

## Measuring the Students' Satisfaction and Service Quality Perceptions of Private Sector Higher Education Institutions

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Private sector higher education institutions tussle for competitive advantage in the business community. Students' satisfaction and service quality are the driving forces and challenges for private sector HEIs. The fair evaluation of service quality in education sector helps in effective preparation and implementation of educational plans and strategies. This research paper is an attempt to measure student satisfaction by comparing student perception and students' expectations. Factor analysis approach and satisfaction grid are used in data analysis. Factor analysis and Varimax Rotation point out those lacking areas of service quality that needs improvements. Furthermore, satisfaction grid was applied. Satisfaction grid served as a map to guide HEIs management to act by considering gap scores ranking.

**Keywords:** Student Satisfaction, Service Quality, Student Expectations, Student Perception, Satisfaction Grid.

### INTRODUCTION

Education is one of the basic needs of human beings for their development and to get rid of poverty (Sivakumar & Sarvalingam, 2010). Education assists in national development and for a prosperous society. Education is the sole responsibility of government (Rahman & Uddin, 2009). So, government should ensure flow of students in higher education. Higher education has more impact on society socially and economically (Brennan & Teichler, 2008). If government, ensure quality of education in higher education then it will be in the society's interest also. Government can ensure quality by maintaining, monitoring and enhancing quality standards by following various systems, rules and procedures. Furthermore, HEIs should ensure quality standards if they want to be sustainable in the market in which they are operating. Such institutions may be for profit or not for profit organization.

In today's competitive era, quality of higher education is measured by four dimensions: students' qualification, faculty qualification, academic factors and the administrative system (Akareem & Hossain, 2016). Furthermore, study of Akareem and Hossain (2012) stated that students' characteristics (current status and socio-economic background) influence perception of quality of higher education.

Many students go abroad by availing various foreign scholarships just for quality higher education. Resultantly, a huge amount of money is spent outside the country and home country missed the economic opportunity. Such local students can be retained by maintaining quality standards in higher education institutions. Management of HEIs should create an attractive image of quality education in universities.

Higher education institutions are now changing their concerns from quality to quantity. Economies are now focusing more on the development of their higher education system to ensure quality standards of education. Globally there has been remarkable success in expansion of tertiary education. It is up to 33% now, which was only 19% in 2000. (UNESCO, 2016) a

number of factors are responsible for this rapid expansion in higher education. Such factors are: governments are responding to increase in demand for higher education (Marginson, 2016). Secondly, knowledge based economies have now drive for national economic development and competitiveness (Bloom, Canning, & Chan, 2006). Thirdly, Profit motive of private sector that attract the market to business investors (Kinser et al., 2010).

This rapid expansion in higher education led to degradation of quality of education in various areas of poor physical infrastructure, overcrowded classrooms, irrelevant curricula, and academic staff having no minimum qualification required. (Altbach, Reisberg, & Rumbley, 2019; Salmi, 1992; Tettey; Tilak, 2013). HEIs management must pay attention to the infrastructure, minimum qualification of academic staff, perception of students as well as their learning outcomes.

Private sector HEIs are facing difficulties in improving its quality of education. Quality of education can be improved by focusing on stakeholders' interest, Student satisfaction and continuous improvement. Student satisfaction is used to assess quality of education by comparing their expectations with perceptions. Students has the ability to address their strategic needs (Cheng & Tam, 1997). Quality of education is measured by the extent to which students needs and expectations are satisfied and fulfilled. Quality is the aggregate of inputs, processes and outcomes (UNICEF, 2000) and (United Nations Educational & Organization, 2004).

The main objective of this research is to elaborate contours of the problems that needed immediate action of HEIs management.

### LITERATURE REVIEW

"Customer's perception is your reality". Kate zabriskie. Customer loyalty is the main element in any business venture's critical and ultimate success (Almurshidee, 2018).

Perceived service quality is a "global judgment or attitude relating to the superiority of the service" (Ananthanarayanan

Parasuraman, Zeithaml, & Berry, 1988). The service quality Gap concept that is most important is “expected service-Perceived service gap (P-E) presented by Anantharanthan Parasuraman, Zeithaml, and Berry (1985), operationally defined as perception minus expectations (P-E). Perception is defined as “consumer beliefs about services received” (Anantharanthan Parasuraman et al., 1985) or “experienced services” (Brown & Swartz, 1989). Expectation is defined as “desires or wants of consumers’ .what they feel about a service provided or offered rather than what would offer” (Anantharanayanan Parasuraman et al., 1988).

Assume that a student is planning to get enrolled in a business school that would equip him with advanced research techniques the student read the catalogue of a postgraduate program of a business school and came across the specific subject. Advance research techniques being offered. Further, assume that this subject/course is a new addition to the Business school. Hence, the student has no opportunity to have discussion with other students of that business school. Based on the description of course provided in the catalogue the student believed that he/she will get knowledge and skills by getting enrolled in the class. This belief of the student is termed as “expectations” (E). When the student got enrolled in the class he/she acquired an attitude towards the class. An attitude is an evaluation of goodness or badness of an object. The student enrolled in the class and found his or her expectations confirmed (satisfies), or negatively disconfirm (dissatisfaction). Disconfirmation is the discrepancy between expectations of the class and perception (what he perceived) from the class. Hence, if student feels that performance is less than expectations, then negative disconfirmation occurs; if performance matches expectation, then confirmation occurs and if performance exceeds expectations then positive disconfirmation occurs (Bearden & Teel, 1983; Cadotte, Woodruff, & Jenkins, 1987; Oliver, 1980).

Students perceived service quality has three dimensions: requisite elements, acceptable elements and functional elements. Requisite elements assist students to fulfill their study obligations while acceptable elements are desirable but not essential to students and functional elements are of practical nature. Perception of service quality elements changes over the time period of study (Oldfield & Baron, 2000b). Literature elaborates that service quality aspects of higher education has concentrated focus on effective course delivery, quality of courses and teaching methodology (Athiyaman, 1997; Bournier, 1998; Cheng & Tam, 1997; McElwee & Redman, 1993; Palihawadana, 1996; Soutar & McNeil, 1996; Varey, 1993). Education quality is one of the issues Universities are working to achieve. Thus, the continuous improvement in higher education quality made measuring the quality of higher education services mandatory (Monsef, 2015).

Undergraduate students perceived vary about the courses with the passage of time over years of study program. Students of all years have same perception regarding elements of service quality that are: physical environment, or the availability of academic staff (Oldfield & Baron, 2000b). According to

Fatima, Fatima, and Fatima (2019) by providing improved service quality to HEIs will definitely contributes to policy makers, budget allocation committees and stakeholders so as to achieve competitive advantage. HEIs have various stakeholders with varying interests. Stakeholders mean any group of people who are affected or can affect the organization objectives. These are students, parents, society, government, and faculty members, current and prospective employers. Colleges and universities are different from business concerns as they are answerable to external environment (Bahrami, 2016).

According to Fatima, Ahmed, Fatima, and Fatima (2018) students of private sector HEIs need to improve their expectations in areas of laboratories, equipment, maintenance, upgrading libraries, computer laboratories, research, publications so as to meet quality education. McCowan (2018) identified multiple factors that underpin the challenges private sector HEIs are facing in maintaining quality of education. Such challenges are: Resources (staffing and physical resources), Governance (marketisation, quality assurance and quality enhancement, corruption, engaging academic staff and empowering students) and Pedagogical culture (curriculum offering, teaching methods and pedagogical relations and exam culture). According to Fatima, S. & Ahmad, A. (2020) HEIs can improve service quality by fulfilling student expectation by way of appropriate communication skill, promoting educational quality standards, syllabi contents and students’ feedback.

#### **RESEARCH METHODOLOGY**

Questionnaire was used to collect responses from ten private sector HEIs of Lahore. The questionnaire was adapted from the study of (Abdullah, 2005). Questionnaire has 48 attributes classified into five factors namely reliability, tangibility, responsiveness, assurance and empathy. The data collection process was administered personally by visiting ten private sector universities having campuses in Lahore. It was targeted at final year students from multidisciplinary educational programs. 162 questionnaires were collected completely and correctly filled yielding 77% response rate approximately.

#### **DATA ANALYSIS**

An initial factor analysis was carried out to measure the gap scores that is perception (P) minus expectations (E). Principal component analysis and Varimax rotation were used as data analysis techniques. By following factor analysis ,loadings having values less than 0.50 were dropped from further analysis (Hair, Black, Babin, Anderson, & Tatham, 2009) .The attributes having loadings less than 0.50 elaborates these lacking areas of service quality: (T20) library is equipped with latest up to date international books, journals etc, (T21) laboratories are well equipped with latest research equipment’s and facilities, (T24) up-to-date computer laboratory having free access to international journals ,books etc, (T25) university helps in research work publication, (A42)fair evaluation of teaching and proper feedback from students,(RL7)relevant case studies are discussed in class, (RL8) focus on communication skills of students, (RL9) course contents are in collaboration with national and international educational standards, (T14) complete details of all programs are provided in the prospectus,

(T15) attractive appearance of university campus, (RS35) university declares results within stipulate time period, (E44) University promotes academic culture, (E47) University get feedback and opinion from students for further improvement in teaching and quality standards.

Service quality gap scores are obtained by taking the difference between expectation and perception scores. Positive gap scores show positive perception or satisfaction. while negative gap scores indicate dissatisfaction. The result of data analysis indicates negative service quality gaps. Our result shows huge negative gaps in two attributes that are: (RS35) university declares result within stipulate time and (E47) university management is willing to listen to students' opinion and feedback that will helps in future improvement of quality of education. Results also show that large negative gaps are either the result of high expectations or a low perception.

**Table 1: Mean Gap and Satisfaction Grid Results**

FACTORS	MEAN EXPECTED SCORE	MEAN PERCEIVED SCORE	MEAN GAP SCORE	ACTION ON SATISFACTION GRID
RL7	3.6855	3.5123	-0.1732	(b)
E47	3.7778	3.3827	-0.3951	c
RL9	3.7707	3.4815	-0.2892	b
T14	3.7391	3.7099	-0.0292	a
T15	3.6025	3.4815	-0.121	(b)
T20	3.7453	3.4877	-0.2576	b
T21	3.6855	3.5309	-0.1546	(b)
T24	3.7296	3.5556	-0.174	b
T25	3.6173	3.2901	-0.3272	c
RS35	3.8302	3.2840	-0.5462	c
E44	3.6296	3.3827	-0.2469	c
RL8	3.8868	3.5123	-0.3745	b
A42	3.9444	3.5864	-0.358	B

Note: Abbreviations used here are: RL for Reliability, T for Tangibility, RS for Responsiveness, E for Empathy, A for Assurance.

**Table 2: Factors and Attributes That Affect Overall Satisfaction**

FACTORS	COURSE	MEAN GAP SCORE
Reliability		
RL7	Relevant case studies are part of lecture	-0.1732
RL8	Communication skills of students	-0.3745
RL9	Course contents should be in line with national and international educational standards.	-0.2892
Factor 2: Tangibility		
T14	Prospectus contains all the complete details of all programs offered by university.	-0.0299
T15	University has attractive appearance.	-0.121
T20	Libraries has latest books, journals, newspapers, magazines etc.	-0.2576
T21	Laboratories are well equipped with latest scientific instruments and chemicals.	-0.1546
T24	Computer laboratories are up to date having access to international journals and downloading facilities of various e books.	-0.174
T25	University facilitates the environment of research work publication	-0.3272
Factor 3: Responsiveness		
RS35	University declared results within stipulated time period.	-0.5462
Factor 4: Assurance		
A42	Fair evaluation of quality of teaching and proper feedback in evaluation process	-0.358
Factor 5: Empathy		
E44	University promotes academic culture	-0.2469
E47	University management is willing to listen to the students' opinion and their feedback that is helpful in setting and implementing educational goals and strategies.	-0.3951

**satisfaction grid evaluation**

	Very unsatisfactory	unsatisfactory	adequate	satisfactory	Very satisfactory	
Very important	E Urgent need for immediate action	D Action in this area has high priority	C This area to be targeted for future	B Ensure no slippage, improve	A Maintain excellent standards	4.1

		improvement	where possible			
important	E Action to substantially improve this area	d Target this area for improvement	c ensure no slippage	b Maintain standards	a avoid overskill	3.9
Not so important	(e) Improve where resources permit	(d) Ensure no future slippage	(c) Restrict attention	(b) Maintain standards	(a) No need for action here	3.7
	2.8	3.0	3.2	3.4	3.6	3.8

Source: Satisfaction grid for satisfaction and importance scores (Watson et al., 2002)

Anathanarayanan Parasuraman, Zeithaml, and Berry (1994) stated that service gaps scores serves as superior diagnostic value and provides more information as compared to considering only perception (P) values. While using gap scores in analysis, the satisfaction grid was applied by following (Watson, Saldaña, & Harvey, 2002), a satisfaction grid was developed to identify and portray the areas of large negative service gaps that need more attention of HEIs management. The satisfaction grid assists HEIs management in decision making and implementing strategies. The rationale of satisfaction grid is that management of HEIs can easily act based on satisfaction ratings. The satisfaction grid analysis shows that the attributes (RS35) and (E47) needs high alert attention of HEIs management to act.

**CONCLUSION & RECOMMENDATIONS**

An attention to focus on service quality in HEIs heightens its need. Main objective of this research was to get information on service quality gaps. Final year students from various educational programs were involved in the study to tap their satisfaction levels by comparing their expectations with perceptions. Satisfaction grid was used to identify areas of priority for further improvement. The results of this research will assist HEIs management in decision making and improving their service quality levels.

It is recommended on the basis on data analysis that huge service quality gap score elaborates those weak areas of service quality that needs high alert attention of HEIs management to focus on its improvement and take immediate steps accordingly. Results suggest that private sector HEIs management should declared their results within stipulated time period furthermore university management should follow a channel of listening to students opinions and feedback regarding quality of teaching and service quality that will assist in future improvements.

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