CO-CREATION OF VALUE MODEL FOR E-SERVICE SYSTEM OF MALAYSIAN E-GOVERNMENT CONTEXT USING HERMENEUTIC PHENOMENOLOGY APPROACH

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Dedicated to:

To my beloved ‘appa ‘Subbiah and ‘amma’ Letchemi
To my dearest siblings Annu, Siva, Aneesh, Suriya and Visagen
To my respected brother-in-law Thanikasalam
To the jewel of my family Geetha Shree
To my love Eswaran
To my respected Grandparents, Aunts, Uncles & Cousins'
To my best companion Prince Popo & Rosie

To my dearest supervisors,
The respected ASSOCIATE PROFESSOR
DR. OTHMAN BIN IBRAHIM
The respected PROFESSOR
DR. AZMAN SHAH VIJAYAN ABDULLAH

I thank you for all the patience, trust and prayers which have accompanied me to the fulfilment of this thesis.

[“You came empty handed, you will leave empty handed. What is yours today, belongs to someone else yesterday, and will belong to someone else the day after tomorrow. So, whatever you do, do it as a dedication to God!”]

Ver: Bagawad Gita

Till death throw me apart...
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Om Bumi Shakti Rathna Matha Pathima Durga Kaali Namaha....

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ABSTRACT

Malaysian Government has placed high hopes on E-Service System (ESS) to facilitate Government to Citizen (G2C). ESS manages the operations in order to enhance a convenient lifestyle and most importantly to attract higher involvement of users. Previous studies have demonstrated remarkable dominant requirement of citizen in ESS context. Furthermore, investigations related to co-creation of ESS for G2C from end-user perspectives have been rarely explored in previous studies. Therefore, it is important to investigate co-creation of ESS for G2C. The aim of this study is to provide insight within the context of co-creation of ESS for G2C to understand the potential determinants that drive successful G2C implementation. This hermeneutic phenomenology case study integrates Co-Creation of Value with Activity Theory as theoretical fundamental in developing the Co-Creation of Value Model (COVA) of ESS for G2C Model. In Phase I, this research describes ESS study to identify common issues, followed with literature review analysis to analyse Co-Creation influences. In Phase II and Phase III, both focus group discussion and expert in depth interviews were conducted which involved twenty four end-users and seven experts of ESS through purposive sampling. Finally, in Phase IV the development of COVA model proceeds with expert validation. The result indicates loyalty and adaptability as enriching experience for end-users meanwhile provider’s value and approach serve as potential value for service provider as source for continual use of the ESS. In addition, the significant value for exchange and learning reduce to 30% of total service failure of ESS on the G2C dimension. Moreover, the Co-Creation factors will complement G2C service success especially in narrowing the gap between human and system.
ABSTRAK

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1.1 Overview

The E-Government in Malaysia has projected various success implementations through the Information and Communication Technology (ICT) for the Government to Citizen (G2C) such as the E-Service System (ESS) to ensure convenient facility reached at all level of community (Belanger and Tech, 2012; Headayetullah, 2009). The ESS aims to cater the G2C needs as well as to attract higher involvement towards the service system (William, 2003). Aini and Kasimin (2010) stressed that the ESS is a solution provider to increase citizen loyalty, sharing as well as satisfaction. However, the deployment of ICT caused challenges to the ESS in order to provide extended services as demanded by the citizen (Ahmad and Othman, 2007; Akemi, 2009; Joseph and James, 1998; Jonathan, 2015). Further, the expectation towards the ESS goes beyond mere customer satisfaction due to the economical outcomes which possessed demand for better quality of lifestyle (Hargittai, 1999; Micheal, 2008; Van Dolen et al., 2004; Pierson et al., 2007; Yong, 2004). As a result, this raised many significant barriers between the ESS and the G2C. More specifically, issues with regarding to service integration, catering personalised service, enhancement of all day service delivery were highlighted among the demand raised by user’s (MAMPU, 1997; Maniam and Halimah, 2010; Goffin et al., 2006; Goleman, 2001). Moreover, previous studies shows that limited
exploration were focused on users demanding experiences especially with regarding to the G2C (Hussein et al., 2007, 2010; Micheal, 2009; Ahmad and Othman, 2007; Yildiz, 2007; Kadir et al., 2011). Apart of that, Amela et al. (2009) discussed that researches to support on co-creation of the ESS for G2C experiences related transaction are also timid. The co-creation of value processes to enrich the experience creation to understand the end-user service acceptance in the E-Government related research study is also timid (Kadir et al., 2010). This process is considered as the essential practices to extract the actual user needs from the service that they have employed. The co-creation enables the ESS experiences which is overlooked and often viewed user acceptance at the technological acceptance (Vengkatesh et al., 2012). Seng et al. (2010) mentioned these challenges therefore, provoked the ESS to look for improvement in solution in order to cater the user’s needs.

A successful implementation of the E-Government is positioned in the integration of the ESS. Investigation on co-creation for ESS particularly to G2C is therefore needed to ensure success of the E-Government. This chapter presents an overview of the research by first examining the research background in Section 1.2. This followed by discussion on the problem statement in Section 1.3. This chapter then outlines the key research questions in Section 1.4 and Section 1.5 explains the objectives of the research. Next, Section 1.6 describes the scope of the research. Finally, this chapter delineates overall structure of the thesis in Section 1.8.

1.2 Background of the Problem

The ESS anticipated in many changes to serve the best to the citizen. However, recent study indicates high turnover in promoting the online services (MAMPU, 1998, 1997; Stephan et al., 2012; Karim, 2003; Kaur, 2006). Despite the additional input of the ESS platform for citizen’s benefit, prior studies shows that
managing the citizen has increased the complexity due to the value of demand (Al-
Adawi et al., 2005; Prahalad and Ramaswamy, 2004, Xie et al., 2008). Managing
G2C issue and to provide a better service particular those relates with the ESS and
the G2C raised importance in the ESS delivery perspectives to avoid service failure
(Heeks, 2006; Danish, 2006, Yaghoubi, 2010).

Prior researches related to the ESS shows resistance among users to adopt,
due to previous experiences which is associated with the cognitive factors such as
perceived relevance, usefulness and usability (Zeithamal and Gilly, 1987; Zakaria
et al., 2011; Zeithamal and Gilly, 1987; MAMPU, 2004). In addition, number of
researchers argued on issues related to limited re-usability, lack of connectivity and
sharing (Spohrer et al., 2007; Yong, 2004). Eventually, this shows the challenges
that arise between the ESS and end-user perception. Study reveals that end-user
enriching experiences expectations are not balanced with the current system
environment.

Apart of that, other researches discussed issues on social attitude and cultural
adoption as caused higher turnover on end-users loyalty and enriching experiences
(Kohler et al., 2011; Goleman, 2001; Lilian, 2008; Schembri, 2006). In addition,
Wang et al. (2007) argued that end-user experiences as a tool to access between G2C
should performed with dialog through feedback. Stake (2004) further explained that
creation of service experience focussed on flexibility and extensibility.
Furthermore, studies involving enhancement of end-users usage of the ESS depend
on user behavioural and loyalty, recommendation to use, willingness to trust, attitude
towards experience, adaptation, interaction expectancy and benevolence (Nicola and
Kensel, 2006; Goleman, 2001; Lilian, 2008, Hsu et al., 2008; Frow et al., 2015; Kim
and Zhang, 2011).

Researchers related in the Information System (IS) which comply co-creation
of raise valuable input in the system design and development phases in an
organization (Hussein et al., 2009). Co-creation of value argues that users are the co-
creation and value are exchanged implicitly (Prahalad and Ramaswamy, 2004). This process is seen as the essence to the user loyalty (Vargo and Lursch, 2011). From the IS perspectives, the co-creation of value enhances the user requirements designing process towards the user centered services which upholds the service success (Frow et al., 2015).

In summary, despite arguments over the ESS initiatives by E-Government to increase higher inventiveness between G2C, nevertheless the challenges is therefore to provide solutions for co-creating user experience of the ESS on G2C. Hence, it is important to understand the role of end-user experience and co-creation of value of ESS as an enriching experience for the G2C dimension.

1.3 Statement of the Problem

The Malaysia E-Government ESS embarks with issues of co-creating user experience on G2C dimension, especially on retaining the users’ acceptance (Yusoff et al., 2011; Ahmad and Othman, 2007; Venkatesh, 2011). User experiences are considered as the values to co-create opportunities for user acceptance. Besides that, researchers also found that lack of structured processes for identifying opportunities for co-creation on the ESS for the G2C (Frow et al., 2015; Aini and Kasimkin, 2011; Belanger and Tech, 2012). In return, this provokes failure to understand citizen’s experience as values which is inclined with requirements and in whole may provoke towards the ESS failure (Heeks, 2008; Hisham et al., 2009). Further, studies indicates the decreased rank report conducted by UNPAN (2012-2014) showed the Malaysia E-Government ranking from 32 in 2010 to 40 in 2012 and to 52 in 2014. This possesses endless challenges and previews a shift towards citizen inclusion for end-user beneficiary (Abdullah and Kalianan, 2008; Buyong, 2002; Gilmore, 1999, 1998). Therefore, the opportunities to co-create the ESS for the G2C need to be study at pilot level in order to balance both the G2C requirement and opportunities. This in
return purpose a need to identify and develop a model that will co-create user experience towards the ESS for the G2C system acceptance (Olphert, 2007; Gregor and Jones, 2004; Goffin et al., 2006). Essentially, the co-creation of value towards the ESS for the G2C will enable a successful service between enriching user experience and provider redefining service exchange. The user experiences as the essential values need to be studied and experimented for the co-creation opportunities (Reddick, 2005; Hussien et al., 2009; Prahalad and Ramaswamy, 2004; Frow et al., 2015). Hence, this suggests a need understand service co-creation of value of the ESS for the G2C perspectives. Co-creation of value shall improve user requirements and acceptance of ESS in order for the system to be useful and successful through engaging citizens' experience and building their confidence. Therefore, it will increase the value of government investment in ICT.

1.4 Research Questions

Based on the above discussion, this main question is:

How co-creation of value of E-Service system enable successful G2C implementation?

To address the above question, the following sub-questions defined as follow:

i. How co-creation of value of E-Service System influence the success of G2C?

ii. What are the factors that can co-create E-Service System for G2C?

iii. How co-creation of value model of E-Service System can be develop to support successful G2C service implementation?
1.5 **Research Objectives**

The key objectives of this study of in preventing E-Service System failure are:

i. To understand co-creation of value influences towards E-Service System for G2C acceptance.

ii. To identify co-creation of value of E-Service System requirement factors for G2C service implementation.

iii. To develop co-creation of value model of E-Service System for G2C in retaining user acceptance.

1.6 **Scope of the Research**

The scopes for the research are as follows:

i. Determining the ESS requirement factors among G2C in Malaysia E-Government context.

ii. Determining co-creation of value elements for the enriching end-user experience acceptances.

iii. Determining the possible solutions for the ESS providers regiment to understand the requirement approaches through the user acceptances.
1.7 Thesis Organization

The thesis consists of seven chapters covering different areas of the study. It presents a structured and coherent development of the research. The assembly of each chapter are interrelated to each section of the thesis serves with a conceivable story of the research.

Chapter 1 introduces the research area of concern and organizes reader for the residue of the thesis. It discusses about the arguments of the research and describes the background, the research objectives, the research questions and the summary of the thesis content. The topics that centralize the study on co-creating the ESS in the nature of the G2C probes research into an exploratory research.

Chapter 2 identifies the literature reviews on co-creation of the ESS for the G2C. The discussion begins with E-Government perspectives that elaborate the G2C dimensions. The chapter then describes and discusses practices of the ESS on various perspectives in order to understand its dimensions followed by exploration of influential element of user experience that probes service co-creation of for the G2C. The suitability of concept and theory is chosen for this research and justified. Finally, the development of a conceptual model concludes the chapter.

Chapter 3 describes the research design and method considered and utilized to gather the data throughout fieldwork. It begins with discussion on the research paradigm chosen by researcher for the research study. Hermeneutical phenomenology perspectives of interpretive paradigm selected based on the nature of the objectives of the research. The study occupied case study research strategy for designing the exploration with an interpretive examination of contents on service development initiated by Malaysia E-Government setting. The method includes text
analysis, focus group, open-ended survey and both un-structured and in-depth interview.

Chapter 4 discusses on the empirical study exploration of the research study. Accompanying with existing literature and previous study selected analysis used to uncover the exceptional user experience influences for further analysis. Further, the Chapter 5 discusses the presentation of findings based through case sampling process. The result obtained will be employed as a basis to operationalize the research instrument. It encompasses a set of interviews conducted with experts from various levels and the recorded results. Later, cross case analysis will be conducted and the results from the studies were analyzed using qualitative analysis software.

Chapter 6 includes the process of structuring the analysis towards useful information and development of the co-creation model. It synthesizes user experience based on sociological perspectives to understand user experience for ultimate service experience in the ESS. Finally, Chapter 7 concludes the study including the recommendations for future research.
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