

Service Quality and Students' Satisfaction of Management Campuses of Kathmandu Valley

Gyani Malla Shah
Lecturer, Tribhuvan University
Email: gyanimalla2018@gmail.com

Abstract

Service quality is a campus strategic tool for increasing student satisfaction. This study was conducted to examine the service quality of management campus from student's perspectives and to assess the relationship and impact of reliability, responsiveness, assurance, empathy and tangible dimensions on satisfaction. A total of 314 management students from bachelor (BBS) and master level (MBS) of management program of five constituent campuses of Tribhuvan University inside Kathmandu Valley were taken through using simple random sampling method. Based on SERVEQUAL gapmodel developed by the Parasuraman et al. (1985, 1988a), a set of 5-point Likert scale questionnaire was administered to collect data. Result of the result found a poor service quality or negative meangap in reliability, responsiveness, assurance and tangible dimensions. A strong significant negative impact of mean expectation of responsive dimension was found on service quality gap. On the other hand, mean perception of tangible dimension had strong positive impact on servicequality gap. Result of the study emphasizes on the improvement of quality dimensions of management campuses so as to satisfy students and get strategic advantage in this competitive marketplace.

Keywords: expectation, perception, service quality, Gap model, customers satisfaction

1. Introduction

After restoration of multiparty democracy in 1991, Nepal opened the door for new entrants in the academic industry and brought up opportunities for private and community involvement in higher education through its new market-based economic policy. Thereafter, new universities and education institutions came into market to provide higher education in Nepal (Pokharel, 2013). Pokharel found that in the last half century Nepal witnessed remarkable quantitative growth in educational institutions but the quality could not accompany the quantitative growth. Competition is spread out and increasing day by day in the education sector. In this scenario, campuses need to offer quality services as students' expectation to get competitive advantages, otherwise they may move toward other campuses. Service quality is strategic tool of every campus that satisfies students and helps to survive and grow in the competitive market. Likewise, Nepal can be made a "hub of education" to grape the global opportunities due to

favorable climate, beautiful environment and liberalization policy of the nation if service quality can be improved as students' requirements. In this context, this study has been conducted to examine the service quality of management campuses from students' perspectives, and to assess the relationship and impact of reliability, responsiveness, assurance, empathy and tangible dimensions on service quality gap.

Review of Literature

This study has reviewed the literature on service quality in education, expectation, perception, relationship between service quality and satisfaction which are sequentially presented as follows:

Service Quality in Education

In the higher education environment, the business idea of service quality is renamed as academic service quality, describes class room activities, non-classroom services (availability, reliability, trustworthiness and empathy) provided by administrative staffs and faculties as well as overall environment of campuses (Greiner & Westbrook, 2002). Quality in education is the process of defect avoidance in the education (Crosby, 1979), excellence in education, and meeting or exceeding customer's expectations of education (Parasuraman et al., 1985). O'Neill and Palmer (2001) defined quality in higher education as the difference between what students expect to receive and their perceptions of actual delivery. It is a relative concept, with respect to the stakeholders and the circumstances (Tam, 2001) and can be determined by the extent to which their needs and expectations can be satisfied (Tan & Sei, 2004).

Every stakeholder in higher education (e.g. students, faculties, organizations or employers, parents, government, professional bodies) has its own view of quality due to particular needs. Different interest groups have different priorities. Gronroos (1984), Parasuraman et al. (1985) and Slack et al. (2004) suggested that quality needs to be understood from a customer's point of view. Berry et al. (1988) emphasized that only customers can judge quality; all other judgments are essentially irrelevant. Students are the real customer of campuses, so campuses need to understand their service quality from the students' perspective.

The Relationship between Service Quality and Satisfaction

Higher education institutions are service organizations. They provide the education service to their customers. The terms 'service quality' and 'satisfaction' are often used in an interchangeable manner (Palmer, 2011), causing difficulty when attempting to distinguish between the two theoretical concepts. Like service quality, customer

satisfaction is an abstract and ambiguous concept (Munteanu et al., 2010) and many researchers have attempted to develop a consensus definition for this construct (Giese & Cote, 2000).

Service quality is a major influence on customer satisfaction as customers buy products or services and on whether they continue to do so. Service quality is the customer's perception of the level of success or failure in meeting expectations (Zeithaml et. al., 1990). Service quality is the totality of features and ability of service to fulfill customers' requirements or expectation. Satisfaction has been defined as the perception of pleasurable fulfillment of a service (Oliver, 1999). Parasuraman et al. (1985) described customer satisfaction as the difference between observed and expected quality. Satisfaction can be understood as the discrepancy between expectations and perceptions. Customers get high satisfaction, if their perception about the service quality is greater than the expectation; which is also known as positive disconfirmation. Customers get dissatisfaction if their perception about the service quality is lesser than the expectation, which is known as negative disconfirmation. Also, customers get satisfaction if their perception about service quality equals to expectation.

Outstanding service quality gives an organization a competitive advantage which maximizes growth. Afthanorhan et al. (2019) pointed out that if the perceived service quality gives organization an expected service, where customers recommend the services to others due to the satisfaction experienced. Satisfaction is the level of one's feelings after comparing the performance with expectations (Kurbani, 2017).

The Relationship between Expectations, Perceptions and Satisfaction

Expectation, perception and satisfaction are closely related to measure the performance or service quality, process of service delivery as well as outputs of an organization. Zeithaml et al. (2003) stated that customer expectations are beliefs about service delivery that function as standards or reference points against which performance is judged. They are preconceptions of students about the college environment, its overall services and output. They are the performance anticipated or expected by the students about overall service quality of a college. The expectation may go as far as before the students even enter the higher education, suggesting that it is important to the researchers to determine first what the students expect before entering the university (Palacio et al., 2002). Expectation of students' forms from personal needs, word of mouth communication, and past experiences and it may change according to the changing environment.

On the other hand, perception is the customers' judgment about the service encounter

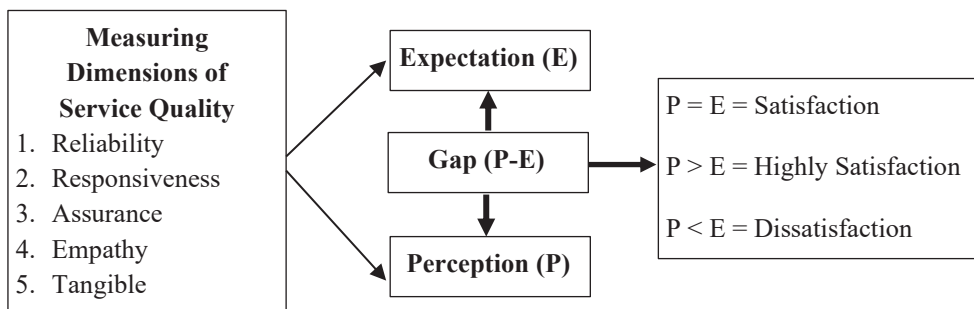
(Zeithaml et al., 1990). It is judged during the process of delivering the service or after consumption of service. Perception emerged after customer experienced the service. Expectation and perception about the service quality are used to measure the satisfaction level of customers.

Measurement of Service Quality and Satisfaction

Parasuraman et al. (1985) proposed that service quality is a function of the differences between expectation and performance along the quality dimensions. This research study has used SERVQUAL model developed by Parasuraman et al. (1985, 1988a) to measure the service quality of management campuses and students' satisfaction towards the service quality. The SERVQUAL model identified five gaps (Gap 1: knowledge gap; Gap 2: standard gap; Gap 3: delivery gap; Gap 4: communication gap; and Gap 5: customer gap or satisfaction gap) that can occur between the client’s expectations and the service provided by the organization. Parasuraman et al. stated that the Gap-5 is the most important gap to close for the customer (service receiver) satisfaction. The Gap-5 of SERVQUAL model has used 5 dimensions (reliability, responsiveness, assurance, empathy and tangible) with 22 statements to measure the service quality of a service organization. Instead, this study used five dimensions with 25 statements. Exploratory study by Parasuraman et al. (1985) revealed that the key to ensuring a good quality of service is by meeting or exceeding what customers expect. If the expectations are met, the perception of quality of service leads to satisfaction and vice versa. Also, students’ satisfaction is achieved when actual experiences meet or exceed their expectation in higher education institutions, where students are considered as primary customers (Paricio, 2017).

This SERVQUAL instrument is used by various researchers to measure service quality in education sectors (Datta & Vardhan, 2017; Enayati et al., 2013; Ibrahim et al., 2013; Kalam & Mahonta, 2017; Rajabil & Rajabi, 2014; Rasli et al., 2012; Sahney et al., 2004). This study has used five dimensions with 25 statement to measure the service quality of management campus and students' satisfaction level (Figure 1).

Figure 1
Conceptual Framework



For this study, reliability is considered as ability of colleges to perform the promised service consistently and accurately. The responsiveness dimension of service quality directly involves the willingness to provide prompt or favorable services by the lecturers and administrative staff to students. The assurance dimension focuses on the ability of staff to inspire confidence and trust. Judgment of high or low service quality largely depends on how the customers perceive the actual performance based on their expectation. Empathy refers to the extent to which caring individualized service is given. It is sometimes a challenge for institutions to exceed customer expectations and demand. Similarly, appearance of physical facilities, equipment, personnel, communication materials, condition of the physical surrounding is covered by the dimension tangible.

2. Methodology

The study is based on descriptive research design. It examined the service quality from students' perspective by using SERVQUAL gap model developed by Parasuraman et al. (1988a). The model is used to analyze the expectation and perception of students about service quality and to assess the service quality gap (P-E). Service quality gap helps to determine satisfaction of students towards service quality of management campuses. A well-structured questionnaire is designed using five-point Likert scale (1=Very Low, 2=Low, 3=Moderate, 4=High and 5= Very High) to know rate values of students' expectation and perception about service quality of management campuses. The survey was conducted at five constituent management campuses of Tribhuvan University inside Kathmandu valley. Convenient sampling method was used to select academic programs, and location of the campuses. Simple random sampling procedure was employed in selecting respondents from 2nd and 3rd year of BBS program and 2nd and 3rd semester of MBS program. A total of 314 students (215 male and 99 female, and 248 of BBS and 66 of MBS program) were selected as sample. Data were processed on SPSS 13 and analyzed using descriptive and inferential statistical tools.

3. Results

Students' Perception, Expectation and Service Quality Gap (P-E)

Students' perception and expectation are taken through well-structured questionnaire that has included five dimensions. Here, Mean Expectation (ME) and Mean perception (MP) and Mean Gap (MG) of five dimensions (reliability, responsiveness, assurance, empathy and tangible) of service quality of management campuses are designed. Parasuraman et al. (1985) stated that satisfaction occurs when service receivers' (students) perception regarding service quality is found equals to their expectation

($P=E$). Students are said to be highly satisfied when students' perception regarding the service quality is found greater than their expectation ($P>E$). On the other hand, students are called dissatisfied when students' perception is found lesser than their expectation ($P<E$) towards service quality. It is examined from the Table 1.

Table 1
Students' Perception, Expectation and Gap

Dimensions	Statements	MP	ME	MG
Reliability	Teaching capability and proficiency of teaching faculties	3.30	3.91	-0.61
	Teaching methods used by the faculties	2.83	3.78	-0.95
	College administration keeps all records accurately	3.06	3.80	-0.74
	College administration provides its services as promises	2.73	3.76	-1.03
	Courses are completed within the promised time	2.81	3.94	-1.13
	Total Mean Value	2.94	3.84	-0.89
Responsive	Teaching faculties provide prompt service to students	3.01	3.85	-0.84
	College administration provides prompt service to students	2.82	3.77	-0.95
	Students' complaints are solved timely	2.53	3.71	-1.18
	Teaching faculties are always willing to help	3.05	3.89	-0.84
	College administration is always willing to help	2.80	3.83	-1.03
	Total Mean Value	2.84	3.81	-0.96
Assurance	Teaching faculties are qualified to answer your questions	3.24	4.08	-0.84
	College staffs have knowledge to answer your questions	3.14	3.92	-0.78
	College has adequate quality faculties to render service	2.92	3.85	-0.93
	Effective and regular classes	2.97	4.01	-1.04
	Total Mean Value	3.07	3.97	-0.89
Empathy	Teaching faculties give students individual attention	2.76	3.77	-1.01
	College staffs give students individual attention	2.59	3.53	-0.94
	College staffs understand specific needs of students	2.55	3.68	-1.13
	Teaching faculties understand specific needs of students	2.79	3.72	-0.93
	The convenient operating hours	2.92	3.60	-0.68
	Total Mean Value	2.72	3.66	-0.93
Tangible	Class room size	3.21	3.92	-0.71
	Well-equipped library	2.94	4.01	-1.07
	Canteen facility	2.80	3.78	-0.98
	Neat and clean college premises	2.99	3.87	-0.88
	Smartness of teaching faculties	3.13	3.92	-0.79
	Smartness of administrative staffs	2.87	3.69	-0.82
	Total Mean Value	2.99	3.86	-0.87

Note. P-values of all mean expectations, mean perceptions and mean gap ($P-E$) values of all dimensions are significant (0.000) at 2 tail at 95% confidence level

According to Table 1, students' mean perception of five dimensions (reliability, responsiveness, assurance, empathy and tangible) about the service quality of management campuses are found 2.94, 2.84, 3.07, 2.72 and 2.99 respectively. Among the five dimensions, the highest mean perception value (3.07) is of assurance dimension. It indicates that the students perceive moderately high level of assurance dimension of the colleges. Remaining in all four dimensions, students have put their response in the "low and moderate" rate value. Likewise, the mean values of expectation are found 3.84, 3.81, 3.97, 3.66 and 3.87 in the reliability, responsiveness, assurance, empathy and tangible dimensions respectively. The highest mean expectation (3.97) is found in the assurance dimension.

In contrast, all service quality gap values of 5 dimensions are found negative. It shows that students are not satisfied with all five dimensions of service quality of management campuses. Among them, the highest negative service quality gap value (-0.96) is found in responsiveness dimension. This indicates that the management campuses need to improve their service quality to meet students' perception.

Impact of Expectation on Service Quality Gap

Regression model 1 (Table 3) was run to reveal relationship between dependent (service quality mean gap of five dimensions) variable and independent variables (Students' expectation on five dimensions) as well as impact of independent variables on dependent variable.

Table 2

Regression Model 1: Impact of Expectation on Service quality Gap (P-E)

Model	Unstandardized Coefficients		
	Beta	t.	Sig
Constant	2.725	10.099	.000
Expectation of Reliability	-.116	-1.364	.173
Expectation of Responsiveness	-.303	-3.221	.001**
Expectation of Assurance	-.107	-1.140	.255
Expectation of Empathy	-.188	-2.111	.036*
Expectation of Tangible	-.232	-3.221	.001**

R square = 51, F=44.246, Sig:0.000, d.f. = 5, 308

Note. Regression model 1 is; Service Quality Mean Gap (P-E) of students (Y) = 2.725 + β_1 -0.116 (Expectation of Reliability) + β_2 -0.303 (Expectation of Responsiveness) + β_3 -0.107 (Expectation of Assurance) + β_4 -0.188 (Expectation of Empathy) + β_5 -0.232 (Expectation of Tangible) + e

* $p < 0.05$. ** $p < 0.01$.

The regression result revealed that the mean expectation of students on all five dimensions has low negative impact on service quality mean gap of management campuses. However, impact of only three dimensions; expectation of responsiveness, empath, and tangible, is found significant. Among them, the expectation of responsiveness has the highest degree of impact with -0.303 Beta coefficient.

Impact of Perception on Service Quality Gap

The regression model 2 assessed the impact of mean perception of five dimensions on service quality mean gap. The regression result (Table 3) revealed that the responsiveness, assurance, and the empathy factors have no significant impact on on the service quality gap. On the other hand, the impact of reliability and tangible is found moderate positive impact at 1% significance level.

Table 3

Regression Model 2: Impact of Perception on Service quality Gap (P-E)

Model	Unstandardized Coefficients beta	t.	sig
Constant	-4.011	-26.811	0.000**
Perception of Reliability	.345	4.635	0.000**
Perception of Responsiveness	.132	1.623	0.106
Perception of Assurance	-.016	-0.212	0.832
Perception of Empathy	.115	1.620	0.106
Perception of Tangible	.430	6.575	0.000**

Note. Regression model 2 is; Service Quality Mean Gap (P-E) of five dimensions (Y) = -4.011 + β_1 0.345 (Perception of Reliability) + β_2 0.132 (Perception of Responsiveness) + β_3 -0.016 (Perception of Assurance) + β_4 0.115 (Perception of Empathy) + β_5 0.430 (Perception of Tangible) + e

4. Discussion

Regarding the expectation of students about the service quality, the highest (3.97) and lowest (3.66) mean expectations values are located in the assurance and empathy dimensions respectively, which is consistent with the findings of Datta and Vardhan (2017). Similarly, the highest mean perception value (3.07) is measured in the assurance dimension which is line with the findings of Datta and Vardhan (2017) but in contrast to the result of Enayati et al. (2013).

On the other hand, the result revealed negative mean gaps values in all fivedimensions whereas the highest and the lowest service quality gaps were measured in terms of

assurance and responsiveness respectively. This result is consistent with the findings of Ibrahim et al. (2013); Kalam and Mahonta (2017); and Datta and Vardhan (2017). But in contrast, Alhaykil and Ganguli (2017) had found positive mean gaps in all dimensions.

Similarly, this study found significant difference between service quality gap and mean perception of reliability and tangible dimensions at 99% confidence level. In addition, it found a significant difference between service quality gap and mean expectation of responsiveness and tangible dimensions at 99% and empathy dimension at 95% confidence level.

Conclusion

This study found negative mean gap in all five service quality dimensions. It indicates poor quality of management campuses inside Kathmandu valley and their students are not satisfied with issues of those dimensions. Also, the regression model found that the responsiveness dimension has strong negative impact on service quality gap, and the tangible dimension has strong positive impact on the service quality gap among the five perception dimensions. Based on the findings, it is concluded that the management campuses should take responsiveness and tangible dimensions as the most critical factors and thus need to enhance service quality accordingly so as to improve students' satisfaction.

Implications

This study can be useful for the decision maker who takes the decision for the improvement of the quality of management education in Nepal. Campuses can use research findings to make quality related plans and strategies by addressing the changing requirements. In addition, researchers can use it as a reference for their future research work.

References

- Afthanorhan, A., Awang, Z., Rashid, N., Foziah, N. H., & Ghazali, P. L. (2019). Assessing the effects of service quality in customer satisfaction. *Management Science Letters*, 9(1), 13-24. doi:<http://dx.doi.org/10.5267/j.msl.2018.11.004>
- Ali, Z., Ghanem, A., & Ganguli, S. (2017). Measuring Service Quality and Student Satisfaction in Ahlia University, Kingdom of Bahrain during 2015-16. Retrieved from <https://www.researchgate.net/publication/318653868>
- Berry, L. L., Parasuraman, A., & Zeithaml, V. A. (1988). The service-quality puzzle. *Business Horizons*, 31(5), 35-43.
- Crosby, P. B. (1979). *Quality is Free: The Art of Making Quality Certain*. New York:

McGraw-Hill.

- Datta, K. S., & Vardhan, J. (2017). A SERVQUAL-Based Framework for Assessing Quality of International Branch Campuses in UAE: A Management Students' Perspective. *SAGE Open*, 7(1). doi:<https://doi.org/10.1177/2158244016676294>
- Enayati, T., Modanloo, Y., Behnamfar, R., & Rezaei, A. (2013). Measuring Service Quality of Islamic Azad University of Mazandaran using SERVQUAL Model. *Iranian Journal of Management Studies*, 6(1), 99-116.
- Giese, J. L., & Cote, J. A. (2000). Defining Consumer Satisfaction. *Academy of Marketing Science Review*, 4, 1-24.
- Greiner, K., & Westbrook, T. S. (2002). Academic Service Quality and Instructional Quality. *Journal of the First-Year Experience & Students in Transition*, 14(2), 7-30.
- Grönroos, C. (1984). A service quality model and its marketing implications. *European Journal of Marketing*, 18(4), 36-44.
- Ibrahim, E., Wang, L. W., & Hassan, A. (2013). Expectations and Perceptions of Overseas Students towards Service Quality of Higher Education Institutions in Scotland. *International Business Research*, 6(6), 10-19. doi:<http://dx.doi.org/10.5539/ibr.v6n6p20>
- Kalam, A., & Mahonta, H. C. (2017). Measuring Service Gap of Higher Education in Bangladesh: A comparative study between Public University and Private University. *Journal of Business and Management*, 19(11), 49-55.
- Kurbani, A. (2017). Effect of Quality of Academic Services and Education Facilities Student Satisfaction Study at the University of PGRI Palembang. *Wahana Media Journal of Economics*, 13(4), 23.
- Munteanu, C., Ceobanu, C., Bobalca, C., & Anton, O. (2010). An analysis of customer satisfactin in a higher education context. *International Journal of Public Sector Management*, 23(2), 124-140.
- Oliver, R. L. (1999). Whence Consumer Loyalty? *Journal of Marketing*, 63(4), 33-44.
- O'Neill, M. A., & Palmer, A. (2001). Survey timing and consumer perceptions of service quality: An overview of empirical evidence. *Journal of Service Theory and Practice*, 11(3), 182-190.
- Palacio, M. A., Meneses, G. D., & Perez, P. P. (2002). The configuration of the university image and its relationship with the satisfaction of students. *Journal of Ecucational Administration*, 40(5), 486-505.
- Palmer, A. (2011). *Principal of Services Marketing* (6 ed.). Maidenhead: McGraw Hill.
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1985). A conceptual model of service quality and its implications for future research. *Journal of Marketing*, 49(4), 41-50.

- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988a). A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64(1), 12-40.
- Paricio, J. (2017). Students as customers: a paradigm shift in higher education. *Journal fo Culture, Power and Society*, 131(3), 137-149.
- Pokharel, T. (2013). Management education in Nepal: status, spatial distribution and gender diversity. Retrieved from <https://shorturl.at/eJTU3>
- Rajabil, M., & Rajabi, A. A. (2014). Educational service quality assessment from a student point of view according to the SERVQUAL Model. *International Journal of Sport Studies*, 4(2), 146-150.
- Rasli, A., Shekarchizadeh, A., & Iqbal, M. J. (2012). Perception of Service Quality in Higher Education: Perspective of Iranian Students of Malaysian Universities. *International Journal of Economics and Management*, 6(2), 201-220.
- Sahney, S., Banwet, D. K., & Karunes, S. (2004). A SERVQUAL and QFD approach to total quality education: A student perspective. *International Journal of Productivity and Performance Management*, 53(2), 143-166.
- Slack, N., Chambers, S., & Johnston, R. (2004). *Operations Management* (4 ed.). Harlow, Pearson Education.
- Tam, M. (2001). Measuring quality and performance in higher education. *Quality in Higher Education*, 7(1), 47-54.
- Tan, K. C., & Kek, S. W. (2004). Service quality in higher education using enhanced SERVQUAL approach. *Quality in Higher Education*, 10(1), 17-24.
- Zeithaml, V. A., Parasuraman, A., & Berry, L. L. (1990). *Delivering quality service: Balancing customer perceptions and expectations*. Ney York: The Free Press.