

## **Towards a general theory on customer oriented government**

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There seems to hover a giant dogma above the science of public administration in Europe. Many of the research and theory building is focussing on how to narrow the gap between government and the citizen. How can we improve the legitimacy of public administration and regain the trust that citizens lost in their governments. Citizen participation, increasing transparency and service delivery improvement seem to be the key issues to deal with this assumed legitimacy problem. There are however few scholars that dare to challenge the dogma itself. Is there a gap between government and citizens in the first place, and if there is, up to what extent should this gap be considered as a problem? And if it causes a societal problem how do we know that involving citizens in policy making can restore trust? How do we know that treating the citizen as a customer contributes to its faith in public administration? These fundamental questions are up to my opinion not enough part of the scientific doctrine of public administrations. They seem to be considered as truths in themselves, that have not to be questioned anymore. They are as much to be avoided and politically incorrect as questioning the benefits of democracy itself. This is a pity because there is enough circumstantial evidence to make this topic a primary subject of research. If it comes down to citizen participation, several studies show that in most societies a majority of the people is not interested in politics at all (Spangenberg, Lampert et al. 2001). The size of these groups are relatively stable through time. This might indicate that, although there is a gap, this gap does not have to be considered as a problem. In many cultures and some political theories the gap between government and citizens is even be considered as a essential prerequisite for a vital democracy. A healthy distrust of government keeps government sharp. A comparable situation can be seen in the discussions about treating the citizens as customers of government. While mainstream theories suggest that improving service delivery improves the public views on their governments, also the opposite is suggested. Spoiling citizens increases the gap between government and citizens (Fountain 2001), either through increasing the expectations people have, or through neglecting the specific relation governments and their citizens have, in which each citizen also has a responsibility towards society.

This paper is about this latter role of the citizen as an individual customer of government. It suggests a framework to discuss the sense and nonsense of investing in service delivery improvement for governments (or in other words investing in treating the citizen as a customer). This is done by gathering as much of the relations that are suggested in different research papers and theories in one comprehensive service delivery model. First however the field and vocabulary of public service delivery is demarcated. Together they can be considered as the basis for a general theory on public service delivery.

## **Public Service Delivery, what are we talking about**

### **Different roles of citizens**

If we take the relation of the citizen towards his government(s) as a point of departure, several roles can be distinguished in literature. Most scholars distinguish at least the following roles for citizens (Ringeling 2001; Hiemstra 2003):-

- Citizen as a voter and bearer of democratic rights: in this role he is often invited to participate in policy making and other democratic processes
- Citizen as a subject of laws and rules he has to comply with: in this role he meets government as the institution that maintains the law
- Citizen as a consumer of collective goods: here he enjoys facilities government creates and maintains like roads, dikes, armies, environmental protection a.o.
- Citizen as a consumer of individual, tailor made public services

The problem in the relation between citizen and government is often based on the fact that these roles collide together in many cases. While paying taxes a citizen is a subject that has to comply with tax laws, while at the same time he can be considered as a customer of an individual good in the sense that government can make his obligation to comply with the law easier. In most cases the right of a citizen that he can exercise towards government is combined with an obligation to comply with specific regulations. In fact in most individual service delivery relations an obligation (paying tax, applying for a permit or travel document) is the starting point of the customer relation with government. The Dutch internal revenue service has stated this essence of public service delivery very eloquently in its slogan: 'we can't make it more fun, but we can make it easier'.

For the purpose of theory building especially the difference between the citizen as a consumer of collective goods versus his role as a consumer of individual services is important. This difference can be demarcated by the so called anonymity criterion: if it is necessary for the government organisation to know the identity of the citizen to deliver the service, we can speak of individual service delivery, whether it is about voting, paying taxes, applying for a permit or welfare benefit allowance, paying a fine for a traffic offence or enjoying education or healthcare services. In all other cases, where the citizen can stay anonymous, the citizen is acting within another role towards his government. Individual public service delivery can then be defined as '*the creation and settlement of rights and obligations between a government body and an individual citizen*'.

### **Customer**

The role of a citizen as an individual customer towards a government body is fundamentally different from the role a normal customer has towards a normal service provider. This difference can best be explained by distinguishing the different roles a normal customer combines:-

- a normal customer decides what he or she want to order, enjoy or buy: this choice is not limited to the specifics of the product or service, but also to the supplier he wants it delivered from.
- a normal customer is also the one that pays for what he buys or enjoys. Because the dependency of the service provider for financial survival, there is a natural incentive for the provider to treat the customer in a satisfying way.
- and a normal customer orders and pays for services or goods that he is intended to use for himself or his protégés

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A customer of government in most of the cases does not combine these three roles. The government or the politicians that make the rules determine the content specifics of the service. In many cases the collective of taxpayers is paying (most of) the bill for the service delivered. The person that finally enjoys the service or good is not the one that can determine the content or pays the price. *To treat an individual citizen as a customer means therefore that government treats this person as if he or she combines the roles of choosing, paying and enjoying and as if government for its own existence is depending on the satisfaction this individual experiences from receiving the service.*

### **Customer orientation in government**

The dominant dogma can now be defined as ‘governments should treat citizens as customers when citizens have to deal with governments on an individual basis’. The next question we have to answer is what ‘treating as a customer’ might mean in an governmental setting. There are several approaches to deal with this question.

#### *Reducing discomfort*

First of all one can approach the dogma as a fundamental right. John Locke considered government to be a contract between members of a society in which they offer a part of their autonomy to create collective services like the protection government can offer in several areas of social life. This gave government an unequal share of power against individual citizens. In individual public service delivery government provokes the contact. Laws force individuals to register, apply for permits, pay taxes or get public education. Other unfortunate circumstances force individuals to apply for social welfare benefits or use healthcare services. Because of the forced relation to deal with government in individual transactions, at least a fundamental moral duty can be expected from governments to reduce the burden they put citizens up with. Although in most western constitutions this fundamental consumer right is not yet acknowledged, in sector laws one can see limitations to the harassment governments can maximal impose upon individual citizens. There are for example many laws that put (fatal) time limits to the length of specific procedures. Other aspects of delivering the service, like administrative burden, are however far less bound to regulations. *Improving individual public service delivery means that government tries to minimize the discomfort or inconvenience it imposes upon citizens that have to deal with government in an individualised relation.* This approach to define individual public service delivery can also be used to separate the content of the service from the presentation. The content of the service is the outcome of a political determined process. The way the content is offered to the individual citizen is part of the domain of service delivery improvement. The presentation can, regardless of the content of the service, be based upon the discomfort reduction principle. The slogan of the Dutch IRS puts this most strikingly saying ‘we can’t make it (the content) more fun, but we can make it easier (the presentation or way to deal with the content). For practical reasons we also exclude discussions about the compensation for a specific service from the definition of service delivery improvement. The height of the compensation governments might ask in return for the delivered service is subject to political decision making. Very often there is not direct relation between the compensation an individual client has to pay and the costs government makes to help the client.

#### *Treating as a customer*

The second approach focuses on what ‘treating as a customer’ means for the citizen. The interpretations of customer orientation in literature can be clustered under the following subjects:-

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- **Organization of service delivery:** Many clues can be found in literature on marketing for commercial organizations. These lessons from the business sector are within the science public administration often promoted by the New Public Management movement (Osborne & Gaebler 1992). Governments should be more demand oriented, integrate services and public counters, be more proactive, create choice by offering at least a set of several different distribution channels. Also the e-government movement that promotes electronic service delivery can be seen as part of the organisation of service delivery.
- **Customer rights:** Also the consumer movement contributes to the discussion of what customer orientation might mean. They introduced the right to be properly informed, the right to chose, the right to complain, and several other rights. Governments have picket up several of these rights by introducing complaint facilities, promoting transparency and improving information provision.
- **Reduction of costs:** Recently especially in the Netherlands a focus on the reduction of the administrative burden has emerged. Administrative burden is here defined as the costs citizens and organizations have to make to comply to information requirements that governments impose upon them. In terms of the discomfort reduction principle administrative burden focuses especially on financial discomfort that emerges from gathering and presenting information which is only of interest for government purposes.
- **General attitudes:** Many government organizations have nowadays so called 'ombudsman' concepts which function as compliant agencies for citizens in matters of the way government treats them. The carefulness governments lay in the treatment of their customers is the central standard to which complaints are judged. This is also extended to the attitude of individual civil servants towards clients.
- **Psychological:** A relatively new group of literature on customer orientation focuses not so much on the characteristics of the service delivery itself, but on the perceptions by the clients. By managing (i.c. reducing) expectations for example, customers might feel much more content about the same delivered service. Also discussions about sense making can be counted to this perspective. Governments could improve the perception of clients by emphasizing the contributions people make to society and fellow citizens, by bearing the discomfort of the service delivered.

### ***The benefits of improving individual public service delivery***

Now the main concepts of individual public service delivery are explored, we can move on to the benefits of customer orientation. Does customer orientation or improving service delivery contribute to higher goals a government might pursue. For this purpose a scan of literature has been made about the effects of public service delivery. The suggested, assumed and proven relations between customer orientation and other variables, can be clustered into the following five domains:

- the service delivery domain: first of all one can question if service delivery improvement contributes to more content or satisfied clients. This is the most direct relation one can expect and is often one the most compelling argument to start investing in customer orientation.
- the political domain: improving service delivery might also benefit the politicians. They might become more popular, can get re-elected or can increase their credibility and authority.
- the production domain: many theories suggest that improving the relation with clients benefits the production process an can therefore lead to cost reduction.
- the policy effectiveness domain: content clients might not only contribute to cost reduction but can also help improve the effectiveness of public policies. The compliance theory for example suggests that if it is made easier for citizens to comply to a set of rules



them can be attributed to one of the five domains the model identifies. Each line represents a theoretical relation or hypothesis that can be or already is subject of an empirical study.

### ***Empirical evidence for the theoretical relations***

Roaming the existing research on customer orientation in The Netherlands delivers a myriad of strong and weak relations or even assumed relations that cannot (yet) be proven to exist:- In the service delivery domain research on client appreciation show that citizens are relatively content about government service delivery (80% is content to very content, average grade 7,1 out a scale of 10). This level of content is relative stable in spite of improving levels of service delivery efforts (Hoogwout 2003). Research on a more micro, organizational level is however scarce or not yet published.

As far as there is evidence it seems that politicians can't gain much from emphasizing service delivery improvement. Research show that most politicians that profiled themselves on a service delivery subject were not re-elected. The number of aldermen in local governments that claims to hold a service delivery responsibility is small but growing over the years. Also the existence of a responsible alderman for e-Government or service delivery does not significantly contribute to the performance of the local government in the field of online service delivery (Hoogwout 2005). In this respect Zouridis wonders how come that citizens are content about service delivery while they at the same time distrust politicians (Zouridis 2003). The current impression based on this evidence is that promoting service delivery improvement does not gain votes in periodical elections. This is consistent with previous findings of Tops (Tops 1995).

In the field of policy effectiveness especially the Dutch IRS claims to profit much from their service delivery efforts. They managed to reduce the number of discontent or fraudulent taxpayers to an incredible low of 3% in 2000 (Bekkers & Foederer 2001). Customer orientation on the scale of national operating government agencies seem to be rational. On the level of local governments there is no research yet (known to the author) that can confirm the assumed relation between rule compliancy and service delivery.

If it comes to efficiency improvement as a result from service delivery improvement or a higher level of customer orientation, the scale of the government organizations seems to be of critical importance. Investing in service delivery improvement can only be profitable if the savings from working the old way are considerable. On a national level heavy investments in ICT to improve service delivery tends to be very lucrative (Zouridis 2001). On the level of local governments it seems virtually impossible to show that service delivery improvement contributes to process efficiency. Politt and Bouckaert also point out that much depends upon the degree of inefficiency the government organisation is operating. A highly effective government organisation can gain less from service delivery improvement compared to an organization that is still very ineffective (Politt & Bouckaert 2004).

About the way customer orientation contributes to trust in government little research has been done in The Netherlands (Zouridis 2005). Research in a.o. Belgium indicates that service delivery is only for a very small part contributing to the way people feel about their government (Kampen, Walle et al. 2003). Far more important for citizens trust in government is for example media attention to scandals or the firmness governments show in enforcing the laws. More research on this subject is however necessary.

### ***Preliminary conclusions***

This paper is mend to be a first attempt to make customer orientation in government comprehensible and especially researchable. It provides a set of concepts to make service delivery discussable as a separate subject. It also has made a first map of the theoretical

relations that are assumed in theory building about customer orientation. A first scan of the available empirical work however suggest that the scale of the service delivery effort might be an important determinant to predict the benefits of the customer orientation. Especially on the level of local governments there appears to emerge a so called service delivery paradox. The available evidence suggests that in spite of good intentions it appears to be rational not to emphasize customer orientation or service delivery to much. It costs much while it is very hard to show benefits in the five domains of the presented customer orientation model. Much relations however have to be more thorough investigated before we can draw our final conclusions.

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