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Islahuzzaman
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Sunardi S Brahmana & Herman Sofyandi
Learning Orientation dan Performa Universitas Widyatama
menurut persepsi Dosen dan Karyawan Administrasi

Sri Astuti Pratminingsih
Service Quality in Higher Education: An Approach for Continuous Improvement

Noni Lusiasari
Pengaruh beberapa Faktor Kebijakan Dividen terhadap Nilai Perusahaan (EPS)

Rima Rachmawati
Analisis Penerapan Akuntansi SDM pada PT X

Lydia
Pembentukan Portofolio Optimal Saham LQ45 Periode 2005 dan Perbandingannya dengan Return Pasar Menggunakan Model Indeks Tunggal
SERVICE QUALITY IN HIGHER EDUCATION: AN APPROACH FOR CONTINUOUS IMPROVEMENT

Sri Astuti Pratminingsih

ABSTRACT

This paper addresses the issue of service quality evaluation within the higher education sector and stresses the need to develop measures that are both psychometrically and practically sound. The paper argues that recent debate surrounding the development of such measures has been too strongly geared toward their psychometric performance, with little regard for their practical value. While the paper supports they need to develop valid, reliable and replicable measure of service quality, it is suggested that educators must not lose sight of the original purpose for which these measures were designed, i.e. their practical value in informing continuous quality improvement efforts. The paper discussed methods that can be used in measuring service quality in higher education, which are: disconfirmation models based on Parasuraman SERVQUAL model and Importance-Performance Analysis (IPA). Both models have weaknesses and advantages. Higher education institutions may choose which model suit them most depend on their situations.

Keywords: service quality, performance- expectation, education.

Introduction.

The increasing demands for good quality higher education by students and other stakeholders imply that higher education institution is now facing similar pressure that the business sector has been facing for decades. This implication often has become more severe caused by the change in education environment. Higher education institution is now competing for the student, financial resources and infrastructures, facing stronger competition from local, distance and international education institutions (Anci du Toit, 2003).

Competition in education sector has intensified and will continue to increase with the advent and use of new technologies. For example, the development of the internet and videoconferencing allows universities to compete in new markets through the use of distance learning by educating students who are unable to relocate (Gordon, 2005).

Society and industry have expressed criticism about business school education, citing its inability to give the students the education they need to prepare them for the business world (Tatiana and Sucipto, 2005). In addition, many have called for reform of higher education. As demonstrated in other industries, businesses that fail to meet or exceed customer expectations and focus on continuous improvement will suffer the consequences. Therefore, universities need to respond to increased competition and criticism by improving quality of higher education.

Quality is an essential issue in education and improving existing internal system and procedures is a must. Providing service excellence may represent the difference between success and failure (Parasuraman, 1990; Johnson and Sirikit, 2002). It means that the biggest difference between a good university and a poor one is the way its administrative process and learning process are managed.

Higher education institution could learn some lesson from industries regarding the quality:
Make the desired quality an overarching principle in every operation (Creating quality culture)
- Be knowledgeable about the needs of students and academics.
- Creating desirability of the higher institution through meeting social and economical trends while maintaining high level of academic integrating and superior quality (Koesbandijah, 2006).

This paper will discuss service quality in higher education, the model that can be used in measuring service quality and its relevance to higher education in Indonesia.

Definition of Service Quality and Dimensions of Service Quality.

Service organizations ranging from small business owners to large multinational companies including higher education institutions are constantly seeking unique ways to differentiate their offering. The willingness and ability of managers in service industry to respond to change in the service economy will determine whether their own organization survive and prosper (Johnson and Sirikit, 2002; Palmer & O’Neil, 2002; Chua, 2004). During last decades, researchers and practitioners has been attracted on service quality issues. Parasuraman et al. (1985) stated that excellent service is profitable strategy because it results in more new customers, more business with existing customers, and fewer lost customers. Thus, offering superior service quality can help firms become more profitable and sustain a competitive advantage in their served market (Ciptono, 2002). However before service improvement program are established, the existing service quality needs to be assessed (Johnson & Sirikit, 2002).

What is quality? Although more and more research findings have appeared concerning quality, it is still worth noting that there are several distinct conceptualization of quality (Kotler, 2005). In marketing and economics, quality often has been viewed as dependent on the level of product attributes (Ciptono, 2002). In operation management, quality is defined as having two primary dimensions: fitness of use (it refers to whether the product or service does what it is supposed to do and possess features that meet the consumers’ needs) and reliability (it represents to what extent the product is free from deficiencies). In service literature, quality is viewed as an overall assessment of features and characteristics of a service that bear on its ability to satisfy stated or implied needs (Pasuraman, 1988; Kotler, 2005). Garvin (1988) proposed a quality definition with the following 8 attributes:

1. Performance means a product's primary operating characteristics.
2. Features refer to the additional features (or the bells and whistles”) of the product.
3. Conformance represents the extent to which a product’s design and operating characteristics meet the established standards.
4. Reliability indicates the probability that a product will operate properly over a specified period of time under stated conditions of use.
5. Durability means the amount of use the consumer gets from a product before it physically deteriorates or until a replacement is preferable.
6. Serviceability refers to the speed, competence, courtesy of repair.
7. Aesthetics refers to how a product appeals to the five senses.
8. Customer perceived quality indicates the customer’s perception of a product’s quality based on the reputation of a firm.
Although these attributes were developed mainly from a manufacturing perspective, they do have some general value for services (Lovelock, 1991).

Gronroos (1991) held that service organizations provide essentially two forms of quality: the technical quality and the "functional quality. The first, technical quality, is the degree to which the industry is able to do things "right" as measured against some technical "industry standard". However, in service sectors, knowledge of the technical quality of services remains largely the domain of service professional (Ciptono, 2002). The second aspect of quality, functional quality, refers to the manner in which services are delivered to customers. Since the customers do not have much information about the technical aspects of a service, functional quality is usually the major factor used to form perceptions of service quality (Palmer & O'Neil, 2002). Ciptono (2002) also described service quality in three dimensions: the "physical quality" of product or services, the "corporate quality" (the company image) and the "interactive quality" (the interaction between the consumer and the service organization). These authors argued that in examining the service quality, it is necessary to differentiate between quality associated with the process of service delivery and quality associated with the outcome of service, judged by the consumer after the service is performed.

Parasuraman and Berry (1985) proposed ten determinants of service quality that can be generalized to type of service. The ten determinants include:

1. Tangibles - the physical evidence of the service, physical facilities, the appearance of personnel, tools or equipment used to provide the service, other customers in the service facility.
2. Reliability - consistency of performance and dependability.
3. Responsiveness - willingness or readiness of staff to provide service.
4. Competence - possession of the required skills and knowledge to perform the service by the contact personnel as well as operational support personnel.
5. Access - approachability and ease to contact.
6. Courtesy - politeness, respect, consideration, and friendliness of contact personnel.
7. Communication - keeping consumer informed in language they can understand.
8. Credibility - trustworthiness, believability, and honesty.
9. Security - the freedom from danger, risk, or doubt (e.g. physical safety and confidentiality).
10. Understanding - making the effort to understand the customer's needs.

These ten dimensions were reclassified into five dimensions which are well known as SERVQUAL model (Parasuraman and Berry, 1990). The determinants include in the model are: tangible, reliability, responsiveness, assurance, and empathy.

- Tangible refers to the appearance of physical facilities, equipment, personnel, and communication materials.
- Reliability represents the ability to perform the promised service dependably and accurately
- Responsiveness indicates the willingness to help customers and provide prompt service.
- Empathy refers to the caring and individualized attention to the customer.
INSTRUMENT TO MEASURE SERVICE QUALITY

Servqual Method

Parasuraman and Berry (1990) purposed an instrument through their SERVQUAL model for measuring service quality by finding out the extent of discrepancy between customers' expectation or desires and their perception of the actual quality of performed service. This model highlights the main requirements for delivering high service quality. The model shown in figure 1 identifies five gaps that cause unsuccessful delivery:

1. Gap between consumer expectation and management perception: Management does not always perceive correctly what customers want.
2. Gap between management perception and service quality specification: Management might correctly perceived customers' want but not sets a specified performance standard.
3. Gap between service quality specification and service delivery: The personnel might be poorly trained, or incapable or unwilling to meet the standard. Or they may be held to conflicting standards, such as taking time to listen to customers and serving them fast.
4. Gap between service delivery and external communication: Consumer expectations are affected by statements made by company representatives and ads. If the communication fails to match the superior quality that the company offering with the consumer expectations, the customers will disappointed.
5. Gap between perceived service and expected service: This gap occurs when consumers misperceive the service quality.

Source: Kotler, 2005.
SERVQUAL is based on the belief that a service is considered to be of high quality when customers' expectations are confirmed by subsequent service delivery (Kotler, 2005). SERVQUAL has been extensively applied in wide range of industry sectors. It takes the form of a two part 22 -item questionnaire, which seeks to estimate customers' expectation before consumption of a service as well as perception of actual serviced received. Customers' are asked to self complete each section of the survey on the basis of multiple point Likert scale, which extends from strongly disagrees to strongly agree.

Measure of service quality can be calculated by subtracting the expectation scores from perception scores. If researcher wants to know the relative importance of each quality dimension, these can be done by putting weight on these dimensions. These importance scores will allow managers to focus attention where it is likely to have most impact or where it is most needed (Ciptono,2002).

These expectations are formed by their past experiences, word of mouth advertising, and advertising. After receiving the service, customers compare the perceived service with the expected service. Good service quality exists when customers' expectations are met or exceed and they are apt to use the provider again. If the perceived service falls below the expected service, customers lose interest in the provider (Kotler, 2005).

Comparison Process Result
1. Perceived Performance> Expectation: High satisfaction (Delight)
2. Perceived Performance= Expectation: Merely Satisfied
3. Perceived Performance< Expectation: Dissatisfaction

The SERVQUAL model has attracted a lot of attention for its application in measuring service quality. While research has shown that SERVQUAL to be an effective and stable tool for measuring service quality across service industries (Parasuraman et al., 1985, 1988; Zaiithami, 1990), it has also some critics on the model. SERVQUAL's five dimensions model may not cover all service aspects of the organization and are not universal (Athyaman 2002, McElwee and Redman, 1993). Boller (1992) recommended that the number of service quality dimensions is dependent on the characteristic of service being offered. The methodology of comparing the gap between expectation and perception has also attracted criticism. Babakus (1992) found that the use of "gap" approach to service quality measurement is "intuitively appealing", they suspected that the difference in scores does not provide any additional information beyond that already contained in the perception component of the SERVEQUAL scale. They found that the dominant contributor to the gap score is the perception score. Another weakness of this model that customers may become tiresome or distressed as a result of being asked to complete the surveys and there may be difficulties in understanding the questions, the scale items especially when " the negative forms of questions are used" (Hope and Muhleman, 1997; Bolton and Drew,1991) and may also time consuming (Ciptono, 2002)

The Importance Performance Analysis.

Another instrument to measure service quality is Importance Performance Analysis. Basically this model is the development of SERVQUAL model. Kotler (2005) indicates that service quality can be judged on customer importance and company performance. Importance Performance analysis is used to rate the various elements of the service and identify what action are required. Thus, this model is viewed as a reflection by consumers of the relative of various quality attributes.
Kotler (2005) argues that the importance-Performance analysis conceptually rests on multi attribute models. This model identifies strengths and weaknesses of a market offering in terms of two criteria that consumers use in making a choice: the relative importance attributes and evaluation of the offering in terms of those attributes. A particular application of the model starts with an identification of the attributes that are relevant to the choice situation being studied. The list attributes can be developed after canvassing the relevant literatures, conducting focus group discussion and using managerial judgment. Otherwise, a set of attributes pertaining to be a particular service (or goods) are evaluated on the basis of how important each is to the customer, and how the service or goods is perceived to be performing relative to each attribute.

Roszkowski (2003) suggests that the importance and satisfaction rating should be used to classify a service into the quadrant of a "Matrix for Prioritizing Action", namely: (a) high importance-high satisfaction, (b) low importance-low satisfaction, (c) high importance-low satisfaction, and (d) low importance-high satisfaction. Further more, he suggests that the corresponding actions to be based on these quadrants are: a) strength to be featured in promotional literature, (b) opportunities to examine areas with low status, (c) key challenges that require immediate correction, and (d) areas from which it might possible to divert institutional resources to areas of higher importance. This kind of classification is usual in marketing management.

On the other hand Kotler (2005) cites the corresponding quadrants: (a) keep up the good work which shows important service elements that are being performed well (b) low priority shows minor service elements that are being delivered in a mediocre way but do not need any attention, (c) concentrate here indicates that important service elements which are not being performed in the desired level and the company should concentrate on improving the service departments' performance in these elements, and (d) possible overkill shows that a minor service elements is being performed in excellent manner and that the company perhaps should spend less in these elements and relocate the resources toward improving the company's performance on important elements.

Thus, Importance performance analysis can be used to calculate gap scores between importance and satisfaction by subtracting the satisfaction rating from the importance rating. The gap indicates how well the institution performs relative to the consumers expectations. The larger are the gaps, the worse the performance.

Lovlocks (1991) argues that using this measurement the company can identify which attributes or combination of attributes are more influential in repeat purchase/referral behavior and which has less impact. The information derived should be prove invaluable in terms of the development of marketing strategies and helping to direct scarce resources to areas where performance improvement is likely to have the most affect on overall customer satisfaction.

Crompton and Durray (1985) proposes that by using a central tendency the attribute importance and performance scores are ordered and classified as high or low; then by pairing these rankings each attribute is placed into one of the four quadrant of the importance performance grid. Mean performance and importance scores are used as coordinates for plotting individual attributes on the two dimensional matrix.

Similar to the SERQUAL model Importance Performance analysis get some critics concerning its application. The following concerns have been voiced about the inclusion of importance rating in satisfaction questionnaire: a) it increases the burden for respondent, b) consumers tend to rate almost every attribute as
important, c) the stated importance may not be what actually drives consumer behavior, d) filling the questionnaire is time demanding (Roszkowski, 2003).

Interestingly, even though they acknowledge that importance performance analysis weight fail to improve the explanatory power of satisfaction index, some researchers nonetheless feel that importance ratings should be included in a satisfaction survey because the combination makes the results more diagnostic and actionable, allowing the manager to prioritize areas in need of improvement (O'Neill and Palmer, 2004, Kotler, 2005).

SERVICE QUALITY IN EDUCATION INDUSTRY.

Higher education is increasingly recognizing that it is a service industry, and as a sector, is placing greater emphasis on meeting the expectation and the need of its participating customers. Higher education is a professional service with three major characteristic, namely intangibility, inseparability, and variability (Batesman, 1989, Lovelock, 1983). The intangible nature of higher education makes it difficult for students to effectively evaluate. The tangible elements associated with the "education" service such as physical facilities, equipment, employees, pamphlets, leaflets are easily evaluated and these are referred to as "clues" (Zeithaml, 1996). Thus, the prime responsibility for the service provider is the management of available clues so that proper signals are conveyed about the service.

The inseparability aspect of higher education services means that the services are first sold, then produced and consumed simultaneously. This raises conceptual issues such as the role the student plays in the learning process as to whether they are customers, clients, or co-producers.

The variability attribute refers to inability of a higher education institution to deliver consistent performance and quality. Service performance may vary from day to day, from office to office, from facility to facility and from one lecture to the next.

Applying consumer behavior theory in education, we can regard student as consumers purchasing the services provided by education. Although the notion is still controversial (Cheney, McMillan, Schwartzman, 2000, McCollogh and Gremler, 2000) it is now more commonplace to view the students as customers.

Kotler (2000) defined customer as anyone who buy organizations’ products or services. Lanchester (2003) indicated that customer is the individual or organization that actually makes a purchase decision, while a consumer is the individual or organizational unit that uses or consumes a product or service. In education student is the primary customer although there is also a strong underlying assumption that the "customer" of education includes industry, parents, faculty members, government, even society as a whole (Vanany et al, 2004). This means that education institution deal with different groups of customers. The university views students as their primary customer who receive the educational services, parents as customer who pay for their children’s education, corporations as customers who hire the students, and faculty members as customers who teach students the knowledge needed to perform the job. To improve quality services to these customers, we must first of all understand their needs. In order to understand their needs, we must in turn understand the quality attributes embraced by the customers. Owlia and Aspinwall (1996) pointed out that in order to measure quality, and consequently improve of quality, it is necessary to find out the characteristics of quality.

framework. Input refers to the entry requirements. Process refers to the teaching and learning process and Output refers to the employability and academic standing (as shown in figure 2).

**EDUCATION SYSTEM**

![Diagram of the Education System]

- Selection of students
- Entry requirements
- Teaching and learning
- Content and delivery of course units
- Professor's knowledgeability
- Accuracy of curriculum content
- Concern for students
- Instruction medium
- Social Activities
- Assessments
- Financially rewarding job
- Placement
- Academic performance

Figure 2. Education System

As a consequent of viewing student as primary customer in higher education, we regard students as consumers purchasing services provided by education institution; therefore, the students have the right to obtain the best quality education. Thus the measurement of the student satisfaction is currently considered by some managers in higher education to be just as crucial as it is in the areas of commerce (e.g. Rozskowski, 2003, O’Neill and Palmer, 2004, Atheyaman, 1997, Anci du Toit, 2003). Different institutions have responded to market demand in different ways, by designing courses and using delivery methods that related specifically to the familiar categories of service provision (Koesbandijah, 2006).

The earlier researches on service quality in higher education emphasized academic more than administrative issue, that is the knowledge creating process and student learning (Athyaman, 2000). It shown excessively in statistic analysis of student progression rates, the proportion of students achieving higher grades, and the quality of teaching staff as measured by their qualifications and research performance (Palmer & O’Neil, 2002). According to Gronroos (1988) this refers to the technical quality, which students experience during their interaction with lecturers and tutors. Further more he argues that this aspect is easily copied and competitive advantage may be easily lost. Technical quality is a necessary but not sufficient condition for higher levels of service quality and that functional quality is likely to be more important than technical quality, if the latter is at least of a sufficient standard. Lovelock (1991) added that quality of functional service may even offset problems experienced by consumers with the technical component.

This suggests that education institution should pay more attention in probing the functional aspects of quality that impact on students (Palmer, 1998). Some attempts have been made through students' questionnaires, but these have tended to be quite crude in understanding the significance to students of issues as the aesthetics appearance of campus buildings, the friendliness or otherwise with which they are handled by administrative staff and their general feeling of involvement within the life of the university (O’Neill and Palmer, 2002).
Administrative problem has been cited as a source of dissatisfaction within higher education institution (Taufik Rachim, 2005; Neil and Palmer, 2004, Chua, 2004). There are many reasons for focusing the administrative service quality in a university. Anderson (1995) stated that the first exposure of student to the university is through the admission and registration services so providing high quality service to students contribute to the positive assessment of the university. The administrative support service includes: handling the registration process, examination results, missing marks, incorrectly enter personal details, survey letter, and financial administration.

**MEASURING SERVICE QUALITY IN HIGHER EDUCATION**

Higher education manager has many choices of measurement technique in assessing its existing service quality. The difficulty is that many of these techniques are very costly, complicated, time demanding and maybe not appropriate for what is being measured (O’Neill and Palmer, 2002). Thus, the most important thing that education manager facing is to identify and implement the most effective and efficient method for measuring the quality of higher education service.

Actually, many universities have attempted to evaluate their service by employing qualitative or quantitative methods in finding out the response of their service from the student. Student survey, focus group discussion, face-to-face interviews, student role-play and observation are the common methods in measuring the service quality (Chua, 2004). Even though these methods are highly subjective, but still they nonetheless provide an interesting insight into the mindset of individual student. Quantitative methods, on the other hand, said to be more objective and measurable and can be administered face-to-face, or self administered interview (Simamora, 2004). The important issues here are the validity, reliability and practicability of the survey methods in used (Supranto, 2002).

Lovelock (1991) argued that service quality research using the confirmation and disconfirmation paradigm has been intensively used. This model belief that service quality can be conceptualized as the difference between what a student expects to receive and his perception of actual delivery. The application of SERVQUAL model is one method for measuring service quality based on the confirmation-disconfirmation.

Consumer satisfaction is a transaction-specific, short term, overall attitude. In the case of higher education, it would be helpful to view each class in which the student enrolls as a transaction or service encounter. In other words, a student's overall evaluation or perceived service quality t will be a function of his/her satisfaction with transactions (classes) completed (attended) prior to time t (t-1, t-2, etc) (Atheeyaman, 1997). Although this approach could provide richer explanation of students' attitudes toward a course, but it will be difficult to apply. Further, Atheeyaman (1997) argued that an easier approach would be to explain perceived quality in terms of satisfaction with a manageable set of general university characteristic such as: emphasis on teaching student well, availability of staff for student consultation, library services, computing facilities, recreational facilities, class size, level and difficulty of subject content, student work load.

**Relevance to Higher Education in Indonesia**

Globalization and information technology development have bought challenges to education institutions in Indonesia. Gordon (2005) has argued that higher education is undergoing transformation due to a range of external forces such as market competition, virtualization and internalization, giving rise to new ways of understanding the role and function of higher education institution.
In West Java only, there are 418 private higher education institutions (Kopertis, 2005). Some have been established for over 25 years and have become full-fledged universities with their own undergraduate, Master and Ph.D. programs while others have been established more recently. The private universities do not have the government funding. To be exists and have competitive advantage in this condition, higher education institutions need for enterprising approaches to revenue generation, bring more student oriented and strong service quality and high academic standards.

A student orientation strategy calls for a study on service quality. Conducting a study on service quality based on SERVQUAL and IPA models is one way that management of higher education could do to gain information concerning: What is the expectation of the students? What are their perceptions on service quality? Is there any gap between the expectation and the perceptions? How can the service be improved so that the institution can provide the students with reliable, responsive, assured and friendly services in enjoyable environment. The SERVQUAL model and the Importance-Performance Analysis model reviewed above provide an important theoretical foundation for answering these questions. Although the relevance of the five dimensions to the education service may be examined and reestablished through qualitative research, a guiding framework of quality attributed could be developed based on SERVQUAL model. Further more, the quality generation and assurance of education service is however, a more dynamic process. The five attributes of service quality may therefore be integrated into an input-process-output framework. The quality of output depends on the quality of input and the quality control of the process by the educational institution.

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