

CONFIRMATION SUPERVISOR

“I acknowledge that have read this thesis and in my opinion the thesis is sufficient in term of scope and quality for award of Bachelor of Technopreneurship

Signature

Name of Supervisor: EN HASAN BIN SALEH

Date:

**THE EFFECTS OF SERVICE QUALITY TOWARD STUDENTS
SATISFACTION AT HIGHER EDUCATION INSTITUTION IN MALAYSIA**

NUR SYARMIMI AUNI BT ISMAIL (B061510169)

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

DECLARATION

I declare that this thesis research project of title “The Effects of Service Quality toward Students Satisfaction In Malaysia Higher Education Institution” is the result of my own research except the cited in the references. The research project has not been for any degree and is not concurrently submitted in candidature of any other degree.

Signature:.....

Name: Nur Syarmimi Auni bt Ismail

Date:.....

“I hereby declare that I have read this thesis research and in my opinion this thesis is sufficient in terms of scope and quality for the award of Bachelor of Technology Management”

Signature :.....

Supervisor : En. Hasan bin Saleh

Date :.....

Signature :

Panel : Prof. Dr. Ahmad Rozelan Yunus

Date :.....

DEDICATION

I would like to dedicate the success of this project research especially to my parents which is my father, Ismail bin Ab.Rahman and my mother, Fadzilah binti Zakaria. The sacrifices that they had made for me to further studies would not be enough by just submitting the report, but it is beyond that. This report also will be dedicate to them because I want to thank for all the sacrifices that they made for me while I been studies at this university. Secondly, dedication to all my siblings which have helped me a lot in term of spirit, encouragement, finance support and for giving timely advice in all the ways. I express a deep sense of gratitude to my lecturer whom also my supervisor for this Final Year Project, Mr. Hasan Bin Saleh and also to my beloved fellow friends that give a lot of helped.

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ABSTRACT

Student satisfaction is the significant criteria and accomplishment and excellence for the institutions in delivering service to the student. The education institutions must look into the needs and wants of their student to be successful. Thus, student satisfaction is generally used to measure the level of student perception towards education institutions service and quality. The aim of the study is to identify the relationship between service quality and student satisfaction in Cosmopoint College, Kuantan. This study will be conducted using a set of questionnaire to students from Cosmopoint College, Kuantan. The empirical results of this study can provide support for the Parasuraman's SERVQUAL (1985), which related to the factors contributing to students' satisfaction. The result of the study shows that there is positive and significance relationship between service quality and student satisfaction. Thus, this study provides useful insight and feedback that will benefit Cosmopoint College, Kuantan.

Keywords: Student satisfaction, Service Quality, Perceived Quality, Perceived Value, Perceived Expectation, Quantitative

ABSTRAK

Kepuasan pelajar adalah kriteria dan pencapaian yang cemerlang untuk institusi dalam memberikan perkhidmatan kepada pelajar. Institusi pendidikan mesti melihat keinginan dan keinginan pelajar untuk berjaya. Oleh itu, kepuasan pelajar umumnya digunakan untuk mengukur tahap persepsi pelajar terhadap perkhidmatan dan kualiti institusi pendidikan. Tujuan kajian ini adalah untuk mengenal pasti hubungan antara kualiti perkhidmatan dengan kepuasan pelajar di Cosmopoint College, Kuantan. Kajian ini akan dijalankan menggunakan satu set soal selidik kepada pelajar dari Cosmopoint College, Kuantan. Hasil kajian empirikal ini dapat memberi sokongan kepada SERVQUAL Parasuraman (1985), yang berkaitan dengan faktor-faktor yang menyumbang kepada kepuasan pelajar. Hasil kajian menunjukkan terdapat hubungan positif dan penting antara kualiti perkhidmatan dan kepuasan pelajar. Oleh itu, kajian ini memberikan pandangan dan maklum balas berguna yang akan memberi manfaat kepada Kolej Cosmopoint, Kuantan.

Kata kunci: Kepuasan Pelajar, Kualiti Perkhidmatan, Kualiti Yang Dipertimbangkan, Nilai Yang Diharapkan, Jangkaan yang Diharapkan, Kuantitatif

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CHAPTER 1

INTRODUCTION

1.0 Introduction

In this chapter, the researcher had explored the background study of the research topic which is the Effects of Service Quality toward Students Satisfaction at Higher Education Institution in Malaysia. In addition, the researcher summarise about the higher education institutions. Furthermore, problem statement, research questions, research objectives, scope and significant of the study were presented in this chapter.

1.1 Background of the Study

Nowadays, competitive and intense academic environment, educational institutions need to study and make a research about the factors that can attract, retain, and sustain the students with the institution. Despite the huge competition in the market, higher education institutions especially private institutions that want to gain competitive edge in the future and may need to begin searching the solutions for effective and creative ways to attract and build stronger relationship with the students. As a private institution, the students are the main and potential customer to the organizations. They will trying hard to attract as many students as possible in

order to compete and retain although the market will become harder and intense to them. As we know, private institution also do not receive any privilege and facility from the government such as subsidies or any financial assistances in helping them for their operations and productivity. Furthermore, education is such a prestigious investment that it always rewards in various ways. The strong and effective educational system results in the greater performance of the students. In order to make the institution progressive and effective the knowledge of students' expectations, academic preferences and quality perception about the educational environment should be kept by the higher authorities of the institute (Palacio, Meneses and Perez 2002)

Based to the study by Kanji, Abdul Malek and Wallace (1999) do give some insights on the real situation of the Higher Education Institutions in Malaysia. However, most institutions absolutely do give a great deal of importance to meet customers' expectations which is similar to business organization, but they still lack of customer awareness among the staff, and it has become a common drawback for many institutions. In this competitive market, satisfaction with services may make the difference (Parasuraman, Zeithaml and Berry 1996).

Private institutions always try hard to maintain their position in education industry to compete with public educational institutions. On the back then, people have perspective that private colleges and universities been established to aim and generate the revenue rather than focusing on enhancing and increasing their quality education to the students. Nowadays, private higher education institution must compete with public institution for the better place and obtain good position in the education industry in Malaysia to attract more customers to the institutions.

1.2 Problem Statement

Nowadays in Malaysia, there are large amounts of higher educational institutional establish in this country. University students' satisfaction is the main key and objective to institutional for success in that effective institutions have satisfied customers because this satisfaction supports the enrolment of additional students or customers. The privileges of public college have giving competitive edge to them in term of the financial assistances that they received and obtained from the government. This type of pleasure that public college or institutions received became an obstacle and challenges to the private college to attract, retain, and sustain the students with the others institution.

In facts, there are several conflicts on the professionalism of administration and academic staffs of the private institution that has been spoke out by frustrated students. According to Cheng (1990) and Tan and Kek (2004), higher educational quality can be assessed through students' satisfaction by determining the extent to which students' need and expectation can be satisfied. Refer on that, majority of the students and parents prefer to choose public ducational institution compared to the private institution and comparing to the public, the perception of the people toward the private education institution tends to be skeptical in terms of quality.

1.3 Research Questions

- i. What is the relationship between service quality with students in private college?
- ii. What are the challenges in service quality and students in private college?

1.4 Research Objectives

The present research aims to achieve the following objectives:

- i. To identify the relationship between the service quality dimensions with student satisfactions.
- ii. To determine the quality of service provided by the private college to the student.

1.5 Scope Of Study

The main key for this project was conducted is to identify the relationship between service quality dimensions towards student satisfaction at Cosmopoint College Kuantan, Pahang. Moreover the researcher aimed to identify the service quality provided by the Cosmopoint College towards their students. This is because the researcher believed that there are strong relationship can build and obtained if the student satisfactions benchmark can achieved and it able to give positive impacts to students and college.

1.6 Significance Of Study

In competitive world of business in education sectors, colleges have to move forward and being upgrade by offering extra advantages and privileges to attract potential students and retain their current students. Thus, by offering quality services are imperative to sustain their operation and productivity. A high standard of quality services offered will influence student satisfaction that effect the college reputation and image while it able to help in attracting and retaining high achievers

According to Rowley, (1996) the students of those institution are more capable, good performers and productive who retain the better educational service quality and provide their students what they want for their strong academic and carrier accomplishment. The students seek service quality during their academic development process which then facilitates them to gain extra potential to compete in the market.

The research of service quality in private college will play important role to reflect their current standard from the student's eyes and perceptions. It will definitely set as the aim and benchmark for the college administrator to take their students opinion more seriously and being responsible. This research able to give opportunity and benefits to the college for improve their services that give extra advantages to the students and the college.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This chapter provides literature review, review of the relevant of theoretical framework, hypothesis development and overall conclusion for chapter 2. The variables also was explained and discussed. The purpose of this study is to further confirm on the concept of “service quality” in higher education. Furthermore, the prediction of research which is the hypothesis also presented in this chapter.

2.1 Student Satisfaction

In education field, students' satisfaction may links and connects to the learning outcomes, teaching methodology, environment, and many other factors. In addition, it able to determine which features of the student experience are related to satisfaction may provide information about actions that can be taken to maintain high levels of satisfaction to improve student learning. Kotler & Clarke (1987) define satisfaction as the desirous outcome of a task or job that pleases one's esteem. Rad & Yarmohammadian (2006) defined it as the willful accomplishment which results in one's contentment.

According Marsh, (1987), students' evaluation surveys are generally used as an indicator to the lecturers, as a development tools and provide a measure of teaching effectiveness to help managers make decisions about employee retention, promotion, and reward. According to (Palacio, Meneses and Perez.,2002), the expectation can be triggered 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. In contrary, (Carey, Cambiano and De Vore.,2002) believe that satisfaction actually covers issues of students' perception and experiences during the college years. William (2002) states that while most student satisfaction study focus on the perspective of customer, researchers is facing a problem of creating a standard definition for student satisfaction thus providing a need of customer satisfaction theory to be selected and modified so that it can explain the meaning of student satisfaction (Hom, 2002).

Normally, the education institution makes changes in provided the service quality method based on students' evaluations for example from survey or questionnaires. According to Zeithaml (1988) satisfaction is the resultant outcome of an institution's administrative as well as educational system's coherent performance. With this, the students will be more satisfied and motivated to resume and completing their studies if the institution provides the quality environment which facilitates learning such as the institution contains good and functional infrastructure

for educational utility and academic development. Furthermore, satisfaction of the students can be measured and determined. According to (Petruzzellis et al., 2006), students are satisfied when the service fits their expectations, or very satisfied when the service is beyond their expectations, or completely satisfied when they receive more than what they expect. On the contrary, students are dissatisfied when the level of service is below their expectations and they tend to communicate the negative aspects of the services. Therefore, (Kelsey and Bond., 2001) suggested that educational institutions staff can adopt best practice of procedure to review their services to the students. However, they should discuss and meeting about the students' expectations before services are delivered and should avoid unnecessary disappointment and misunderstanding with their students. An expectation that cannot be fulfilled on the institutions is the key factors for students' withdrawal (Alridge and Rowley, 2001). According to the study by (Kanji, Abdul Malek and Wallace., 1999): cited in Hishamuddin Fitri Abu Hasan, Azleen Ilias, Rahida Abd Rahman and Mohd Zulkeflee Abd Razak (2008), do give some insights on the real situation of the Higher Education Institutions in Malaysia. Most institutions aware about to meet customer's expectations which is similar to business organization. However, they still lack customer awareness among the staff, and it has become a common drawback for many institutions. Thus, (Phil Race., 2010) bring this matter by coming out with a questionnaire known as National Student Survey to gain information regarding satisfaction of student's perspective in the UK. According to this survey, several results have been identified as follows;

Table 2.1: National Student Survey

Quality of teaching.
Poor preparation of teaching.
Poor commitment.
Slow, or no feedback.
Lack of communication/connection between lecturer and student.
Not treating students with respect.
Over assessment where too many assessments at one time.
Untimeliness of feedback.
Irrelevant modules.
Poor quality learning materials.
Internal information systems.

Sources: National Student Survey

On the other hand, there are several factors that influencing student satisfaction. Appleton-Knapp and Krentler (2006) divide the factors influencing student satisfaction into two factors which are, institutional factors and personal factors. Institutional factors includes quality of instruction, quality and promptness of the instructor's feedback as well as the clarity of his or her expectations, the teaching style of the instructor, the research emphasis of the institute and the size of classes. Dana et al., (2001); Fredericksen et al., (2000); Porter and Umbach, (2001) : cited in Krentler and Grundnitski, (2004); claims that personal factors that were found to be predictors of student satisfaction were age, gender, employment, temperament, preferred learning styles and students' average grade point. Therefore, to ensure students are satisfied, higher education service providers have to consider both institutional and personal factors (Chahal and Devi, 2013). Some more, (Ilias, Hasan, Rahman and Yasoa in Hanasya, Abdullah and Warokka., 2011), discovered that the contributing factors that could affect the level of students' satisfaction were; students' perception on learning and teaching, support facilities for teaching and learning such as libraries, computer and lab facilities, learning environment like rooms of lectures, laboratories, social space and university buildings, support facilities such as health facilities, refectories, student accommodation, student service

and external aspects of being a student such as finance, transportation. Student's perception and thoughts on the learning and teaching were considered essential as this is the basis of higher education. Students must definitely look into receiving good teaching in a comfortable and proper environment for learning.