

## BENCHMARKING AT MAJLIS PERBANDARAN KUANTAN

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### ABSTRACT

This study depicts a scenario of a local government entity implementing some management best practices (MBP) towards attaining the highest level of competitive advantage at par with similar world-class entities locally and abroad. The prime objective of the study is to clearly visualize the process of adopting and implementing proven techniques working to the best advantage of the practice owner. Some of the proven benchmarking exercises highlighted include the interactive public complaints system, sanitary landfill system, public awareness and educational programs and activities management, system on information computer technology, customer satisfaction, usage of key performance indicators and work culture (shared values). Other emerging practices are cited relating to petty trader and parking management systems. Some members of the top management hierarchy have been interviewed to physically capture the strategic planning, implementation and adoption of some perceived MBP in addition to retrieval of records and documents furnished by the entity to substantiate prior years' achievements.

### INTRODUCTION

The Majlis Perbandaran Kuantan in Pahang Darul Makmur (MPK) is chosen as an exemplar model to understudy some MBP. Some criteria favouring MPK are: the entity is the first to obtain the International Standard Organization (ISO 9001:2000) amongst the local governments in Malaysia besides being the second to obtain the said award in the world. With these outstanding achievements, the Asian Development Bank (ADB) has chosen MPK as the representative local authority from Malaysia to benchmark against Asian countries.

### Background

MPK's historical background dates back to 1913 where the first local government system was introduced with the establishment of the Kuantan Sanitary Board. In 1937, the Kuantan Town Board replaced the Kuantan Sanitary Board. After sixteen years under this system, it was later upgraded to Kuantan Town Council with an administrative area of only 10 sq miles, and Mukim Kuala Kuantan being the prime area. In September 1979, the Kuantan Town Council was subsequently renamed as the Majlis Perbandaran Kuantan (MPK) in accordance with the Local Government Act 1966. The administrative areas have been expanded to 324 sq km, covering the four districts of Kuala Kuantan, Ulu Kuantan, Beserah and Sungai Karang. This area represents 10% of the total area of Greater Kuantan. Out of this, 20% is classified as tax rated, where various municipality services are provided while the remainder is categorized as development areas.

### Strategic Vision

Like any other local government's entity, MPK has its vision, that is, to be the leading world-class city. To achieve this vision, MPK has set an objective of leveraging Kuantan as a fully developed municipality while retaining its historical heritage. MPK believes in modern development yet fully retaining historical lineage of its infrastructure and other monumental structure as one of its attributes to outperform other local governments locally and abroad.

### Facilities & Services

MPK provides various types of markets and stalls to accommodate the growing entrepreneurial needs of the people. Endowed by available facilities such as hawker stalls, wholesale, retail and night markets, MPK provides the avenue in uplifting the standard amongst its constituents. It also provides

assessment or valuation of property, landed or otherwise, situated in Kuantan, Pahang. In the year 2001, there were 6,006 assorted properties such as housing, businesses, industries and non-used land recorded. MPK performs valuation of these properties as a basis for yearly tax assessment and levied from property owners. To afford convenience to the public, MPK has established several collection counters in the entire MPK outlets, banks, and utility and communication companies within the strategic places of Kuantan.

MPK is equipped with four large sports complexes within Kuantan. The facilities and equipment available include swimming pools, badminton, sepak takraw and volleyball courts, and football fields. Related facilities are also available such as meeting rooms, and hostels. MPK also provides engineering services for residents requiring services relating to infrastructure planning and excavation works. The application is processed and executed by the Department of Engineering. It also caters excavation work that requires tunneling and pavement cutting by the use of pneumatic tools.

Its public relation services are under the auspices of Tourism and Community Development Department. The prime objective is to ensure all the public complaints are attended to within seven working days. MPK also provides rental services for equipment and other paraphernalia such as tables, chairs, backdrops, PA system, canopy, settee, rostrums, and banquet chairs. It also publishes bulletins for at least ten times a year, which is solely for internal distribution. For external distribution, MPK releases its bulletin at least twice a year. In addition, MPK publishes its annual report every year and this is made available to the public to highlight its achievements and operating results.

MPK covers a wide spectrum of cultural activities for the community and tourists alike to appreciate. With this, MPK propagates racial unification, harmony, and mutual respect. On tourism, special focus has been given to providing highly preferred tourist destination facilities, products and programmes, marketing efforts and information network for tourist related activities. MPK is fully committed to gearing Kuantan as one of the best tourist towns in the country. This is inline with the aspiration of the Pahang State Government of becoming a major tourist destination. Among the famous attractions in Kuantan are: Kuantan River Cruise, Balok Water Recreation Centre and tour around Kuantan town by trishaw during the day and at night.

On cultural activities, traditional songs and dances performed by the Culture Brigade is gaining acceptance by the public throughout the year 2002. The amount of revenue collected from cultural performances amounted to RM 57,500.00, which exceeds the 20% target. The services provided by the Culture Brigade include bookings and reservations, accompanying local and international artists' performances, promoting Malaysian arts and culture internationally and to ensure the local cultural and artistic ethical values are preserved.

MPK also provides services on layout plans, uni-pole, mini-pole and signboards. It has been the policy that any building and house layout plan must be carried out by designated MPK authorised officer, which comprises of an authorised planner, a registered architect, a licensed surveyor, or a consultant for development of land area less than 5 acres. An authorised planner is required to undertake layout plan for development of land area more than 5 acres.

One of the services that MPK provides to the public is building plans approval where if the person plans to build a house, the proposed plan must be prepared by a registered architect, or a registered building planner for buildings not more than 2-storeys and 3,000 sq. feet floor size, or a consulting firm registered with the Malaysian Architects Board. To encourage orderly planning within the municipality, MPK monitors unauthorised erection of buildings and extensions. MPK also issues licenses to individuals who are engaged in building promotional and advertising activities. Yearly fees are levied from license holders upon completion of inspection.

Generally, MPK provides high-quality services in an efficient, fair and friendly manner in all its core businesses including car parks. More so, it ensures all parking facilities in Kuantan are well planned and able to fulfill customer needs by resolving complaints within one hour, and accommodating customers in settling daily parking fees until 5 p.m. The system enables MPK to create an organised, well-planned environment for Kuantan through the provision of a systematic, efficient and effective parking. To make parking easy, MPK issues car-parking coupons to take advantage of the existing systematic and well-planned parking management. The fee ranges from RM0.42 per hour to RM 52.50 per day depending upon the kind of car coupons requested and the zones applied.

Organizational Structure

Recognizing the importance of workforce in the implementation of the various functional activities, MPK has devised a hierarchal organisational structure that is fully responsible in managing its affairs in accordance with the Local Government Act 1976. Various working committees have been established to understudy, investigate, assess, and suggest recommendations before the MPK Board makes an approval. The MPK management team, which is headed by the President, comprises of the secretary and other eleven heads of departments. Layered management structure has been organized to assist the management team in its governance. A total of 1,260 workforces from the various management levels: top management, professional, management and rank and file make the overall human capital of MPK as shown in Figure 1.1. MPK adopts the pyramid style of organizational set-up to manage its diverse functional activities in a more diversified and effective manner.

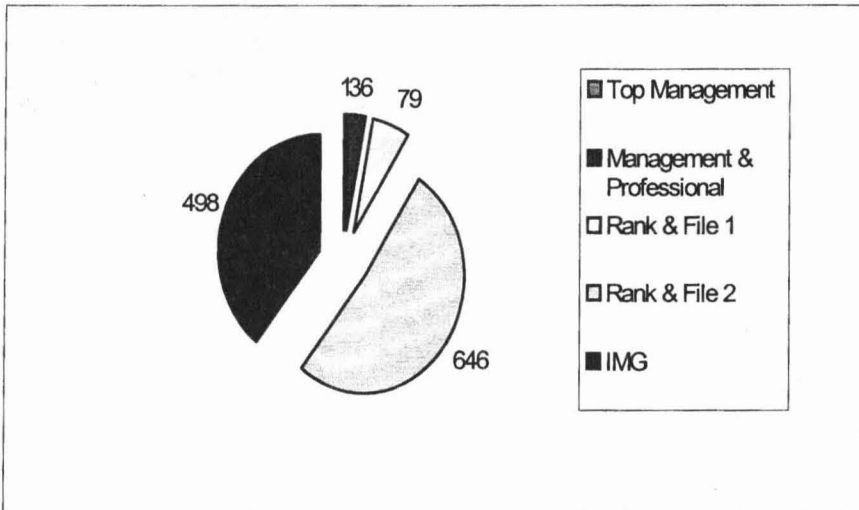


Figure 1.1 : Workforce By Category

Adherence to new technological advancement leads MPK to continuously provide efficient service regardless of the decreasing trend of its permanent manpower requirement as revealed in Figure 1.2. In the year 2004, MPK total manpower counts to 907 despite of the numerous on-going local and national developmental projects, programs and activities held in Kuantan.

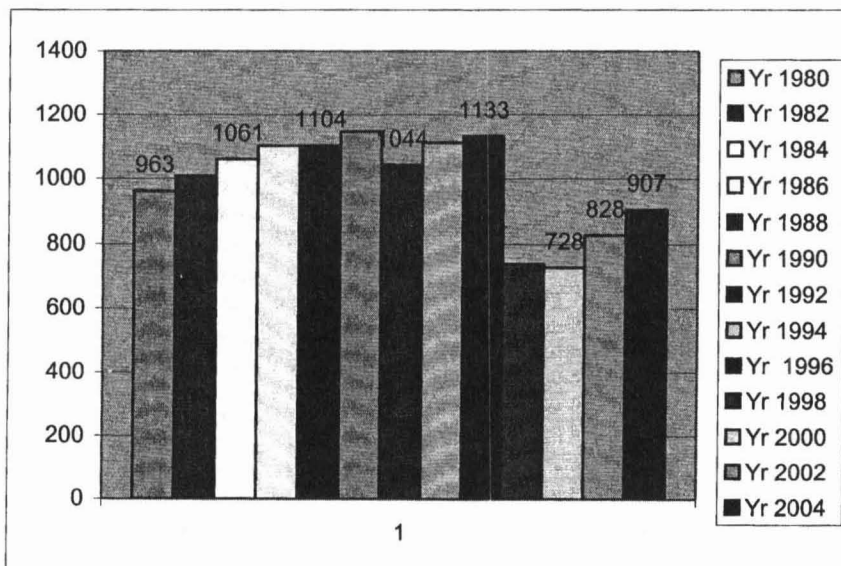


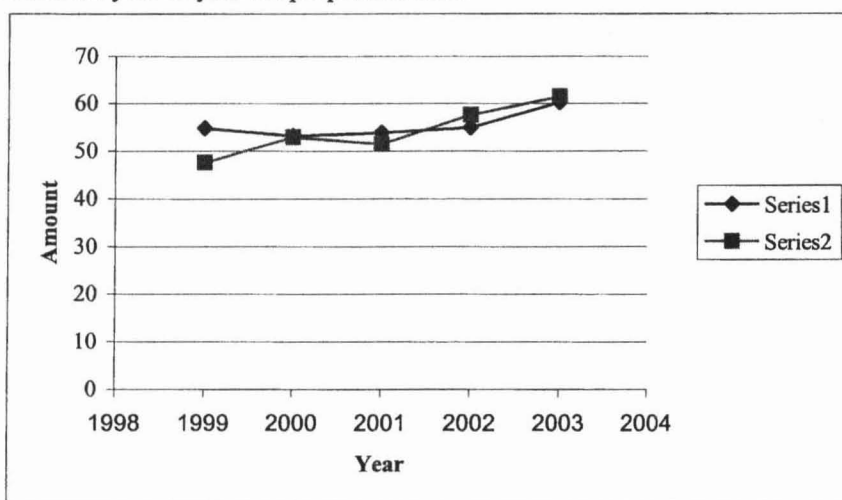
Figure 1.2 : Employment Trend by Year

### Achievements & Awards

MPK has continuously strived for excellence in its routine management undertakings where in 1997, ISO 9001:1994 was obtained and accordingly upgraded to ISO 9001:2000. It is noted that MPK is one of the first local governments worldwide to receive ISO status. Countless awards of excellence (72) in both local and nationwide levels have been received from 1983 to 2004 or an average of 3 to 4 awards of excellence per year.

### Financial Performance

Revenue collection of MPK has showed an increasing trend over the years. In the year 2003, a total of RM 60.3 million worth of revenue was collected as compared to prior years. Revenue collection and cost figures are shown in Figure 1.3 below. Although there are erratic changes in the relationship between its revenue and cost, MPK has managed to attain growth. Revenue generating centres of MPK include taxes, licenses and permits, rental of premises, interest, fines and other non-revenue receivables. To maintain good track records in its financial performance, MPK has to maintain regular collections in all revenue generating business units. Accordingly, it has also set targets of acceptable performance among these revenue units of at least 5% to 10% growth per year. This strategy enables the entity to sustain a year-to-year unique performance.



**Figure 1.3 : Revenue & Cost By Year**

◆ Revenue □ Cost

### Strategic Planning at MPK

To continuously and systematically evaluate current situations in the area of Kuantan, MPK has identified long-term objectives, targets and appropriate strategies. Strategic planning in MPK has gone through various phases. The first generation of strategic planning took place in 1990 to 1995, second in 1995 to 2000 and third in 2000 to 2005. The vision in the third generation is "Kuantan: A World Class City by 2007."

MPK's first objective is on financial management where it aims to increase its revenue by 5 to 15% per annum. Proper funds management is highly emphasized and backed up by setting appropriate control measures to monitor its savings vis-à-vis controlling its expenditure.

The second objective focuses on quality management where it concentrates on increasing professionalism amongst its employees and advocating quality training of staff. To fully institutionalise quality, MPK embarks on benchmarking practices with other local authorities so that management can look forward to identifying various areas of improvements. Quality management principles also force MPK as the prime mover in achieving ISO 9001: 2000 and ISO 14000

certification. This move is being further enhanced as MPK fully implements the ICT master plan. Encouraging staff to undertake multimedia and ICT training has also been highly regarded.

The third objective of MPK is geared on community development where MPK envisages developing partnership with private sectors, non-government organisations, and government agencies in cleanliness programs, environment and public health through Local Agenda 21. MPK also plans to set up at least three community centres per year to encourage interaction with the public. Other public facilities will be provided in the near future such as the opening of a library for students and improving public parks and support facilities.

The fourth objective is to increase the economic opportunity by developing Kuantan as one of the popular tourist centres and encouraging business opportunities for hawkers specifically Bumiputeras. MPK also aims to be one of the most developed business centres in the East Coast.

The fifth objective is to maintain an efficient traffic and public transportation system. These include parking systems and reducing traffic jam congestion within Kuantan.

The sixth objective is for MPK to concentrate on preparing an efficient infrastructure program to ensure that all public facilities are maintained and available based on the needs and priorities of the public, investors and tourists.

The seventh objective is the preservation and care for the environment so that the next generation of population could avail themselves of the natural resources available within the municipality of Kuantan. This includes the creation of a friendly environment within the Gebeng Industrial Park.

Lastly, MPK focuses on cleanliness and its enforcement to educate the public on the awareness and importance of a clean environment by enforcing appropriate rules and regulations on clean and healthy environment as fundamentals towards developmental growth and peace and order.

#### Development Project, Programs and Activities

In the effort to reach out to Kuantan residents, MPK organizes few programs throughout the year with the cooperation of the federal and state governments, certain agencies and private sponsors. These programs and activities are more directed to tourism, cultural, civic awareness, mutual aide, religious talks and activities in the mosques, and river cruise services to mention a few. Records show that 6,000 visitors have used the river cruise services of which 76% are local tourists and 24 % are foreigners. It also generates a revenue of RM37, 779.00 in year the 2002.

MPK also carries out countless developmental projects within the municipality of Kuantan. Amongst these are the upgrading of roads in Cherating, pavement of roads at KRC Field, creation of walkways at Lorong Bukit Teluk Cempedak to Teluk Longkang, construction of drainage in Taman Tas, conducting landscaping works at Cherating Cultural Complex, upgrading Esplanade Park, setting up billboards at the entrance of Taman Gelora, Gerai Medan Seri, and complex Pasar Borong.

#### Benchmarking Practices in the Government Sector

With the issuance of DAC No 1/1999: Guidelines on Implementing Benchmarking in the Public Service, various benchmarking practices have been developed and launched by the National Productivity Corporation such as Benchmarking On-Line, Networking Database, and e-benchmarking system among others; leading to the establishment of Communities of Practices (CoP). The CoP is focused on dissemination of knowledge on benchmarking and best practices in the public sector. Figure 1.4 shows how the public sector CoP can help organisations improve business performances.

In the private sector, leading multinational and local companies use benchmarking. Based on the reports by NPC (1997), the IBM World Trade Corporation, a recipient of Quality Management Excellence award by the Ministry of International Trade and Industry (MITI) in 1992, adopted benchmarking in the telephone handling process where it captured 98% of calls received being picked up within 3 rings as compared to the pre-benchmarking practice of 66%.



Selectron Technology Sdn Bhd, the recipient of Prime Minister Quality Award and Quality Management Excellence Award by MITI in 1996, has improved its quality defects from 42.6 ppm in October 1995 to 6.2 ppm in June 1996 through the adoption of Good Manufacturing Practices (GMP). With central government directives, the public sector agencies can now use benchmarking as a tool to compare existing service performance outcomes with other local as well as global entities.

No.	Community of Practices	Selected KPI
1.	<b>LOCAL AUTHORITY IN SELANGOR (12 Agencies)</b>	
	<ul style="list-style-type: none"> <li>Managing Municipal Health &amp; Hygiene</li> <li>Managing Public Infrastructure and Amenities</li> </ul>	<ul style="list-style-type: none"> <li>Total waste / garbage disposed</li> <li># of customer complaints with regards to disposal per month</li> <li>Actions (response time) taken with regards to complaints received</li> <li>% of projects completed on time</li> <li>% of projects not completely completed on time</li> <li># of site visits to monitor projects at site</li> <li># of complaints received per year.</li> </ul>
2	<b>MRSM &amp; KOLEJ MARA – 35 Schools (SECONDARY EDUCATION)</b>	
	<ul style="list-style-type: none"> <li>Helping students learn</li> <li>Accomplishing other distinctive objectives</li> <li>Planning continuous improvement</li> <li>Support institutional operations</li> <li>Building collaborative relationships</li> </ul>	<ul style="list-style-type: none"> <li># of complaints received per year</li> <li># of motivational programs for students</li> <li># of disciplinary cases of students</li> <li># of achievements by students in curriculum activities</li> <li># of appreciation letters received</li> <li># of students achieving above 3.0 CGPA</li> <li># of innovations implemented in school</li> </ul>
3	<b>UiTM EDUCATIONAL EXCELLENCE (8 UiTM Campuses) (HIGHER EDUCATION)</b>	
	<ul style="list-style-type: none"> <li>Leadership system and organization</li> <li>Relationship, responsibility &amp; citizenship</li> <li>Strategic development plans and deployment</li> <li>Human resource planning &amp; development</li> <li>Innovations for improvement</li> <li>Student performance results</li> </ul>	<ul style="list-style-type: none"> <li># of recorded meetings with academic, administrative staff and students</li> <li># of strategic planning initiatives</li> <li># of community service involvement</li> <li># of students not completing studies on time</li> <li># of R &amp; D activities proposed, accepted &amp; completed</li> <li># of staff involved in research</li> <li># of new methods in teaching</li> <li># of complaints and feedback received</li> </ul>
4	<b>COUNTER SERVICE-32 Agencies (SERVICE DELIVERY)</b>	
	<ul style="list-style-type: none"> <li>Counter Facilities</li> <li>Preparation to Receive Customer</li> <li>Counter Staff Performance</li> <li>Top Management Support</li> <li>Employing Involvement</li> <li>Identifying Customer Feedback and Expectation.</li> </ul>	<ul style="list-style-type: none"> <li># of training days allocated for counter service staff</li> <li># of counseling conducted for counter service staff disciplinary problems</li> <li>Average waiting time in handling one customer at counter</li> <li># of complaints received per month</li> <li>% of complaints resolved.</li> </ul>

Figure 1.4: Public Sector Community of Practices

## MPK Best Practices

MPK has incorporated a number of MPB such as Benchmarking, ICT System and Customer Satisfaction Survey in an effort to improve economy, efficiency and effectiveness in its service delivery as described below.

### *a. Benchmarking*

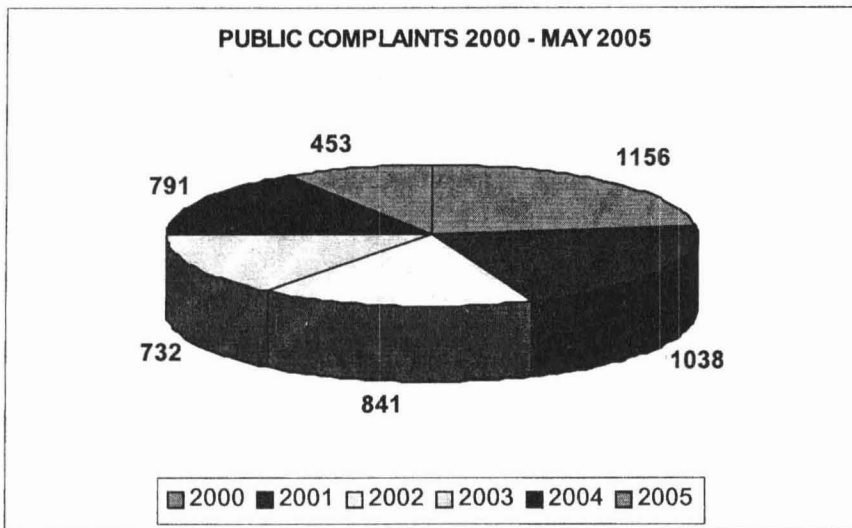
MPK is the representative of Malaysia in a benchmarking program sponsored by ADB. In this program, 10 major cities or local authorities in Asia have been identified. These local authorities include Bangalore in India, Lahore in Pakistan, Colombo in Sri Lanka, Shanghai in China, Kuming City in Korea, Surabaya in Indonesia and Olonggapo City in the Philippines. Few core projects of MPK have been earmarked for benchmarking against the other Asian counterparts, which include interactive public complaint system (IPCS), sanitary landfill, public awareness and education on garbage management, parking system and petty traders or hawkers management system.

### *b. Interactive Public Complains System (IPCS)*

MPK's interactive public complaint system is compared against Colombo in Sri Lanka due to its ideal and distinctive complaint system. The IPCS is benchmarked with other ten local authorities participating in the benchmarking program and commended with better recognition. The system is focused on handling public complaints in a more responsive and professional approach with effect 1 October 2004. The objectives of the IPCS among others are to maintain the good image of MPK, to increase public confidence in the services provided and to highlight other matters relevant to the public.

As stipulated in MPK Client's Charter, IPCS is mandated to give feedback to complainant within seven working days after the complaint is made. With a public and customer friendly approach, it affords quicker checks and references more effectively and accurately. It also facilitates top management decision-making in addition to serving as a focal point in measuring staff capabilities in handling public complaints at any given time. The implementation of the IPCS has increased the level of customer satisfaction judging from lesser complaints recorded in year 2005 as shown in Figure 1.5.

Another differentiated feature of IPCS is its comprehensive ability in accepting all types of complaints related to the services and facilities provided by the entity. However, the public has to furnish required information completely such as name, address and telephone number when making complaints to operate the system effectively. Complaints are received via various channels including newspapers, e-mail, ordinary mail, radio, and telephone and in person. With the implementation of IPCS, MPK has achieved an enormous improvement in handling and responding to public complaints. Current statistics show that MPK could now respond and solve community woes within 7 working days as compared to 2 to 3 weeks under the old system. Stringent practice of passing on received complaints for further perusal to concerned departments within 4 working days must be complied strictly by employees handling the system. This practice seems to be the major critical success factor of MPK's successful performance in the IPCS implementation.



**Figure 1.5: Public Complaints Received, before and after**

#### ***c. Sanitary Landfill System (SLS)***

The Sanitary Landfill System is a garbage management system, which is recognized as the best among the ten local authorities, participating in the benchmarking program as mentioned earlier. As a result, other Asian local authorities have benchmarked their SLS against MPK, being the best. The core advantage of MPK is its expertise in managing rubbish decomposition through odorless emission. MPK has the capability to devise a system where all effluents from the decomposing garbage are treated to ensure zero underground leakage that emits stinking smell into the surrounding areas; thus, odorless atmosphere exists. In addition, it has been a perennial practice of MPK not to allow any scavengers, human or otherwise, loitering around the landfill area. Since unofficial rubbish collectors of all sorts are strictly prohibited, MPK has attached permanent wall structures around all landfill areas. This practice has brought MPK to become recipients of few awards.

#### ***d. Public Awareness and Education Program***

Realizing the need of public support in garbage management, MPK has initiated a public awareness program to educate the constituents towards achieving its initial goal: 25% of rubbish must be recycled. This project is undertaken in cooperation with Alam Flora Berhad, a company responsible for garbage collection in Malaysia. The governing principles in managing the project encompass the 3 R, which signifies Reuse, Recycle and Reduce. As stated earlier, MPK has initially targeted to reduce 25% of garbage through recycling process. In an interview conducted, Pn Hj Hamizah Bt Hamzah, the Director of Community Development and Tourism Department, said, "With the public awareness and education in place, MPK has successfully reached and exceeded its target on garbage reduction". Records show that MPK has now reached 30% garbage reduction in tonnage as a manifestation that MPK implements an efficient and effective recycling system.

#### ***e. Education Activities Implemented***

To further enhance the recycling system, MPK has allocated several recycle collection centre facilities for the public to avail. Undertaking this project requires MPK to identify a number of housing areas to erect large rubbish bins, sorted out by colors, to guide the public to deposit items for recycling. Moreover, MPK has regularly adopted a specific day in a month, as garbage collection day, where a rubbish truck collector and staff would be sent to a particular area based on a pre-arranged schedule to collect items for recycling.



In order to inculcate civic awareness on hygiene and cleanliness amongst its constituents, MPK has initiated an educational program on garbage management. Initially, the program strategically targets pre-school teachers in the areas of Kuantan. Its aim is to introduce the pre-school students to simple ways of managing their own rubbish. Secondly, activities such as making trips to the landfills have been regarded as an on-going weekly routine. Fully air-conditioned buses are dispatched to carry primary school students for site visits to landfills and appreciate the beauty of nature-friendly garbage disposal sites; thus, simultaneously, educating young children to recycle. Thirdly, a Club 25 has been organised to further support the program. This Club 25 is a club whose membership is open to secondary school students amongst the various schools in Kuantan. The aim is to encourage this group of students to support the goal and objectives of garbage reduction by 25%. Likewise this is also geared towards continuous educational programs where secondary school students become the proponents of the recycling program within the community.

#### ***f. Parking System***

One of aspects that has been identified by MPK for benchmarking is parking management. Although parking is not as successful as the rests of the areas earmarked in the benchmarking program discussed earlier, it has been successful in its own way of managing the division as a revenue generating centre. The Parking Division has a number of different and varied practices in managing routine parking collection functions either virtually or manually. Some of these practices are : segmenting the parking territorial areas, designating parking collection staff, paying monthly parking fees upfront and issuing parking coupons to prospective users. The Parking Division has been consistently a recipient of local awards for over a decade to date.

#### ***g. Petty Traders/Hawkers Management System***

With continuous improvement as embedded in cultivating good local government culture among its decision makers, MPK has now initiated the so-called centralised petty traders management system. In this system, the traders are allowed only to do business in certain identified locations within the area of Kuantan. Petty traders are not allowed to set up their trade in other location of their choice. Unlike a decade ago, petty traders are now more hygienic in conducting and managing their business. Beautifications of hawker's business environment have been given greater emphasis by MPK in the aim to continuously satisfy diners and patrons. Although there have been tremendous changes in the hawker's business environment, MPK categorizes this achievement and performance as mediocre and further aims for greater heights in petty traders management to be at par with other Asian counterparts. MPK views that there are unleashed areas of improvement that hinges from implementation, service, strategic location, and availability of lands for hawkers of Kuantan to be successful.

#### ***h. Information & Communication Technology System (ICTS)***

The MPK's information and communication technology system operates in conformity with its ICT Master plan. The components of this master plan include financial and accounting system, licensing and tax collection systems, and human resource management, which are the core business functions. MPK has benchmarked the efficiency and effectiveness of these various core units with the Municipal Council of Subang Jaya in Selangor as being the best of its kind nationwide. With this benchmarking practice, MPK has recently upgraded its ICT system to facilitate the processing of varied information from these core units. This is inline with instilling high quality standards in every MPK's core business portfolio.

MPK has also incorporated in its planning, "E-Rancang", or the so-called electronic planning system. Through this, prospective applicants can easily access into highly advanced and timely processing of applications. Applications are sent and processed through electronic means, i.e. Compact Disk. With ICT in place, MPK has successfully adopted computerized collection systems in all MPK branches. This is another facility provided by MPK to generate and collect more revenues to further sustain its varied and different kinds of developmental projects programs and activities, while other local governments are deficient. Finally, MPK is contemplating to strategically upgrade its interactive complaint system into a more improved version of accessing to public complaints through SMS. Once

operative, the system will enable MPK to have direct access in responding to complaints spontaneously.

#### *i. Customer Satisfaction Survey*

Various approaches have been launched by MPK to sustain goodwill amongst its people. MPK, having gained countless exposures and experiences in various initiated programs with other local government authorities and foreign Asian counterparts, doubts nothing in achieving its vision : Kuantan: A World-Class City. Quality Service is the MPK's motto. The basic principle behind its achievements is sustaining quality service delivery. Quality service is to be instilled in every staff and employee, who is experienced, qualified and competent, to deliver high level quality performance. The services provided must match with the expectation of its customers and stakeholders in compliance with the Local Government Acts and By-Laws.

The first key indicator of quality is the customer satisfaction survey. MPK undertakes regular customer satisfaction survey to gauge and identify critical aspects that need corrective actions, thus, simultaneously guiding concerned parties to continuously improve delivery services. The three main areas covered in the survey are landscaping, cleanliness and drainage facilities. Findings of the survey would be tabled at the management meeting and corrective plans and actions would be undertaken based on priorities and needs.

#### *j. Key Performance Indicators (KPI)*

Figure 1.6 shows the various indicators used by MPK to evaluate the actual operating performances. It is noted that MPK has various measures or indices to gauge the outcomes of any projects, programs and activities implemented. Focusing on IPCS, MPK intends to measure inputs in terms of quality performance, cost, time, customer satisfaction and meeting its objective.

Benchmarking	Before	After	
		( Six Months)	(One Year)
Indicators			
<b>1. QUALITY</b>	<b>%</b>	<b>%</b>	<b>%</b>
(a) Overall percentage for incomplete complaints.	36.16	26.5	28.7
(b) Incomplete data on telephone complaints	9.53	7	8.2
(c) Incomplete data on counter complaints	4.35	0	4.9
(d) Incomplete data on radio complaints	100	100	100
(e) Incomplete data on letter complaints	27.56	23.3	22.3
(f) Incomplete data on e-mail complaints	100	0	0
(g) Incomplete data on newspaper complaints.	100	100	100
(h) Incomplete data on public complaints.		100	0
(i) Repeated jobs or rework	3.51	0	0
<b>2. COSTS</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
(a) Total handling costs (staff)	51.08	9.32	4.28
(b) Total costs on equipment used	9.72	3.70	1.68
(c) Total costs on TNT for complaints received.	11.66	2.12	0.97
(d) Cost per complaint.	92.44	19.60	8.94

<b>3. TIME</b>	<b>%</b>	<b>%</b>	<b>%</b>
(a) Action taken exceeding seven days	20.36	25.4	42.76
(b) Action taken within four days by internal department	70.64	62.5	51.63
<b>4. CUSTOMER SATISFACTION</b>	<b>%</b>	<b>%</b>	<b>%</b>
(a) Appropriate time taken for respond to complaints.	72.6	81.5	90
(b) Satisfied with the time taken to respond to complaints.	72.4	74	77
(c) Satisfied with the explanation or action taken.	73.8	75.8	89
<b>5. OBJECTIVE</b>	<b>%</b>	<b>%</b>	<b>%</b>
(a) Response within seven days.	70.64	62.5	51.6

**Figure 1.6 Performance Indicators at MPK**

#### ***k. Quality Performance***

On quality, the overall percentage of incomplete complaints was reduced from 36.16% prior to benchmarking adoption to 26.5% after six months of benchmarking exercise. After one year, the overall quality performance has slightly increased to 29%. The reduction in overall performance of incomplete complaints after six months of benchmarking is caused by the decreasing trends in incomplete complaints received from the various modes of inputs such as over the counter (0%), telephone (7%), letter (23.3%) and e-mails (0%) complaints as shown in Figure 1.6.

It is all-important to consider that MPK benchmarking exercise is successfully implemented on a short-range basis of six months. On the contrary, quality performances in some activities have been altered when the benchmarking exercise is measured on a medium term range or within a one-year duration as shown in Figure 1.6. The study further reveals that on a long-term basis, benchmarking is less effective when complaints are channeled through telephones and over the counter but more effective when complaints are channeled through letters. It further reveals that MPK has successfully reduced its reworks undertaken on similar complaints received. Similarly, change in quality performance on complaints received through radio and newspaper is negligible or insignificant due to the factors beyond the control of MPK as reflected in Figure 1.6. Thus, quality performance outcomes varies depending upon the approach used where if MPK staff is directly associated with the handling of complaints, service delivery is controlled, then change quality performance is favourable as against when complaints are channeled to third parties, then change in quality performance is insignificant or level of indifference exists.

#### ***l. Cost Performance***

In terms of cost, MPK managed to reduce its total complaint handling costs brought about by the reduction in the number of staff managing complaints - a reduction from RM51.08 to RM9.32 and RM4.28 after six months and one year benchmarking respectively. Likewise, reduction in total costs on equipment used in handling complaints was attained. The cost on equipment is tremendously down by RM 8.04 after one year of benchmarking from its original cost of RM 9.72 to RM1.68 as shown in Figure 1.6. Similarly, the total costs for travelling and other allowances (TNT), and cost per complaint is continuously diminishing. The cost per complaint, for instance, is reduced from RM92.44 before benchmarking to RM19.60 (79% cost reduction) and RM8.94 (90%) after benchmarking for six months to one year respectively. Thus, MPK was able to lessen the operating costs, which similarly affects the utilization of funds through effective handling of costs in labor, infrastructure, which ultimately results to eliminating wastes and inefficiencies on core service units.

### *m. Time Factor*

As for the time taken to manage complaints received, MPK has exceptionally improved its throughput time effectively. Cycle time taken, four days, to solve the given complaints by the internal department is reduced from 70.64% before benchmarking to 62.5% after 6 months of benchmarking and to 51.63% after one year of the program. However, there are complaints received that require longer cycle time to resolve. Figure 1.6 shows that for complaints requiring action exceeding seven days, the percentage of outcome increases after 6 months (25.4%) and one year (42.76%) of benchmarking as opposed to 20.36% prior to benchmarking. Thus, with benchmarking, there is now an emerging change in the duration required to resolve complaints manifesting that more and more people are satisfied with the service provided by MPK as the community awareness increases coupled with effective IPCS and efficient workforce.

### *n. Customer Satisfaction*

Measuring customer satisfaction is the utmost priority of MPK as noted earlier. Figure 1.6 shows that customer satisfaction increases at a rate of 10% on both durations i.e. after six months and one year of benchmarking in relation to time taken to respond to actions undertaken to resolve complaints. The increase in customer satisfaction with regards to the two elements stated earlier is significant where after one year of benchmarking, a jump from 72.4% and 73.8% to 77% and 89% respectively. This signifies that the people of Kuantan are satisfied with the time taken by MPK in responding to complaints, from 72.4% to 77%. Similarly, the community is also satisfied with the explanation or action taken by MPK as manifested by an increase of 15% favourable response, that is prior to benchmarking (73.8%) and after benchmarking (89%). Thus, the customer satisfaction survey measures the actions initiated by MPK with regards to community problems as benchmarked with the responses from the public. Subsequently, MPK could further identify actions that need improvement to continuously provide better service to the public at large.

### *o. Meeting MPK Objectives*

In terms of meeting the objective on responding to customer complaints within seven days, Figure 1.6 shows that there is an improvement in addressing complaints where 70.64% of complaints are resolved before benchmarking as against 62.5% after 6 months and 51.6% after one year. This denotes that after a year of benchmarking only 48.40% of complaints are handled less than 7 days as compared to 29.36% before benchmarking. MPK is successful in the implementation of the benchmarking exercise to strive meeting its objectives as stipulated in the Client's Charter. By benchmarking, it reduces its cost per complaint, reduces allocation of infrastructure needed, cycle time taken to resolve complaints is improved and most importantly increases customer's satisfaction. It can be concluded that the benchmarking exercise has created added value in MPK operations.

### *p. Work culture*

The success of MPK is attributed by the work culture instilled by the top management in the internal working environment. The top management's philosophy of flexibility and continuous improvement forces everyone in the company to be exceptional. Having these concepts embedded into its organizational framework, MPK successfully inculcates a more responsive work culture in order to meet the dynamic needs of the society. Imbued with full commitments to sustaining growth within the economy, MPK subsequently reinforces existing work culture to becoming a wholly learning and thinking organisation in the view to pursue continuous delivery of quality services. It is also the belief of MPK that long-term provision of high quality services through learning and innovation makes the entity more competitive. Thus, MPK consistently encourages its workforce to differentiate the process in its delivery system. Differentiation has been focused at improving the counter services and to attend to the public requests and complaints as soon as possible. To mention a few, are hands-on management, continuous revision of rules, regulations and procedures to cope with the dynamic changing environment work processes and greater emphasis on uplifting the workforce level of professionalism.

#### ***q. System of Work***

To discharge work effectively, MPK has organized a systematic workflow that employees, regardless of rank, need to follow and that the rank and file staff clearly understand the scope of job specification. The sub-level managers or supervisors are required to undertake regular monitoring of its respective manpower. Meanwhile, the upper level managers are obliged to lead by example. Lastly, MPK stresses the use of matrix system and hands-on management in order to effectively keep abreast with the diverse needs of the community.

#### ***r. Leadership***

The development of human and intellectual capital has always been regarded by MPK as the prime mover of growth, prosperity and copes up with external factors affecting its operations. In line with this move, MPK has been sensitive to the needs and wants of its workforce. Staff welfare, adequate facilities and work infrastructure, study grants, and awards and recognition are some of the opportunities that have been extended to all staff. Accordingly, MPK staff have been molded and trained to be effective leaders, cautious and consistently deliver fair services to the customers, which the workforce strongly supports.

#### ***s. Regular Training***

MPK has allocated a yearly budget of RM400,000 for training purposes in order to boost the skills of its staff and simultaneously gain new experiences on the latest approaches and trends of new practices adopted by other local and foreign entities. It is MPK's strategy to enhance skills and expertise of its human capital through attending related courses, seminars, workshops, study tours and on the job training within or outside the country.

#### ***t. Understanding the Vision***

To gain support from its workforce, MPK stresses on communicating the vision, mission, objectives and work values expected from the employees. MPK believes that making the staff understand the real direction, objectives, performance expectations of top management and observing good ethical values at work drives employees to greater heights of excellence. MPK makes it a habit to inculcate these factors during the monthly meetings with the president, corporate meetings with the various divisional directors and heads of departments, which, in turn, are expected to disseminate these values to the rank and file employees.

#### ***u. Inculcating Religious Values***

Aside from developing good ethical values among the staff, MPK gives equal emphasis on obedience to religious values when undertaking public duties. Some of the religious activities are recitation of daily prayers before and after consummating a day's work, reading of Al-Quran every Friday, and religious talks once every two months. These religious activities would spiritually boost the employees' perspective, which simultaneously give favorable effect to the workforce achievement.

#### ***v. Building Camaraderie***

Harmonious relationships among staff and rank and file employees have been strongly instilled in MPK working environment. The employees strong work habits coupled with great sense of belonging lead MPK to facilitate conducting varied and different programs such as family day, annual sports activities, religious festivals, community programs and tourist acquaintances, and educational forums.



#### *w. Understanding the Needs and Wants*

It has been the top priority of MPK's management to measure one's divisional performance through consumers' complaints. Consumers' complaints, as one of the major performance indicators, can be minimized if every staff follows the clients' charter that has been designed to guide all employees in dealing with all parties. As such, MPK strongly requires employees to adhere to the client's charter and regular checks are made to ensure that policies are observed.

#### *x. Financial Factor*

MPK requires financial backing in order to make the working environment conducive; facilities and infrastructure are in place. Employee career enrichment programs and rewards are vital aspects for growth as discussed earlier. Putting these expectations into reality requires sizable amount of funds as such a balanced approach has been the fundamental for MPK success by maintaining organisation slack to support the needs and priorities of all stakeholders.

#### *y. Client's Charter*

Developing harmonious rapport with the community, MPK has set clients' guidelines and procedures that are mutually beneficial for all parties to comply, which is called the Clients' Charter. This charter has been revised on a regular basis to cater to the clients' dynamism. To instill uniformity in discharging employees' duties, all the eleven departments of MPK are obliged to follow the latest client's charter. The client's charter says, "We promise to provide high-quality services in an efficient, fair and friendly manner".

Some good passages in the client's charter mention that 1) the Health and Cleanliness Control Department promises to clean public toilets at least twice a day; 2) clean Sungai Lembing area once a month; 3) collect rubbish at least three times a week at the housing areas and everyday in the town area; 4) open recycle collection outlets everyday except on public holidays; and 5) clean garbage collection centres once a month.

In addition, the Hawker Division promises to 1) produce hawker's licenses within 21 working days; 2) replace errant licensee owners with new owners on all unoccupied stalls within 30 working days; 3) repossess all stalls from the owners who have rented the stalls to other parties within 14 days; 4) appoint nominees and stall assistants on the same day after completion of certified documents; and 5) process temporary permits for selling seasonal fruits within the same day.

The Mechanical Engineering and Electrical Division promises to 1) take action within one hour on any complaint relating to malfunctioning of traffic lights; 2) get ready all P.A systems for official events including other approved equipment 15 minutes prior to the actual event; 3) repair malfunctioning of air-conditioning units within 2 hours after the complaint is made; and 4) to resolve all minor complaints within 15 minutes.

The Property Management Division promises to 1) clean all rented stalls at least once a month; 2) ensure that all complaints relating to the repair of stalls to be sent to the department concerned and accordingly to take action within 2 days; 3) provide all facilities, convenience and safety to the management of Makmur Terminal Complex; 4) give ample time to market and stall owners to pay rental in accordance with the agreement; and 5) provide the maintenance and service of MPK buildings in compliance to the agreed standard such as daily floor buffing and polishing of floors every 3 months.

The Corporate Development and Training Division promises to 1) show full commitment in assisting the entity in achieving excellent performance through quality service management; 2) provide advice and training staff in quality management, strategic planning, ISO 9001:200, EMS 14001, innovation and others; 3) perform audit and monitor the implementation of programs and quality system of departments at least twice a year; 4) assist all staff to undertake training (internal/external) at least once a year; and 5) provide a suitable, convenient place that is fully equipped with all facilities required in the internal training programs.

Lastly, the Accounting and Information Division promises to 1) accept payment at the receiving revenue counter within 5 minutes per every transaction; 2) pay the supplier through the Local Order within 7 days from the date of receipts of the documents; 3) pay emoluments/salary before 27<sup>th</sup> of every month; 4) make payment of overtime allowances before 17<sup>th</sup> of every month; and 5) provide financial information to all parties concerned.

## CONCLUSION

Benchmarking is a management technique that requires comparison of outcomes of core activities and programs against world-class industry leaders locally and abroad in order to identify and explore new goals and approaches to reach the company's targets, objectives and most importantly add values on an entity's profitability as indicated in earlier discussions. Benchmarking may not only focus on operational aspects but also favourably applicable in areas such as strategic or corporate level strategy. Some organisations adopt benchmarking with respect to customer performance and expectations. As benchmarking is flexible, which could be applied in responsibility units either internally or externally, it forces entities to greater heights of achievement and performance as manifested by MPK. To make benchmarking a success it requires the top management commitment and support vis-à-vis the efforts accorded by the employees, availability of advanced technology, management system and consistent adherence to existing work culture or shared values of the organisation. However, benchmarking constraints are focused on obtaining desired information needed, danger of interpreting the results wrongly, its applicability is highly recommended in entities where repetitive workflows and operating results are highly certain and stable. Thus, as suggested by the National Productivity Corporation, benchmarking could be successfully adopted by all government entities as in MPK leading initiatives.

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