MEASURES OF SERVICE QUALITY BETWEEN LOCAL GOVERNMENT UNITS OF ANGELES AND SAN FERNANDO IN THE PROVINCE OF PAMPANGA, PHILIPPINES: ITS IMPLICATIONS TO CONSTITUENTS’ SATISFACTION

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Abstract

This research aims to measure the service quality of local government units of Angeles and San Fernando in the Province of Pampanga to determine their constituents’ level of satisfaction. There were a total of 102 renewal-respondents of the Business Permit and Licensing Department who participated in the survey of service quality. The statistical methods used were mean rating, correlational and t-test which were able test the null hypotheses; to wit: there is no positive relationship between dimensions of service quality and constituents’ satisfaction and there is no significant difference on the perception of service quality between local government units of Angeles and San Fernando. Both local government units found reliability, assurance and empathy having very strong linear relationship with constituents’ satisfaction while responsiveness and tangibles established strong linear relationship with constituents’ satisfaction. Since the dimension assurance established the highest degree of correlation among the local government units’ service quality, it has found the said dimension plays the best predictor of constituents’ satisfaction for both local government units. The perceptions of respondents of both local government units do not have significant difference on service quality being rendered. The ratings given by respondents on service quality being rendered by local government units of Angeles and San Fernando are ranging from satisfactory to very satisfactory, hence, the said ratings shall serve as eye opener for Angeles and San Fernando local government units to improve their services and must not be complacent with the evaluations they have now. It is the duty of the government to serve their taxpayers and they, therefore, deserve excellent performance.

Keywords: Service quality, reliability, responsiveness, assurance, empathy, tangibles, and constituents’ satisfaction.

Service quality is a vital strategy for success and survival in today’s aggressive environment. It is very important for the employees to be reliable and dependable in order to gain the trust of the public. They should render quality service and have a commitment to be accountable to customers and compete for their satisfaction and loyalty. It can identify some issues like meritig
attention, understanding the concept and also analyzing how to measure service quality. Employees must offer delivery services beneficial to their clienteles and the actions of the service being provided, and then use that knowledge for planning purposes. The application of service quality concepts encourages service improvements and reduces costs. Also, employees must have interest to those clients who give information about their perceptions regarding the service they receive so that the employees can establish personal contact with them and make a long-term commitment or relationship to the clients. Clients should provide feedbacks to the organizations and be reacted as opportunities for improvements and to raise overall customers satisfaction (Parasuraman, et al., 1990).

Customer satisfaction in market-oriented business organizations is considered as an important factor in continuance of business. It serves as a lifeline for their survival, helps to stay in the competition as well as improve and built market share. In contrast with public sector; profit is not a motive, but this does not mean that customer satisfaction will be treated unimportant and be ignored. According to literatures, engaging in activities to increase the user satisfaction can build public trust or confidence; promote integrity and accountability in local government. These activities clearly take in consideration the desire to get better value for taxpayer’s money or better allocation of resources in public sectors. For this reason, the government needs to deliver high quality services to its constituents. There is a need to exert an effort to evaluate the consistency in satisfaction at any levels of service in order to identify deficiency or failing points in the process of service they are delivering at.

Generally, it is evident that the job and the responsibility of the government are to decide the kind and levels of service that must be rendered to citizens to fit in the systems. It would be beneficial for businesses if the government have systematic process that is strongly committed in providing service quality as government primary objective is to lessen the cost impact of compliance in government policies prior to the operations or existence of any business. Directing business to appropriate channels and the integration of necessary instruments to complete the process put businesses in an easy start-up. Also, these improvements can alter the negative attitude business community is holding in any public services (Vincent & Zhu, 2004). This justification has led the government to become more customer-focused. In order to respond to this need, the authority may need to adapt business attitude towards customers, to view citizens differently, this time as clients and customers (Brilliantes, 2003).

Angeles City and City of San Fernando in the Province of Pampanga is the focus of this study which both have visible and active trading. There are multi-national industries, technology and services industries like BPOs, shopping malls and other industries. Both cities provide an attractive environment that businesses seeing as a good business venture, thus, adds vitality to the growing economy of the province. One program they have is the Business Permit and Licensing division (BPLD) - Business One Stop Shop (BOSS). In order to attract investors in the city, the local government should address and systematize the requirements needed to start the business. BPLD-BOSS aims to streamline this business permit process with systematic implementation. The Local Government Units of Angeles and San Fernando are one of the pioneers of this business process in Region 3. This program is a flagship project of Central
Luzon Growth Corridor Foundation Incorporated (CLGCFI), in cooperation with the Department of Trade and Industry (DTI) and the Department of Interior and Local Government (DILG). Business Permit and Licensing involve tax computations, processing the applications with usual filling-up of forms that end up having voluminous records. Its objective is to streamline procedures on the issuance of mayor’s permit; through monitoring the turn-around time or what we see as filling-up the forms, pass it in the counter and forward it to the next required process, monitor the quality through collecting client feedback and opinions, internal monitoring system and organizational development. There is more simplified registration, reduced numbers of steps and procedures and less process time and cost. The fundamental of the quality of this process is based from ISO 9001:2008 or the International Organization for Standardization which is used by the LGUs’ Quality Management Systems (QMS) Office.

Satisfaction requires moment of truth or experience the service before evaluating how satisfied the recipient of service is. According to Lovelock and Wirtz (2008), satisfaction is a positive disconfirmed expectation while Palmer (2011) stated that it is a post—consumption experience that compares perceived quality with expected quality. Moreover, Baran, Galka and Strunk (2008) argued that satisfaction can be broadly characterized as a post-purchased evaluation of product quality given pre-purchase expectations. And the customer satisfaction will depends on the confidence in quality of service.

Along with, Like, Taiwo, Salim and Downe (2011) described conceptualization of customer satisfaction can be either transaction-specific satisfaction or cumulative satisfaction. That customer evaluates the service and determines their satisfaction the first time they encounter it. However, for repeated customers evaluate their satisfaction from the first time they have tried the service to date.

In government perspectives, engaging in customer satisfaction survey will help to get the best available information by knowing their opinions and perceptions, understand the impact of alternative options whether this would or would not meet their needs and to reduce the risk if not risk-free of unforeseen consequences (Bourgogne, 2007). Furthermore, public agencies asked questions directly about how the service was delivered during actual encounters (MORI Review, 2002). On the contrary, EUPAN or the European Public Administration Network (2008) emphasized that citizen survey satisfaction assessed the appropriation of certain activities or its irrelevance in achieving the bottom line. With regards to users of Business Process and Licensing, they are not only customers of the public service but also citizens experiencing and judging the service.

Manzin, Zurga and Mrak (2012) cited the different relations between the State and customers of administration (Shand and Amberg, 1996) are taxpayers and regulated subjects. Customers recognized that they have clear obligations towards the tax administrations but by large, they expect a certain level of service or help that would aid them in carrying out their duties. Customers legally defined obligations, they are aware that businesses are subject to inspection but customers expect suitable and prompt activities by regulators or government. With these, government then needs to guide and inform customers how they will carry and perform their obligation in the process of service.
As a response, the government must seek ways to improve the services they provide in order to meet the expectations of their constituents. It adapts and updates its processes in administering public service in order to build trust towards its consumer. Bal, et al. (2011) cited that people with low levels of trust will be more easily triggered by negative events. Cheema and Popovski (2010) expressed that it would be gradual and troublesome to recover the trust in public policy and institutions. It will negatively affect or influence their credibility and may somehow escalate and view as a whole for public service. There is a need for the government to revitalize local services, increase administrative performance, and to develop competitive, knowledgeable local officials and personnel. Changes and development in the commercial sector, advancement of technology has also created pressure to public sector as constituents are more interested into a fast reliable performance when availing type of service process the government is performing.

Customer perceived service as an experience and service quality holds good for the experience and evaluation of quality. Palmer (2011) mentioned five identified principal dimensions that customers use to judge service quality and these are reliability, responsiveness, assurance, empathy, and tangibles. According to him it is applicable across a broad range of service industries to better understand the expectations and perceptions of their customers in the service quality. This will help service provider to figure out whether the current service meets their customer expectation and satisfies them. Below is the theoretical framework of service quality management with respect to the present study:

![Figure 1. Dimensions of Quality Service](image)

According to Sullivan (2007) reliability is consistency of the system or component to perform what has been stated and promised under specified situations and time. While David and Heinelle (2003) argued that reliability relates to the ability to perform the promise service dependably and accurately. It refers to the public confidence that the administration and staff will fulfill their promises. The two local government units have to keenly monitor that the system they currently using is performing well. In an article published by International Finance Corporation
(2011), it is stated that in business process streamlining, procedures will be consolidated into a single access point. It promised desirable results for clients not just saving time and money but also increase transparency as clients see all the procedures being implemented. Reduced minimum capitals bring convenience to entrepreneurs and investors who want to start a business and need access from the local government. Government also used technology to boost the process efficiency and accountability which is also time and documented. The process for Business Permit and Licensing Procedure is shown below.

![Business Permit and Licensing Procedure](image)

**Figure 2. Local Government Units BPLD Procedure**

Responsiveness is about timely delivery of service. It refers to the readiness or preparedness of the employees to provide service in a timely manner (Srinivasan, 2009) and the helpfulness of employees. According to Kheng, Mahamad, Ramya and Mosahab (2010) waiting time affects the customer’s satisfaction which the staff would tell customers when services would be performed so they wouldn’t spend too much time waiting without knowing what to do next. Delaying or receiving the service at a later time would create dissatisfaction to clients even though they still received the service. Grömoos (2007) mentioned that employees must be cautious in service encounter. He emphasized how dissatisfaction can cause negative effects on service delivery which customers would not appreciate the quality of service to be rendered by the local government units.

According to Pizam (2010) assurance is the employees’ knowledge, skills, courtesy and the ability of the firm and employees to inspire trust and confidence. Although, automated processes can make an impact, services are still labor intensive, thus, subjective to human – error and discrepancy. Manzin, Zurga and Mrak (2012) stated that procedures and employees exert greatest influence on the general assessment of service quality. Lovelock and
Wirtz (2008) suggested that highly motivated people are at the core of service excellence. Local Government Units of Angeles and San Fernando should employ activities for staff to be well-trained and informed with their role technically and functionally so that they will build trust and confidence serving their customers. If they feel uncertain with them, perceived risk would be high and may affect the customer satisfaction towards the service. It may also bring hesitation whether to avail the service again or to postpone it.

Similarly, in a survey conducted by the State of Queensland, Australia (2010), people who were more educated and who reported a recent positive experience with local government employees were more likely to have favorable perceptions of local government than people who were less educated or who reported a recent negative experience. Beatson, Ling and Gudergan (2008) stated that perceived employee satisfaction, perceived employee loyalty and perceived employee commitment had a sizable impact on perceived service quality. And because service delivery occurs during interactions of customers and employees or what service quality gurus called the moment of truth, employees can influence customer’s perceptions of service quality. So doing things right the first time really matters.

Empathy is the ability to show caring, individualized attention to customers (David, & Heinelle, 2003). Loke, Taiwo, Salim and Downe (2011) suggested that customer service agents’ need training and performance for efficient service. Also, building rapport or customer relationship and other form of relational elements allowing them to realize and articulate client needs. This means that frontline staff of Business Permit and Licensing Department of Local Government Units should put into consideration in making customers feel that their cooperation matters in the completion of service delivery. Although the service is an obligatory task-consumption type of service, the willingness of employees to provide assistance, individualized treatment of customers while performing their task professionally may encourage the customers shaping a positive perception to customer’s mind, attract them to continually do their obligation to the government. On the other hand, the lack of continuity in relationship with customers in performing the service may cause dissatisfaction on their part as they might feel that employees are unhelpful.

Tangibles are very important to customers of public organizations (Ilhaamie, 2010). Because service is intangible, users rate the service by its tangible elements. Kheng, Mahamad, Ramaya, and Mosahab (2010) mentioned that it is the physical facilities, equipment and appearance of personnel. Wright, Hines and Hyde (2011) cited that it also refers to the communication materials services are using. Government entities find it necessary to modernize their administrative process (Saha, 2008) and this is clearly visible with the physical elements for Business Licensing and Permit Department. The use of technologies, computer-based inputs and computations along with other processes such as downloadable forms for applying Mayor’s permit for business operations. Despite these changes, customer satisfaction does not end with all these characteristics mentioned. Uncomfortable waiting area and unclean place is a no for every customer and may interrupt them from participating in the delivery of service. Unpleasant smell, cluttered artifacts or posters which are unnecessary yet can be seen in every corner may perceive by customers as mess.
In the same way, communication materials should also be clear and can easily be understood, hence, will not create dilemma to users. The Local Government Unit used flow charts or diagram representation of the individual process that explicitly informs the applicants on the necessary documents needed to avail the service. In one study of Center for the Study of Social Policy for consumer satisfaction, quoted Mary Malone (p15, 2007) that “behavioral change requires standards not suggestions”. An organization can develop consistency by “clearly communicating what is expected and, based upon those expectations, reinforce positive behaviors and hold employees accountable for sub-standard service delivery.” Providing this information in written format, the do’s and don’ts would help avoiding psychological shock that may lead to dissatisfaction. This may also help eradicate unnecessary demands or wants of customers in availing the service as they are provided with standards.

In measuring these five dimensions of service quality, SERVQUAL survey gain popularities and widely modified as the basis for understanding service encounters (Wright, Hines, & Hyde, 2007). This Gap Model was developed concerning customer satisfaction and previous exploration of the dimensions of service quality (Mokhlis, 2012). According to Grönroos (2007), this is used to identify the gaps or phenomena related to customer and service provider. Below is the model of gap in service quality by Parasuaman, et al. (1985).

![Service Quality Model](image)

Figure 3. Service Quality Model
The authors of SERVQUAL originally formulated by Parasuraman, Zeithaml and Berryin (1988), Manzin, Zurga, & Mrak (2012), Grönroos (2007), Lovelock, & Wirtz (2008), Palmer (2011), Fitzsimmons, & Fitzsimmons (2008). The SERVQUAL questionnaire consists of 22 items of specific statements that will cover the five dimensions of service quality and rated with 7 –points expectations and performance scale. The results were determined by subtracting expectation scores from performance scores and the average weighted mean score was divided into 5 which represented the five dimensions (Palmer, 2011). The developer of SERVQUAL stated that this model can fit to any service organizations which has been argued and counter-attacked by other studies. Despite criticisms, SERVQUAL is widely used in assessing customer satisfaction in government services. In a document retrieved from the website of The Scottish Housing Regulator in August, 2012, the SERVQUAL Model is best suited in assessing customer satisfaction with the processes supporting the service provision.

Horri, Nouri, Ehsanifar, and Hadavand (2012) investigated and surveyed the client satisfaction of the Markazi Province Agricultural Jihad Organization (MPAJO) services through the SERVQUAL method for service quality assessment. The researchers found that dimensions such as tangibles and responsiveness do satisfy customers but reliability, assurance and empathy did not meet their satisfaction. They suggested that the organization should improve assurance via employee knowledge in responding to clients’ complaints resolution, established trust, accuracy and rapidity increase in doing their works.

Fonseca, Pinto and Brito (2012) explore the relationship of service quality and customer satisfaction in public transport service using SERVQUAL survey taking into account both internal and external perspectives. They found out that people under study do not make any distinction between the two concepts mentioned: service quality and customer satisfaction. In addition, they suggested that the determinants of dissatisfaction were the opposite of satisfaction in relation with service quality dimension. In reliability, failure to commit in prompt service and schedule dissatisfied customers, discomfort and dirt in tangibles, or question of punctuality. Furthermore, their study shows that if dimensions of service quality are assured then satisfaction will be achieved or will be dissatisfied if their needs were not met.

According to Dennett, et al (2000), the nature of a service means that a customer is present in the delivery process. Both the service outcome, as well as the service process influences the perception of quality. This implies that expectations are compared with actual service quality and the service outcome and it is the comparison that leads to perceive quality. One potential application of service quality is to determine the relative importance taken as a whole eminence of perception.

Fawcett (2006) discussed that companies face a special challenge in meeting customer needs while remaining inexpensively competitive. Automated processes can make an impact, but services are still labor concentrated. There can be no substitute for high-quality personal interaction between service employees and customers, understand and improve operational processes, identify problems quickly and systematically and establish valid and dependable service performance measures.
Service quality understands the customers’ wants in order to have an idea of how can one perform and deliver service to meet their expectations. The Local government needs to use a systematic process like variables to know the dos and don’ts in serving customers. To meet the needs and wants of customers/constituents, employees should know their perceptions regarding the service. In doing so, they have to make a commitment with the clients by maintaining an open communication with them.

Rust and Chung (2006) said that consumers are often forward-looking with respect to their decision to keep or switch from a service relationship. Any marketing activity that affects current or expected future usage can help to solidify a service relationship. Customer perception of service quality is critical determinant of company performance and ultimate survival. Service quality as perceived by consumers is a competitive weapon being used by managers to enhance their competitive advantage in domestic and international market. Interest in service quality is not limited to the private industry; there is also the public interest in the critical role played by this contract. Below is the continuum model for continuum of perceived service quality by Parasuraman, et al. (1990) which can also be applied to public service.

![Figure 4. Continuum of perceived service quality](image)

In measuring service quality, Kotler and Keller (2008), identified essential variables such as reliability, responsiveness, assurance, empathy and tangibles. Reliability is the ability to perform promised service dependably and accurately. Responsiveness is the willingness of the service provider to help customers to provide prompt services and have the knowledge to answer questions and handle complaints. Assurance provides security to customers with their transactions and employees which are consistently courteous. Empathy is how the employees give individual attention to their customers and who deal with them in a caring fashion. Tangibles are the appearance of physical facilities, employees who have a neat and professional look, equipment, printed and visual materials associated with the service.

According to Farley (2007) managers are returning to the dictum of the “marketing concept” on the call for customer orientation and innovation as the focus for all business planning. Management should know their responsibility like giving advice to their employees on how to deliver quality service to their customers, taking care of their customers and many more.
In view thereof, this study on the measures of the level of service quality of Local Government Units of Angeles and San Fernando in Pampanga to determine their constituents’ satisfaction is undertaken. Specifically, it seeks answers to the following questions:

1. How may the respondents perceive the service quality of Local Government Units of Angeles and San Fernando in terms of?
   1.1. Reliability
   1.2. Responsiveness
   1.3. Assurance
   1.4. Empathy
   1.5. Tangibles

2. What is the overall level of constituents’ satisfaction on the service quality of Local Government Units of Angeles and San Fernando?

3. Is there significant relationship between the dimensions of service quality and constituents’ satisfaction?

4. Are there significant differences on the responses between Local Government Units of Angeles and San Fernando?

5. Which among the dimensions of service quality predict constituents’ satisfaction?

6. How may the results of this study be used to improve the service quality of Local Government Units of Angeles and San Fernando?

The hypotheses below are used in the study; to wit:

H01. There is no significant relationship between dimensions of quality service and constituents’ satisfaction.

H02. There is no significant difference on the responses between the local government units of Angeles and San Fernando.

The conceptual framework presents the whole gamut of the study which adopts the independent-dependent-outcome model. The independent variables consist of dimensions of service quality such as assurance, empathy, reliability, responsiveness and tangibles. The dependent variable states the level of constituents’ satisfaction on the service quality of Local Government Units of Angeles and San Fernando. Finally, the outcome is the improvement of quality of service to be rendered after measuring the present service quality of the said two city government using service quality dimensions.
This study will be undertaken for the benefit of Local Government Units which the results of this study can be used as a source of information on how to further improve its current service so that its constituents will be satisfied with the services rendered.

This research is undertaken in Local Government Units of Angeles and San Fernando to measure the level of customer’s satisfaction in the Business Permit & Licensing - Business One Stop Shop (BOSS) office using the service quality dimensions survey of reliability, responsiveness, assurance, empathy and tangibles.

Method

Research Design

Descriptive research is used in the study since it focused on describing the dimensions of service quality which are reliability, responsiveness, assurance, empathy and tangibles. Descriptive research used description as a tool to organize data into patterns that materialize during analysis. This often used visual aids such as graphs and charts to support the reader. Descriptive research may be used to explore relationships between two or more variables. It involves gathering data that describe events and then organizes, tabulates, illustrates, and describes the data (McNabb, 2007). Exploratory research is also used to test the difference on the responses between two local government units in relation to the service quality dimensions. The exploration of new phenomena in this way may help the researchers for better understanding, may test the feasibility of a more extensive study, or determine the best methods to be used in a subsequent study. For these reasons, exploratory research is broad in focus and rarely provides definite answers to specific research issues. The objective of exploratory research is to identify key issues and key variables (Jupp, 2006).

Participants

The respondents of this study are those constituents who have been renewing their permits and licenses from Business Permit & Licensing - Business One Stop Shop (BOSS) office in the Local Government Units of Angeles and San Fernando for five (5) years and above.

Exhibit 1 shows the constituents-respondents who participated in the survey. Fifty-five (55) or 54.00% came from Angeles City while forty-seven (47) or 46% belong to City of San Fernando.
The manner of selection of the respondents is presented using non-probability sampling, specifically, purposive sampling. Edralin (2000) defined purposive sampling as the selection of samples based on predetermined set of criteria. Convenience sampling method is likewise employed in which people are selected simply because they are “convenient” sources of data for researchers (Battaglia, 2013). A convenience sample is simply one in which the researcher uses any subjects that are available to participate in the research study (Crossman, 2013).

Instrument of the Study

The survey questionnaire is adopted to gather the necessary information and data that are used in assessing the service quality of the said local government units. The format of the questionnaire is in Likert point scale, where in the respondents are given questions about their demographic profile and situations where they could answer from excellent to poor. Likert developed the principle of measuring attitudes by asking people to respond to a series of statements about a topic that was used to fixed choice response formats and are designed to measure attitudes or opinions (McLeod, 2008). The levels of scale are as follows (Trochim, 2006)

1 = Poor
2 = Fair
3 = Satisfactory
4 = Very Satisfactory
5 = Excellent

There are total of 25 questions which are based on the five dimensions of service quality. The questions are in structured and closed ended.

The distribution of survey questionnaire was set for seven (7) days and the respondents who were able to answer and return the said questionnaire were included as the official respondents thereof.

Sources of Data

The primary source of data used in the study is the survey questionnaire for constituents who avail of the service of BLPD. The secondary
sources used in the study are all the related literatures coming from books, previous studies and online research journals.

Procedure
The statistical tools used are mean rating, t-test and correlation. The mean rating is used to measure the areas of the service quality dimensions which are reliability, responsiveness, assurance, empathy and tangibles. T-test is used to determine if there is a significant difference on the responses between Local Government Units of Angeles and San Fernando. The t-test assessed whether the means of two groups were statistically different from each other. This analysis is appropriate whenever you want to compare the means of two groups. T-test was applicable to know the differences between the mean value for the item for the top and bottom quarter judges. Higher t-values mean that there is a greater difference between the highest and lowest judges (Trochim, 2006). The correlation is also used to determine the relationship between dimensions of service quality and constituents’ satisfaction.

In addition, the translations of level ranking are analyzed following the criteria of customers satisfaction designed by Trochim (2006).

<table>
<thead>
<tr>
<th>Scale</th>
<th>Numerical Ranking</th>
<th>Descriptive Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.00 – 1.49</td>
<td>Poor</td>
</tr>
<tr>
<td>2</td>
<td>1.50 – 2.49</td>
<td>Fair</td>
</tr>
<tr>
<td>3</td>
<td>2.50 – 3.49</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>4</td>
<td>3.50 – 4.49</td>
<td>Very Satisfactory</td>
</tr>
<tr>
<td>5</td>
<td>4.50 – 5.00</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

Results and Discussion
The aim of my research is to measure the level of service quality of Local Government Units of Angeles and San Fernando in Pampanga to determine their constituents’ satisfaction. There are 102 clients which 55 came from Angeles and 47 belong to San Fernando.

I. Perceptions of Constituents on the Service Quality Dimensions
Table 1 shows the mean ratings of reliability dimension which all respondents rated all items under reliability very satisfactory. There is a need for both local government units to improve their quality of service which according to Sullivan (2007), there must a consistency of the system or component to perform what has been stated and promised under specified situations and time to achieve a reliable service.

Table 1. Mean Ratings of Reliability

<table>
<thead>
<tr>
<th>Questions</th>
<th>Angeles</th>
<th>San Fernando</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performing the service right for the first time</td>
<td>3.69</td>
<td>361</td>
</tr>
<tr>
<td>Customer expectation is strictly followed</td>
<td>3.71</td>
<td>3.61</td>
</tr>
<tr>
<td>Efficiently carries out the service</td>
<td>3.69</td>
<td>3.61</td>
</tr>
<tr>
<td>Accuracy of the information received</td>
<td>3.69</td>
<td>3.61</td>
</tr>
</tbody>
</table>
Table 2 shows the mean ratings of responsiveness dimension which all respondents rated all items under the said dimension very satisfactory. Both local government units shall improve their service quality to further rate them excellent. Responsiveness is about timely delivery of service. The employees should always be ready to provide service in a timely manner (Srinivasan, 2009) which supported by Kheng, Mahamad, Ramya and Mosahab (2010) that waiting time affects the customer’s satisfaction which the staff would tell customers when services would be performed so they wouldn’t spend too much time waiting without knowing what to do next. Delaying or receiving the service at a later time would create dissatisfaction to clients even though they still received the service.

Table 2. Mean Ratings of Responsiveness

<table>
<thead>
<tr>
<th>Questions</th>
<th>Angeles</th>
<th>San Fernando</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MR</td>
<td>DR</td>
</tr>
<tr>
<td>Readiness to respond to customers’ request</td>
<td>3.78</td>
<td>VS</td>
</tr>
<tr>
<td>Keeping the customers informed</td>
<td>3.76</td>
<td>VS</td>
</tr>
<tr>
<td>Entertain/Greet customers upon serving</td>
<td>3.78</td>
<td>VS</td>
</tr>
<tr>
<td>The Office as convenient operating hours</td>
<td>3.85</td>
<td>VS</td>
</tr>
<tr>
<td>Willingness to attend to customers’ needs</td>
<td>3.76</td>
<td>VS</td>
</tr>
<tr>
<td>Over-all</td>
<td>3.79</td>
<td>VS</td>
</tr>
</tbody>
</table>

Table 3 shows the mean ratings of assurance dimension which all respondents rated all items under the said dimension very satisfactory. Both local government units must keep on improving their service to be excellently appreciated by their constituents. Beatson, Ling and Gudergan (2008) stated that perceived employee satisfaction, perceived employee loyalty and perceived employee commitment had a sizable impact on perceived service quality. And because service delivery occurs during interactions of customers and employees or what service quality gurus called the moment of truth, employees can influence customer’s perceptions of service quality. So doing things right the first time really matters.

Table 3. Mean Ratings of Assurance

<table>
<thead>
<tr>
<th>Questions</th>
<th>Angeles</th>
<th>San Fernando</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MR</td>
<td>DR</td>
</tr>
<tr>
<td>Making customers feel secure about transactions</td>
<td>3.67</td>
<td>VS</td>
</tr>
<tr>
<td>Completeness of information received</td>
<td>3.67</td>
<td>VS</td>
</tr>
<tr>
<td>Staff are knowledgeable about customers’ concerns</td>
<td>3.67</td>
<td>VS</td>
</tr>
</tbody>
</table>
Table 4 shows the mean ratings of empathy dimension which all respondents of Angeles rated all items under empathy very satisfactory while respondents of San Fernando rated very satisfactory the items “staff pays customers personal attention”; “staff are polite and ready to entertain questions”; “staff always listens to the customers”; and “staff understands the needs of the customers” while “staff have a pleasant demeanor” was rated satisfactory only.

Both local government units need to enhance its staff interpersonal relationship to improve the constituents’ evaluation into excellent. The ratings should serve as room for improvement for all the staff. Moreover, the local government of San Fernando must pay attention to improving the pleasant demeanor of its staff. The rating shall serve as wake up call for the Human Resource Management Office to establish strategies on improving said item. Empathy is the ability to show caring, individualized attention to customers (David, & Heinelle, 2003). Loke, Taiwo, Salim and Downe (2011) suggested that customer service agent needs training and performance for efficient service. Also, building rapport or customer relationship and other form of relational elements allowing them to realize and articulate client needs.

Table 4. Mean Ratings of Empathy

<table>
<thead>
<tr>
<th>Questions</th>
<th>Angeles</th>
<th>San Fernando</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff have a pleasant demeanor</td>
<td>3.62</td>
<td>3.48 S</td>
</tr>
<tr>
<td>Staff pays customers personal attention</td>
<td>3.62</td>
<td>3.54 VS</td>
</tr>
<tr>
<td>Staff are polite and ready to entertain questions</td>
<td>3.62</td>
<td>3.54 VS</td>
</tr>
<tr>
<td>Staff always listens to the customers</td>
<td>3.62</td>
<td>3.54 VS</td>
</tr>
<tr>
<td>Staff understands the needs of the customers</td>
<td>3.62</td>
<td>3.54 VS</td>
</tr>
<tr>
<td>Over-all</td>
<td>3.62</td>
<td>3.53 VS</td>
</tr>
</tbody>
</table>

Note: MR=mean rating, DR=descriptive rating, S=satisfactory, VS=very satisfactory

Table 5 shows the mean ratings of tangibles dimension which all respondents rated all items very satisfactory, except the item cleanliness of the office in the local government unit of San Fernando was rated satisfactory by its respondents. Tangibles are very important to customers of public organizations (Ilhaamie, 2010). Because service is intangible, users rate the service by its tangible elements. Kheng, Mahamad, Ramaya, and Mosahab (2010) mentioned that it is the physical facilities, equipment and appearance of personnel.
Table 5. Mean Ratings of Tangibles

<table>
<thead>
<tr>
<th>Questions</th>
<th>Angeles</th>
<th>San Fernando</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleanliness of the office</td>
<td>3.60 VS</td>
<td>3.46 S</td>
</tr>
<tr>
<td>Staff is appropriately dressed</td>
<td>3.60 VS</td>
<td>3.57 VS</td>
</tr>
<tr>
<td>Has comfortable waiting area</td>
<td>3.80 VS</td>
<td>3.78 VS</td>
</tr>
<tr>
<td>Has entertainment facilities like music, television, etc.</td>
<td>3.80 VS</td>
<td>3.78 VS</td>
</tr>
<tr>
<td>State-of-the-art documentation</td>
<td>3.73 VS</td>
<td>3.72 VS</td>
</tr>
<tr>
<td>Over-all</td>
<td>3.71 VS</td>
<td>3.66 VS</td>
</tr>
</tbody>
</table>

Note: MR=mean rating, DR=descriptive rating, S=satisfactory, VS=very satisfactory

II. Over-All Level of Satisfaction

Table 6 shows the over-all level of satisfaction which local government of Angeles rated the respondents’ level of satisfaction very satisfactory while San Fernando was rated satisfactory. Both local government units shall improve their level of service quality in order to elevate the level of satisfaction of their constituents particularly San Fernando since the rating it got was satisfactory only. The said local government units shall not be complacent on their present level of service quality; they must be proactive in meeting the expectations of their constituents.

Table 6. Level of Satisfaction

<table>
<thead>
<tr>
<th>Question</th>
<th>Angeles</th>
<th>San Fernando</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over-all level of satisfaction</td>
<td>3.60 VS</td>
<td>3.46 S</td>
</tr>
</tbody>
</table>

Note: MR=mean rating, DR=descriptive rating, S=satisfactory, VS=very satisfactory

III. Relationship Between Service Quality and Satisfaction

Table 7 shows the over-all relationship between service quality and satisfaction which the local government unit of Angeles established very strong linear relationship between all service quality dimensions and level of constituents’ satisfaction while local government unit of San Fernando found strong linear relationship between all service quality dimensions and level of constituents’ satisfaction.

Both local government units found reliability, assurance and empathy having very strong linear relationship with constituents’ satisfaction while responsiveness and tangibles established strong linear relationship with constituents’ satisfaction. In the study of Palmer (2011) revealed that satisfaction has a positive relationship with five service quality dimensions garnering all dimensions with strong linear correlation with satisfactions. The present study was able to establish all dimensions have positive relationship with constituents’ satisfaction from very strong relationship to strong relationship.
Table 7. Degree of Relationship

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Degree of Relationship Angeles</th>
<th>Interpretation</th>
<th>Degree of Relationship San Fernando</th>
<th>Interpretation</th>
<th>Degree of Relationship Over-all</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability</td>
<td>0.881</td>
<td>Very Strong Linear Correlation</td>
<td>0.788</td>
<td>Strong Linear Correlation</td>
<td>0.843</td>
<td>Very Strong Linear Correlation</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>0.844</td>
<td>Very Strong Linear Correlation</td>
<td>0.734</td>
<td>Strong Linear Correlation</td>
<td>0.799</td>
<td>Strong Linear Correlation</td>
</tr>
<tr>
<td>Assurance</td>
<td>0.944</td>
<td>Very Strong Linear Correlation</td>
<td>0.802</td>
<td>Strong Linear Correlation</td>
<td>0.884</td>
<td>Very Strong Linear Correlation</td>
</tr>
<tr>
<td>Empathy</td>
<td>0.895</td>
<td>Very Strong Linear Correlation</td>
<td>0.743</td>
<td>Strong Linear Correlation</td>
<td>0.833</td>
<td>Very Strong Linear Correlation</td>
</tr>
<tr>
<td>Tangibles</td>
<td>0.857</td>
<td>Very Strong Linear Correlation</td>
<td>0.730</td>
<td>Strong Linear Correlation</td>
<td>0.804</td>
<td>Strong Linear Correlation</td>
</tr>
</tbody>
</table>

IV. Test of Difference Between Two Local Government Units

Table 8 shows the difference on the perception of service quality between local government units of Angeles and San Fernando. It further shows that there is no significant difference on the perceptions between the local government units of Angeles and San Fernando because the p-value is more than 0.05, therefore, the null hypothesis should not be rejected.

It reveals that constituents of local government units of Angeles and San Fernando have similar perceptions on each unit’s service quality. This finding is in line with what Loke, Taiwo, Salim and Downe (2011) had stated in their research. The respondents who have cumulative experience in the permit renewal have formed perceptions already of how the service will be delivered, therefore, their expectations increases and looking for improvement the next time they will encounter the service. Another factor is as encounter multiplies; the users became familiar and eventually decrease their satisfaction.
Table 8. Test of Difference on Service Quality and Satisfaction

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>P-value</th>
<th>Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability</td>
<td>0.582</td>
<td>Do not reject the null hypothesis</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>0.595</td>
<td>Do not reject the null hypothesis</td>
</tr>
<tr>
<td>Assurance</td>
<td>0.722</td>
<td>Do not reject the null hypothesis</td>
</tr>
<tr>
<td>Empathy</td>
<td>0.564</td>
<td>Do not reject the null hypothesis</td>
</tr>
<tr>
<td>Tangibles</td>
<td>0.778</td>
<td>Do not reject the null hypothesis</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>0.336</td>
<td>Do not reject the null hypothesis</td>
</tr>
</tbody>
</table>

Since the dimension assurance established the highest degree of correlation among the local government units’ service quality, it has found the said dimension plays the best predictor of constituents’ satisfaction for both local government units. The findings support the efforts made by both local government units in improving their systems and procedures attune with international standards (ISO) in keeping their constituents satisfied with the given services.

For the test of difference, the p-value is more than 0.05 which signifies to accept the null hypothesis “there is no significant difference on the perception on service quality between local government units of Angeles and San Fernando”.

The perceptions of respondents of both local government units do not have significant difference on service quality rendered. This could be associated to being both ISO certified and the business permit and licensing procedures and strategies being used are almost the same.

The ratings given by respondents on service quality being rendered by local government units of Angeles and San Fernando are ranging from satisfactory to very satisfactory, hence, the said ratings shall serve as eye opener for Angeles and San Fernando local government units to improve their services and must not be complacent with the evaluations they have now. It is the duty of the government to serve their taxpayers and they, therefore, deserve excellent performance.

All local government units, in general, and Angeles & San Fernando, in particular, shall continuously keep their operations in the Business Permit and Licensing Department (BPLD) accustom with international standard to make them more proactive in making their constituents satisfied at all times.
1. References


