectives. Municipalities and councilors should embrace innovative new approaches to delivering core municipal services by engaging non-municipal groups and interests to participate in this sphere of local government. The development of new capabilities and methods should go hand in hand with measures to enhance the accountability of the administration and to make relationships of mutual respect and confidence between councilors and the administration. The adoption of any option should be based on a crucial review of existing service delivery mechanisms. The municipal council should consult with all affected stakeholders in the expansion of their institutional plan, particularly consumers of the relevant service and the workers involved in delivering the service. National and provincial government institutions are collaborated on the development of a major capacity-building initiative to help municipalities to develop and implement plans to improve service delivery systems. Municipalities can access guidance regarding different service delivery options, as well as their overall approach to renovating administrative systems. Plans to launch the Municipal Infrastructure Investment Unit (which will deliver advice to municipalities on private sector investment in municipal infrastructure) are already at an advanced stage. Appropriate support for other methods to transforming delivery systems should also be established. Involvement by all councilors at municipal level is noticed with

the utmost importance because they will provide much-needed leadership for administrative transformation, promoting new attitudes and approaches, and dealing the implementation of programs and policies that will improve service delivery.

## **1.4 Objectives of the Study**

The main objective of the study is to examine a conceptual framework in addressing service delivery gaps to propose a model in filling knowledge gap referring to Local Authorities in Sri Lanka. In so doing, the study has focused to following specific objectives too.

- To investigate the literature based arguments referring to service delivery gaps
- To review service delivery related concepts in conceptualizing strategic service delivery system
- To conceptualize in presenting propositions to modeling a service e delivery framework for the municipality system in Sri Lanka

## **2. LITERATURE REVIEW**

### **2.1 Issues on Government Service Delivery Systems**

The effective delivery function of local government or authorities could make level of government closet to the people. Local government is accountable for the services delivered to the communities within their area and districts. Most of local government should be responsive in meeting local needs and being able to deliver as their functions. According to Cathy (2008), the allocation of resources by local governments is found as a critical issue to be addressed. In Sri Lanka, the municipal councils is providing local services referring existing stages of policy decisions. It has to demarcate service delivery related decisions in delivering effective result to the stakeholders. Further, policy makers must establish the suitable rules and regulations that can benefit to the community (David, 2001). In this context, municipal council and other local authorities need to clarify the respective service demarcations (David, 2001). There are few local governments decide to provide a service, and try to reduce demand for the services through educational program and use of their regulatory power and taxing powers. There are situations where they provide the services and charge a fee that recovers all the cost. That may help reduce demand for excessive use of, the service (Muggan, 2008).

Based past researches noticed, several issues may affect institutions to measure customer satisfaction referring to expectations and the excellence in service delivery. The lack transparencies obstruct governmental effectiveness and make opportunities for corrupt and uncontrollable practices remained in local authorities in the developing countries. In addition, Andrews (2003) identifies areas of concerns for measuring customer satisfaction in in the public sector firms especially including changes in resource responsibility, changes in transparency, changes in responsiveness and performance and changes in corruption and political accountability. It is more important to evaluate the local government performance and improve the quality of the services to assist to greater roles to be performed in the local government. The scenario of the allocation of resource for each municipality by local government remains as an important issue to be addressed. The legitimate government delivery system is a crucial factor in ensuring the people's satisfaction level regarding local government services. As mentioned by Mzni (2011), service quality and implementation

policy have affected to evaluate customer satisfaction level and performance level in organization.

Hence, Peter (2007) has argued that the performance of their service delivery covering on two areas namely customer satisfaction and government accountability. The accountability in local government is to search dimension to close to the communities. That has affected to make things away to boost up their knowledge and expectation for the betterment of local government authorities (Owusu, 2008). The frameworks and structure of local government accountability stand up from transition of management in the local authority that inspired with a vision-gearred plans for local government (Mzini, 2011). It has highly concerned about the service delivery that effect to the objectives within the local government areas.

The management of local authority has become a critical element in the day to day operations and that has affected to the minds of clients or stakeholders in overall. The local governments are setting the strategies to measure and certify customer retention and motivating their staff to be more customer-focused and service oriented in order to achieve the quality of performance in their service delivery systems. The application of modern facilities like ICT (Information Communication Technology) could be a best practice to be used in Sri Lanka to address government service sector related inefficiencies. As it denotes in one of the local studies carried out by Dissanayake (2011), ICT could contribute and facilitate the process to change the way how government thinks and works which result bringing transparency into the system, and convert it into a dynamic engine that facilitates growth in Sri Lanka. It indicates the possibility of extending the currently available ICT penetration rate to meet efficiency in public services.

## **2.2 Customer Satisfaction in Service Delivery**

Customer anticipation and perception factors, according to Liu and Fang (2009), are more crucial for customer satisfaction. And customer satisfaction is positively proportional with actual scenario, excitement situation or disappointment resulting from perceived outcome in case of expectation (Mortazavi, et al, 2009, Munusamy and Fong, 2008). Delivering a services and getting customer feedback regarding municipality services could be determined by the organizational performance (Mortazavi, et al, 2009). Customer satisfaction is depending on their expectation level and perception. Customer expectations are part of quality of product and services (Munusamy and Fong (2008). Customer satisfaction derives the success of the organization and it as a qualitative assessment of the services delivered. In this regards to CSSP (Center for the Study of Social Policy) (2007), refers that government servants' responsibility is to deliver the services for development purpose, and lack of the profit motive does not mean that customer satisfaction is not important in the public and nonprofit world. Therefore, local authorities need to be alert on their service deliveries considering community as the immediate customers.

## **2.3 Delivering Effectiveness and Efficiency in Municipality**

Effectiveness has been defined by Oxford Dictionary as the level to which something anticipated is successful in producing a desired result is success. Meanwhile effectiveness defined as achieving maximum productivity by using existing resources in the proper way. Effectiveness and efficient are most crucial words for service delivery system that being used to evaluate the service delivery performance. As mentioned by Boum (2006), something is

effective if it is adequate to achieve their purpose that mean producing anticipated result. Meanwhile it is efficient if it makes or functions in the best possible way with least waste of time and effort. As argued by Boum (2006) “Being effective is about doing right things, while being efficient is about doing things in the right manner”

## **2.4 Human Resource Competence in Public Services Delivering Systems**

The public service delivery system depends on the quality of the public sector or local authority workforce which is determined by the strengthen competency based human resource management. It does usually focus to improve the workforce attitudes, skills, knowledge in addition to the workforce performance-related positive values and skillful ethics. Therefore, the government will need to confirm their efficient level with their front line staffs by selecting the criteria to deliver courteous or efficient and effective service to the customers. At the same time, local authority needs to implement the necessary strategies and initiatives to ensure individual and organizational performance in the public sector. Overall competent in human resources based on the delivering services to the public by portraying and engaging good ethics should involve with relationship between man and man-driven ethics towards the citizens (Mamat and Mahamood, 2010). This argument specially highlights the gravity of human competencies for service deliveries. Sri Lanka too, it is essential to develop human competencies as per the priorities found in terms of regional and industrial natures to extend productive service deliveries to publics.

## **3. METHODOLOGY**

It has followed literature based approach by reviewing and analyzing how different empirical evidences have been used in early studies to approach for the methodology being used in this study. Accordingly, secondary information have been used as the research method whilst reviewing and analyzing the gravities of previous research works to enrich the research approach. The propositions have been proposed based on the proposed conceptual framework to contribute for the existing knowledge gap in service delivering perspectives of local authorities. This paper has followed a deductive approach in building arguments to postulate the service delivery related concepts and their relationships to support for the proposed model to be tested. Therefore, exploratory nature of literature review has been followed as the main research method to understand the propositions proposed along with the conclusion.

## **4. Analysis on Service Delivery Gaps and Approach to Research Propositions**

Most of empirical evidence have been generally found referring to service quality perspective to service delivery system along with the behavioral responses of satisfaction. There are seven main gaps in the service delivery model as discussed by Parerasuraman et al. (1985). There are five gaps found as associated with the external customers namely gap 1, gap 2, gap3, gap 4, and gap 6. Those gaps are found with direct relationships linked to customer and organization, and task associated with service delivery to customers. These gaps have been identified as functions of the way in which service is delivered.

The conceptualization of those service delivering gaps has been given below along with the measures to be tested in demining the degree of gaps behave.

***Gap1: Customers' expectations versus management perceptions (knowledge gap):***

It is because of lack of marketing research orientation, inadequate upward communication and management layers and their decision making.

***Gap2: Management perceptions versus service specifications (standards gap):***

Inadequate Commitment to service quality, inadequate task standardization, a perception of unfeasibility, and weaknesses of goal setting are the observed factors in this regard.

***Gap3: Service specifications versus service delivery (delivery gap):***

This is due to the role ambiguity and conflict, Poor technology job fitting, poor employee-job fitting, unfitting supervisory control systems, lack of perceived control and lack of teamwork.

***Gap4: Service delivery versus external communication (internal communication gap):***

This is resulted through inadequate horizontal Communications and tendency to over-promise.

***Gap5: The discrepancy between customer expectations and their perceptions of the service delivered (perception gap):***

This is resulted through the influences exerted from the customer side and the shortfalls (gaps) on the part of the service provider. In this case, customer expectations are influenced by the extent of personal needs, word of mouth recommendation and past service experiences.

***Gap6: The discrepancy between customer expectations and employees' perceptions (Interpretation gap):***

It is because of the differences in the understanding of customer expectations by front-line service providers.

***Gap7: The discrepancy between employee's perceptions and management perceptions (service gap):***

This is due to the differences in the understanding of customer expectations between managers and service providers.

The model has identified seven key discrepancies relating to managerial perceptions of service quality and task linked with service delivery to the customer. This gap model could be associated with the processes of services, requirements of people, authority power of local government's constitution and their mandatory services to the citizens, competency level of staff, competency level of delivery system and feedback mechanism. There were two major sides that have been categorized as service provider sides and customer sides. Best value perspective measurement of service quality in public services sector should consider customer expectation and perception of services. As Robinson (1999) argues, it is said that there is little consensus of opinion and much disagreement about how to measure the service quality, but it has proposed by Parasuraman (1986) on how to assess the service quality. Therefore, local authorities-related services process could be designed and assessed with quantified parameters.

## **4.1 Constructive Discussion on Service Quality Gaps**

The insights of the Parasuraman et al. (1985) had been widely employed in the literature to review the service delivering gaps but found lack of focus in public service delivering perspectives. The model aims to show the salient activities of the service organization that impact the perception of quality. Moreover, the model displays the interaction between these activities and identifies the linkages between the key events of the service organization or marketer which are pertinent to the delivery of a satisfactory level of service quality Mursaleen M, Ijaz M, Kashif M. (2014). The links are termed as gaps or discrepancies that is to say; a gap represents a significant problem to achieving a satisfactory level of service quality (Ghobadian et al., 1994). Moreover, Parasuraman et al. (1985) suggested that service quality is a function of the differences between expectation and performance along the quality dimensions. It has further discussed the content of the service quality gaps in the study of Seth and Deshmukh, (2005). The service quality instruments found in the early literatures have been reviewed to measure the consumer's perception of service quality. Further, Iwaarden et al. (2003) discuss five generic dimensions in this regard.

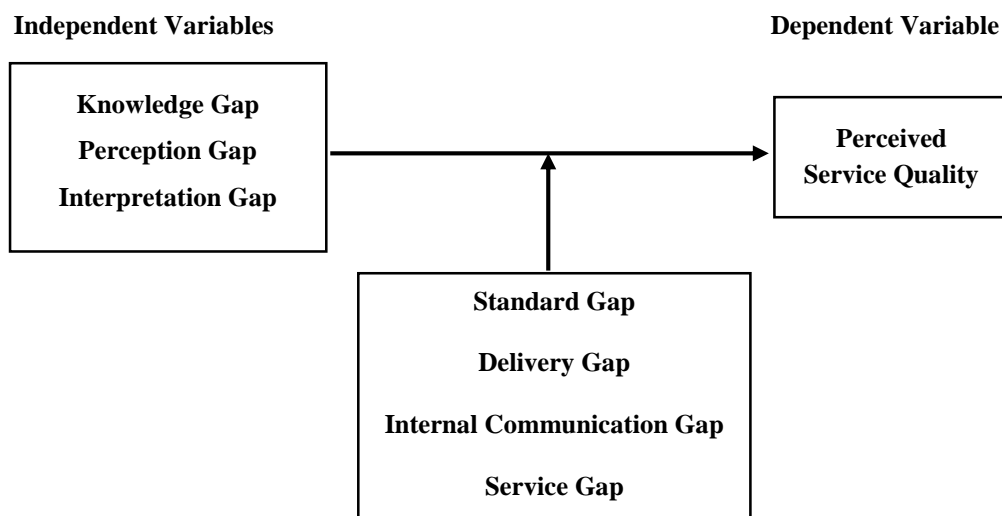
1. Tangibles that include the physical facilities and appearance of the individual
2. Reliability reflects the ability to perform the agreed services accurately.
3. Responsiveness as the willingness to help customers and deliver prompt service
4. Assurance postulates as competence, courtesy, credibility, and security and knowledge and courtesy of employees' ability to motivate the trust and confidence.
5. Empathy includes access, communication and understanding the customers and concerned and attention focusing the customers.

## **5. Propositions for the Future Studies: An Alternative Model for the Delivery Systems Sri Lankan Municipality**

As per the main objective of this conceptual paper, it intends to recognize the conceptual model to be hypothesized referring to the context of service quality delivery system for the municipality of Sri Lanka. The critical literature review shows how the Gaps Model has been occupied as the base point to navigate theoretical and practical studies which have gone beyond American and European boundaries to extent all-over continents. However, it is interesting to note that the wide-ranging literatures on have been discussing the said base-model. There are studies found as alternative attempts to develop new quality measurement models and/or scales in various sectors (Candido & Morris, 2000; Brady & Cronin, 2001; Luk & Layton, 2002; Getty & Getty, 2003; Chiu & Lin, 2004; Chatterjee & Chatterjee, 2005; Gupta, Urban, 2009, McDaniel & Herath, 2005, Baccarani, Ugolini & Bonfanti, 2010, Lysonshi & Madhavi, 2011, Calabrese & Scoglio, 2012). We propose the original Gaps Model remains as a reference point in literature with respect to the niche of service quality and service delivery-related perspectives. In addition, new technologies and the growing awareness of the dynamic nature of services highlight the need for an updated analytical perspective which takes into consideration the essential factors noticed in the competitive environments (Macdonald, Wilson, Martinez & Toosi, 2011; van der Wiele, van iwaarden, Williams & Eldridge, 2011). However, strengths of the Gaps Model still affiliates with its relative simplicity, linearity, and the rationality of the firm actions which integrate via intelligibility and its communicative force. It is our view that these same strong points may nonetheless pose a challenge to the model.

According to the said content of the gap model and the arguments found in early studies, we arrived to a conceptual mapping in constructing the service delivery model along with two main paths. Firstly, it postulates the directional path connecting independent variables into dependent variable, and secondly the proposition of how moderating variables effect on the original path (*see figure 1*). Having said that, we propose the propositions to be hypothesized in future studies as it exhibits the relationship paths in figure 1. The newness found here is no early researches had proposed certain gaps as moderating variables to hypothesize the relationship between service gaps and perceived service quality.

**Figure 01: Proposed Strategic Delivery Model for Sri Lankan Municipality**



**Note:** Service quality delivery system could be improved by identifying the impact of customer knowledge, customer perception and customer interpretation on perceived service quality. Further, it could monitor how standard gaps, delivery gaps, internal communication gaps and service gap could moderate the relationship proposed in the original path.

## 6. CONCLUSION

As per the proposed propositions referring to the service delivery content of local municipality system of Sri Lanka, it needs to customize the gaps related operational perspective pertaining to the existing service delivery system of the local municipalities. The conceptual framework proposed in this paper could be a navigation to understand the gaps-related priorities to be addressed in formulating strategic delivery system. Therefore, whilst the said framework finds an option for the existing knowledge gap, it could contribute for the practice gaps that may be noticed in the current municipality system. As the economic growth priorities found in Sri Lanka, it needs to strategize the local municipality system to provide well ahead services to both user segment (general public) and the business segment to encourage their economic value addition to the economic system. This conceptual paper will be a supportive document for policy related decisions in auditing service gaps and finding training, development and innovation priorities to uplift the local governmental services apart from the niche we suggested as municipality service. By modernizing the gap model, municipal council services could improve the holistic system via implementing delivery



awareness program, regionally sensitive rules and regulations, policies in reshaping authority power & way of power shifting, best practices to mitigate political interference and modern technological systems to minimize process related roots to discourage service leaking points.

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