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MEASUREMENT OF LOCAL PUBLIC SERVICES' QUALITY USING SERVQUAL: THE CASE OF DUBROVNIK

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Abstract

Public services are facing the necessity of the implementation of consumer-oriented business philosophies as well as quality management approach. This paper attempts to emphasize the importance of the consumers' assessment of the public service quality. According to that assessment, the difference between consumers' perceptions and expectations will be determined using SERVQUAL methodology. The research was conducted among 250 residents in Dubrovnik. The results reveal that there is a significant gap between the perceived and expected quality of the public service. Such insight leads to the conclusion that public service management should consider the importance of quality monitoring as the base for the total quality management application.

Keywords: local public services, service quality, SERVQUAL

1. INTRODUCTION

Service quality is an important issue, not only in the private sector, but also in the public sector (Zahari et al., 2008). It has become a focus of attention to managers and scientists because of its large impact on business performance, lower costs, return of investment, customer satisfaction, customer loyalty and gaining higher profit (Leonard and Sasser, 1982; Cronin and Taylor, 1992; Gammie, 1992; Hallowell, 1996; Chang and Chen, 1998; Gummesson, 1998; Lasser et al., 2000; Newman, 2001; Sureshchander et al., 2002; Seth and Deshmukh, 2005). The fast economic development and competition among service companies have raised the importance of measurement and evaluation of the services' quality. (Brown and Bitner, 2007).

The provision of public services is a key government task. Traditionally, the citizens have played a passive role as recipients of standardized public services without being asked to give feedback on goods and service they receive. The elections were perceived as an adequate mechanism to express their perception and satisfaction with provided public services.

As a consequence of decentralization process during last decades, modernization in public services has become emphasized. In that sense, public services are facing the necessity of the implementation of consumer-oriented business philosophies as well as quality management approach. Therefore, governments are becoming more aware of the necessity to align the provision of public goods and services with real public needs and preferences.

In addition, higher participation of citizens in activities of local governance results in their higher satisfaction with the public sector, increase in living standard, more efficient allocation of scarce resources, efficient public governance, control of corruption, reduction in public consumption and the economic growth.

The residents' involvement in generating public sector services is stimulating greater transparency and allowing local residents to assess the quality, adequacy and effectiveness of public services, to express their needs and preferences. Also, it helps them to become involved in innovation offers in order to enable better use of public funds, and to improve service delivery (Ringold et al, 2013).

The purpose of this paper is to examine the local resident satisfaction with the public services in the City of Dubrovnik. The paper applied the SERVQUAL methodology in order to examine the gap between the customers' general perception of public services and their expectations of the public services received by a specific service provider. Overall service quality results from comparisons by customers of expectations with their perceptions of service delivered by the suppliers. Originally, this approach has been mainly applied in researching the level of quality of private sector services. Nowadays, the

researchers use SERVQUAL instrument to analyse the quality of the public services.

This paper is organized as follows: the introductory section gives a brief description of the importance of the measurement of public services' quality.

This is followed by relevant literature review pertaining to service quality, SERVQUAL methodology and its application in public services. The methodology of the research paper is explained, followed by the results of the empirical analysis. Conclusions and implications are noted, and limitations and future directions are discussed. Finally, recommendations for improving service quality within the public service sector in the City of Dubrovnik based on the findings of the paper are provided.

2. LITERATURE REVIEW

2.1. Service quality

Since the service sector gained important role in global economy, service quality attracted attention of many authors. Moreover, it is considered as a critical dimension of competitiveness (Lewis, 1989). Providing excellent service quality and high customer satisfaction is the important issue and challenge facing the contemporary service industry (Hung et al., 2003). There is serious debate about definitions of service quality. The common one defines service quality as the extent to which a service meets customers' expectations (Lewis and Mitchell, 1990; Dotchin and Oakland, 1994; Ausbontenget al., 1996; Wisniewski and Donnely, 1996). It can be concluded that the service quality is the difference between customers' expectations of service and perceived service. If expectations are greater than performance, then perceived quality is less than satisfactory and customer dissatisfactions occurs (Parasuraman et al., 1985; Lewis and Mitchell, 1990). From the very first papers dealing with service quality, significant accent has been put on understanding the role of expectations (Pitt and Jeantrout, 1994), given the fact that consumers' expectation of quality are increasing (Dotchin and Oakland, 1994b; Haywood-Farmer and Stuart, 1990), and people are becoming more discerning and critical of the quality of service that they experience (Philip and Hazlett, 1997). Boulding et al. (1993), stated that expectations are "pre-trial beliefs about a product or service".

2.2 Servqual

The most accepted model for measuring the service quality is SERVQUAL (Parasuraman et al. 1985, 1991 and 1994). He claimed that service quality is a function of the differences between expectation and performance along the quality dimensions. Parasuraman et al. (1985) originally constructed ten factors for evaluating service quality (tangible, reliability, responsiveness, courtesy, credibility, security, accessibility, communication and understanding

the customer). These ten factors are reduced to five factors. These five dimensions are stated as follows:

- *Tangibles*. Physical facilities, equipment and appearance of personnel.
- *Reliability*. Ability to perform the promised service dependably and accurately.
- *Responsiveness*. Willingness to help customers and provide prompt service.
- *Assurance*. Knowledge and courtesy of employees and their ability to inspire trust and confidence.
- *Empathy*. Caring and individualized attention that the firm provides to its customers

This is a service quality model based on gap analysis. The gaps include (Seth and Deshmaukh, 2005):

- Gap 1: Customer expectation-management gap.
- Gap 2: Management perception-service quality specifications gap.
- Gap 3: Service quality specification-service delivery gap.
- Gap 4: Service delivery-external communication gap.
- Gap 5: Expected service-perceived service gap.

The last gap represents the difference between consumer's expectation and perceived service and that is the purpose of the SERVQUAL model.

Shahin and Samea (2010) proposed model of service quality gaps that consists of five new components and eight new gaps. The new components are: ideal service standards, service quality strategy and policy, translation of service quality strategy and policy into service quality specifications and service design, management perceptions of customer perception and employee perceptions of customer perception. The new gaps are: gap 2: management perception versus service quality strategy and policy, gap 3: service quality strategy and policy versus service specifications, gap 4: service specifications versus ideal standards, gap 5: service specifications external communication, gap 11: customers' perceptions versus management perceptions, gap 12: the discrepancy between management perceptions and service quality strategy, gap 13: customers' perceptions versus employee perceptions and gap 14: the discrepancy between employee's perceptions and management perceptions of customer.

2.3. SERVQUAL application in public services

Governments across the world have introduced reforms of public service provision inspired by the shift to new public management and customer-oriented approach. According to Gowan et al. (2001), service provision is more complex in the public sector because it is not simply a matter of meeting the expressed needs, but of finding out unexpressed needs, setting priorities, allocating resources and publicly justifying and accounting for what has been done.

Governments on all levels and their institutions provide various public services in physical and non-physical form, so the delivery system is complex and difficult to evaluate.

Quality measures are required by public sector to contribute to the monitoring of aspects of performance, such as efficiency and effectiveness. In times of fiscal austerity it is important to measure quality to ensure that quality does not suffer at the expense of saving initiatives. Frequently analysed aspects of quality of public services include service accessibility, accountability, attitudes and behaviour of staff, flexibility of the service to meet changing needs, reliability, skills, knowledge and trustworthiness of staff (Qureshi and Henwood, 2000, Edebalk et al., 1995, Harding and Beresford, 1996, Qureshi et al., 1998, Henwood et al., 1998, Sinclair et al., 2000, Francis and Netten, 2004, Malley et al., 2006, Raynes et al., 2001).

In related literatures about public services quality, research was normally done in PZB model proposed by Parasuraman, Zeithaml, and Berry (1985). SERVQUAL service quality scale was introduced in 1988 for measuring service quality in banking sector. Brysland and Curry (2001) stated that the literature clearly supported the use of SERVQUAL in the public sector. SERVQUAL has been used to measure service quality in a variety of public services, including public utilities (Babakus and Boller, 1992), universities (Galloway, 1998), police services (Donnelly et al., 2006), and hospitals (Vandamme and Leunis, 1993; Anderson, 1995; Beach and Burns, 1995; Bakar et al., 2008). Using the SERVQUAL approach, Wisniewski (2001) carried out a study to assess customer satisfaction within the public sector across a range of Scottish Councils services.

Agus et al. (2007) carried out a research to identify management and customer perceptions of service quality practices in the Malaysian Public sector. It is important to note that whereas the SERVQUAL model focused on identifying “gaps” between expectations and actual delivery, their model focused only on perceptions of actual service delivery.

There is a lack of studies on service quality in local authorities. Only three studies have been identified: Scott and Shieff (1993), Donnelly et al. (1995) and Zahari and Maziah (2008).

SERVQUAL application in measuring quality of public services provided by local authorities is a very efficient tool because it provides sufficient information based on comparison between customers’ perception upon delivered services to expectations of services desired by customers.

3. METHODOLOGY

3.1. Research instrument

Research data were obtained via questionnaire which was formed in accordance with SERVQUAL instrument created by Parasuraman et al. (1988).

Methodology for this research was applied in two phases, the preliminary analysis and the main analysis. The preliminary analysis includes descriptive statistics in order to summarize data such as the demographic characteristics of the respondents. The second stage is the main analysis that included factor analysis in order to find out if the SERVQUAL is appropriate in the context of public services. Besides that, the gap score analysis was conducted to summarize the means of perceptions and expectations of customers. For each item, calculation of the perception minus expectation scores was applied in order to identify the service quality gaps. Checking the reliability and validity of the SERVQUAL model made up of five dimensions, Cronbach's alpha was calculated for each dimension of the SERVQUAL model and factor analysis was applied out to test validity. The internal reliability of results was first checked in order to determine the credibility of findings results from the research since we were considering multiple-item measure that is the SERVQUAL model made up of five dimensions measuring service quality.

The SERVQUAL instrument was modified for the purposes of questioning public services consumers. The five point Likert scale is used instead of the original seven point Likert scale. Authors decided that it would be easier for respondents to put the grade on the proposed dimensions from 1 to 5.

The questionnaire consists of two parts. The first part is associated with respondents' personal characteristics such as gender, education level, employment, age, household members and income. The second part consists of two sets of questions/claims. The first set of claims should offer information which public services are used daily, often, sometimes, rarely or never. The last part is a set of 20 claims. The respondents were asked to state their expectations and perceptions through five quality dimensions.

3.2. Sampling

For the purpose of this paper, the public services' quality survey was conducted. The sample was users of public services in Dubrovnik. The sample was purposive. The respondents were targeted by the exits of the selected public service facilities and asked if they want to fulfil the proposed questionnaire.

Out of 225 questionnaires collected, 202 of them were valid.

3.3. Results

The demographic characteristics are given in Table 1. Out of 202 respondents a little more than one third is under 24 years, less than one third is between 25 and 39 years and the rest of the respondents are above 40 years. Furthermore, the majority of the respondents are women, with high school education or less, working in private sector or unemployed, living in a household of 3-4 members and earning from 6000 to 8999 HRK per month.

Table 1

The respondents' profile

Demographic characteristics	Frequency	Percentage (%)
Age		
-24	70	34.7
25-39	64	31.7
40-64	58	28.7
65 and over	10	5.0
Gender		
Male	85	42.1
Female	117	57.9
Education		
High school and less	118	58.4
Undergraduate	45	22.3
Graduate	39	19.3
Occupation		
Unemployed	71	35.1
Private sector	80	39.6
Public sector	37	18.3
Retired	14	6.9
Household members		
1	12	5.9
2	32	15.8
3	68	33.7
4	59	29.2
5	31	15.3
Monthly income in HRK*		
- 2.999	21	10.4
3.000-5.999	55	27.2
6.000-8.999	75	37.1
9.000-	51	25.2

*1 HRK = 0.13 €

People use all sorts of public services, but they differ in intensity of using them. For example, younger population tend to use more services of public education and elder people use more health care services. Since the purpose of the

paper is to cover all public services, the respondents were asked to specify what public services they use more often (Table 2).

Table 2

Intensity of using public services

	1	2	3	4	5	Mean	Std. Deviaton
	%	%	%	%	%		
Water supply and sewerage system	87.1	9.4	3.5	0	0	1.16	0.455
Cleaning services	55.9	36.1	7.9	0	0	3.30	0.942
Local streets maintenance	31.2	22.3	30.2	10.4	5.9	2.38	1.196
Horizontal and vertical signalization	44.6	25.7	10.4	12.4	6.9	3.11	1.290
Public lights	61.9	23.8	9.9	0.5	4.0	1.61	0.973
Green surfaces and parks	23.3	33.2	31.2	8.9	3.5	2.36	1.043
Cemetery	4.0	12.9	30.7	43.1	9.4	3.41	0.964
Public transport	19.8	26.7	21.8	20.3	11.4	2.77	1.293
Education	21.8	20.3	19.3	22.8	15.8	2.91	1.392
Libraries	4.5	21.3	25.7	21.7	20.8	3.39	1.164
Primarily health care	8.4	18.3	48.5	19.8	5.0	2.95	0.958
Social security	2.0	15.3	23.3	26.2	33.2	3.73	1.136
Administrative services	4.0	10.9	47.5	26.7	10.9	3.30	0.942

Source: Authors' calculation

Among 11 types of public services offered, the customers had to identify the public service they use daily (1), often (2), sometimes (3), rarely (4) or never (5).

The internal reliability of the modified SERVQUAL items was calculated by computing the total reliability scale. The total reliability scale for the study is 0.839, indicating an overall reliability factor is approximately to Parasuramans' et al., (1988). This value is significant considering the highest reliability and this is an indication that the items of the five dimensions of SERVQUAL model are accepted for analysis. Table 3 below presents the reliability scale for all five dimensions and also, the reliability scale for each dimension measured when each item is deleted from the dimension in order to see if the deleted item is genuine or not. From table 3, it can be concluded almost all the items showed a lower value of reliability when deleted except for reliability dimension for expectation all items and one item for responsiveness, and had a higher value showing it is not a true measure under that dimension.

Table 3

Cronbach's alpha of the SERVQUAL scale

Dimensions	Number of items	Expectation		Perception	
		Cronbach's alpha	Cronbach's alpha if item deleted	Cronbach's alpha	Cronbach's alpha if item deleted
Tangibles (TAN)	4	0.671	0.684	0.760	0.722
			0.589		0.723
			0.562		0.641
			0.570		0.724
Reliability (REL)	4	0.705	0.754	0.755	0.577
			0.732		0.685
			0.741		0.571
			0.850		0.727
Responsiveness (RES)	4	0.821	0.754	0.712	0.577
			0.732		0.685
			0.741		0.571
			0.850		0.727
Assurance (ASS)	4	0.759	0.690	0.777	0.683
			0.681		0.756
			0.729		0.736
			0.709		0.715
Empathy (EMP)	4	0.824	0.815	0.803	0.775
			0.764		0.769
			0.728		0.733
			0.800		0.741

Source: Authors' calculation

Considering at the reliability coefficients of all five dimensions, just one dimension has coefficients slightly below 0.7, tangibles (0.671). This could be result of the questions similarity. Other dimensions, reliability, responsiveness, assurance and empathy showed coefficients higher than 0.7, meaning these dimensions comprising of various items show an accurate measure of service quality.

An exploratory factor analysis was applied in order to measure the dimensionality of the used method. The principal component analysis Varimax rotation was employed. All factors are with the eigen value greater than 1 and all items are with loading factor above the 0.5. Therefore, all items are significant and included in the analysis.

Table 4

Exploratory factor analysis of the SERVQUAL scale

Variables	Factor loading	Eigenvalue	Variance %	KMO	Bartlett
Tangibles dimension:		7.738	38.69	0.647	0.000
Modern equipment	0.643				
Employees are well dressed	0.725				
Visually appealing materials associated with the service	0.809				
Waiting area with enough seats	0.761				
Reliability dimension:		2.017	10.09	0.700	0.000
Working hours	0.616				
Employees are ready to answer all questions	0.790				
Provides services at the time promised	0.809				
Employees give advice to consumers	0.769				
Responsiveness dimension:		1.241	6.20	0.740	0.000
Employees try to prevent waiting lines	0.831				
Employees maintain discrete	0.775				
Right service at the first attempt	0.845				
Employees always prepared to solve the problem	0.608				
Assurance dimension:		1.051	5.25	0.775	0.000
Employees readily respond to customers' request	0.806				
The service delivered at time promised	0.757				
Error free service	0.738				
Employees show interest for each consumer particular	0.771				
Empathy dimension:		1.024	5.12	0.786	0.000
Polite contact with consumers	0.756				
Employees are well educated	0.805				
Employees are reliable	0.855				
Employees advice the most appropriate service	0.792				

Source: Authors' calculation

In general, consumer expectation overcame the perceived level of public services presented by the perception gap scores. This caused a negative gap score between perception and expectation. Nevertheless, that is frequent for consumer's

expectation to overcome the perceived public service perceived. This fact indicates the necessity for the public services improvement.

Table 5

Tangibles SERVQUAL scores

Tangibles dimension	Expectation		Perception		Gap (P-E)
	Mean	St. dev.	Mean	St. dev.	
Modern equipment	3.87	0.891	3.19	0.929	-0.68
Employees are well dressed	3.93	0.944	3.45	0.962	-0.48
Visually appealing materials associated with the service	4.14	0.893	2.90	0.933	-1.24
Waiting area with enough seats	4.02	1.027	2.64	0.974	-1.34

Source: Authors' calculation

Table 6

Reliability SERVQUAL scores

Reliability dimension	Expectation		Perception		Gap (P-E)
	Mean	St. dev.	Mean	St. dev.	
Working hours	4.13	0.958	2.80	1.042	-1.33
Employees are ready to answer all questions	4.25	0.760	2.66	1.049	-1.59
Provides services at the time promised	4.22	0.750	2.83	0.990	-1.39
Employees give advice to consumers	4.00	0.838	2.66	1.059	-1.34

Source: Authors' calculation

Table 7

Responsiveness SERVQUAL scores

Responsiveness dimension	Expectation		Perception		Gap (P-E)
	Mean	St. dev.	Mean	St. dev.	
Employees try to prevent waiting lines	4.11	0.904	2.72	1.210	-1.39
Employees maintain discrete	4.21	0.868	3.21	0.934	-1.00
Right service at the first attempt	4.04	0.874	2.90	0.952	-1.14
Employees always prepared to solve the problem	4.13	0.738	2.65	0.887	-1.48

Source: Authors' calculation

Table 8

Assurance SERVQUAL scores

Assurance dimension	Expectation		Perception		Gap (P-E)
	Mean	St. dev.	Mean	St. dev.	
Employees readily respond to customers' request	4.09	0.777	2.73	0.950	-1.36
The service delivered at time promised	4.12	0.757	2.83	0.900	-1.29
Error free service	4.04	0.836	2.89	0.963	-1.15
Employees show interest for each consumer particular	4.08	0.803	2.92	1.001	-1.16

Source: Authors' calculation

Table 9

Empathy SERVQUAL scores

Empathy dimension	Expectation		Perception		Gap (P-E)
	Mean	St. dev.	Mean	St. dev.	
Polite contact with consumers	4.19	0.731	2.84	1.040	-1.35
Employees are well educated	4.10	0.841	3.08	1.043	-1.02
Employees are reliable	4.15	0.706	3.00	0.867	-1.15
Employees advice the most appropriate service	4.11	0.761	2.89	0.942	-1.22

Source: Authors' calculation

Respondents have for almost all items (except modern equipment 3.87 and employees are well dressed 3.93) quite high expectation scores (all are above 4.00). However, between 18 items there are no so many differences in scores and this indicates generally that consumers expect very high quality from public services. The respondents highest expect that are employees ready to answer all their questions (4.25), to provide services at the promised time (4.22) and to maintain discrete in communication to consumers (4.21). The average perceived quality of public services is rated from 2.64 to 3.45. There is no so much difference between the scores of perceptions. It can be concluded that consumers are disappointed by public services received.

All gap scores are negative. The more perceptions are close to expectations, the higher the perceived level of quality. The largest gaps scores were for the reliability dimension for the item: employees are ready to answer all questions (-1.59) and for the responsiveness dimension for the item: employees always prepared to solve the problem (-1.48). The smallest disappointment is recorded by tangibles dimension for the items: modern equipment (-0.68) and employees are well dressed (-0.48).

Table 10

GAP scores analysis

	GAP TAN	GAP REL	GAP RES	GAP ASS	GAP EMP	GAP SCORE
Mean	-0.9443	-1.4146	-1.2537	-1.2450	-1.1906	-1.2097
Median	-1.0000	-1.2500	-1.2500	-1.0000	-1.0000	-1.2500
Mode	-0.75	-0.25	-1.50	-0.25	-1.00	-2.50
Std. Deviation	.93125	1.12903	1.09314	1.05418	1.00444	0.89147
Skewness	-0.228	-0.059	0.048	-0.436	-0.416	-0.21
Std. Error of Skewness	0.171	0.171	0.171	0.171	0.171	0.171
Kurtosis	0.430	-0.830	-0.230	0.018	-0.200	-0.175
Std. Error of Kurtosis	0.341	0.341	0.341	0.341	0.341	0.341

Source: Authors' calculation

Tangibles dimension has an average score of -0.9443 and the median gap is -1. The modal score is -0.75. The standard deviation is 0.93125 indicating the spread of gaps away from the mean. The distribution is positively skewed with a skewness of -0.228 which indicates that the figures are deviated more to the right. The kurtosis value is 0.430 which mean that there is clustering somewhere away from the mean. Reliability dimension has average score -1.4146 which means that local people are not satisfied with the quality of public services as depicted by the reliability dimension. The standard deviation is 1.12903. The modal gap is however different from the mean and it is -0.25. The distribution is positively skewed with a value of -0.059 indicating the gaps are deviated to the right of the mean and the gaps are clustered away from the mean with a kurtosis value of -0.830. Averagely local people are unsatisfied with the responsiveness dimension of public services as they have a gap of -1.2537. The standard deviation is 1.09314 which indicates that the gaps are not very widely deviated from the mean. The deviation is to the right with a positive skewness of 0.048. The gaps are also clustered at a point different from the mean of the distribution because the kurtosis value is -0.230. The average gap for assurance dimension is -1.2450 representing dissatisfaction. The modal gap for this dimension is -0.25. The median gap is -1. The standard deviation is 1.05418 presenting little deviation from the mean which is spread towards the right as the distribution is positively skewed with a value of -0.436 and the gaps cluster at some point away from the mean with a kurtosis value of 0.18. The average gap score for the empathy dimension is -1.1906. The median gap for this distribution is -1 and the modal gap is -1. It has a standard deviation of 1.00444 which means that the gaps are deviated from the mean. They are deviated to the right because the distribution is positively skewed with a value of -0.416 and clustered at a value away from the mean with a kurtosis value of -0.200.

Overall satisfaction of the public service quality is low (GAP SCORE = -1.2097) meaning the level of public service they receive is lower than what they expect indicating there is no consumer satisfaction.

4. CONCLUSION

The aim of the paper is to determine the level of satisfaction or dissatisfaction with multiple public services in Dubrovnik using SERVQUAL methodology. The public services included in this research are water supply and sewerage, cleaning, local streets maintenance, horizontal and vertical signalization, public lights, green surfaces and parks, cemetery, public transport, education, libraries, primarily health care, social security and administrative services. Since all services mentioned are not equally used, the intensity of using public services should be clarified. As expected, water supply and sewerage is the most frequently used service. More than 87% of the respondents use it on every day basis. Other services are also used daily, wanted or not, but consumers are not aware of that. For example, only 61.9% of respondents stated that use public lightning, 55.9% use cleaning services, 44.6% use horizontal and vertical signalization and 31.2% use local streets every day. On the other hand there are public services that could be chosen to use. Public transport is one of them because a person may decide whether to use a private car or city bus. According average score, public transport (2.77), education (2.91) and primary health care (2.95) are used frequently. The explanation lies in respondents' profile. The majority of them have young families, whose children attending school using school buses. The social security services are declared to be used very rarely. Such services are offered to the individuals with insufficient incomes, but respondents' incomes are close to average income in Croatia.

The results in this survey indicate that, generally, the consumers are not satisfied with the quality of public services. That means that all 20 items have negative gaps. Contemporary consumers expect more from product and service providers and public services are no longer an exception.

The smallest gap or disappointment is within the tangibles dimension. The reason is low expectation considering demands for up to date equipment of the public facilities (3.87) and proper dress code (3.93).

The most important quality dimension for consumers is reliability. The consumers want to be able to trust employees during their interaction. The employees should show interest in consumers' particular problem, should be educated enough to answer all consumers' questions, should be motivated to give advice and should provide service without delay. That implies that public service management must insist on employees' lifelong education. Additionally, adequate motivation is required. Good practices should be rewarded and poor ones should be suspended.

On the other hand, consumers have complains on the public services' organization. They perceive working hours unsuitable to their needs and prefer more offices opened in afternoon hours. Too long waiting lines are the product of the personnel inefficiency. That implies that public services lack planning activities.

It can be concluded that public services should be managed as the services in private sector. In other words, they should be more consumer oriented. In Croatia this process is at the beginning. Up to date, Croatian public services and their providers have been protected and thus unmotivated to pay attention to the quality.

Therefore, the findings of this paper could help local service management to improve the quality of public services through all five dimensions. The insights presented here offer solid base for different models of quality enhancement including total quality management.

This paper has some limitations. The sample is rather small. It has been difficult to find more respondents willing to fill the questionnaire, because they were confused by similar questions used for SERVQUAL analysis. Another limitation is the extent of the research. This research is based in Dubrovnik, town of about 28000 people. The future research should extend to other cities and compare the results.

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MJERENJE KVALITETE LOKALNIH JAVNIH USLUGA S POMOĆU *SERVQUAL*: SLUČAJ DUBROVNIKA

Sažetak

*Javne službe suočavaju se s nužnošću primjene poslovnih filozofija usmjerenih prema potrošačima i pristupu upravljanju kvalitetom. U radu se nastoji naglasiti važnost procjene potrošača o kvaliteti javnih usluga. Prema toj procjeni, razlika između percepcije i očekivanja potrošača odredit će se s pomoću *SERVQUAL* metodologije. Istraživanje je provedeno na 250 stanovnika Dubrovnika. Rezultati pokazuju da postoji značajan jaz između percipirane i očekivane kvalitete javnih službi. Takav uvid vodi k zaključku da bi se u upravljanju javnim službama trebala uzeti u obzir važnost praćenja kvalitete kao baze za primjenu ukupnog praćenja kvalitete.*

Ključne riječi: lokalne javne službe, kvaliteta usluge, *SERVQUAL*

JEL klasifikacija: H31, M31