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MASTER OF BUSINESS ADMINISTRATION

Student's perception of service quality in education: A study from student responses of leading Malaysian private colleges in the Klang Valley.

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Abstract

In Malaysia, there are more than 27% of local students who enroll in private colleges to further their studies every year. Currently, Malaysia government becomes less compromising with private institutions, especially in their service quality even the private institutions have already realize their weaknesses early. Hence, the researcher is performing a research on the current students about the service quality providing by their institutions. In this study, questionnaires are used for data collection, questionnaires are distributed to students who studying at four institutions in Klang Valley. Then, the data analysis is performed using Pearson correlation, descriptive and Kendall tau-b. The result from the research showed a positive relationship between SERVQUAL dimensions and the five dimensions (Tangibility, Assurance, Reliability, Responsiveness and Empathy) in relation with student satisfaction. Among those dimensions, assurance dimension is higher than responsiveness, empathy, reliability and tangibility. Finally, conclusion, recommendations and personal reflections are provided based on the finding.

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CHAPTER 1

INTRODUCTION

1.0 Chapter Summary

Chapter one outlines the research background on service quality of Malaysian private colleges. The chapter discussed the problem definition, research questions and research objectives. Moreover, the significance of the study, the necessary limitation and assumptions are also discussed in this chapter.

1.1 Background

What is the exact definition of "quality"? Nowadays, the term 'quality' is usually linked as "superiority". According to Hanson (2011) quality cannot be priced and it is hard to define, but it is important to determine the success of the business. Quality cannot be assumed as a starting point, but it can be created. Olstavsky (1985) said that quality is used for product evaluation while Holbrook and Corman (1981) identified that quality actually plays the role of comparatively global value judgment. In quality management, customers are the main focus, and most of the product and service provided are purposely to "delight" the customers.

Today, the demand for high quality education and service quality is increasing. The educational institutions are trying to offer students better opportunities to have a promising future. Schmidt (1991), Söderqvist (2001) and the report of Department of Education and Skills (2003) shows increasing competition in current global environments which makes students force themselves to continue their studies at higher institutions and to be international. During the year 2010, more and more private institutions were committed to become world class standard institutions and even opened branches worldwide. However, issues of quality still remain a major concern for almost every institution that is trying to solve this issue. Logically, poor quality of education could mean a higher number of adult illiteracy. The service

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provided by an educational institution is a factor that can affect the choice of quality education. Tonks & Farr (1995) highlighted that students are institutions' customer or stakeholder. Same definition by Hill (1995) who said that students are the primary customer and private institutions should grasp every chance to understand the needs of the students (Elliott & Shin, 2002, p. 197). It is a normal practice for many institutions to collect feedback from students. They distribute questionnaires to students to collect students' opinion about current service and suggestions that can be taken to improve the service quality, basically every semester. Tang and Lim (2002) mentioned that every student has the right to receive the high quality of service from the institutions they are studying and it was the responsibility of those institutions to guarantee delivering super service to the students. Service satisfaction is needed for a sustainable business in the service sector and the level of satisfaction determines the future of a business (Gronroos, 1990; Berry, 1995; Gwinner e,.tal., 1998; Jamal and Naser, 2002). There are many issues within the micro and macro environments of an educational program that can easily affect a student's choice for enrolling for a good quality education. There is a perception that service quality may influence a student's choice on selecting an education provider. Moreover, a good quality educational environment provides a rich environment within a community to help students to open their minds and be active participants themselves in learning (Adl, 2011).

In Malaysia, there are 482 educational institutions (Mohe, 2011) which consist of private universities, university colleges and foreign universities. Majority of them can be grouped into private institutions or IPTS who collect tuition fees directly from students. In the year 2010, there were 541,629 students enrolled into these private institutions (Mohe, 2011). There were less than 27% of local students who chose private colleges to further their studies. In the same year, there were 512,633 local students who had completed their secondary school education with their Sijil Pelajaran Malaysia (SPM) and Sijil Tinggi Pengajian Malaysia (STPM) certificates to enter the higher education institutions. A recent announcement was made by the Ministry of Higher Education indicating local student enrollment into

higher education institutions were expected to increase by an additional 1500 students per year up to the year of 2015. The increasing number of secondary students who are qualified to continue at higher level education is an added bonus for the educational industry. The impact of the globalization economic crisis has influenced the landscape for education business and created a higher demand for higher education in the country. In order to achieve the international competitive position, there is an increase of 25% in the national budget for higher education. In Malaysia, private sectors have important roles in the education system in contributing extra revenue to the nation.

Therefore, universities and colleges set their strategies that aim to find a good perception among students with regards to the standards of service quality. From the educational institutions in the Klang Valley, differences in service quality that impact education quality is researched. Spreng & Mackoy (1996) said that service quality and customer satisfaction are incontestable, but vital in the marketing theory. According to Shemwell (1998), sustainable competitive advantage in markets nowadays require high quality services, especially in private institutions.

This study has chosen the education field as a research topic in understanding service quality as a major issue for a student to enroll into a program at a selected institution. However, the strategy to carry out service quality still becomes a question for service providers within private universities. There are different views that exist in achieving the ideal quality of service to be offered.

1.2 Problem Definition

In Malaysia, higher education institutions (HEIs) differentiate themselves into private and public institutions. Importantly, service quality in private institutions is not as the student expected, with findings of service quality as quite low (Ilhaamie, 2010). Influences of the market growth created a more competitive environment towards higher education institutions, and therefore the quality of service in educational institutions are quite crucial. Zemsky, Massy, & Oedel, (1993) indicated that each student pays a higher tuition fee for the institutions in expecting the quality of service that matches their expectation. Llias(2008) mentioned that the National Accreditation Body (LAN) had rejected 40 program applications from private institutions because of weaknesses found in the core course structures submitted. In the year of 2006, more than 10,000 private institutions failed in the ranking towards their service quality. Mohd Feroz (2004) indicated that the main problems faced by private institutions are lecturers' skills who are unable to achieve the requirement of curriculum standards set by LAN. In other word, each lecturer's skills are different from one institution to another. Halimah (2006) commented the attitude, interest and motivation of a lecturer/ teacher are important factors, but are absent from the current lecturers in their teaching process. In addition, the Malaysia government is becoming less compromising with private institutions on their education quality involving lecturers especially in private colleges. Apart from quality of lecturers, quality of support services and resources still remain the main problem that need to be solved by the private institutions who have limited funding as they are contributed only by students' payment. In Klang, Twintech International College of Technology is a private institution, but the quality of resources and operation management needs to be improved especially in the facility and safety of hostel provided (Mohe, 2011).

In the Klang Valley, there are hundreds of private institutions located there including international colleges, local collages and foreign colleges. For local colleges, many of them are small scale and some use shop houses as their

classrooms or as hostel for students. Looking at the situation, they lack equipment and facilities in supporting students learning.

Importantly, Malaysia government now seem more biased in the quality of private institutions compared with the public institutions especially recognition on certificates from institutions such as Tunku Abdul Rahman College (TARC). In the year of 2006, several newspapers explored the problem of certificate recognition for students using TARC certificate for job application in government departments. It was astonishing to note that the Chinese community, current students and graduate students are still remembered that news until now. According to the Education Minister Tan Sri Musa Mohammad (ccsenet, 2011), weakness of private institutions were exposed from earlier. Ahmad Jusoh and Siti (2004) mentioned that this a quite a long time ago with no research study conducted on the quality of service quality and student satisfaction and this is the time to find out the current level of service quality provided by private institutions.

1.3   Research Questions

This research report will identify the student responses toward the quality of education with few leading Malaysian private colleges located in Klang valley. The key questions are drafted for this research study based on reading the journals and articles, as below:

- Which SERVQUAL dimension (reliability, responsiveness, empathy, tangible and assurance) affects the service quality of private institutions?
- Is there any relationship between service quality dimensions and student satisfaction in Malaysia?
- Which service quality dimensions most influence the perceived service quality of private colleges in Malaysia?