6th International Research Symposium in Service Management, IRSSM-6 2015, 11-15 August 2015, UiTM Sarawak, Kuching, Malaysia

Evaluation of Service Quality of Private Higher Education using Service Improvement Matrix

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Abstract

In the quest for academic excellence, the government of Malaysia is very concerned about the quality of higher education institutions. Higher education is increasingly recognized as a service industry, and this puts a greater emphasis on meeting the expectations and needs of its participating customers who are the students. Due to intense competition, many universities and colleges face declining student enrolment and there is a need to address the problem of the quality of programmes and services offered. This study evaluates the service quality of a Malaysian private higher education institution with the objective of determining what constitutes the service variables in the education industry. Using gap analysis, it examines whether there are any service gaps in the individual service quality attributes. Five specified dimensions, namely tangibles, empathy, assurance, reliability and responsiveness at the educational institution, were examined. Data was collected from respondents using a well-structured questionnaire designed and adapted for the provision of educational services in line with SERVQUAL dimension scale. To achieve this, students as respondents were surveyed on their expected and perceived service quality rendered to them and their opinions garnered on whether service quality has had any effect on their satisfaction. A total of 150 questionnaires were distributed to students who had enrolled at the educational institution. Using service gap analysis, the findings indicated negative gaps for empathy and assurance dimensions. With the aid of service improvement matrix (SIM), satisfaction based on service perception and importance based on service expectation were plotted on a two-dimensional grid. This allowed for service improvement decisions to be made such as service improvements that are both necessary (low satisfaction ratings) and important for students (high importance ratings). Service strategies are recommended to managers to improve service quality and promote student satisfaction.

Keywords: service quality; service improvement matrix; private higher education

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1. Introduction

With globalization and the liberalization of higher education in Malaysia, universities and colleges face new challenges. Given this head-on competition, universities and colleges have no choice but to improve the quality of their programs and graduates so that they can compete globally and attract students. Higher education is increasingly recognized as a service industry, placing greater emphasis on meeting the expectations and needs of its participating customers namely the students.

The current trends in higher education industry in Malaysia are driven by globalization and quality focus on teaching and learning to turn Malaysia into an education hub resulting in the setting up of many public and private colleges and universities (Grapragasem et al., 2014). Currently, there are 160 public HEIs and 463 private HEIs registered at the Malaysian Qualifications Agency (www.mqa.gov.my/mqr). In its governance of public and private HEIs, assurance in quality education is closely monitored by the setting-up of the Malaysian Qualifying Agency (MQA). According to 2012/2013 Malaysian Quest Evaluation System of Private Colleges (MyQUEST) rating to evaluate the quality performance of students and programs, it was found that about 50% of the private colleges achieved Tier 1(weak) to Tier 3 (good) (http://www.moe.gov.my). As there are now many HEIs, both public and private in the higher education industry are jockeying for market position and fighting for a share of the student market, it is inevitable that stiff competition and rivalry prevail amongst them.

Hence, there is a need to focus on the understanding of how students perceive service quality. Efforts are needed to monitor both local and international initiatives and ensure quality is integral to the higher education environment. Since students are now being viewed as the primary customers of the HE service in Malaysia, service expectations and perceptions play a key role regarding the quality perceptions which students ultimately develop. It follows then, that PHEIs should take appropriate steps to manage such expectations. This study tests the SERVQUAL dimensions (tangibles, empathy, assurance, responsiveness and reliability) in a private higher education within the Malaysian context.

2. Problem statement

Higher education has become a competitive enterprise among both private and public HEIs. In view of the increasing competition in higher education industry, many private colleges and universities face the challenging problems of declining student enrolment, poor strategic marketing planning, intense competition between other private college or universities that offer the same courses and service quality found wanting. The quality of education is an important factor that is considered for attracting and retaining the students as it is a substantial investment made by their parents.

The Malaysian Quality Accreditation (MQA) raised their standard qualification requirement for student's enrolment since 2012 from five (5) credits to only two (2) credits based on SPM (Sijil Pelajaran Malaysia) for private higher education institution (PHEI). This has limited the students' enrolment and many PHEIs have to compete for students and face difficulties of having to meet targeted student intake.

More recent studies of service quality in education were focused on higher education as more universities and colleges clamor and compete to gain some ranking and accreditation in their programs and institution. Hence, in the the quest for internationalization of quality in education, assurance of service quality takes center stage. Service quality enhances a university's image (Sultan and Ho, 2012).

The high level of competition among private colleges that offer similar courses has not made it any easier. For example, a private college here offers niche safety courses for diploma students faces four competitors that also offer the same courses. Hence, delivering quality service has become an important goal for most HEIs and to distinguish it among other common competitors.

The perceived quality by students today changes rapidly especially with new technologies, techniques, skills and knowledge needed in the field of their studies. The most apparent change is the need to know their customer needs from different groups of students and different program requirements because most students from every intake come with different needs and expectations. There was also a lack of quality assurance measures to assess student satisfaction towards services. Quality assurance of services influences the perception of the students towards their knowledge and ability to build the student trust. The lack of quality assurance in their marketing approaches and