

STUDENTS' PERCEPTIONS OF THE FACTORS THAT ENHANCE SERVICE QUALITY IN HIGHER EDUCATION

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ABSTRACT

The global educational environment is dynamic and challenging with competition intensifying for both public and private education providers. In response, educational institutions are increasingly adopting approaches aimed at enhancing their service quality to remain competitive and sustain quality education. This paper aims to evaluate the students' perceptions of service quality in higher education. Students are the recipients of educational services as such; understanding their perspectives is crucial for managers and policy makers seeking to develop appropriate strategies to reach students successfully. More specifically, we analyse students' perceptions of the importance of factors that influence quality in the Malaysian private higher educational environment and evaluate the influence of demographic variables. Using a "service-product bundle" model with three elements (physical or facilitating goods; sensual or explicit services; and psychological or implicit services) as a theoretical underpinning, we present the results of a survey of students studying at a private educational institution in Malaysia. The findings will enable the educational institutions to understand factors in the "bundle" from students' perspectives and to provide more efficient and effective mechanisms towards quality education in a dynamic environment.

Keywords: *Service quality, role of students, perception, Higher Education, survey, Malaysia.*

INTRODUCTION

Quality assurance systems play an important role in today's dynamic educational environment and the appraisal of individual student's feedback with regards to their student experiences is considered to be a central pillar of any quality assurance process (Zineldin *et al.*, 2011). Gruber *et al.*, (2010) point out that the educational services play an important role in students' lives. The authors further state that students need motivation and intellectual skills to achieve their goals. Thomas and Galambos (2004) and Arambewela and Hall (2009) add to the debate by highlighting that educational institutions require a satisfied student population in order to achieve and sustain competitive advantage and drive positive word-of-mouth communication, retention and student loyalty. In the same vein, Wiers-Jensen *et al.*, (2002) and Harvey (2003) indicate that educational institutions are continuously making

efforts to enhance the quality and standards of educational services and are using various forms of student feedback in an attempt to identify factors that matter to students with regards to their student experiences. The attainment of service quality standards has become an important managerial consideration for educational institutions, due to the current dynamic and challenging educational environment and Malaysian private higher educational environment is no exception. The total number of students enrolled in higher education in Malaysia stood at 1, 134, 134 (MOHE, 2010) of which majority of students study at private institutions. In this paper we analyse students' perceptions of the importance of factors that influence quality in the Malaysian private higher educational environment. In addition, we evaluate the influence that demographic variables have on the results.

The literature that reviews the role of students in educational institutions, service quality, and the demographic variables that previous studies have suggested influence students' perceptions of quality are discussed in the next section. Subsequently our methodology is discussed and results presented before a conclusion is developed that discusses implications, addresses potential limitations and provides future research directions in the final section.

LITERATURE REVIEW

Role of Students in Educational Institutions

Scholars are continuing to debate and have divergent views on if students are customers. Albanese (1999) and Parsell (2000) argue that medical students should not be treated as customers' and that a student's role should be more of a "learning worker" who has been empowered to participate in the educational process in a positive and productive manner. However, Eagle and Brennan (2007) propose that the "student-as-customer" concept could be adopted, provided a careful adoption of the term would lead to retaining the positive aspects: that is, promoting the legitimate interests of the students and at the same time to avoid the negative aspects of giving the students the idea that "the customer is always right".

Finney and Finney (2010) view the role of students in educational institutions in relation to "exchange theory". They discuss how some students simply exchange money for goods and services which means that these students view their input as no more than the payment of tuition and fees in exchange for getting their grades and the qualification. Other students perceive the exchange in a more meaningful manner and contribute to the exchange process, acknowledging that they are the co-producers of the learning process. These two different philosophies will lead to different attitudes of the students at the educational institutions. De Shields *et al.*, (2005) suggest that even though some researchers do not see "students-as-customers", this does not change the fact that without students, the educational institutions would not have customers to serve. In view of that, understanding students' perceptions towards enhancing service quality appears to be critically important for educational institutions if they want to be competitive and this is what this paper is examining.

Service Quality in Higher Education

The need for providing students with high levels of service quality has been discussed by many authors such as Joseph *et al.*, 2005; Oldfield and Baron, 2000; Russell, 2005; and Tan and Kek, 2004. Most scholars argue that higher education which has intangible, perishable, heterogeneous characteristics that are inseparable from education providers can be classified as marketable service. They further state that with that, the education environment has become extremely competitive and students have and want more choices and are increasingly demanding. Therefore, educational institutions have to provide and monitor quality services in order to achieve student satisfaction and profitability.

Yeo (2008) states that in the education sector service quality involve linking teacher-student participation with professionalism-intimacy in an effort to positively affect intermediate and lifelong learning. He further suggests that service quality is complex, as it is concerned with the physical, institutional and psychological aspects of higher education. Studies by Bauer (1992), Cheng and Tam (1997) and Pounder (1999) illustrate that, as with other services, the concept of quality can be interpreted in a number of different ways when applied to higher education.

This paper is analysing students' perceptions of the factors that enhance service quality in higher education by using "service-product bundle" as the bundle provides inseparable offerings of many goods and services appropriate for educational institutions.

Demographic Variables

Previous studies have provided inconclusive evidence of the role demographic variables such gender, year of study, programme of study and nationality play in influencing students' perceptions of the service quality. According to Brody and Hall (1993), Dittmar *et al.*, (2004) and Matilla *et al.*, (2003), gender may impact on perceptions of interaction quality, physical environment quality, outcome quality and systems quality due to gender role socialization, decoding ability, differences in information processing, traits, and the importance placed on core or peripheral services. Laroche *et al.*, (2000) suggest that females tend to rely more heavily on the service environment and tangible cues in their environment to make service evaluations. Males, on the other hand, consider less information and tend to take shortcuts in making decisions. Males have been found to be outcome-focussed in valuing efficiency more than personal interaction during a typical service interaction compared to females (Matilla *et al.*, 2003). Iacobucci and Ostrom (1993) find gender differences with regards to the importance placed on core and peripheral services.

With regards to the year of study, Corts *et al.*, (2000) conclude that there is no significant difference between junior and senior students' perceptions of satisfaction. Hill (1995) finds that students' expectations are stable over time which suggests that they were probably formed prior to arrival at university. However, students who have been studying for longer perceived there was a reduction in their quality experience indicating that this was less stable. Arambewela and Hall's (2009) findings indicate that the importance of the quality factors related to both educational and non-educational services varies among nationality groups. Oldfield and Baron (2000) conducted a study on business students' perceptions of service quality in a UK business and management faculty and found that, in

order to enhance students' perceptions, the limited resources have to be allocated accordingly across the course cohorts. Many studies have been conducted on the experiences of business students as this programme seems to be a popular choice at educational institutions. This study is analysing business students' perceptions of factors that enhance service quality in higher education and the influence demographic variables have on the results.

METHODOLOGY

A quantitative sample of 100 students has been surveyed at a private educational institution in Malaysia. A convenience sampling method was used to distribute the questionnaires to the students.

A questionnaire based on the importance elements of Douglas *et al's.*, (2006) service-product bundle has been adopted in this study. The five sections (A, B, C, D and E) of the questionnaire were developed to determine the importance various elements of the service-product bundle to students studying at a private educational institution. Section A consists of four questions on facilitating goods and five questions on physical facilities. Section B consists of six questions on explicit services and Section C consists of eleven questions on implicit services. These twenty-six items utilized a 5-point Likert scale ranging from very unimportant (1) to very important (5). Section D seeks to obtain the descriptive and demographic information relating to the students. Section E provides space for the respondents to share additional comments.

RESULTS

Respondents' Profiles

The profiles of the 100 students who responded to this study are presented in Table 1.

Table 1: Respondents' Profiles

	Profile	Percentage (%)
Gender	Male	48.0
	Female	52.0
Year of Study	Year 1	40.0
	Year 2	24.0
	Year 3	36.0
Nationality	Local	72.0
	International	28.0
Programme of Study	Bus. Administration	10.0
	Accounting	24.0
	Int. Business	22.0
	Fin. Planning	19.0
	Marketing	25.0

Reliability of the Instrument

Reliability tests (Cronbach's alpha) were carried out to ensure that the variables are consistent. Reliability that is above 0.80 according to Sekaran (2003) is considered good and the range of 0.70 can be considered as acceptable. He further states that reliability that is less than 0.60 is considered poor. The results are presented in Table 2 and illustrate that the overall internal reliability of the factors in this study is considered satisfactory.

Table 2: Reliability Coefficient for Importance Elements

Elements	Number of factors	Importance elements
The facilitating goods	4	0.792
The physical facilities	5	0.862
The explicit service	6	0.803
The implicit service	11	0.869

Student's Perceptions of the Importance of Specific Factors

To analyse the students' perceptions of the importance of specific factors, the rank of order of factors based on mean scores were computed. Information presented in Table 3 illustrates that students perceive factors such as staff teaching ability, knowledge level of staff, university environment, consistency of teaching, and approachability of teaching staff as most important. Factors that are least important include recreational amenities, decoration, catering, supplementary handout documents/ materials and recommended modules. Basically all the factors seem to be important as no factors seem to be below 3.0.

The Influence of Descriptive and Demographic Variables on Student's Perceptions

A one-way analysis of variance (ANOVA) was used to test for differences over descriptive variables, with a single independent variable being tested at a time. The dependent variables were the mean student rating for the elements in the "service-product bundle" such as facilitating goods, physical facilities, explicit services and implicit services. The independent variables analysed were gender, nationality, year of study and programme of study. The results of the ANOVA (Bonferroni method) reporting the significant differences that exist can be seen in Table 4. Significant differences exist only with regards to implicit services and programme of study and for gender and facilitating goods, explicit services and implicit services respectively.

Table 3: Factors Perceived of Importance by Students -The Mean and Standard Deviation

Ranking	Elements	Mean	Std. deviation
1	Staff teaching ability	4.48	0.83
2	Knowledge level of staff	4.37	0.94
3	University environment	4.32	0.70
4	Consistency of teaching	4.24	0.74
5	Approachability of teaching	4.21	0.94
6	staff	4.18	0.83
7	Feeling that best interests are	4.10	0.93
8	served	4.08	0.84
9	Lecture and tutorial	4.08	0.82
	Competence of staff		
10	Sense of competence,	4.07	0.85
11	confidence and	4.07	0.83
	professionalism of lecturers		
12	Friendliness of teaching staff	4.06	0.93
	Sense of competence,		
13	confidence, and	4.04	0.73
14	professionalism of lecturers	4.00	0.88
15	Respect for feelings, concerns	3.99	0.91
16	and opinions	3.98	0.85
	Availability of staff		
17	Concern shown when have	3.93	0.85
18	problems	3.91	0.81
19	Presentation slides	3.79	0.84
	Feelings that rewards gained		
20	are consistent with efforts	3.77	0.78
21	Level of difficulty of subject	3.76	0.85
22	content	3.67	0.79
23	Workload	3.58	0.95
	Ease of making appointments		
24	with staff	3.54	0.91
25	Lighting and layout	3.50	0.74
26	Lecture theatres and tutorial	3.44	0.87
	rooms		
	Recommended module		
	Supplementary handout		
	documents/ materials		
	Catering		
	Decoration		
	Recreational amenities		

Table 4: ANOVA Tests

Importance Elements	Descriptive Variables					F Ratio	Sig.	Sig. Difference
	Programme of Study ¹							
	FP	BA	A	IB	MK			
Importance of Implicit Services	4.33	3.83	3.89	4.29	4.05	3.175	.017	FP>BA,A
	<i>Gender</i>							
	Male	Female						
Importance of Facilitating Goods	4.05	3.63				9.410	.003	M>F
Importance of Explicit Services	4.36	3.89				18.698	.000	M>F
Importance of Implicit Services	4.25	3.96				7.255	.008	M>F

CONCLUSION AND IMPLICATIONS

This paper evaluates student’s perceptions of the importance of factors that contribute to service quality in the higher education sector, analyses the influence that variables such as gender, nationality, year of study, and programme of study have on the results, and discusses the implications of this research. Students’ opinions, perceptions and suggestions are valuable because students “co-produce” educational services. As stated by Cooper (2007), educational success depends on the efforts of students as well as educational providers. Lovelock (2007) suggest that education involves mental-stimulus processing which means that students evaluate the manner in which services are provided and delivered to them. The results from our study illustrate that students appreciate and place more importance on the quality of teaching and learning elements than physical and facilitating goods. This finding is similar to the studies conducted by Douglas *et al.*, (2006), Sapri *et al.*, (2009) and Voss and Gruber (2006).

Educational institutions should focus on the factors that students feel are important such as the quality of teaching and learning, and allocate more resources to hire the right staff and to provide training and staff development programmes to enable staff to continuously satisfy students. Teaching staff should also reflect their willingness to assist students and be more approachable; not just in the classroom, but also by providing some consultation hours that are flexible to students. Even though students place less importance on physical facilities, these facilitate the interaction process. As such, providing comfortable and conducive learning environment can enhance the core service provided by educational institutions.

¹ **FP**-Financial Planning **BA**-Business Administration **A**-Accountancy **IB**-International Business **MK**-Marketing

The results of this study indicate that quality is vital to students. Educational institutions need to focus on the factors that can be linked to quality education and to be able to sustain them in the future. With regards to quality improvement, educational institutions could consider introducing quality standards for explicit services and enhancing the quality of teaching and learning aspects. It is important for educational institutions to actively monitor the quality of services they offer and to commit to continuous improvements.

Being exploratory in nature, a small sample size from one institution was obtained for this study and therefore care must be taken in generalising the results. Future research should consider using larger and more randomized sample size. Since competition is intensifying in this sector, evaluating the role of students towards enhancing quality education will enable educational institutions to achieve competitive advantage and to position themselves strategically for future success.

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