Enhancing Service Quality in Higher Education

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Abstract: The service sector is now playing an increasingly important role in the economy of many nations including India. The success of any service industry depends heavily on service quality. Higher educational institutions also represent a crucial component of the service sector hence service quality is crucial to their survival in a competitive marketplace. Measuring service quality in higher education institutions is a challenging endeavor, and many commonly used institutional measures of quality may be of limited importance to students. Moreover, many higher education institutions in India erroneously feel that students are a captive audience and the demand for their educational services is inelastic. This paper draws attention to the fact that as competition intensifies between private, public, and online education providers, this attitude will have to change and they will have to lay greater emphasis on improving service quality. This essentially means that they will have to develop techniques to measure the quality of educational services which are different from those currently prevalent and which are focused on their primary stakeholders—the students. This paper discusses the importance of the five factors of service quality which are deemed critical from the customers’ point of view namely core service or service product, human and non-human element of service delivery, tangibles and social responsibility, and argues that each one of these factors is as applicable to the higher education sector as they are to other service sectors. Higher educational institutions whether at undergraduate or postgraduate level must formulate a distinctive service proposition—a proposal regarding how they will choose to serve students, and implement it through a strategy of policies, practices, and procedures which are oriented towards the student as a customer so as to survive in the current competitive scenario.

Keywords: Service quality, higher education, competitive advantage, students.

I. Introduction

Palmer (2011, p. 2) defines a service as: “The production of an essentially intangible benefit, either in its own right or as a significant element of a tangible product, which through some form of exchange, satisfies an identified need.” The service sector has grown considerably since the 1970s and services are now playing an increasingly important role in the economy of many nations (Abdullah, 2006). There appears to be a positive relationship between economic development of a country and its service sector; developed economies are increasingly more service oriented (Palmer, 2011). For instance, in the United Kingdom approximately 77% of workers are employed in the service sector. The services sector a heterogeneous sector comprising a wide range of activities including trade, hospitality (hotels, restaurants), transportation, communication, entertainment, health, education, public services and so on also currently accounts for more than half of India’s Gross Domestic Product.

II. Service Quality: Meaning And Importance

As the significance of the service sector increased the construct of service quality also became a prominent research topic for many service marketers and researchers over the last three decades. Baron et al., (2009, p. 167) maintain that: “Service quality is the single most researched area in services marketing to date.” Despite the quantum of research in this area many researchers have found it difficult to properly define and measure service quality (Parasuraman et al., 1988). This is primarily due to the unique characteristics of services, specifically, intangibility, inseparability, perishability and lack of ownership (Zeithaml et al., 1985). Crosby (1979, p. 15) provides one of the earliest definitions of quality, suggesting that it is “the conformance to specifications.” Lewis and Booms (1983, p. 100) defined service quality as: “…a measure of how well the service level delivered matches customer’s expectations.” According to Parasuraman et al. (1988), service quality arises from a comparison of a consumer’s general expectations from a firm with their actual perceptions of a firm. So, the level of service quality can be measured in terms how much the service provided to consumers exceeds their expectations (Lovelock and Wirtz, 2011). The services marketing literature focuses on quality in terms of perceived service quality (Nadiri et al., 2009). Perceived service quality results from the comparison of customer service expectations with their perceptions of actual performance (Zeithaml et al., 1990), and is seen as a global judgment of the service (Parasuraman et al., 1988). Athiyaman (1997) extends this idea, claiming that perceived service quality is an overall evaluation of the goodness or badness of a product or service. This indicates that there appears no general consensus between academics about a definitive definition for service quality.

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Despite the lack of consensus on its definition and measurement there is no denying the fact that service quality as a construct is important to researchers and organizations alike. Service quality is particularly important for organizational growth and differentiating one service experience from another (Parasuraman et al., 1985). Where there is competition, the quality of the service experience becomes an important factor in buyer decision-making (Cuthbert, 1996). Organizations are operating in extremely tough environments, and improving service quality is crucial for gaining a competitive advantage (Baron et al., 2009; Parasuraman et al., 1985).

According to Lovelock and Wirtz, (2011) poor quality is likely to result in dissatisfied customers and such a customer will opt for a competitor, thus placing the organization at a disadvantage. Service quality is widely regarded as a driver of corporate marketing and financial performance (Buttle, 1996). Service quality is supposed to have a relationship with costs (Crosby, 1979), profitability (Rust and Zahorik, 1993), customer satisfaction (Cronin and Taylor, 1992) and customer retention (Bolton and Drew, 1991). Good service quality is commonly associated with increased profitability, customer satisfaction, customer loyalty, customer retention, customer attraction and positive word of mouth (Abdullah, 2006; Nadiri et al., 2009; Voss et al., 2007).

In the early 1990s, conditions created by foreign competition and deregulation compelled business organizations to emphasize quality customer service. These organizations realized that their continued profitability depended on customer satisfaction and loyalty, which, in turn, is influenced by their meeting customers’ expectations. In order to increase market share and gain competitive advantage, businesses focused on meeting or exceeding their customer’s expectations.

III. Higher Educational Institutions As A Service Industry
Institutions in the higher education sector especially in countries like India were previously not regarded as “profit-making organizations”. However the current economic climate, cut in government funding and international competition in the post globalization and liberalization era have created a scenario where institutions of higher education are becoming business entities, competing for resources and students, both in the local and international market (Paswan and Ganesh, 2009). Many higher education institutions, faced with an increasingly competitive environment, are feeling the need to replicate business models measuring service quality (Milakovich, 1995). Higher educational institutions must now consider themselves as a “profit-making organizations” that are operating in a competitive marketplace (Oldfield and Baron, 2000). This means that they should be continually looking for appropriate ways of gaining a competitive advantage.

According to DeShields et al. (2005) higher education management must apply market-oriented principles and strategies that are used in profit-making institutions in order to gain competitive advantage. In a competitive higher education marketplace, the quality of services delivered separates an institution from its competitors. This demonstrates the importance of service quality in gaining a competitive advantage, whilst also highlighting the need to better understand the role that service quality plays in the higher education sector.

IV. Measuring The Quality Of Higher Educational Services
Measuring service quality in higher education institutions is a challenging endeavor. Although there have been continuous efforts on the part of many institutions to improve the quality of their services, much of this improvement has been driven by national accrediting agencies using tangible quality measures. Hence, service quality measurement has focused on technical quality inputs and occasionally on student outputs, rather than on student satisfaction (Darlene & Bunda, 1991). Measuring the quality of teaching in higher education has been a contentious issue, with little agreement on what it is or how to measure it (Gage, 2001; Huber, 2000; Ramsden, 1991).

Commonly, the measurement of institutional quality in higher education is defined predominately by the institutions rather than by the students. In India measurement of quality of higher educational institutions especially universities and affiliated colleges is done by NAAC, and is linked to government funding. Consequently, measures of quality in higher education often focus on areas that contribute to institutional prestige and national stature like test scores of incoming first year students, the level of research expenditures, and the number of faculty and students involved in research. Community outreach and special facilities for disadvantaged social groups are also given prominence. Many of these institutional measures of quality may be of limited importance to undergraduate students. Further ironically the desire to measure up to the standardized parameters laid down by these accrediting agencies creates a situation where day to day teaching and learning and student satisfaction with the same is accorded a low priority. Despite the importance of measuring student satisfaction in institutions of higher education, many institutions are measuring quality indicators other than student perceptions of institutional services. Institutions of higher education serve students, and may well be considered service organizations similar in characteristic to other service industries.

However, measuring service quality in higher education is ridden with complexity due to a number of reasons.
Education as a service does not just depend on the service provider alone but also on the performance of the consumer. This is extremely significant in the context of higher education, as the participation of the student is vital since they play a large role in determining the success of the service. As a result, managing and monitoring the quality of services is increasingly difficult for the service provider (Palmer, 2011). Educational institutions have a number of stakeholders with different opinions, interests and attitudes towards the organization. Each of these stakeholders experiences the institution in different ways. Stakeholders in a higher education institution tend to include students, their parents and family, the local community, society, the government, the governing body, staff, local authorities, and current and potential employers (Aldridge and Rowley, 1998). Due to the variety of stakeholders in higher education, it is natural for perceptions to vary between different stakeholder groups (Appleton-Knapp and Krentler, 2006). According to Gruber et al. (2010) every stakeholder involved in a higher education institution has their own view of quality due to particular needs. Moreover, quality means different things to different people depending on the context being examined (Lovelock and Wirtz, 2011).

Any attempt at improving service quality must begin by defining and identifying the primary stakeholders. Service providers can only deliver an effective service if they know what the customer wants (Gruber et al., 2010), hence the identification of the primary stakeholder is even more crucial. This crucial factor is often ignored by educational institutions and they measure things that may not be important to their primary customers, the students.

V. Students The Primary Stakeholders In Higher Education

According to Hill (1995), students are the primary stakeholders of higher education services. Gruber et al. (2010) views students as the specific and primary target audience, stressing the need for educational institutions to focus on understanding their requirements. Students’ perceptions of the quality of their service experiences should be assessed. Each time a student experiences some occurrence of an institution’s service, that service is judged against their expectations (Parasuraman, Zeithaml & Berry 1985, 1988, 1991). If these institutions focus on understanding how their students perceive the services offered, they may be able to adapt their services to improve student satisfaction. DeShields et al. (2005) argue that the higher education sector needs to continue to deliver a high quality service and satisfy students in order to succeed in a competitive service environment. This could provide the institution with a certain competitive advantage, principally in terms of generating positive word-of-mouth communication between potential, current and future students (Alves and Raposo, 2009).

Institutions should be held accountable for effectively meeting or exceeding students’ expectations of the quality of services it provides. Higher education leaders must be attuned to these changing demands to maintain student loyalty and ensure that their institutions are meeting or exceeding student expectations (Hanna & Wagie, 1989). It is important to respond to student needs, because students’ perceptions of services are likely to impact their choice of continued enrollment or their decision to shift to another institution (Plank & Chiagouris, 1997). Therefore, attempting to evaluate the level of service quality and understanding how different factors impact overall service quality is crucial so that higher education institutions can design their service in the best possible way (Abdullah, 2006). Furthermore, knowing the strengths and weaknesses of different factors and their relative influence may lead to better allocation of resources, resulting in students being provided with an improved service (Abdullah, 2006).

Seymour (1993) proposes that higher education institutions govern themselves by the same general principles as other service industries. In any college or university the faculty and administrative staff are rendering a service to others like students, employers and society. However not many people within colleges and universities are willing to accept this idea. Academia has a number of academicians and administrators that do not acknowledge that they serve customers. Even if they accept the notion that they are providing a service that they feel is so unique and special that none of the standard rules and practices of the service industry apply to them.

Students can be identified as customers of higher education; however, they have several important differences from the typical business customer. Educational institutions often admit students selectively based on certain academic standards and requirements. Businesses usually don’t do that. In fact, they do not ordinarily prevent perspective customers from purchasing their products and services. Students do not totally pay for the full cost of their tuition and fees. These expenses are sometimes covered by payments from parents, state subsidies, scholarships, and student loans. In business, customers generally pay for their purchases with their own funds. Another difference is that once students are admitted they are continually tested and graded to determine how well they have learned their lessons. They must maintain their good academic standing in order to be able to take more advanced courses and complete their programs of study. Businesses do not do that to their customers.

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Despite these differences, students are generally acknowledged to be the primary customers of higher education (Hill, 1995; Meirovich & Romar, 2006). Martensen, et al. (1999) stated that “without students to teach... there is no business for higher education institutions, no research to conduct or service to provide” (p. 372). However, many higher education institutions in India erroneously feel that students are a captive audience and the demand for their educational services is inelastic. As competition intensifies between private, public, and online education providers, this attitude will have to change and they will have to lay greater emphasis on improving service quality. This essentially means that they will have to develop techniques to measure the quality of educational services which are different from those currently prevalent and which are focused on their primary stakeholders – the students.

Higher education institutions must continue to deliver a quality service and satisfy its participating customers in order to achieve sustainability in a competitive service environment. Accordingly, the higher education sector must strive to deliver a high quality of service and satisfy its students, to achieve sustainability in a competitive service environment (DeShields et al., 2005). Nadiri et al. (2009) point out that it is crucial for higher education providers to understand students’ expectations and perceptions of what constitutes a quality service in order to attract students and serve their needs. According to Brown and Mazzarol (2009) universities can only be successful as long as their students are being offered something that they wish to buy, at a quality they feel is acceptable. It is likely that students base their continued enrollment at higher education institutions, in part, on how well an institution’s programs and services meet their expectations (Plank & Chiagouris, 1997). Students come in contact with the institution in a variety of ways, each time forming impressions about the service encountered. These encounters are what should be measured to gauge student perceptions. When students are dissatisfied with an institution’s services, they are more likely to leave and join competitive institutions (Plank & Chiagouris, 1997). In order to prevent this, the higher educational institution must find out which factors are important to their student customers and how they measure up and make all efforts to improve and render better service.

VI. Critical Factors Of Service Quality In Higher Education

The five critical factors of service quality which are deemed critical from the customers’ point of view are core service or service product, human and non-human element of service delivery, tangibles and social responsibility (Sureshchandar, 2002). Each one of these factors is as applicable to the higher education sector as they are to other service sectors

Core Service or service product - The core service is the “content” of a service. It is the “what” of a service, i.e., the service product is whatever features are offered in a service. With reference to higher education it would refer to the courses offered by an institution. It would also include the curriculum covered by the various programs. State funded and university affiliated educational institutions in India are at a disadvantage as they have limited flexibility in this area. One of the chronic problems plaguing such institutions is that syllabi design and implementation is often caught up in bureaucratic red tape. So changing the syllabi or course structure to suit student demands and expectations is not easy. Hence it is no surprise that these institutions seldom if ever seek student feedback with respect to this factor. Autonomous institutions are in a better position in this regard.

Human element of service delivery - This factor refers to all the human aspects of service delivery, including reliability, responsiveness, assurance, empathy, moments of truth, critical incidents, and recovery. In the higher education segment this can primarily be divided into two categories of people namely, the academic faculty and the academic administrative staff. Here the major problem in India especially within the government funded sector is attitudinal change. Academic as well as administrative staff, in India is yet to fully acknowledge that they are providing a service. A lackadaisical attitude is rampant, as many of them still believe that their customers are fixed and captive have no choice and will not go elsewhere. This may have been true in the pre-globalization period but is gradually changing. Communication technology has increased student awareness about other institutions offering similar courses. Inter institutional mobility is becoming easier as credit transfers are now possible. Further government funding is fast drying up. So, if these institutions do not move out of their comfort zone they may soon find themselves with no students to serve. So this aspect of service quality must be measured and acted on.

Non-human element of service delivery - The processes, procedures, systems, and technology that would make a service a seamless one. Customers would always like and expect the service delivery processes to be perfectly systematized, standardized, streamlined, and simplified so that they could receive the service without hassles, hiccups, or undesired/inordinate questioning by the service provider. Educational institutions especially those in the public sector still depend heavily on human element to deliver even those services which can be more effectively and efficiently handled by modern technology. This human intervention leads to delay and errors.
Even where technology is used it is often not the latest one and hence not able to handle volumes. There is also often a gap between the type of technology needed and that which is available leading to poor service delivery and leaving the student customer frustrated by the service experience. Lack of funds is often cited as a reason for this. However in many cases actual experience shows that there is a mental block towards change. The effective use of the non-human element depends on the human element and this element is not very open to changes. The classic example of this is the hiccups during admission season which have become a yearly feature. Technology is implemented in the form of online registration but the whole purpose is defeated when students are also expected to submit printed forms over and above the online ones. This may not have affected students in the past but in the post-globalization era, as the number of choices before them increase even this factor which might have seemed insignificant may work against an institution. This means that institutions must constantly work towards obtaining student feedback on this element and strive to improve it through constant updating.

**Tangibles of service** - The tangible facets of the service facility, including equipment, machinery, signage, and employee appearance. With reference to educational institutions this includes factors like the college and classroom infrastructure. The basic infrastructure in most of the established institutions was set up decades ago when the courses offered were different. With a rapid increase in the number and type of courses offered that we have seen in recent years they need change. Newer institutions especially private universities are at an advantage and they are using this to market themselves. Public sector institutions need to catch up and renew themselves. A simple thing they can do is to at least maintain cleanliness of their tangibles like college and classroom infrastructure.

**Social responsibility** - The factors that help an organization to lead as a corporate citizen and demonstrating ethical behavior in all its activities in an effort to improve the organization’s image and provide goodwill that may influence the customers’ overall evaluation of service quality and their loyalty to the organization. This would include any community outreach programs that educational institutions have. Educational institutions unlike other services have a distinct advantage in this area because the very nature of their service involves a fulfillment of a social responsibility. This means that if an educational institution wants to set itself apart it needs to go beyond what others in the field are doing. Even if they work within their own student community and then gradually reach out to parents and the locality they would be adding value in this segment. This would require an understanding of their needs and working towards meeting those needs. Greater transparency would also help enhance the institutions image.

Educational institutions with a commitment to serving students focus on the continuous improvement of the students’ experience. It is essential to measure students’ perceived satisfaction with higher education services in order to continuously improve the institution’s study programs, teaching, staff, and facilities. Over time, this continuous measurement provides vital information necessary for effective decision making, monitoring performance, and effectively allocating resources. Such institutions are keen to understand students’ expectations and anticipate their future requirements. In order to do so they listen to their students and gather their feedback regarding items pertaining to the factors mentioned above.

**VII. Conclusion**

Educational institutions functioning in globalized India must realize that providing an institutional service that exceeds students’ expectations does not happen automatically; rather, it must be deliberately managed. In order to effectively manage the quality of services, management must first have a comprehensive understanding of students’ needs and expectations especially with reference to the critical factors mentioned above. Then they must formulate a distinctive service proposition—a proposal regarding how they will choose to serve students, and finally implement it through a strategy of policies, practices, and procedures which are oriented towards the student as a customer (Kotler & Fox, 1995).

The need of the hour is a change in attitude not only towards students but also towards education as a whole. A more professional and business-like approach is needed which treats the stakeholders of institutions and this will determine which institutions will survive and which will perish.

**References**


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