

Innovation Capabilities and Operational Performance: A Study of Public Sector Organizations with Special Reference to Divisional Secretariats in the Badulla District in Sri Lanka

T. Anjana*, E.P.M. Rajarathne

Faculty of Management, University of Peradeniya, Sri Lanka
**thiyagarajaanjana@gmail.com*

Service innovation is a key driver of growth and competitiveness in public sectors. It is essential for organizations to embrace innovation to stay relevant in today's fast-paced world. Quality is a pivotal factor in the transformation of public sector services that enhance operational performance. However, the impact of service quality on customer satisfaction in the public sector is a relatively unattended area by researchers. Hence, this study was carried out to identify types of innovations at the divisional secretariat to improve the level of quality and maximize customer satisfaction. The study shows that the implementation of innovation has been catalyzed by a developing service-oriented public sector. From the public-institutional theory of innovation perspective, service innovation is the catalyst for maximizing customer satisfaction. In consideration of this study, innovation will add newness to it, and it should be used in the public service delivery process at the divisional level to improve quality service and customer satisfaction. A questionnaire survey was conducted to collect data using the stratified random sampling method. A modified questionnaire was prepared based on innovations and service-quality determinants. A sample of one hundred and sixty service recipients and eight service providers from eight divisional secretariats in the Badulla district was drawn and represented based on each division's population. The relative influence of service quality on customer satisfaction was examined using correlation analysis and multiple regression analysis. The study revealed that digitally integrated service innovation, digital display service innovation, information-integrated service innovation, social care service innovation, and resource utilization innovation showed a positive association with service quality and customer satisfaction. The findings of the study show that service recipients are moderately satisfied with service quality and the results strongly suggest that new ways of doing things are essential to each procedure in the public sector at divisional level.

Keywords: Customer satisfaction, Divisional Secretariat, Service innovations, Service recipient, Service quality