

# **CORRELATIONS BETWEEN SERVICE QUALITY MANAGEMENT AND SATISFACTION OF LOCAL PUBLIC ADMINISTRATION EMPLOYEES: A COMPARATIVE STUDY BETWEEN ROMANIA AND REPUBLIC OF MOLDOVA**

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**Abstract:** *Local public administration must ensure the general well-being of the community. In fulfilling this prerogative, local authorities are organising, providing and delivering public services to ensure a good environment for every citizen in the community. Recent findings in neuroeconomics have shown that in order to provide a quality public service, the people involved in this process must themselves feel safe and comfortable in their working environment. In this regard, we considered it necessary to analyse the level of satisfaction of employees in local public administration in Romania - as a member state of the European Union, and the Republic of Moldova as a post-Soviet state taking steps to join the big European family. Based on the premise of the latest findings in the field of neuroeconomics, we considered it appropriate to highlight in this research the correlations between public service quality management and the level of employee satisfaction. In this context, we identified the aspects that need to be improved at the level of local public administrations in order to ensure quality services and employees involved in carrying out in good faith all their functional tasks, in an environment conducive to making the right decisions. The present research is a quantitative research in which we analyse the perception of public service providers in a comparative form. The findings can form the basis for further research on the correlations between the quality management of services provided by public administrations in general.*

**Keywords:** *public services, quality, employee satisfaction, local public administration.*

**JEL Classification:** *A13, H83, Z13.*

## **1. Introduction**

Public services are directly addressed to the population of the administrative-territorial unit, and their effects are always judged in terms of human values, not only in instrumental terms, because they have moral consequences for individuals, families and communities (Neamtu, 2003, p.49).

When talking about services it is important to emphasise that they must meet certain conditions to be considered of quality. The general conditions are related to human

rights and to the respect of those quality standards, so it is the quality of the provision that is important and not the quantity. The purpose of local government is to ensure social and economic well-being at community level. In this context, public administrations are increasingly directed to identify those indicators that can measure the performance of public services but also to develop a strong structure within the entity to correctly identify the needs of citizens and to deliver quality public services. Certainly human resources play an important role in identifying the need for a service, developing it, and delivering it in the interest of the citizen.

The latest findings in neuroeconomics have shown that public servants can be influenced by a number of factors when making decisions. A first approach concerns their remuneration and working environment. Some research shows that subjects prefer present consumption to future rewards (McClure et. al. 2004). This in itself is not unreasonable, as all "people's best laid plans often go awry" and future events pose a greater risk than immediate consumption (Stuphorn, 2005).

In this connection, we identify that in making decisions, those responsible must themselves be satisfied in all points of view in order to make the right decisions. The implications of the above-mentioned study highlight firstly the need to create a good environment for employees, and secondly the need to involve them in decision-making about the public services provided.

The organisation of the decision making process at the level of public administrations by public managers is an important indicator to understand the cycle of processing a decision on service provision. In this respect, several researches have been carried out which highlight that a manager will never be able to fully observe the behaviour of all his employees. Therefore, smart managers choose a bonus contract related to the comfort of each employee, and save monitoring efforts. Mohnen experimentally shows that managers can rely on another potential compensation for their lack of control within a group of employees, based on employees' aversion to inequity (Mohnen et. al. 2007). When their contributions are observable, peer pressure within teams of employees increases work efficiency.

Economic theory is by no means the only contribution to public management theory. However, it is an important one. Therefore, the public community should not ignore the development of economics. At a time when the public sector is facing increasing demand for its output and fewer employees, a motivated workforce becomes even more critical to success. In turn, public management theory could be fruitfully enriched. Or, to put it in the words of F. A. Hayek: "... an economist who is nothing but an economist cannot be a good economist" (Proeller, 2006).

The findings of neuroeconomics, specifically the level of employee satisfaction, are very important in identifying an environment that is conducive for the employee to be encouraged to make the best decisions about the public services provided.

## **2. Research methodology**

To achieve the research objectives we will apply several research methods. The documentation method is one of the methods through which we will review the

literature on service quality management and service provider satisfaction in local government.

In order to identify those factors that are important for employee satisfaction in local public administrations, we applied a questionnaire to two local administrations in Romania and the Republic of Moldova. The international character is highlighted by the analysis of the literature but also the questionnaire applied to the employees of the two public administrations in Romania - as a member state of the European Union, and the Republic of Moldova - as a post-Soviet state.

The interdisciplinary approach is highlighted by the multidimensional approach that involves the areas of management, public services, human resources and neuroeconomics.

### **3. Literature Review**

The theoretical terminology of the personnel field has recently been enriched with the concepts of management, performance and human resources. In the course of the development of organisations, these emerge, develop fruitfully, and then disappear due to poor management foresight but also to the strategic non-use of the most important resource in an organisation, namely staff.

The U.S. was the country where the concept of management first emerged in the early years of the last century. Management in essence involves practical work in any field, but it also presents itself as an indicator of the decision-maker who influences the productivity of the firm. At the same time researchers in the field have presented arguments that highlight the fact that management becomes a science because it involves the ability to systematically analyze any practical problem from the perspective of knowledge and objectives set by theorists to generate good management practice.

"Management is a type of work in the intellectual field whereby those who practice it get others to do something that needs to be done. Management is also usually understood to mean a group, team or person vested with the authority, competencies and responsibilities of leadership in an organisation" (Ursachi, 2001, p.10). The same author also presents us with another notion which concludes that management becomes an art: "Management is an art and can also be qualified as a science, in order to make others influence in such a way that the objectives of the organization are achieved; it is the process by which in essence the objectives are achieved, by performing basic, concrete functions in directing and using the human, sometimes material, and financial capital available to the organization" (Ursachi, 2001, p.11). Most importantly, management involves an organisation's most valuable resource - its people. This is where the concept of human resource management comes from. The right direction for the staff involved can bring unexpected financial gain to the company.

Nowadays, knowledge and science-based management is taking shape. Researchers in the field consider that "scientific management is the current, contemporary stage in which many of the rationales that emerged in the first half of the 20th century have been refined to such an extent that they can be identified and integrated into a general

concept of a comprehensive management process. Advances in science and technology in general, in communications technology, in computer and information technology and in systems theory in particular, both encourage and require management to be carried out on a purely scientific basis" (Ursachi, 2001, p.25).

People management has developed fruitfully in recent times, which leads us to believe that it is no less important a resource than an organisation's financial or other resources. Setting the direction of staff development as an important line of work for the management of the organisation will be to its benefit. Human resource management can be applied in any field of activity, as every business leader wants a developed and prosperous team whose intellectual and work capabilities will work towards achieving the objectives set by the leader of the organisation. "The employer-employee relationship requires the formulation of a clearly established mechanism." Lack of mechanism can lead to failure for the firm.

"Public management studies the set of management processes and relationships that are generated between and within the components of the administrative system in order to substantiate and use theoretical and methodological tools to increase the degree of satisfaction of the public interest in the context of the exercise of management functions" (Abrudan, 2010, p.46). This way of defining public management brings some novel aspects that influence the way public administration makes decisions. With the shaping of this notion, a broader research of the management relationship in the whole administrative system is observed, as well as a theoretical-methodological tool for the management of all resources in the local administration is proposed. Through all these measures mentioned above, the aim is to identify the right levers to increase satisfaction with the services offered not only at local level but also at national or international level.

From a managerial point of view, public administration performance means efficiency, effectiveness, economy and ethics (Doherty, 2002, p.343). In this approach we can speak of a quality based on four pillars. Another approach emphasizes that the performance of an entity depends on employees and a manager who participates in training programs (Chiriac, 2014, p.78). As a complex concept, performance shows the position of an entity in a competitive environment. It can be measured with certain economic and financial indicators (Hada, 2010, p.38). In the same vein, performance represents economic, financial and administrative security for any public authority.

Quality can be appreciated, in Joseph Juran's (2013, p.127) conception, by the characteristics of the service and the lack of deficiencies (the lower the deficiencies, the better quality). The dynamic nature of quality derives from the dynamism of needs and usefulness and is determined by a number of factors, such as: technical and scientific progress, the growing demands of consumers, technical competitiveness which represents the emergence of better services that provoke competition between providers.

Absolutely all organisations and human resources involved in the service delivery process are concerned with service quality. Quality is important for both the

beneficiary and the carers, for the staff, at the same time it can help to reduce costs and provide a better service within the same budget.

There is an interdependence between the quality of services and the resources used. Better quality services can reduce the costs of poor quality services. An example of this is the placement of a child in a family that does not correspond to the child's needs can cause a social developmental break and also an emotional barrier between the child and society. "Good quality may not always save money, but poor quality always costs and wastes money" (Bodi, 2007, p.111).

#### **4. Case study**

##### **4.1. Perceptions of employee satisfaction with local executive activity in two Local Public Administrations in Romania and the Republic of Moldova**

Local Public Administration both in Romania and in the Republic of Moldova are those state structures that must exercise local power in good faith and provide quality services to citizens. This means analyzing and monitoring all citizens' problems, and after having an overview of the community's problems, it must channel all its efforts to successfully solve them.

When analysing the management of human resources, one of the best indicators of research is found in the level of satisfaction of the employee in the organisation. Local public administrations include a high degree of influence for the decision-making process that emanates from several areas within territories. If their main objectives are to solve a large number of problems, it is clear that the main levers behind these institutions are the human resources working in the field. Although the number of employees in the municipality is not large, the implementation of strategic management should be a main vector.

Another factor in the analysis of administrations is the problems identified in the optimal functionality of the functions. If there is a lack of coherence in these institutions, the decision-making process cannot function optimally. The transparency of public acts and the integrity of services must be guided towards satisfying the needs of citizens, as administrations orient their activity towards efficient and sustainable development based on quality and performance standards. Thus, when considering best practices and quality of services, the proportionality between the strategic management of human resources in institutions and their outcome on the services provided by the administration is followed.

As most of the institutions face a high degree of bureaucracy and corruption or lack of management or human resources strategy, there is a perceived low level of practices and services offered by the institutions to the community. In accordance with the proposed objectives, following the research we want to answer the following questions:

1. What are the main dysfunctional issues in the two local governments in relation to the problems identified in the analysis of employee work efficiency?

2. What is the degree of satisfaction of the human resources within the institution in terms of professional promotion?
3. What is the relationship between the work experience of employees and the work skill development requirements for human resources in the two local governments?

These research questions aim to identify the similarities and differences between the two systems in general, but also to highlight the level of satisfaction of employees in local public administration in Romania, as a member state of the European Union, and in local public administration in the Republic of Moldova, as a state that wants to join the big European family, but whose legislative framework and practices need to be strictly revised.

The applied questionnaire increases the credibility of the research, as the employees of the municipality, respectively, the subjects of the research, will answer the questions regarding the quality of the services, the internal environment of the institution and their level of satisfaction.

The study population consists of a sample of 51 participants, employees of a municipality in the Republic of Moldova and a municipality in Romania. Of these 51 participants, 25 were from the Republic of Moldova, i.e. 14 civil servants and 11 contractual employees. In Romania, the questionnaire was administered to a sample of 26 employees, including 15 civil servants and 11 contract staff. Before answering the questions in the questionnaire, we identified the gender, age, level of education, and length of service of the employees. All these variables help us to understand whether they contribute to the formation of an interdependent relationship with the degree of employee satisfaction or dissatisfaction in certain areas that tend to be institutional practices. For example, overall, it should be noted that employees are in the 35-65 age range. There are only four employees in the municipalities who are recent graduates.

#### **4.2. Data interpretation**

Both the employees of Town Hall X in the Republic of Moldova and the employees of Town Hall Y in Romania want to promote within the organization a correct organizational culture based on promotion, eligibility, continuous learning and active involvement in all existing projects. We have to note that City Hall Y, as a municipality in a European Union Member State, manages to implement many more projects but also to promote transparency in decision-making.

Following the analysis of the legal framework both in Romania and in the Republic of Moldova, we must confirm that in certain situations, even if the legal framework clearly provides for transparency of acts related to local administration, the Republic of Moldova does not have a high degree of transparency in decision-making. We believe that one of the reasons for this is the continuous politicization of local public administration, as well as the political pressure placed on the shoulders of the town hall employees.

As far as the application of the questionnaire is concerned, we were aware that the employees of the City Hall of the Republic of Moldova came with an openness following the guarantee of anonymity, which raises many questions about the way things are organised in the City Hall.

The sociological research was based on the satisfaction questionnaire applied to the employees of a town hall in Romania and the Republic of Moldova. Thus, as follows:

**Table 1 : Respondents Gender**

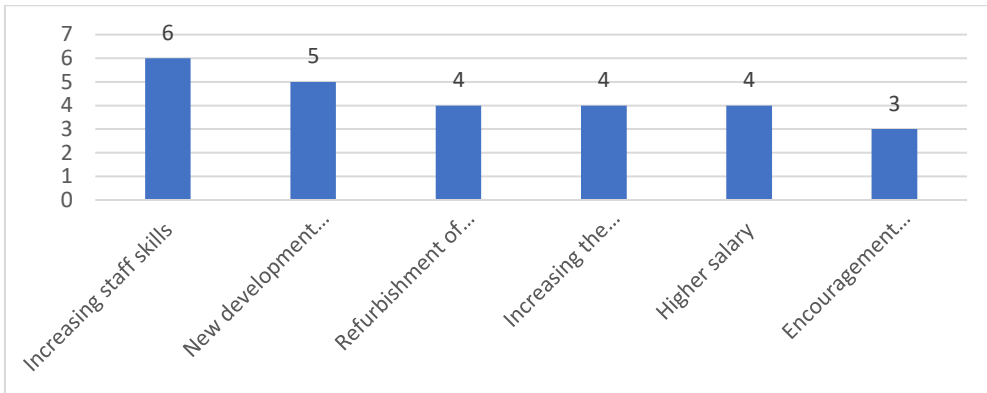
	Town Hall X from Republic of Moldova	Town Hall Y from Romania
Nr. Part.	25	26
M	8	10
F	17	16

We can see that 8 men from Municipality X and 10 men from Municipality Y participated in the questionnaire, compared to 17 and 16 female participants respectively. What should be pointed out is the fact that in the Local Public Administration both in Romania and in the Republic of Moldova, there are more women working.

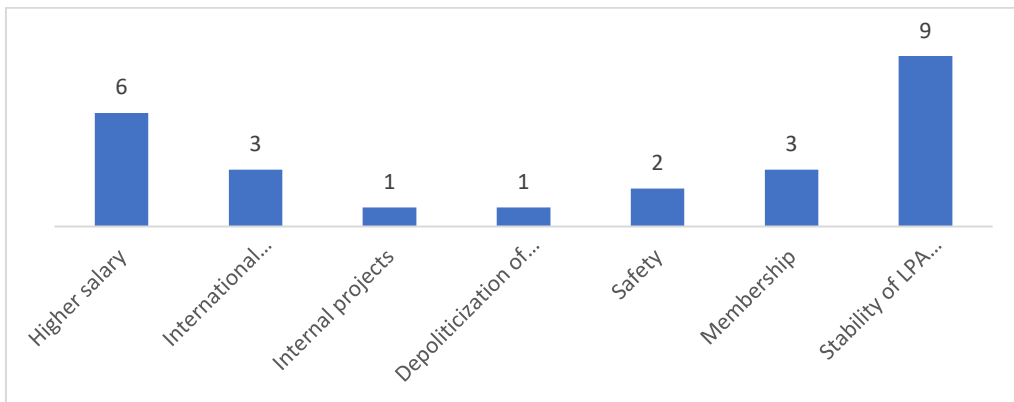
According to the table above we can see that there is no major gender difference between the two municipalities. Thus, 32% men and 68% women work in Town Hall X and 38% men and 62% women work in Town Hall Y. We note that in both town halls the number of women is predominant, from this we can conclude that a higher number of women work in the local public administration.

We note that in the institutions we identify a high degree of female employees. Also, most of them have a higher education level and have been working for more than 16 years.

Research question number one was examined through the lens of methods to boost work output. In order to provide quality services to citizens, human resources in local government must be subject to favourable working conditions. If an employee is motivated, then the services they provide should be of good quality. When asked about satisfaction with working conditions, quality of training, organisational culture and communication with line managers, most HR were either partly or very satisfied. However, when employees were asked what methods they thought would boost work efficiency, they differed.



**Figure 1:** Methods to boost employee work performance (Romania)  
 Source: own projection based on collected date.



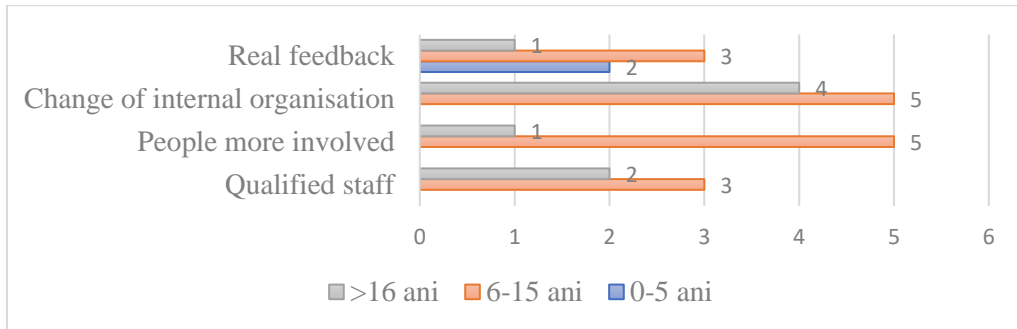
**Figure 2:** Methods to boost employee work performance (Republic of Moldova)  
 Source: own projection based on collected date.

As can be seen in the figures above, most employees in the Romanian City Hall have chosen as a method of boosting work efficiency to increase the skill level of staff and to engage in new strategies and development plans. These choices are explained by the low level of satisfaction with the institution's capabilities for promotion and professional development.

In the case of the Moldovan City Hall, most of the human resources in the institution consider that one of the most effective methods of stimulation is the creation of stability in the legislation of the Republic of Moldova in the field of local public administration. This aspect is very important for the smooth running of things for the benefit of citizens. Local government specialists can commit certain horrors in the implementation of acts because they have not been sufficiently trained or are not up to date with legislative changes. With these changes, employees see the pay rise as a good way of motivating human resources to provide better services. Despite the fact that salary, according to theorists, represents only 30% of job satisfaction, in a society where there is a lack of travel culture and full provision for people's needs, they are only concerned with the financial side.



In order to improve the quality of work in the two local public administrations, human resources presented some aspects that can be interpreted as good indicators of practical applications for the future. These features are related to a change in the internal environment of the institutions, in the methods of staff organisation, but also changes in the state structures.



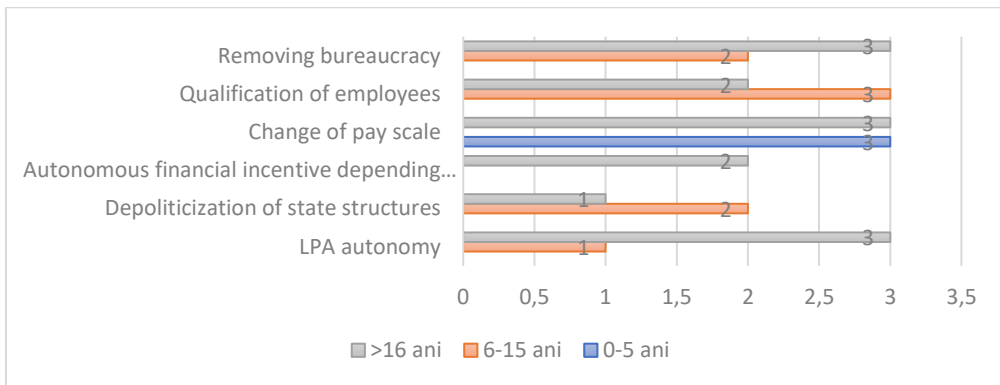
**Figure 3:** Issues to be improved from the perspective of LPA employees distributed by seniority (Municipality Y in Romania)

Source: own projection based on collected data.

In line with the figure above, HR staff with 0-5 years of seniority believe that more real feedback needs to be present in the internal practices of the institutions. The majority of employees with 6-15 years' seniority believe that more involved people and a change in internal organisation are needed for optimal functioning. For internal change, people with more than 16 years of working experience are also mostly in favour.

We believe that young employees experience a lack of communication within the institution, which means that the institution itself does not have proper human resources management and does not promote communication. And people with 6-15 years of experience want to have people who are more involved in carrying out their duties.

In interpreting this data, we reiterate that all these issues, which differ from one generation to another, can be overcome through communication. Thus, an audit of personnel management and the involvement of employees in several group activities is one of the situations that could unblock existing misunderstandings. In the same way lack of feedback, not necessarily positive feedback, often employees of a public institution are not properly trained how to give negative feedback without attacking the person.



**Figure 4:** Issues to be improved from the perspective of LPA employees distributed by seniority (Municipality X in Republic of Moldova)  
Source: own projection based on collected date.

For Moldova's City Hall, the human resources with the least work experience are in favour of changing the salary scale as an aspect to be improved in the future. Those with between 6 and 15 years of experience believe that more qualified employees are needed to increase the quality of services provided. And those with the most professional experience are in favour of eliminating bureaucracy, changing the pay scale and creating a proper local government autonomy.

The second research question which refers to the satisfaction of human resources in the institution from the perspective of career advancement. Following the analysis of the answers, we identified the following dysfunctional issues:

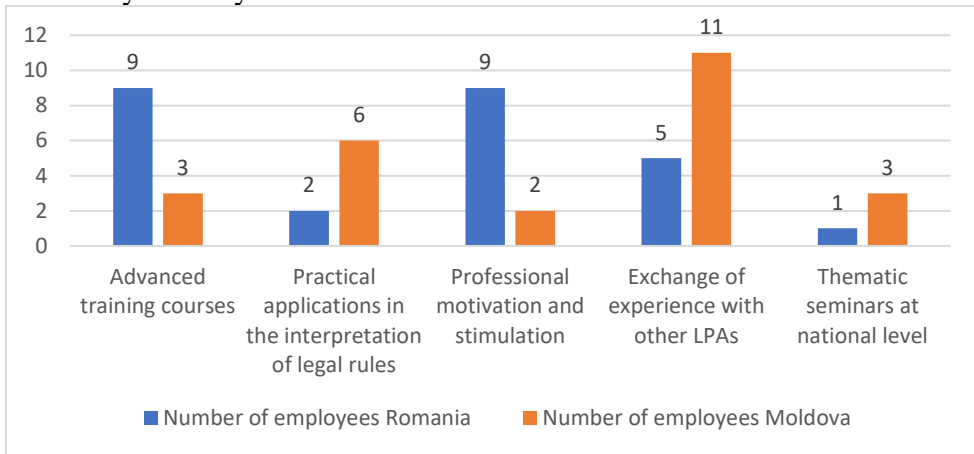
Choose which in your opinion is the best method that would support your professional development?

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
Advanced courses	1	9	34,62	34,62	34,62
Practical applications In the interpretation of legal rules	2	2	7,69	7,69	42,31
Motivation and professional incentives	3	9	34,62	34,62	76,92
Exchange of experience with other LPAs	4	5	19,23	19,23	96,15
Thematic seminars at national level	5	1	3,85	3,85	100,00
<i>Total</i>		26	100,0	100,0	

**Figure 5:** Methods that would support the promotion of professional development  
Source: own projection based on collected date.

The employees of the City Hall of the Republic of Moldova are not satisfied with the institution's capacities to promote professional development, as well as with the quality of the professional training courses offered by the institution, but they are satisfied with the degree of information they are subjected to regarding internal prospects for professional promotion. From this we conclude that employees in the

local public administration in Moldova have the opportunity to develop professionally but they refuse it or treat it with indifference.



**Figure 6:** Methods that help promote professional development from the perspective of LPA employees

Source: own projection based on collected data.

From another perspective, employees from Y City Hall are also not satisfied with the prospects offered for professional development, but in the same way they consider that they are not informed about these aspects. Another aspect analysed is that the employees of this town hall are satisfied with the quality of the courses offered.

We can see that most of the employees in the City Hall with higher education prefer professional motivation and stimulation and further training courses as a method of promoting professional development. Those in X Town Hall opt more for an exchange of experience with other local authorities. The difference can be explained by the fact that in Town Hall Y, employees in the public institution are dissatisfied with the capabilities of the town hall for professional promotion compared to those in Town Hall X. Although in both local public administrations human resources show satisfaction with the degree of information for internal career advancement prospects, the dissatisfaction comes from the internal capacity of the town halls. The proposed methods for promoting professional development of human resources should be a guideline for achieving a quality of service, but also an example of good practice of some local governments.

Research question number three. We conclude that an advantage of institutional practice is the effective preparation of the workforce through continuous skills development. In the figure below we can see that in the bivariate correlation between the satisfaction of the employees in the municipality Y for the experience gained in the municipality and that related to the development of job skills over the years there is a positive influence relationship.

		How satisfied are you with your experience in the mayor's office	How satisfied are you with the development of your work skills over the years
How satisfied are you with your experience in the mayor's office	<i>Pearson Correlation</i>	1,00	,49
	<i>Sig. (2-tailed)</i>		,012
	<i>N</i>	26	26
How satisfied are you with the development of your work skills over the years	<i>Pearson Correlation</i>	,49	1,00
	<i>Sig. (2-tailed)</i>	,012	
	<i>N</i>	26	26

**Figure 7:** Pearson coefficient of the relationship between work experience and work skill development requirements for human resources in the two LPAs  
 Source: own projection based on collected date.

Due to the fact that the Pearson  $r$  coefficient is  $+0.49$ , we conclude that the more positive the employees' experience in City Hall, the more development will be observed for their skills. However, in the Moldovan town hall, this phenomenon is the opposite. The Pearson  $r$  coefficient is  $+0.01$ , which means that although the employees are partially satisfied with the experience gained in the town hall, they are not satisfied with the progress achieved for their job skills.

## 5. Conclusions

In conclusion, the research has identified both differences and similarities between the two local public administrations from the perspective of employee satisfaction. We reiterate that the importance of services is directly proportional to the level of employee satisfaction but also to the management team's ability to organize the smooth running of the institution. A public institution is meant to provide services to citizens but also to ensure their quality through the problems solved and the policies adopted over the years.

We cannot talk about job satisfaction when the central administration does not develop strategies that are centred on the best interests of citizens and the best interests of employees. In this sense, in order to ensure quality services, it is necessary to ensure a high level of satisfaction among employees so that they can make correct decisions regarding the services provided.

## 6. Limitations of the research

The present research shows the situation in the local public administrations where the questionnaire was applied. Certainly for a broader picture of the level of satisfaction of employees involved in the provision of public services, the sample should be extended to more municipalities

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