

# Service Excellence: Customer Satisfaction Measurement in Local Government Green Industries

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## ABSTRACT

Various measurement instruments are available in assessing customer satisfaction and business excellence in the private and government sectors. The paper focuses on:

- Business excellence measurement (South African Excellence Model);
- Customer satisfaction measurement (SERVQUAL questionnaire), and
- Employee satisfaction measurement (Minnesota Job Satisfaction questionnaire).

The use of the measuring instruments are illustrated in terms of their application within local government by means of a South African Local Government green industries organisation selected for this purpose and been referred to as the “Selected Organisation.”

Although the South African business excellence model was used only to get a “snap shot” of the organization very valuable results, specifically in relation to customer and employee satisfaction, were obtained. The SERVQUAL instrument was used to measure customer satisfaction and consisted of three sets of the same twenty two questions. The first set of statements measures the customer expectations in terms of what level of services is expected, the second set of twenty two statements measures the respondent’s perception of the perceived level of service and the third set of questions addresses what minimum level of service would be acceptable. The survey targeted three main customer group categories, namely, the “Selected Organisation’s” regions, the councilors and the ratepayers associations. In terms of employee satisfaction the Minnesota job satisfaction questionnaire, short form, consisting of 20 questions and focusing on intrinsic and extrinsic reinforcement factors of employee attitude, has been applied. The questionnaire consists of a Likert-type scale with five response alternatives. Demographic variables have been examined to determine their effects on the overall level of job satisfaction as well as satisfaction with various aspects of the job experienced by staff.

## Keywords

Customer satisfaction, Employee satisfaction, Service quality, Business excellence, SERVQUAL, Minnesota job satisfaction, Likert-scale, Local government, Green industries, Parks.

## 1. INTRODUCTION

Legislative requirements do require local government in South Africa to become more entrepreneurial, to be performance orientated, to provide service excellence and to be customer focussed. In view of the aforementioned the primary objective of the study was to evaluate the Selected Organisation's current performance in terms of business excellence and further to determine customer satisfaction levels in relation to service delivery as well as employee satisfaction levels within the organization. Further to make recommendations and formulate strategies to improve business excellence and to increase the respective customer and employee satisfaction levels.

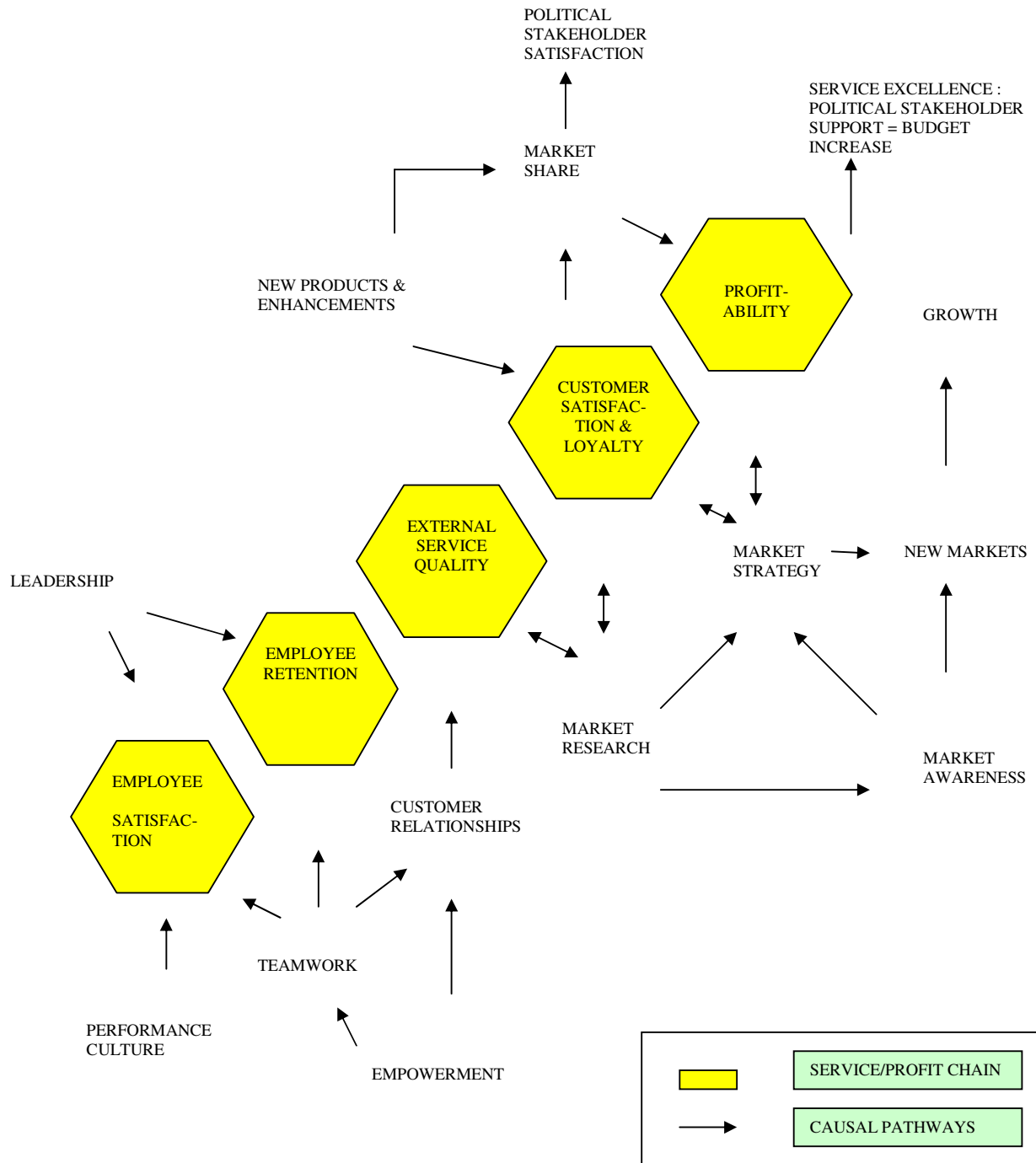
The key objectives for implementing performance management in the Selected Organization are to:

- clarify institutional goals and priorities in the public interest;
- ensure alignment of the performance objectives of staff and managers with the strategic priorities of the municipality;
- improve the organisational performance by improving team and individual performance;
- assist in ensuring that resources are directed at achieving the desired goals and priorities in the most efficient and effective manner possible;
- report on organisational performance to stakeholders;
- enable managers to assess performance on the basis of an agreed plan and tool;
- require staff and managers to define their key duties and responsibilities as well as measures and timeframes;
- foster sound working relationship between managers and employees through the development of agreed objectives, the provision of feedback, counselling and coaching;
- provide a basis for the and improvement of the skills and competencies within the organisation;
- allow employees to become more actively involved in managing their own performance;
- provide a basis for rewarding and sanctioning performance and non-performance, and
- develop a performance, customer focused culture throughout the organisation.  
(Johannesburg Integrated Development Plan, 2002 : 41).

The International Survey Research organization suggests an outcomes linkage between the various service drivers that could impact on the service/profit chain and drive actions as outlined in Figure 1.

Figure 1 clearly conceptually demonstrates the integrated linkages between the employee, the organization, the customer and the products and profitability of the organization. In terms of service organizations, like the Selected Organization, profitability would not be an outcome per se, but could be replaced with service excellence and "*political satisfaction*" (service delivery). Important also, as indicated in Figure 1, is the identified enablers or secondary service drivers that have an effect and influence on the main core chain drivers, for example the inter relation between empowerment, team work and employee satisfaction and retention. The linkage illustration in Figure 1 demonstrates how potential service drivers can impact the service/profit chain and drive actions.

Figure 1 Outcomes linkage : Service/Profit chain



Source: International Survey Research Organisation, 1999, ([www.isrsurveys.com](http://www.isrsurveys.com))

## 2. LITERATURE REVIEW

### Business Excellence

According to Van der Waldt, van Niekerk, Doyle, Knipe, and du Toit (2002:3), the ultimate aim of any modern government is to create conditions in that country in order for every stakeholder to enjoy good quality of life. Further to be able to achieve this aim, government has to identify priorities in relationship to formulated objectives, targets, services and strategies.

However, with recent changes in public organisations globally, governance has led to a new '*public management*' which is different from traditional public administration and which now is focusing more on business management, as is the case in private sector management (Farnham & Horton, 1996:25). This new focus of a modernization of public management is also shared by Van der Waldt, et al (2002:17) who stated that the industrial era governments are characterised by high degrees of centralization and large, rule driven administrations which can not meet the needs and challenges of globalisation and the new information driven society.

A great deal of interaction does take place between employees and customers as the key determinants of customer satisfaction in terms of municipal service delivery. Hence, the performance of the employees are to some extent the means through which the organisation delivers service quality and met customer satisfaction. The fact that although organisations made great effort in addressing service quality through initiatives like total quality management and the development of service cultures, the most important requirement is for the employees to be empowered to meet the customers needs as it arises (Lashley, 1997:149-153).

A survey undertaken by Kline (2001: 4) on 13-quality award winning local governments from Australia, the United Kingdom and the United States from 1994 to 1999, clearly indicates that total quality management is a 'fit' for local government. From his research it also seems that the more local government made use of techniques associated with the excellence models, the more improved its practices and image became. The results of the survey also indicated that total quality management could assist government to be proactive in addressing the concerns of its stakeholders. Kline (2001:4) further stated in his findings that in many cases the adoption of total quality management and the resulting improved performance has increased stakeholder satisfaction with the local authority's overall performance.

Macpherson (2001:1) also stresses the value of the application of the excellence models available globally. He is of the opinion that by its very nature, risk-averse and process-constrained with diverse and sometimes conflicting accountabilities, public sector organisations may struggle to focus clearly on innovation and new ways to perform better. He is further of the opinion that national awards schemes, like the performance excellence study awards and business excellence awards, provide a framework for improvement that can and does drive innovative behaviour, even in terms of the public sector MacPherson (2001 : 1).

From a South African point of view the South African Excellence Model was developed by the South African Excellence Foundation in 1997, and builds on the experience of the Malcolm Baldrige National Quality Award (USA) and the European Foundation for Quality Management (EU). The South African Excellence Foundation Model has been adopted throughout the Southern African Development Community (SADC) Countries and is duly recognised by both Malcolm Baldrige National Quality Award and European Foundation for Quality Management (BESA, 1998 : 5).

The United States and the European Union have both recognised the South African Excellence Model, and have committed themselves to mutual co-operation. They also pledged their continued support for promoting the system in South and Southern Africa. South African Excellence Foundation is a member of the Global Network of Excellence Award Administrators and is allied to its international counterparts such as the Malcolm Baldrige National Quality Award in USA, the European Foundation for Quality Management (EFQM),

Business Excellence Australia, the Japan Quality Program and the Singapore Quality Award. Locally the Department of Trade and Industry has recognised the South African Excellence Foundation as the custodian of the Model and the South African Development Community Council of Ministers has approved in principle the use of the S.A. Excellence model as a basis of a South African Development Community quality award in future (SAEF [www.saeef.co.za](http://www.saeef.co.za)).

Although self-assessment is central to the model, an award system has also been introduced to recognise outstanding performance. Awards and prizes are awarded annually in the following categories:

- business sector including defence industry and non-government organisations;
- public sector (central and provincial);
- local government sector;
- SME Sector (Companies that are whole or part organisations employing less than 250 people). ([www.saeef.co.za](http://www.saeef.co.za)).

Organizations are encouraged to participate in the programme by submitting an Application Document capturing the organization's self-assessment results. Teams of Award Assessors trained by SAEF assess the application documents. Each participant receives a feedback report containing the findings and scores of the team of Assessors. Drafting an application document has the further advantage that it may be used as an induction training tool for new appointees and gives the reader a holistic perspective on "how the organization operates". The feedback reports also contain valuable knowledge for strategic planning purposes (SAEF [www.saeef.co.za](http://www.saeef.co.za)).

Each year Awards, Prizes and Certificates are presented to winners and finalists in the following categories:

- business sector;
- public sector (central, provincial and parastatal);
- local government sector;
- SME Sector (Small and medium size enterprises) ([www.saeef.co.za](http://www.saeef.co.za)).

This framework provides local government with an integrated results orientated framework for implementing and assessing processes for managing all organizational functions. The first six criteria are the "enablers" which relate to what is done to operate the organisation. The last five criteria are the "results", in other words a yardstick for the organization to measure its performance against its targets.

#### Enablers

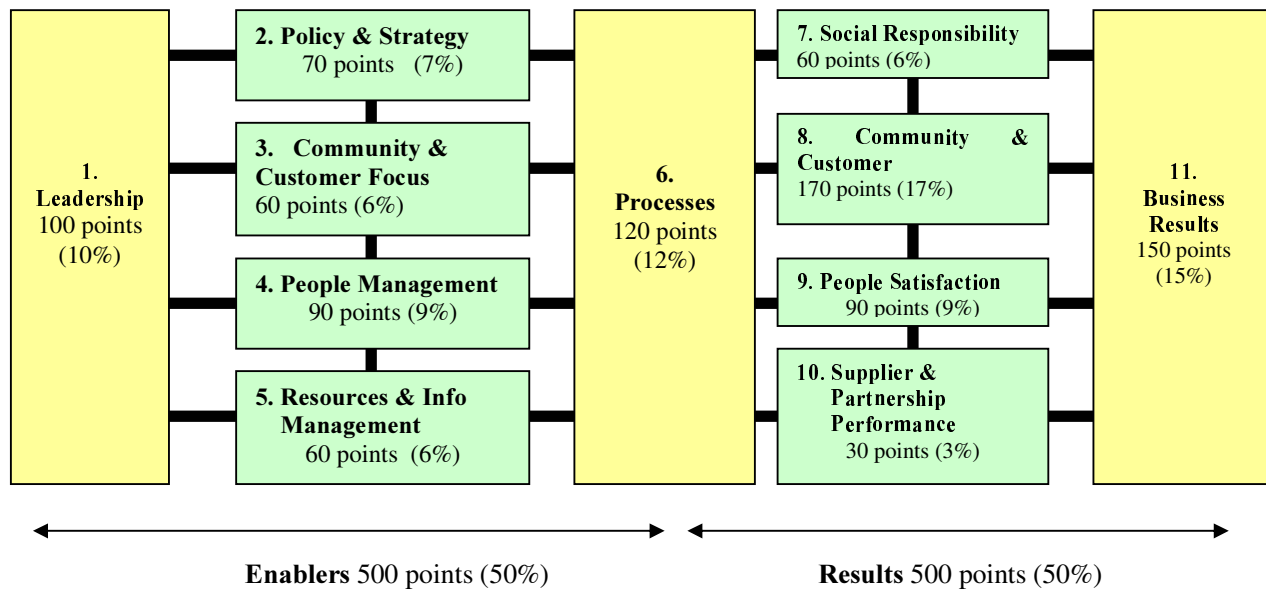
- **Leadership (100 points / 10%).** How the behavior and the actions of the executive team and all other leaders inspire, support and promote a culture of Performance Excellence.
- **Policy and Strategy (70 points / 7 %).** How the organization formulates, deploys, reviews and turns policy and strategy into plans and actions.
- **Customer and Market Focus (60 points / 6%).** How the organization determines the needs, requirements and expectations; enhances relationships and determines satisfaction of customers and markets.
- **People Management (90 points / 9%).** How the organization develops and releases the full potential of its people.
- **Resources and Information Management (60 points / 6%).** How the organization manages and uses resources and information effectively and efficiently.
- **Processes (120 points / 12%).** How the organization identifies, manages, reviews and improves its processes ([www.saeef.co.za](http://www.saeef.co.za)).

Results

- **Impact on Society (60 Points / 6%).** What the organization is achieving in satisfying the needs and the expectations of the local, national and international community at large (as appropriate).
- **Customer Satisfaction (170 points / 17%).** What the organization is achieving in relation to the satisfaction of its external customers.
- **People Satisfaction (90 points / 9%).** What the organization is achieving in relation to the satisfaction of its people.
- **Supplier and Partnership Performance (30 points / 3 %).** What the organization is achieving in relation to the management of supplier and partnering processes.
- **Business Results (150 points / 15%).** What the organization is achieving in relation to its planned business objectives and in satisfying the needs and expectations of everyone with a financial interest or other stake in the organization ([www.saeef.co.za](http://www.saeef.co.za)).

The South African Excellence Foundation model for local government performance excellence is illustrated in Figure 2.

Figure 2 South African Excellence Foundation Excellence Model for Local Government.



Source : SAEF, 1998 : 19

Figure 2 outlines the 11 criteria for performance excellence applicable to local government. This framework provides local government with an integrated results orientated framework for implementing and assessing processes for managing all organisational functions. The first six criteria are the “enablers” which relate to what is done to operate the organisation. The last five criteria are the “results”, in other words a yardstick for the organisation to measure its performance against its targets.

## Customer satisfaction

Chakrapani (1998:3) observed that the rapidly increasing global economy and competition result in an environment where even established companies are becoming vulnerable in terms of pricing of products and services. Modern technology and communication revolution also contribute in making it increasingly easy for customers to switch suppliers (their loyalties). Chakrapani ascribe these trends to two basic factors, namely that the globe is becoming more service orientated and secondly that we are at a point of differentiation that is not totally dependent on product quality. He further is of the opinion that although quality is important, it will not be the only sufficient condition for a successful business in future. Quality decreases the cost of doing business by increasing efficiency and by eliminating rework and waste and in that process quality increases customer and employee satisfaction.

According to Chakrapani (1998 : 3) customer satisfaction provides the measure for assessing how well an organisation is doing (service quality). If an organisation that lacks customer focus try to deliver quality, it would more often fall back in delivering quantity (more product features) rather than quality (features that enhance customer enjoyment). Increased product features, therefore, most of the times result in increased costs and do not necessarily guarantee customer delight.

Kumar, Aaker and Day (1999 : 573) support Chakrapani by indicating that the measurement of customer satisfaction and its link to products/services is the vehicle for developing a market driven quality approach. These authors also remark that the current increased focus on customer satisfaction research can be attributed to the increased focus on performance excellence in the American and European business sectors by adopting the Baldrige and European business excellence models.

Kumar et al, (1999 : 575) further stresses the importance for organisations to develop a customer satisfaction programme to measure performance/satisfaction over time - the reason being the fact that 96 percent of dissatisfied customers never complain whilst 60 to 90 percent of these “*silent*” dissatisfied customers, never buy from the company again.

Kotler (2000 : 36) defines satisfaction as a person’s feelings of pleasure or disappointment resulting from comparing a product’s perceived performance (or outcome) in relation to his/her expectations. If the performance falls short of expectations, the customer is dissatisfied and if it matches the expectations the customer is satisfied. Many companies are aiming at high satisfaction levels because customers who are just satisfied still find it easy to switch when a better proposition comes along. On the other hand if the expectations of a customer is exceeded, the customer becomes highly satisfied and are much less ready to switch. High satisfaction or delight thus creates an emotional affinity with the brand and the result is customer loyalty.

Kotler (2000:22) further states that it is possible that it could cost sixteen times as much to bring a new customer to the same level of profitability as a lost customer. Customer retention is therefore more important than customer attraction and therefore the key to customer retention is customer satisfaction. Kotler stresses the fact that a highly satisfied customer:

- stays loyal longer;
- buys more as the company introduces new products and upgrades existing products;
- talks favourably about the company and its products;
- pays less attention to competing brands and advertising and is less sensitive to price;
- offers product/service ideas to the company, and
- costs less to serve than new customers because transactions are routinised (Kotler, 2000 : 22).

In terms of government and customers satisfaction a long-held belief is that customer service is not its highest priority. With a built-in customer base, there is seemingly no competition to prompt governments to improve their services. Times have however changed and today governments do understand that competition does exist.

City employees communicate daily with residential and business customers about issues of trash pickup, police and fire emergencies, road construction, abatement programs, utility service and billing inquiries, etcetera. How these city officials respond to these enquiries and how the administrative and elected leaders improve these services, have wide ranging implications (McAfee, 2000: 42).

Many government departments and specially local governments have started to become more involved in customer satisfaction surveys in order to improve their service delivery. The question often asked, is who should be collecting customer data, analyze it, and use it to set priorities and allocate resources ? It often seems logical to delegate the satisfaction and loyalty measurement operation to outside research consultants (Johnson & Gustafsson, 2000: 17).

According to Johnson and Gustafsson (2000: 17) customer information is the key to strategy and it should therefore reside within the company. Further direct contact with the customers and customer's data is a critical part of learning of what it takes to satisfy customer needs. No matter how good consultants are, they will always only function as filters.

Johnson and Gustafsson further emphasise the fact that an important part of establishing customer orientation as a core competency in a company is creating, over time, internal specialists to measure, model, and manage quality, satisfaction, and loyalty. Over time, continued reliance on external consultants becomes costly and also fails to develop customer measurement and management as a core competency. Further that if being carried out in house, the organization accepts ownership of the process and the data as well as the decisions to emerge (Johnson & Gustafsson, 2000: 18).

In terms of the parks and recreation business, marketing of services and facilities have only recently becoming a more prominent issue. The emphasis to include a marketing provision in many municipal operations has been to improve the efficiency and effectiveness of these organizations due to a declining revenue base, the often growing disillusionment of customers with the effectiveness and integrity of services provided, the effects of de-regulation and privatization, and in some cases, the growing need to cost recover some services (Aldous & Small, 2001:1).

Many progressive park agencies have undergone fundamental changes to give their organization a "customer focus" and to treat the service as a business. Park and recreation managers need to become more business like and establish workable partnerships with the business community. One successful example has been, Ontario Parks, the first entrepreneurial program of its kind for the Ontario government in Canada, which now operates like a business within the Ministry of Natural Resources, working with the private sector, to provide customers with the products and services that they want and need. Similarly Parks Victoria, in Australia, a leading edge metro-parks agency, is responsible for 16 percent of Victoria's land area, and is in partnership with many business franchises operating within their parks system. Another example is with the Golden Gate Parks in Australia, where its relationships with business, foundations and Parks Associations is netting millions of Australian dollars per year in non tax and ratepayer returns through innovative partnering (Aldous & Small, 2001:2).

Aldous and Small (2001) identified four reasons why Parks, Recreation and Green Space managers should market the business of parks and recreation and leisure. These are:

- the need to distinguish yourselves and create awareness of your value to the community;
- position your service to develop the best and most relevant service to your constituencies;
- to add value to both the socio-cultural and economic dividends in your community, and
- to commercialise or derive maximum income from appropriate aspects of your business (Aldous & Small, 2001:2).

## Employee Satisfaction

According to French (1998:114-116) organisational climate is “the measurable, collective perceptions of organisation members about those aspects of their working life that affect their motivation and behaviour - in particular, the culture of the organisation, the prevailing leadership style, the degree of structure, and the personnel policies and practice” (French 1998 : 116).

An organisation’s culture describes the part of its internal environment that incorporates a set of assumptions, beliefs and values that organisational members share and use to guide their functioning. Strong, strategically appropriate, and adaptive organisational cultures, have a positive effect on an organisation’s long-term economic performances (Gordon, 1996 : 471).

According to Hellriegel, Slocum and Woodman (1998 : 546) organisational culture represents a complex pattern of beliefs, expectations, ideas, values, attitudes, and behaviors shared by the members of an organisation, and more specifically includes:

- routine behaviors when people interact, such as organisational rituals and ceremonies and the language commonly used;
- the norms that are shared by work groups throughout the organisation, such as a fair day’s work for a fair day’s pay;
- the dominant values held by an organisation, such as “product quality” or “price leadership”;
- the philosophy that guides an organisation’s policies towards its employees and customers;
- the rules of the game for getting along in the organisation or the “ropes” that a newcomer must learn in order to become an accepted member, and
- the feeling or climate conveyed in an organisation by the physical layout and the way in which members of the organisation interact with customers and other outsiders.

According to Gordon (1996 : 471) managers use organisational culture in a variety of ways:

- as support to the organisation’s business strategy;
- to prescribe acceptable ways for managers to interact with external constituencies;
- to make staffing decisions;
- setting performance criteria;
- guiding the nature of acceptable interpersonal relationships in the company, and
- to select appropriate management styles.

According to Hellriegel, Slocum and Woodman (1998:138) an organisation must:

- attract people to the organisation and encourage them to remain in its employ;
- allow people to perform the tasks for which they were employed, and
- stimulate people to go beyond routine performance and become creative and innovative in their work.

If an organisation thus wants to be effective, it should arouse people’s desires to such an extent that they want to become productive members of the organisation. Motivational principles have it that performance is based on a person’s level of ability and motivation. No task can thus be performed successfully unless the person, who is to carry it out, has the ability to do so (Hellriegel, Slocum and Woodman, 1998 : 141).

According to Gordon (1996 : 140) an organisations reward system incorporates the motivational principles described as well as the formal mechanisms for improving or reinforcing quality performance. It can also be used to support the organisation’s strategy. Organisations can offer two types of rewards. Intrinsic rewards include rewards associated with the job itself, such as challenging assignments, responsibility, and opportunities for growth. Extrinsic rewards include all other rewards that are typically external to the job’s

content, such as higher pay, a promotion, a larger office, and a new job title. Effective reward systems combine both types of rewards and so include wages, benefits, and other incentives.

French (1998 : 10) explains the compensation and reward process as the flow of events that determines what wages, salaries, and incentives are paid and what supplemental benefits and non-financial benefits/rewards and recognition is important to employee morale and performance.

Hellriegel and Slocum (1996:387) defines performance appraisal as the process of systematically evaluating each employee's job-related strengths, developmental needs, and progress towards achieving goals, and then determining ways to improve the employees job performance. Four important uses of performance appraisals are identified:

- to make reward decisions (raises, bonuses and other rewards);
- to make personnel movement decisions (promotions, demotions, transfers and layoffs);
- to give subordinates constructive feedback on their performance over a specified period of time, and
- to identify training and development needs (Hellriegel and Slocum, 1996 : 387).

### 3. METHODOLOGY

In terms of performance and business excellence quantitative research was undertaken to determine the current status of performance and business excellence of the Selected Organisation by making use of the South African excellence model as a recognised measuring instrument.

In terms of customer satisfaction, research were undertaken to determine the current status of customer satisfaction in terms of the Selected Organisation's customers, by making use of SERVQUAL, a recognised measuring instrument in the marketing sciences. Data collection was by means of questionnaires mailed to target groups and individuals.

The SERVQUAL instrument as initially developed by Parasuraman, Zeithaml and Berry (1988) was used, measuring five dimensions: tangibles, reliability, responsiveness, assurance and empathy (Moolla & du Plessis, 1997:1).

- **Tangibles** refer to the physical environment in the service organization: facilities, equipment, staff and their dress code, i.e. concrete objectives which the customer could easily observe;
- **Reliability** is the company's ability to perform the promised service. Price agreements and other conditions should be fulfilled, time limits kept and the service performed accurately from the start;
- **Responsiveness** entails performing the services promptly and quickly, helping the customer and being available when he or she needs assistance.
- **Assurance** covers the knowledge and competence of the staff and their ability to elicit trust and confidence,' and
- **Empathy** was defined as 'caring, individual attention the organization provides to its customers (Moolla & du Plessis, 1997:1).

The SERVQUAL instrument used consisted of three sets of the same twenty two questions. The first set of statements measures the customer expectations by asking each respondent to rate, on a 7-point Likert scale what level of services is expected, the second set of twenty two statements measures the respondent's perception of the perceived level of service and the third set of questions addressed what minimum level of service would be acceptable. The survey targeted three main customer group categories, namely, the officials of the Selected Organisation's regions, the councilors and the ratepayers associations. Out of a sample size of 408 potential respondents, 115 or 28 percent responded. Descriptive statistics and analysis of variance were computed to evaluate the data. Means were calculated and used to compare the results obtained from the five dimensions of the SERVQUAL instrument used in terms of customer ratings of importance for each factor and

their perceptions of service quality relating to minimum acceptable, perceived and desired levels of service. The SERVQUAL instrument also seems to be a valid and reliable instrument to measure service quality in South Africa as indicated in previous work done by other researchers (Nel, 1997; Bresler 1996 and Boshoff, 1996).

In terms of employee satisfaction quantitative research was undertaken to determine the current status of employee satisfaction within the Selected Organisation by making use of the Minnesota Job Satisfaction Questionnaire, a recognised measuring instrument in the humanitarian sciences. Data collection was by means of questionnaires mailed to target groups. The Minnesota Satisfaction Questionnaire (MSQ) was developed by Weiss, Dawis, England, and Lofquist (1967) to measure the individual's satisfaction with twenty different aspects of the work environment and is the second most popular measure of job satisfaction (Newby, 1999:12).

The Minnesota satisfaction questionnaire is available in both a long form and a short format. The long form contains a hundred items, which measure twenty job facets, and the responses can be converted to respondent's satisfaction on each of the facets. The short form uses the same response format, but contains twenty items and only measures intrinsic and extrinsic satisfaction. Both forms can be used to report a measure of general job satisfaction.

In terms of the aforementioned, the Kruskal-Wallis test, an equivalent of the ANOVA test for non parametric data, was utilized to determine the statistical significance of differences. The Kruskal-Wallis test is a non-parametric method of testing the hypothesis that several populations have the same continuous distribution versus the alternative that measurements tend to be higher in one or more of the populations.

In terms of reliability the Cronbach's coefficient alpha, was used. The alpha coefficient ranges in values from 0 to 1 and may be used to describe the reliability of factors extracted from dichotomous questions, that is questions with two possible answers and or multi-point formatted questionnaires or scales, i.e. rating scale 1 = poor, 5 = excellent. The higher the score the more reliable the generated scale is (Santos, 1999 : 2). Numaly, 1978 in Santos (1999:2) has indicated that an alpha coefficient of 0.7 to be an acceptable reliability coefficient but also that lower thresholds are sometimes used in literature.

#### 4. RESULTS

##### Business excellence

In executing this research ten random selected members of senior management of the Selected Organisation were requested to complete a questionnaire. Responses were processed into the electronic self assessment programme on the World Wide Web and the results obtained are reflected in Table 1.

Table 1 Comparison of the Selected Organisation with other industries

<b>SOUTH AFRICAN EXCELLENCE MODEL TOTAL SCORING COMPARISON</b>			
<b>Question/ Dimension</b>	<b>Selected Organisation (%)</b>	<b>Government Industry (%)</b>	<b>All Industry Sectors (%)</b>
1. Leadership	45	43	50
2. Policy & Strategy	44	43	50
3. Customer & Market focus	50	42	47
4. People management	26	41	48
5. Resources & Info Management	47	47	50
6. Processes	50	40	48
7. Impact on Society	50	22	45
8. Customer satisfaction	50	31	50
9. People satisfaction	31	41	48
10. Supplier & Partnership	50	30	47
11. Business results	50	30	49
<b>TOTAL</b>	<b>45</b>	<b>37</b>	<b>49</b>

In Table 1 the values scored were proportionally transformed into total percentage values per dimension. Furthermore the results of the Selected Organisation were compared with the overall score for the government sector (16 participants) as well as to an overall score given for all industry sectors.

From the results obtained as reflected in Table 1, the following can be concluded:

- The Selected Organisation scored extremely low, only 26 percent on people management (dimension 4) compared to government (41 percent) and to all industry sector with 48 percent.
- Regarding people satisfaction, the Selected Organisation scored a low of 31 percent which is lower than the government average of 41 percent.
- On dimensions like customer and market focus, customer satisfaction, impact on society, business results and supplier partnership, the Selected Organisation reflected scores considerably higher than the government sector values.
- In total, performance excellence in the Selected Organisation is scored at 45 percent which is higher than the score of governments of 37 percent. It further compares favourably with the all sector average of 49 percent.

The fact that the score obtained by the Selected Organisation on customer satisfaction and customer and market focus had been scored higher than expected can be attributed to the fact that 50 percent of the respondents are staff from the Marketing line function from the Selected Organisation.

### Customer satisfaction

The data obtained from the application of the SERVQUAL instrument was used to calculate the number of means for each of the five dimensions per customer category (the Selected Organisation regions, Councillors and Ratepayer Associations) and different levels of customer service (minimum, desired and perceived). For the purpose of this paper each individual customer category will not be reflected and only the mean values of customer service levels for respondents of all categories together will be addressed as indicated in Table 2.

Table 2 Mean values of customer service levels for respondents of all categories together

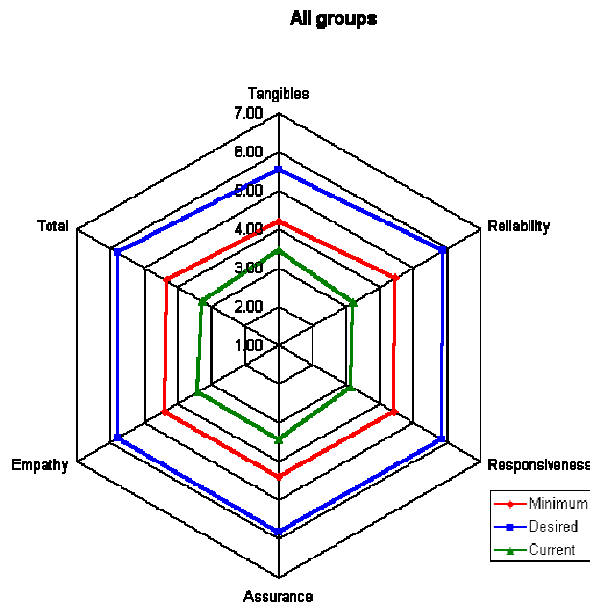
<b>All Customer Categories</b>			
<b>Dimension</b>	<b>Minimum</b>	<b>Desired</b>	<b>Perceived</b>
Tangibles	4.20	5.56	3.46
Reliability	4.45	5.90	3.21
Responsiveness	4.42	5.86	3.14
Assurance	4.41	5.82	3.41
Empathy	4.41	5.81	3.39
<b>Total</b>	<b>4.35</b>	<b>5.78</b>	<b>3.27</b>

From Table 2 the following conclusions can be made in terms of customer service levels for respondents of all categories:

- For all dimensions the current perceived service level (3,27) are way below the minimum acceptable service level (4.35). This is also illustrated in Figure 1.
- The current overall service level as perceived by all categories of respondents of 3.27 is far below the minimum acceptable overall service level required of 4.35 and desired service level of 5.78.
- The tangibles dimension (3.46) is perceived as the highest dimension in terms of current services received with responsiveness dimension (3.14) the lowest.
- In terms of minimum acceptable service levels the highest priority is given to reliability (4.45) and responsiveness dimensions and tangibles (4.20) the lowest priority.
- For desired service levels reliability (5.90) and responsiveness (5.86) seems to be the highest priority with tangibles (5.56) the lowest priority.

The information reflected in Table 2 has been projected into a radar chart (Figure 3) and clearly indicates the various gaps that exist between service levels in terms of the calculated mean values and further that service levels of the Selected Organisation do not meet the minimum or desired services levels of customers.

Figure 3 Customer service levels researched as perceived by all groups together



The abovementioned analyses based on the different mean values calculated indicated that the current service level provided by the Selected Organisation is below the minimum acceptable service levels required by all different customer groupings that were researched.

### Employee satisfaction

The Minnesota satisfaction questionnaire (short form), consisting of 20 questions focusing on intrinsic and extrinsic reinforcement factors of employee attitude has for the purpose of this study been applied. The facets and respective categories of the questionnaire is reflected in Table 3.

The 35 respondents targeted in the survey can be confined into the following four job categories within the Selected Organisation:

- general managers, senior managers, and managers;
- district managers, depot managers and operations managers;
- specialists, professional, technical, and
- administrative and other support staff.

In terms of the assessment the 5-point Likert rating scale was applied as follows:

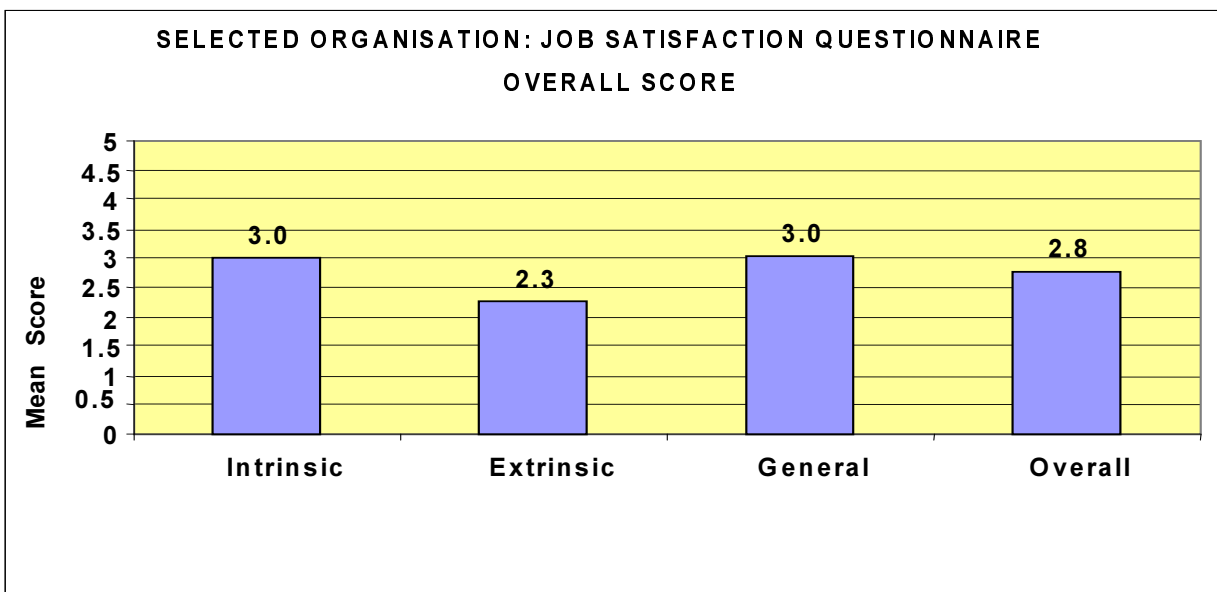
1	-	Very dissatisfied	(1.00 to 1.99)
2	-	Slightly satisfied/dissatisfied	(2.00 to 2.99)
3	-	Satisfied	(3.00 to 3.99)
4	-	Very satisfied	(4.00 to 4.99)
5	-	Extremely satisfied	(5.00)

Table 3 Facets of the Minnesota Satisfaction Questionnaire and respective categories

FACETS OF THE MINNESOTA SATISFACTION QUESTIONNAIRE		
DIMENSION	CATEGORY	EXPLANATION
INTRINSIC JOB SATISFACTION	Ability utilization	The chance to do something that makes use of abilities
	Activity	Being able to keep busy all the time
	Achievement	The feeling of accomplishment one gets from the job
	Authority	The chance to tell other people what to do
	Independence	The opportunity to work alone
	Moral values	The opportunity to do things that are in line with one's conscience
	Responsibility	The freedom to implement one's own judgment
	Security	The way the job provides for steady employment
	Creativity	The opportunity to try one's own methods
	Social service	Being able to do things in service to others
	Social status	Having respect for the community
	Variety	The opportunity to do different things
EXTRINSIC JOB SATISFACTIO	Advancement	The chances for advancement on the job
	Company policy	The way in which policies are implemented
	Compensation	Feelings about pay in contrast to the amount of work done
	Recognition	Being recognized for a job well done
	Supervision (HR)	Relationship between supervisors and employees
	Supervision (Technical)	Technical quality of supervision
GENERAL	Working conditions	Physical aspects of one's work
	Co-workers	How one gets along with coworkers

Figure 4 reflects the mean values per dimension and Figure 4 the mean values for each of the twenty questions included in the Minnesota satisfaction questionnaire from the highest to the lowest value.

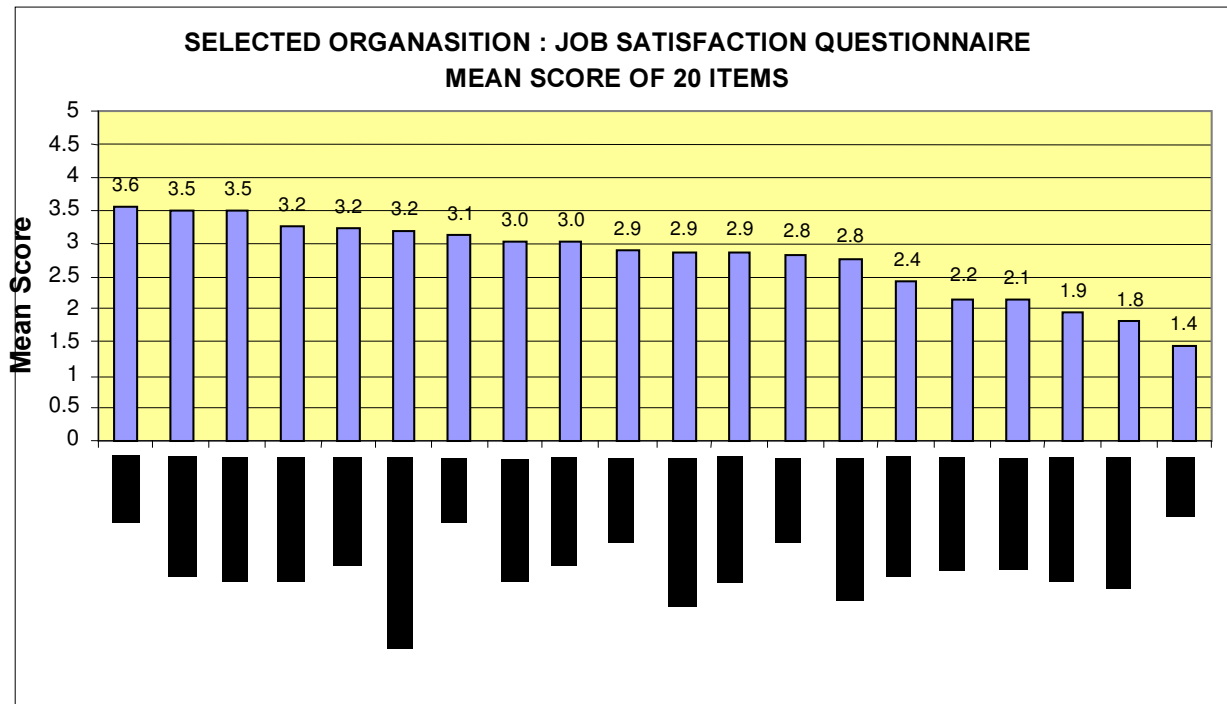
Figure 4 Overall satisfaction rating per dimension



From figure 4 it is clear that with an overall job satisfaction index of only 2.80 out of 5.00 the Selected Organisation's employees are only slightly satisfied in terms of job satisfaction or motivation. Further that the issues relate more to extrinsic issues for which the satisfaction index is only 2.30 out of 5.00. Issues of concern

are therefore linked to a lack of recognition, limited advancement, inadequate compensation, policy and supervision related issues, as being reflected in more details in Figure 5.

Figure 5 Mean values for the twenty job satisfaction questions



From Figure 5 the conclusion can be made that employees of the Selected Organisation are very dissatisfied in terms of the following issues:

- The way in which company policies are developed and implemented. Overall this is also the issue that was rated as the most important issue being neglected with an overall score of only 1.40 was obtained.
- The second lowest issue was the feelings about pay and compensation in contrast to the amount of work done (1.80).
- The third lowest satisfaction rating relates to advancement in terms of limited opportunities for advancement on the job (1.90).

Employees of the Selected Organisation are slightly satisfied or less dissatisfied in terms of the following:

- Concerns about job security and steady employment, contract appointments, etc. (2.10).
- Lack of recognition for work well done or compensation/rewarding for outstanding work completed (2.20).
- No acknowledgement or respect in terms of community related issues (2.40).
- Lack of opportunities or chances to do something that make use of abilities of employees (2.80).
- Lack of opportunities or chances of being able to take on more responsibilities or ownership of initiatives or tasks that allows for development and chance to tell other people what to do (2.80).
- Limited freedom to implement one's own judgment (2.90).
- Physical work environment and aspects of work could be improved (2.90).
- No opportunities or limited in order to allow employees to be creative and to apply one's own ideas, methods and procedures (2.90).

Employees of the Selected Organisation are satisfied or 'just' satisfied in terms of the following issues:

- Relationship between supervisors and employees (3.00).
- The feeling of accomplishment one gets from the job (3.00).
- The opportunity to do different things (3.10).
- Technical quality of supervision (3.20).
- Co-workers and how one gets on (3.20).
- Social service – being able to do things in service to others (3.20).
- Independence – the opportunity to work alone.
- Employees seem to be satisfied in being allowed to do things that are in line with one's conscience (moral values) (3.50).
- The Selected Organisation employees rated the highest satisfaction level to the fact that they are being kept busy all the time although the score itself reflects only a 'satisfied' level of 3.60.

What is important to note is that there is no dimension or individual category/issue that was rated by the respondents as very satisfied. Further also that even for the categories rated as being satisfied the values scored are in the lower levels of the relevant satisfactory level which means a tendency towards that of slightly satisfied or being dissatisfied.

## 5. DISCUSSION

### Business excellence

From the results obtained from the business model assessment the following issues of concern have been identified:

- The Selected Organisation scored extremely low, only 26 percent on people management (dimension 4) compared to government (41 percent) and all industry sector of 48 percent as reflected in Table 1
- Similarly for people satisfaction the Selected Organisation's score of 31 percent, is considerably lower than the government average of 41 percent (table 1).
- On dimensions like customer focus and satisfaction, impact on society, business results and supplier partnership, the Selected Organisation's reflected scores considerably higher than the government sector values (table 1).
- In total the Selected Organisation's performance excellence score of 45 percent is higher than governments score of 37 percent and very close to that of the all sector average of 49 percent as reflected in Table 1.

The low employee satisfaction levels may have major implications for service delivery excellence of the Selected Organisation as well as a negative effect on customer satisfaction. This potential impact is actually confirmed by research undertaken by previous authors. For example work done by Lashley (1997:149) confirms that a great deal of interaction does take place between employees and customers as the key determinants of customer satisfaction in terms of municipal service delivery. Hence, the performance of the employees is to some extent the means through which the organisation delivers service quality and meet customer satisfaction.

Lashley (1997:153) further stresses the fact that although organisations made great effort in addressing service quality through initiatives like total quality management and the development of service cultures, the most important requirement is for the employees to be empowered to meet the customer's needs as it arises. In terms of the results obtained from the Minnesota satisfaction questionnaire the Selected Organisation's employees "feels" very disempowered. Employees are dissatisfied in terms of issues like lack of opportunities or chances to do something that make use of their abilities and being able to take on more responsibilities or ownership of initiatives or tasks that allows for development and chance to tell other people what to do. It was also reflected that they are dissatisfied in terms of being allowed freedom to implement "one's own judgment".

## Customer satisfaction

Research undertaken by Parasuraman, Zeithaml and Berry (1988:33) suggested that the reliability dimension be the most important one of the five dimensions in terms of service quality. According to their research also little else matters to customers when a service is unreliable and that companies normally perform best on the least important dimension, namely tangibles. These viewpoints are being confirmed also by the results obtained from the Selected Organisation's SERVQUAL survey.

The following conclusions can be made in terms of the Selected Organisation survey:

- responsiveness and reliability seems to be the primary, most important dimension in terms of service delivery as perceived by all customer groups researched;
- empathy and assurance dimensions can be regarded as the secondary most important dimensions in terms of customer satisfaction, and
- tangibles dimension to be the least important issue in terms of customer satisfaction levels as perceived by all participant groups.

Parasuraman et al (1991: 49) further pointed out that reliability in the model is concerned with service outcomes, whereas the other four elements are concerned with process. In terms of employee empowerment, to improve customer satisfaction, three of the elements (responsiveness, assurance and empathy) relate to employee performance.

The following conclusions can be made in terms of customer service levels for respondents of all categories:

- For all dimensions the current perceived service level (3,27) are way below the minimum acceptable service level 4.35).
- The current overall service level as perceived by all categories of respondents of 3.27 or 47 percent is far below the minimum acceptable overall service level required of 4.35 or 62 percent and desired service level of 5.78 or 83 percent.
- The tangibles dimension (3.46) is perceived as the highest dimension in terms of current services received with responsiveness dimension (3.14) the lowest.
- In terms of minimum acceptable service levels the highest priority is given to reliability (4.45) and responsiveness dimensions and tangibles (4.20) the lowest priority.
- For desired service levels reliability (5.90) and responsiveness (5.86) seems to be the highest priority with tangibles (5.56) the lowest priority.

## Employee satisfaction

The following conclusions can be made with regard to the overall picture of the Selected Organisation's employees in terms of the three Minnesota satisfaction dimensions (intrinsic, extrinsic and general):

Employees within the Selected Organisation are only slightly satisfied or dissatisfied in terms of job satisfaction or motivation. With the focus more on extrinsic issues for which the overall satisfaction index is only 2.30 out of 5.00. Issues of concern are therefore linked to a lack of recognition, limited advancement, inadequate compensation, policy and supervision related issues.

From the results obtained from the research, the conclusion can be made that employees of the Selected Organisation are **very dissatisfied** in terms of the following issues and it should hence be addressed:

- the way in which company policies are developed and implemented. This is in overall also the category or issue that was rated the most important issue that is being neglected with an overall score of only 1.40;
- the second lowest issue was the feelings about pay and compensation in contrast to the amount of work done (1.80), and

- the third lowest satisfaction rating related to advancement in terms of limited opportunities for advancement on the job (1.90).

Employees of the Selected Organisation are **slightly satisfied or dissatisfied** in terms of the following issues:

- concerns about job security and steady employment, contract appointments, etc. (2.10);
- lack of recognition for work well done or compensation/rewarding for outstanding work completed (2.20);
- no acknowledgement or respect in terms of community related issues (2.40);
- lack of opportunities or chances to do something that make use of abilities of employees (2.80);
- lack of opportunities or chances of being able to take on more responsibilities or ownership of initiatives or tasks that allows for development and chance to tell other people what to do (2.80);
- limited freedom to implement one's own judgment (2.90);
- physical work environment and aspects of work could be improved (2.90), and
- no opportunities or limited in order to allow employees to be creative and to apply one's own ideas, methods and procedures (2.90).

Employees of the Selected Organisation are **satisfied or 'just' satisfied** in terms of the following issues:

- relationship between supervisors and employees (3.00);
- the feeling of accomplishment one gets from the job (3.00);
- the opportunity to do different things (3.10);
- technical quality of supervision (3.20);
- co-workers and how one gets on (3.20);
- social service – being able to do things in service to others (3.20);
- independence – the opportunity to work alone;
- employees seem to be satisfied in being allowed to do things that are in line with one's conscience (moral values) (3.50), and
- the Selected Organisation employees rated the highest satisfaction level to the fact that they are being kept busy all the time although the score itself reflects only a 'satisfied' level of 3.60.

## 6. CONCLUSION

From the research undertaken it can be concluded that the measuring instruments utilized in the Selected Organisation survey seems to be very suitable instruments for measuring customer and employee satisfaction as well as business excellence within local government green industries. Given the fact that the development of the South African Excellence model was based on the experience of the Malcolm Baldrige National Quality Award (USA) and the European Foundation for Quality Management (EU), it can be assumed that those models would be similarly useful when applied in the relevant countries where it is being practiced.

Both the SERVQUAL and Minnesota Job Satisfaction questionnaires do allow for further detailed analyses not addressed in this paper that would further assist an organization in developing strategies and action plans for addressing issues relating to customer and employee satisfaction.

In terms of the SERVQUAL instrument research opportunities may include the further development of the instrument in order to add value specifically for its potential use within the green industries.

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