



ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
MARKETING MANAGEMENT GRAGUATE PROGRAM

**ASSESSING STUDENTS' PERCEPTION ON SERVICE QUALITY
OF PRIVATE HIGHER EDUCATION INSTITUTIONS IN ADDIS
ABABA**

By: Elisabeth Regassa

June, 2014
Addis Ababa, Ethiopia

Assessing Students' Perception on Service Quality of Private Higher Education Institutions in Addis Ababa

In Partial Fulfilment of the Requirements for the Degree of Master of Arts in Marketing Management

By: Elsabeth Regassa

Advisor: Birhanu Denu (Phd)

June, 2014

Addis Ababa, Ethiopia

**Assessing Students' Perception on Service Quality of Private Higher
Education Institutions in Addis Ababa**

By: Elisabeth Regassa

Approved by Board of Examiners

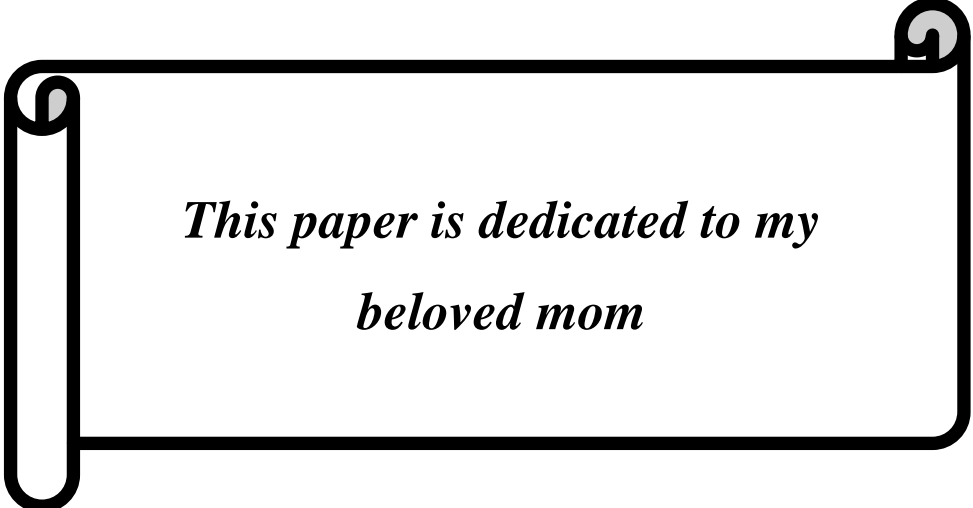
_____	_____
Advisor	Signature
_____	_____
Internal Examiner	Signature
_____	_____
External Examiner	Signature

Statement of Certification

This is to certify that Elisabeth Regassa carried out her project on the topic entitled '**Assessing students' perception on service quality of private higher education institutions in Addis Ababa**'. This work is original in nature and is suitable for submission for the award of Master of Marketing Management.

Birhanu Denu (Phd)

(Project Advisor)



*This paper is dedicated to my
beloved mom*

Table of Contents

Title	Page
Table of Content-----	i
Acknowledgment-----	iv
Acronyms-----	v
List of figures-----	vi
List of tables-----	vii
Abstract -----	viii
Chapter One-----	1
1. Introduction to the study-----	1
1.1. Introduction-----	1
1.2. Background of the study-----	2
1.3. Quality Initiatives in Ethiopian Education-----	3
1.4. Statement of the problem-----	5
1.5. Research Question-----	6
1.6. Objective of the study-----	7
1.6.1. General Objective-----	7
1.6.2. Specific Objective-----	7
1.7. Significance of the study -----	8
1.8. Scope of the study-----	8
1.9. Limitation-----	8
1.10. Definitions of terms-----	9
1.11. Structure of the paper-----	9
Chapter Two-----	11
2. Review of related literature and conceptual analysis-----	11
2.1. Service Marketing-----	11
2.2. Service marketing and higher education-----	11
2.3. Service characteristics-----	12
2.3.1. Intangibility-----	12
2.3.2. Inseparability-----	13
2.3.3. Heterogeneity -----	13

2.3.4. Perishability-----	14
2.3.5. Ownership-----	14
2.4. Definitions of service quality-----	15
2.5. Service quality in higher education -----	16
2.6. Customers of education industry -----	17
2.7. Service expectation-----	19
2.8. Customer perception-----	20
2.8.1. Factors affecting perception of customers-----	20
2.8.1.1. Image -----	20
2.8.1.2. Price-----	20
2.8.1.2.1. Costs of courses offered-----	21
2.8.1.3. Service encounters-----	21
2.8.1.4. Evidence of service-----	22
2.9. Perceived service quality-----	24
2.10. Instruments to measure service quality-----	25
2.10.1. SERVPERF -----	25
2.10.2. HEdPERF-----	26
2.10.3. SERVQUAL-----	27
2.10.3.1. Criticism on SERVQUAL -----	29
2.10.4. IPA model-----	31
2.11. Conceptual relationship between customer satisfaction and service quality -----	34
2.12. Review of Empirical Literature -----	34
2.13. Conceptual framework -----	35
Chapter Three-----	36
3. Methodology -----	36
3.1. Study site-----	36
3.2. Research design-----	36
3.3. Research approach-----	37
3.4. Population and sampling-----	37
3.4.1. Sample size-----	38
3.5. Source and method of data collection-----	39
3.5.1. Scales and measurements-----	39
3.6. Procedure of data collection-----	39
3.7. Data analysis-----	39
Chapter Four -----	42
4. Data Analysis and Interpretations-----	42

4.1. Reliability analysis-----	42
4.2. General profile of respondents-----	43
4.3. Importance and performance attributes-----	44
4.3.1. Importance-----	44
4.3.2. Performance-----	45
4.4. Importance and performance gap-----	45
4.5. Importance Performance Analysis-----	49
4.6. Rank of overall importance of the attributes-----	51
4.7. Rank of overall performance of the attributes-----	52
4.8. Differential analysis-----	53
4.9. Correlation analysis-----	54
4.10. Regression analysis -----	55
4.11. Analysis of variance -----	58
4.12. Perception towards service quality-----	59
4.13. Analysis of data collected from managers -----	61
Chapter Five -----	65
5. Summary, Conclusion and Recommendations-----	65
5.1. Summary of Findings-----	65
5.2. Conclusion-----	68
5.3. Recommendations -----	69
5.4. Limitation and Implication for further research -----	71
Reference-----	72
Appendix-----	89

ACKNOWLEDGEMENT

I would start by praising God for giving me the strength and well-being in completing this study.

I would like to express my deepest gratitude to my advisor Dr. Birhanu Denu for his invaluable assistance, encouragement and guidance during the writing of this thesis. He has been a father to me throughout the project.

Special thanks also go to all undergraduate students in the different institutions who were involved in this project for their cooperation in responding to the questionnaire and sharing the information they have. In addition, I would like to express my appreciation to the managers of the institutes for allowing me to collect the necessary data as well as responding to the interview questions.

My sincere thanks also go to the following people who contributed in one way or another towards the success of this research: Tesfaye Assefa, Alazar Ermias, Semere G/Medhin, Tigest Heruy, Chiristan Tesfaye, Rediet H/Selassie and Mesfin Teddy.

I would also like to acknowledge and appreciate my friends and families for their continuous support and encouragement throughout this project. I want to thank my big brother Assefa Regassa who was a strong supporter. Lastly, my very special appreciation and thanks goes to my respected father Mr. Regassa Dadi.

Acronyms

AAUC:	Addis Ababa University Collage
BPR:	Business Processing Reengineering
EQUIP:	Educational Quality Improvement Programme
ETQAA:	Education and Training Quality Assurance Agency
GDP:	Gross Domestic Product
HE:	Higher Education
HEdPERF :	Higher Education Performance
HEI:	Higher Education Institutions
HERQA:	The Higher Education Quality and Relevance Agency
HESC:	Higher Education Strategic Centre
IPA:	Importance Performance Analysis
MOE:	Ministry of Education
QUALED:	Quality of Education
PHEI:	Private Higher Education Institutions
SPSS:	Statistical Package for Social Science
SQ:	Service Quality
SERVPERF:	Service Performance
SERVEQUAL:	Service Quality

LIST OF TABLES

CONTENT	PAGE
TABLE 3.1: Institutions with their date of establishment-----	36
TABLE 4.1 Result of Reliability Analysis-----	42
TABLE 4.2 Summary of demographic variable of respondents-----	43
TABLE 4.3 Mean, Standard deviation and Gap analysis-----	47
TABLE 4.4. Mean Score of Importance for each Service Quality Dimension-----	51
TABLE 4.5. Mean Score of Performance for each Service Quality Dimension-----	52
TABLE 4.6. Paired Sample t-test-----	53
TABLE 4.7 Pearson Correlations -----	54
TABLE 4.8 Model Summary-----	55
TABLE 4.9 ANOVA-----	55
TABLE 4.10 Coefficients -----	56
TABLE 4.11 Analysis of Variance- -----	49
TABLE 4.12 Overall Service Rating-----	60

List of Figures

Contents	page
FIGURE 2.1: EVIDENCE OF SERVICE -----	23
FIGURE 2.2: THE ORIGINAL IPA FRAMEWORK-----	33
FIGURE 2.3: CONCEPTUAL FRAMEWORK OF THE STUDY-----	35
FIGURE 4.1: IMPORTANCE PERFORMANCE ANALYSIS-----	49

Abstract

It is argued that, the strategic success of a service organization depends on its ability to consistently meet or exceed customer service expectations. Delivering quality service is the key success factor of any institution that wants to remain in business. This study thus set out to measure the service quality performance of private higher institutions in Addis Ababa. Descriptive study was designed to investigate the problem areas and their root causes, as identified through preliminary investigation with a group of students. SPSS 20.0 package was used to analyze the data obtained. Analysis showed that there are significant differences between perceived importance and performance; the main reason for this gap is the problem associated with the discrepancy between management and customer's perception. There are several gaps between service providers' perception of the quality requirements of the consumer and the expectations of the end users. It was the aim of this paper to suggest solutions that will close these gaps. The narrower these gaps are the better the quality of service. Recommendations are made to enhancing quality service delivery in order to meet and surpass the requirement of the customers; students, especially from private higher educational institutions are believed to be customers as they are paying tuition fees. Therefore, the institutions should treat the students as customers to get competitive advantage. Implication and limitation of the study are highlighted and further research undertakings are suggested.

Keywords: *Service Quality, Service Importance, Service Performance, Customers' perception*

Chapter One

1. INTRODUCTION TO THE STUDY

1.1 Introduction

Education is an important instrument for social and economical development of a society. It must be understood that the level of development that our world reaches these days would not be possible if imparting knowledge was not there. Education can contribute a lot more if it is administered without sacrificing quality.

Quality is an important tool for any company whether product or service oriented. Often more quality is considered as an investment for company, where the efforts for its improvement result in an increased client, increased levels of purchase from existing customers, and a rise in the company's profits (Parasuraman, Zeithaml and Berry, 1985). Since the 1980s service quality has been linked with increased profitability, and it is seen as providing an important competitive advantage by generating repeat sales, positive word-of-mouth feedback, customer loyalty and competitive product differentiation (Zeithaml and Bitner, 1996).

Service industries are playing an increasingly vital role in the economy of many nations. In today's world of global competition, rendering quality service is a key for success, and many experts agree that the most powerful competitive trend currently shaping marketing and business strategy is service quality.

According to Berry and Parasuraman (1992), the strategic success of a service organization depends on the ability of service providers to enhance their images by consistently meeting or exceeding customers' service expectation. The main driver of successful organizations toward top quality services is to make the measurement of service quality and its subsequent management of utmost importance. Therefore, the researcher finds that it is very important to assess the service quality issues related with private higher education and try to discover the student's perception on the service quality of these institutions.

1.2 Background of the study

The concept of quality is vague and there is no universally agreed definition. Quality related with education takes a broader perspective and demonstrates that programs must encompass a broader definition involving quality learners, content, processes, environments and outcomes (UNICEF, 2000). In the services context, quality could be defined as a “measure of how well the service level delivered matches customer’s expectations” (Lewis and Booms, 1983). Other authors also state that perceived service quality reflects the opinion of the customer regarding the superiority or global excellence of a product or service (Zeithaml et al, 1988). The idea that HE can be classified as a service motivated some authors to discuss the framework of research into services marketing from an educational perspective (Lovell, 1983; Mazzarol, 1998).

The increasing demand for higher education has normally resulted in the transformation of the education system from being selective and competitive to being massive and diversified. As a result of this expansion process, diverse forms of higher education have gradually emerged and in most cases, the private sector has been legalized to ensure the mass participation of higher education for all (Altbach, 1999; Gibbons, 1998; Levy, 2006).

This diversification is also an observable fact in our country. Private higher education institutions did not exist until the mid 1990s but between the years 1996 and 2003 about 37 private institutions were founded (World Bank, 2003); in 2005, the number rose to 60 (Daniel, 2010:51) and reaches 88 (HERQA,2013). While institutions grow in number tremendously, the biggest question needed focus is that weather the significant expansion in education has promoted consumers’ perceived quality or not.

The purpose of this study is to assess the perception of customers on service quality of private higher institutions in Addis Ababa with an Importance-Performance Analysis model (IPA). The IPA model which is proposed by Martilla and James (1977) will be used to identify the perceptions of customers’ regarding service quality performance of the institutions. The main reason for using the IPA is that this model is more appropriate means of measuring service quality in education, according to Joseph and Joseph (1997).

The researcher believes that the finding from this study will benefit students, teachers, managers and other stakeholders in the sector. According to the assessment of the researcher, there are only few studies related to service quality issues in PHEI of Ethiopia. So, this study will fulfil the gap in the study area and can serve as a call for other researchers to undertake further studies.

1.3. Quality Initiatives in Ethiopian education

The term HEIs refers to all higher education institutions which are offering bachelor (undergraduate) and programs above this level (MOE, 2007). Higher education has been imparted through two major types of institutions namely, public university and private university. There are 33 public universities in Ethiopia and; also eighty eight private higher institutions in the country and 46 of them are found in Addis Ababa (HERQA, 2013).

The Commission for Higher Education in Ethiopia was established in 1977 with the objective to manage higher education institutions. But the commission was very weak as well as it had not been supported with clear and forward looking policies and strategies to expand and reform higher education sector in the country (Teshome, 2007). The 2003 Higher Education Proclamation was the first national higher education regulation in Ethiopian history that accorded autonomy of administration, academic freedom and accountability to universities. Two agencies, the HERQA and HESC, were established based on the proclamation (Mulu, 2012) with the purpose of dealing with issues concerning the establishment and accreditation of private higher institutions, and setting up of system support organs; introducing new courses and curricula, making new funding arrangements, acquiring student contributions by means of cost sharing, building the necessary infrastructure, improving service quality through the implementation of BPR (Business Process Re-engineering), recruiting new staff, and developing and procuring teaching materials.

1.4. Statement of the problem

The Ethiopian education sector shows significant increment in number over the past two decades. In addition, the country has a plan to increase the coverage even more according to education sector development plan. The main concern is expansion of higher education system without improvement in service quality may not lead to the attainment of the objectives of the education system.

The quality related issues with PHEI in the country should be seen in relation to accreditation responsibility by HERQA, which gives certificates of accreditation for the institutions which meet the criteria and it is renewed within some given period of time. However, researches also show that the country faces a variety of problems; over the past few decades Ethiopia's higher education sector has furthermore manifested little or no structural changes (Teshome, 2004). Limited autonomy, a shortage of experienced academic staff, poor service delivery, declining educational quality, weak research output and outdated curricula all have characterised Ethiopian higher education (World Bank, 2004; Saint, 2004).

The traditional reputation of the public higher institutions hinders the growth of private providers in Ethiopia (Teshome & Kassa, 2008). Several problems were identified to be associated with the functioning of private HEIs. According to Tamirat (2008), some of the problems include:

- Most of them operate in rented buildings rather than owning their own campuses;
- Have no easy access to the best students who scored highest marks on their entrance exam as the MOE assigns these students to the public HEIs;
- Majority of private HEIs do not have many tenured academic staff, as most of the academic staff work on part time basis;
- Lack of sufficient funding to support their activities as most of them depend only on tuition and other fees;
- The increasing number of private HEIs with mainly a profit motive coming to the higher education market.

Because of the above problems, the PHEI in our country focus on what is important for them rather than what is important for their customers and it is usual to hear student's complainants about of their dissatisfaction. It is also important to observe that some institutions have been closed by MOE for not meeting the standards set. Therefore, institutions must have knowledge of what attributes are important to their customers and the performance related with these attributes for the benefit of both parties.

In today's world of intense competition, a firm's ability to deliver high quality service results in satisfied customers which is a key to a sustainable competitive advantage (Shemwell et al. 1998). However, it is common that most people hear about poor service delivery rather than good service quality and "... negative word of mouth can have a devastating" effect on results and on an organisation's effort to attract new customers (Smith et al., 2007:335). Therefore, satisfaction of customers is important in getting competitive advantage through positive word of mouth, loyalty of customers and by building a good image. According to Hill (1995) the primary customers of the education sector are students; therefore, it is necessary for the institution to fulfil the need of their students.

Furthermore, studies conducted on this subject have been very few in the context of Ethiopia. According to Mulu (2012) among the 92 articles published in Ethiopian Journal of Education over the year between 2000 and 2009 periods, only 15 were related to higher education topics but they were other than quality. Likewise 2 out of 21 articles published in Journal of Education Development over a period of three years (2006-2008) focus on higher education themes and none of them had relation to quality.

From recently published articles in 2012 and 2013 which are related with quality of education in Ethiopian higher institution five of them are related with quality of education and only one is related to service quality. This does not only show that little has been done on quality related issues in higher institutions but also the researches only focus on quality of education, were as service quality was hardly studied. So, based on this background the study will investigate the main service quality related problems with PHEI in the country.

1.5. Research Question

- How do students perceive the service quality of private higher education institutions?
- Which service quality attributes are considered as important to students?
- Is there a significant difference for students between their expected importance and perceived performance?
- Does the management perception have a realistic perception of the level of service quality and student's satisfaction?
- Which areas and priorities do students consider crucial in improving the service quality in private higher education institutions?
- Is there any significance difference between more experienced and less experienced institutions on delivery of service?

1.6. Objective of the study

1.6.1. General objective

- The main objective of this study is to analyze the perception of students' on service quality of private higher institutions in Addis Ababa.

1.6.2. Specific objectives

- To assess perceptions held by students towards the service quality PHEIs.
- To identify the degree of relative importance students attach to different attributes in PHEI.
- To identify the significance of differences for students in their expected importance and perceived performance.
- To investigate whether there are any differences in perception among the managers and students of PHEIs.
- To suggest priority areas for improvement and changes in institutional policies for successful implementations of the service quality improvement.
- To identify the service quality difference between more experienced institutions and less experienced ones.

1.7. Significance of the study

There are different stakeholders who will benefit from this study. The primary beneficiary of this study are customers especially students; according to Hill (1995), Students were considered to be the “primary customers” of a university. So, after identifying the students main service related problems the researcher will suggest what is to be done to satisfy them. Finding problems related with service quality PHEI will also benefit staffs; management and it can also go as far as the society; because one way or the other they are beneficiary of the sector.

Review of several literature showed that few researches have been done about quality related issues in Ethiopian higher education in general and service quality issues in particular. In addition to this, most their works are concentrated on public higher institutions; therefore this research tries to fill the gap in some extent. In terms of managerial implication, the research findings will provide some insights and feedback for the administrators of PHEI in drafting various managerial strategies on how to increase the level of customers’ perceived service quality.

Finally, the research expects to find out areas which need improvement and areas which the institutions are doing sound based on the implication of customers perception. The result of the proposed research will make a contribution to previous literatures in this topic and can serve as additional source of reference. Moreover, it serves for other researchers as a springboard to conduct detailed researches on the problem.

1.8. Scope of the study

This study is limited to assessing the service quality issues related to private higher institutions while public higher institutions are excluded. The research is going to be conducted on regular students pursuing an undergraduate degree from the selected institutions. In terms of variables this study will address the service quality dimensions (independent) impact on perception of

students on service quality (dependant), in doing so the researcher will use an IPA analysis method. Besides, the research is limited geographically to Addis Ababa.

1.9. Limitation

The research only addressed students and restriction was set in selecting their institutions in this study. Lack of adequate research material conducted in this area within the country; and the time assigned to complete this study was not sufficient, so it was a bit difficult for the researcher to make a thorough investigation in the area within this short period of time. Because of these limitations the researcher is forced to limit the size of sample selected. The study is only conducted in Addis Ababa, this resulted the findings not to be generalized across all private higher institutions in the country.

1.10. Definitions of terms

Service

Service is time-perishable, intangible experience performed for a customer acting in the role of co-producer.

Perception

Perception is “the process by which an individual selects, organizes and interprets information inputs to create a meaningful picture of the world” (George 2004:149).

Service quality

The service quality from the service customer’s perspective means how well the service meets or exceeds expectations. Because of the customer – oriented market, service quality is generally defined from the customers’ perspective, which is usually termed as perceived service quality (Fisk, Grove and John 2004:153).

Importance-performance analysis (IPA)

IPA is a tool in line with the expectation-performance approach to the measure of quality perceptions and it is commonly used to provide directions for making strategic marketing decisions.

1.11. Structure of the paper

This paper is categorized into five parts which includes the introduction, background of the study background of Ethiopian education and quality initiatives followed by statement of the problem, significance of the study, limitation and delimitation are included under chapter one.

Under chapter two, the literature review is presented. In this chapter various views of theorists such as the aggregation of service quality dimensions and the approach to measure them, are analyzed and discussed. Chapter three is the methodology part and discusses the reasons why the various research strategies were selected and the rationale for the sample selection process.

Chapter four presents the findings of the study and contains data presentation, analysis and interpretation, as well as major findings. The final chapter provides conclusion, recommendation with research limitation and future research suggestion.

Chapter Two

2. REVIEW OF RELATED LITERATURE: CONCEPTUAL ANALYSIS

2.1. Service Marketing

Service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product Kotler (1997). The advance economies of the world are now dominated by services and virtually all companies view services as critical to retaining their customers today and in the future. Even manufacturing companies that, in the past, have depend on their physical goods for their existence but now their come to see and recognize that service provides one of their few sustainable competitive advantages (Zeithaml& Bitner, 2003).

2.2. Service Marketing and Higher Education

Higher education sector is selected for this study because it possesses the characteristics of a service industry such as intangibility, perishability, inseparability, and heterogeneity (Hill, 1995; Lovelock, 2001; Shank, et. al., 1995). Like most of the professional services, higher education exhibits and possesses credence qualities because the students do not have the capabilities to objectively evaluate the standard of the services performed (Bennett, et. al., 2003). Higher education should be part of services marketing because it meets the criteria of services marketing (Mazzarol, 1998). The criterions highlighted by Mazzarol (1998, p.164) include: “(1) Education as a service is directed to the people. Students’ participation in the learning process can be critical to success; (2) Education involves a lengthy and formal relationship between the education providers and the students. Students have a “membership” relationship with the service providers (Lovelock, 1983), offering the providers opportunities to develop strong loyalty and enhance client service features; (3) The extent to which education services are customized varies. Teaching can vary from individual tutorials and seminars to mass lectures. Thus, quality control will be problematic. Educational services, as with any service, cannot be stored for use on another day; (4) In education the demand is subjected to relatively narrow

fluctuations over time, yet supply can be difficult to manage, with limitations placed on staff availability and places on courses. Resources can create potential problems in respect of lecture theatres, seminar rooms, accommodation and other on-campus facilities; and (5) the service encounter and location assume greater importance for on-campus delivery, with satisfaction influenced by the interaction with the service providers, facilities and peers. Services must be transformed to tangible offerings for evaluation and comparison with the competition. If the institution does not do this itself, students will form their own judgment”.

2.3. Service Characteristics

It is very important to understand the overall characteristics of services and what actually characterizes services. In general there are some service characteristics which can be generalized, even though many service industries are heterogeneous. These inheritance characteristics of service make the judgement of service difficult.

The QUALED scale developed to assess service quality in higher education by (McElwee and Redman ,1993). They proposed that there are three characteristics endemic to the service sector: intangibility, heterogeneity and inseparability. According to Parasuraman et al. (1985) there are a number of unique characteristics that separate services from tangible goods: The most common characteristics that have been found and described by researchers are the following:

2.3.1. Intangibility

When you buy a cake of soap, you can see, feel, touch, smell and use it to check its effectiveness in cleaning. But when you pay fees for a term in college, you are paying for the benefit of deriving knowledge and education which is delivered to you by teachers. In contrast to the soap where you can immediately check its benefits, there is no way you can do so in case of the teachers who are providing you the benefits. Teaching is an intangible service. When you travel by an airplane, the benefit which you are deriving is a service (transaction) but it has some tangible aspects such as the particular plane in which you fly (and the food and drink which is served). In this case the service has both a tangible and intangible aspect as compared to teaching which has hardly any tangible aspect.

Services are not tangible; when you buy a service there is nothing to be shown as tangible. Services are not things, but they are deeds or efforts. In essence the performances of most services are supported by tangibles. In general, companies offer a combination of tangible and intangible elements; the product is in many cases associated with service delivery.

Intangibility applies to higher education because most but not all of the services are courses. It is not possible to measure them precisely. They cannot be evaluated as outcomes other than in terms of course classifications or grades.

2.3.2. Inseparability

In most cases a service cannot be separated from the person or firm providing it. A service is provided by a person who possesses a particular skill like teachers or by allowing access to or use of physical infrastructure (hotel, train or education institutions). A plumber has to be physically present to provide the service; the beautician has to be available to perform the massage. This is in direct contrast to products which can be produced in the factory today, stocked for the next two, three or more months and sold when an order is procured.

Inseparability is taken to reflect the simultaneous delivery and consumption of services. Customers participate in the production process or delivery process; there is an interaction between the service provider, the service environment and the customer. Goods are first produced, then sold and then consumed; services are first sold, then produced and consumed simultaneously. In higher education terms it is probably widely accepted that, as yet, there is less managerial control over the actual content of course and modules. The assumption is that the people who deliver the courses have some degree of expertise and academic knowledge. Thus the monitoring of the student/lecturer or teaching/learning interface is minimal.

2.3.3. Heterogeneity

The human element is very much involved in providing and rendering services and this makes standardization a very difficult task to achieve. The new bank clerk who cashed your cheques may not be as efficient as the previous one and you have to spend more time for the same

activity. This is despite the fact that rules and procedures have been laid down to reduce the role of the human element and ensure maximum efficiency.

Services are not homogeneous and are less standardized and uniform. Heterogeneity reflects the potential for high variability in service delivery. For example: the quality and essence of a service can vary from producer to producer, from customer to customer, and from day to day, and people's performance fluctuates up and down.

For higher education institutions, the services can include postgraduate courses; vocational courses; graduate courses; miscellaneous others such research, consultancy and other support activities. According to Parasuraman, et al. (1985): "consistency of behavior from service personnel (i.e. uniform quality) is difficult to assure because what to deliver may be entirely different from what the consumer receives". So, the teacher who gave a superb lecture in your last class may behave a little differently the next time or different teachers who give you different subjects may differ in their way of teaching.

2.3.4. Perishability

Services cannot be inventoried and carried forward to future time. For example: motel rooms not occupied, airline seats not purchased, empty chairs in the class room which are not occupied and telephone line capacity not used can be seen a revenue opportunity lost forever. Services depend on time which makes them very perishable.

The perishability of services is not a problem when the demand is steady but when demand fluctuates, service companies have difficult problems. Thus, service marketers need to manage the demand but also the supply in order to obtain a profitable equilibrium.

2.3.5. Ownership

When you buy a product you become its owner-be it a pencil, book, shirt, refrigerator or car. In the case of a service, you may pay for its use but you never own it. By buying a ticket you can see the evening film show in the local cinema theater; by paying wages you can hire the services of a chauffeur who will drive your car; by paying the required charges you can have a marketing

research firm survey into the reasons for your product's poor sales performance, by paying tuition fee students can get education from institutions, etc. In case of a service, the payment is not for purchase, but only for the use or access to or for hire of items or facilities.

2.4. Definitions of Service quality

Lehtinen U. and J. R. Lehtinen (1982) conceptualized service quality as comprised of three dimensions: physical quality; interactive quality, and corporate quality. Physical quality dimensions refers to the quality of physical elements of service, including tangible products elements that accompany the service offer, supporting equipment and the physical environment where service takes place. Interactive quality dimension refers to the quality of interaction between customer and other elements of service experience, i.e. service personnel, other customers, and machinery and equipment. Corporate quality is the quality dimension which is developed through the years of existence of a service company. It has a symbolic nature and refers to the way potential customers view the corporate entity, its image or profile.

The service quality from the service customer's perspective means how well the service meets or exceeds expectations. Because of the customer – oriented market, service quality is generally defined from the customer's perspective, which is usually termed as perceived service quality (Fisk, Grove and John, 2004). An examination of the available literature suggests that the three themes underlying the concept of 'service quality' are that, firstly, the evaluation of service quality is very difficult for consumers who compare the quality of goods. Secondly, that a perception of service quality is the result of consumers' comparison of their expectations with actual service delivery and finally, that service quality evaluation includes both outcomes and processes of service delivery (Parasuraman, Zeithaml and Berry, 1985). They also added that service quality is an elusive and indistinct construct“, which cannot be measured in an objective manner like product quality. What makes it difficult to define and measure service quality is the very essence of services, i.e. intangibility, perishability, heterogeneity and inseparability of production and consumption as their main characteristics.

The five service quality dimension by Parasuraman, Zeithaml and Berry (1988):

- **Tangibility**- Physical evidence of the service: appearance of physical facilities, tools and equipments used to provide the service, appearance of personnel and communication materials.
- **Reliability**- The ability to perform the promised service dependably and accurately: consistency of performance and dependability, service is performed right at the first time, the company keeps its promises in accuracy in billing and keeping records correctly, performing the services at the designated time.
- **Responsiveness** -The willingness and/ or readiness of employees to help customers and to provide prompt service, timeliness of service: mailing a transaction slip immediately, setting up appointments quickly.
- **Assurance** - The knowledge and courtesy of employees and their ability to convey trust and confidence: competence (possession of the required skills and knowledge to perform the service), courtesy (consideration for the customer's property, clean and neat appearance of public contact personnel), and trustworthiness, security (safety and confidentiality).
- **Empathy** - The provision of caring, individualized attention to customers: informing the customers in a language they can understand, Understanding customer's specific needs, providing individualized attention.

2.5. Service Quality in Higher Education

Services are behavioral rather than physical entities, and have been described as deeds, acts or performances (Berry, 1980). If one is to consider that HE is a service, then it should exhibit all the classical features of services, which make the measurement of quality a complex issue (Hill, 1995). This idea that HE can be classified as a service motivated some authors to discuss the framework to research into services marketing from an educational perspective (Lovelock, 1983; Mazzarol, 1998).

Higher education is a service since it exhibits all the classical features of services: it is intangible and heterogeneous, meets the criterion of inseparability by being produced and consumed at the same time, satisfies the perishability criterion and assumes the students' participation in the delivery process (Cuthbert 1996a). The concepts of service quality are therefore directly applicable to higher education.

Adee (1997) suggested that several 'university characteristics' can help to explain the perceived quality among students, like competent teaching, the availability of staff for students' consultation, library services, computer facilities, recreational activities, class sizes, level and difficulty of the subject content, and students' workload.

However, there is a considerable debate about the best way to define service quality in HE (Becket and Brookes, 2006). Service quality literature suggests the importance for educational institutions to monitor the quality of the services they provide in order to commit themselves Service quality in higher education to continuous improvements. It is pointed out that the "education quality is a rather vague and controversial concept" (Cheng and Tam, 1997). Nevertheless, it is well recognized that "universities are increasingly finding themselves in an environment that is conducive to understanding the role and importance of service quality" (Shank et al., 1995).

2.6. Customers of the Education Industry

Griffin (1996), defined a customer as anyone who pays money to acquire an organization's products or services. Stanton, Etzel, and Walker (1994) suggested 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. In education students are customers who come to contact with service providers of an educational institution for the purpose of acquiring goods or services. Students were considered to be the "primary customers" of a university (Hill, 1995), being the direct recipients of the service provided, student-perceived service quality has turned out to be an extremely important issue for universities and their management.

The study by Owlia and Aspinna (1997) surveyed 124 people involved in educational quality efforts in United States, Europe, India, and Australia. The results identified students as primary customers, followed by employers, society, faculty and families in descending order of relative importance. Waugh (2002), however, suggested that viewing students as customers created some tensions in universities by making universities seem to be too aligned with businesses. Some researchers also view academic faculties as customers of university administration. Pitman (2000) examined the extent to which university staff perceived students and academics as customers in Australia. Although the primary participant in the service of education is the student, there is also a strong underlying assumption that the “customer” of education includes industry, parents, Government, and even society as a whole.

Regarding students as customers and conducting students' evaluations of teachers and teaching practice, according to Emery *et al.* (2001), result in lowering of academic standards. Whereas in the private sector the issue of customer is clear and unambiguous, in the context of public services it is difficult to define customers and the term itself may be inappropriate. Individuals, government agencies and society as a whole may as well be regarded as customers. More often than not the interests of those diverse sets of customers are in conflict, which it further complexifies the issue of addressing those requirements and proper allocation of scarce resources in quality improvement interventions (Wisniewski and Donnelly, 1996).

There are many beneficiaries of higher education and thus it is claimed that defining and managing quality in higher education call for less controversial term, such as stakeholders. It is clear that the interests of students and their families should not be neglected. In addition, interests of prospective employers who are looking for quality human capital should be safeguarded, as well as requirements of funding bodies seeking for good return on investments and job satisfaction of the employees of higher education sector. Society as a whole should also be taken into consideration since better-educated workforce is expected to lead to stronger economy (Srikanthan and Dalrymple, 2003).

Athiyainan and O'Donnell (1994) highlighted that higher education institutions seeking to assess quality must first identify the institutional characteristics that are most valued by its clients and then measure the clients' perception of the institution performance against these characteristics.

This raises the issue of “who is the customer in education”. According to Kara and DeShields (2004) educational institutions have many customers: students, staff, faculty, alumni, donors, and others.

2.7. Service Expectation

Customer expectations are pre-trial beliefs that consumers have about the performance of a service that are used as the standard or reference against which service performance is judged.

Zeithaml, Bitner & Gremler (2009), identified two types of customer service expectations:

1. Desired service expectation

The level of service the customer hopes to receive or a combine of what the customer believes about the performance of service. This can be influenced by individual needs, lasting service intensifiers, explicit and implicit service promises, word-of-mouth communication and customer’s past experiences.

2. Adequate service expectation

The level of service the customer will accept. Adequate service represents the "minimum tolerable expectation." It is the bottom level of performance acceptable to the customer, and reflects the level of service customers believe they will get on the basis of their experience with services. This also can be influenced by temporary service intensifiers, service alternatives, customers self-perceived service roles and situational factors.

Zone of tolerance

Due to its heterogeneous nature service performance may vary across providers, across employees from the same provider, but customers may recognize and will be willing to accept this variation which is called the Zone of tolerance. That is the range or gap in which customers do not particularly notice service performance. A zone of tolerance varies across customers and differentiates between their desired and adequate service expectations. The zone of tolerance is the extent to which customers recognise and are willing to accept. Customers have different

zones of tolerance based on the service-related dimensions and attributes. Generally, customers are likely to be less tolerant of unreliable services.

2.8. Customer Perception

Perceptions are defined in various ways. Strydom, Jooste and Cant (2000:84) define customer perception as the process of receiving, organizing and assigning meaning to information or stimuli detected by the customer's five senses and opine that it gives meaning to the world that surrounds the customer. Perceptions are also described as the end result of a number of observations by the customer. Customers perceive services in terms of quality of services provided and the satisfaction level attained.

2.8.1. Factors Affecting Perception of Customers

According to Zeithaml and Bitner (1996:104), four factors that influence customers' service perceptions are image, price, and service encounters (moments of truth) and the evidence of service.

2.8.1.1. Image

Customer perceptions can be affected by the image or reputation of the organization. Keller (1993) defines organizational image as "perceptions of an organization reflected in the associations held in customer memory." The associations can be reflected through contacting with employees and even the service experience itself. Organizational image can assist an organization to build positive customer perceptions of service. This positive image serves as a buffer against incidents of poor service (Zeithaml and Bitner, 1996)

2.8.1.2. Price

The price of service can also influence customer perceptions. Because of the intangible nature of the service, customers rely on price as an indicator to judge whether the service can meet their expectations or not. If the price is higher than average price, customers are likely to expect higher quality than others; if price is too low, customers may doubt the ability of organization to

deliver the service appropriately. For both situations, the higher or lower expectations will greatly influence customer perceptions of service.

2.8.1.1.1. Cost of courses offered

According to the research carried out by Ford, et. al. (1999), reasonable cost of education influences the overall students' perceived service quality. In addition, the provision of financial services such as scholarship is indicated as one of the important determinants of the overall students' perceived service quality (Hill, 1995). The cost of courses offered has been tested by some researchers in the extant literature as one of the important determinants of the overall students perceived service quality (Hill, 1995; Ford, et. al., 1999; and Joseph, et. al., 2005). The items in the cost of courses offered in this research are adapted from Joseph, et. al. (2005) and Kennington, et. al., (1996). The items that are tested in this research include a variety of scholarships offered to students, whether the cost of the academic program is reasonable and finally whether the miscellaneous service charges are reasonable. These items that were developed based on the 'outside-in' approach (customers perspective) will be tested in this research to determine the impact of the cost of courses offered towards the overall students' perceived service quality.

2.8.1.3. Service encounters (moments of truth)

Service encounter refers to the interaction between the customer and the service provider during a period of time. According to Zeithaml and Bitner (1996:105), when customers have service transactions with a service organization, they can judge the quality of service provided by this organization, through evaluating the concrete service encounters. Customers can receive a snapshot of the organization's service quality through interactions. Thus, adequate service encounters will improve the positive relationships between the service provider and the customer. Zeithaml and Bitner (1996:107) mention three types of service encounters that can be managed by a service organization to have interactions with customers, namely remote encounters, phone encounters and face-to-face encounters.

A. Remote encounters: These take place when there is no direct human contact between the customer and the service provider. Examples are guests searching for pictures and services offered on a website of a guest house and receiving brochures of travel information after he or she returns home. Although there is no direct human contact in these remote encounters, each represents an opportunity for hosts to influence the guest's perceptions of service performance.

B. Phone encounters: This is extended to an electronic encounter responding to rapid information-technology (Bennett & Strydom 2005:288). Electronic encounter refers to the interaction between customers and service providers that occur through the Internet and other multi-media. Almost all service providers rely on electronic encounters to perform customer service. However, the variability of an electronic encounter is greater than that of a remote encounter, taking into account the access to the website, the navigation of the website interface, the tone of voice, employee knowledge, and effectiveness in handling customer issues (Zeithaml & Bitner

1996:108). It is important to deliver effective and functional services to (potential) customers via friendly navigation on website interface and effective employees who are capable of sending specific and factual information to customers.

C. Face-to-face encounter: This takes place between a customer and a service provider in direct contact, meeting in person. The service provider's perceived knowledge, appearance, attitude and other forms of behaviour or attributes are important determinants. Zeithaml and Bitner (1996:108) emphasize that customers also play a role in creating quality service for themselves through their own behaviour during the face-to-face encounters.

2.8.1.4. Evidence of service

The last factor of influencing customer perceptions of service is regarded as the evidence of service. Because services are intangible, customers not only rely on price to evaluate service quality, but also seek for evidence of service in every interaction they have with an organization to build an impression of service perceptions. Zeithaml and Bitner (1996:113) discover three elements of evidence experienced by the customer: people, process and physical evidence.

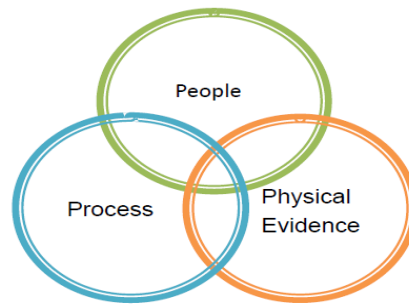


Figure 2.1: Evidence of Service,
Source: Zeithaml and Bitner (1996:115)

A. Process: Refers to a series of activities or steps in the service delivery process, the level of flexible function and technology of the service performances, which influence the service perceptions of customers (Lovelock 2001:39). For instance, the guests may build up service perceptions from observing a guest waiting in the line to check-in and by the way the employees take a lunch order, manually or by means of a computer.

B. People: Refers to the persons in service transactions including the personnel in service transactions, customers themselves and other customers within the interaction setting (Zeithaml & Bitner 1996:114). For example, the action and the attitude of the personnel at a reception desk in a guest house will be judged on the impression of perception in terms of the employee's politeness and effectiveness. Moreover, customers share the service environment with other customers as they consume the service. Fellow customers can either enhance or detract from a customer's perception of quality (Wu 2007:1519). The actions and attitude of other guests he/she meets in lounge room will also influence the perception of this service received.

C. Physical evidence: Assists customers in service evaluation because the intangibility of the service often makes it difficult for customers to evaluate service perceptions. Physical evidence consists of facility exterior, facility interior and tangibles. Facility exterior includes the exterior design, parking, landscaping and the surrounding environment; facility interior includes the interior design, equipment used by customers and air quality; tangibles are tangible cues such as

business cards, stationery, receipts and brochures (Hoffman & Bateson 2006:225). One of the elements that show physical evidence is access to facility.

Access to Facilities

According to LeBlanc and Nguyen (1997) and Sohail and Shaik (2004), the abilities of students to access the facilities offered by tertiary institution will affect the overall students' perceived service quality for a particular tertiary institution. Access to facilities based on the research of Sohail and Shaik (2004) includes the convenience of access to the parking facility, computer facility and study room facility.

2.9. Perceived Service Quality

The term perceived service quality has been frequently used by practitioners and academicians in the past few decades, whereas there hasn't been any generally accepted definition yet. The consensus about perceived service quality is that it is a consumer's evaluative judgment or impression regarding a service provider's overall performance or excellence (Parasuraman et al., 1985). Perceived service quality refers to the customer's evaluation of an organization's service based on his or her overall experience of the continuous service encounter (Woodruffe, 1995).

Chowdhury and Abe (2002) state that customers' perceptions of quality, are generally formed on the basis of an array of cues. These cues basically fall into two categories: intrinsic and extrinsic cues. Intrinsic cues refer to attributes that cannot be changed without changing the physical characteristics of the product. Extrinsic cues, however, are attributes that are not part of physical product.

However, we can consider intrinsic cues as the fundamental service qualities and extrinsic cues as external or non-fundamental service characteristics of a university. For example the classroom facilities, library and laboratory facilities, facility and staff services, program and curriculum design, and extra-curricular activities are considered as intrinsic cues. On the other hand, location, building, price, and image dimensions can be considered as external cues.

2.10. Instruments to Measure Service Quality in HEI

Different researchers have different views on measurement of service quality in higher education. Most of the studies employ SERVPERF, HEdPERF, SERVEQUAL, and Importance Performance Analysis.

2.10.1. SERVPERF

An alternative instrument to measure service quality was introduced by one of the SERVQUAL's critics – Cronin and Taylor (1992). Instead of SERVQUAL introduced the performance - based measure of service quality, SERVPERF.

SERVPERF is composed of 22 perception items defined in SERVQUAL scale, and excludes any consideration of expectations. In other word, SERVPERF differs from SERVQUAL in that; SERVPERF does not assess gap scores because the expectation portion of pairing is not included. The research of Cronin and Taylor (1992) suggested that although expectations can have unique effect on customers' perception of service quality, the performance minus expectation is an appropriate basis for use in the measurement of service quality. Moreover, there were many emerging literature supported the performance-based paradigm over the disconfirmation based SERVQUAL paradigm.

However, Parasuraman, Zeithaml and Berry (1994) criticized the SERVPERF instrument that the marketing literature appears to offer considerable support for the superiority of the simple performance-based measures of service quality was surprising and questionable. Parasuraman et al. (1994) also revealed that through the practice of measuring only perception was widespread, such a practice did not necessarily mean performance based measures were superior to discontinuation – based measures. In fact, service quality measurements that incorporate customer expectations provided richer information than those that focus on perceptions only.

In spite of the criticism of SERVPERF by Parasuraman et al. (1994), Cronin and Taylor (1992) still revealed that SERVPERF was the superior measure of service quality over SERVQUAL.

They also claimed that SERVPERF scale consistently outperformed any of the other competing models in service environments, and it also provided a useful tool for measuring overall service quality attitudes by service managers.

2.10.2 HEdPERF (Higher Education Performance)

In view of that, Firdaus (2004) proposed HEdPERF (Higher Education Performance), a new and more comprehensive performance-based measuring scale that attempts to capture the authentic determinants of service quality within higher education sector. The 41-item instrument has been empirically tested for unidimensionality, reliability and validity using both exploratory and confirmatory factor analysis. Therefore, the primary question is directed at the measurement of service quality construct within a single, empirical study utilizing customers of a single industry, namely higher education. Specifically, the ability of the more concise HEdPERF scale is compared with that of two alternatives namely *SERVPERF* instrument and the merged *HEdPERF-SERVPERF* as moderating scale.

The goal of HEdPERF to assess the relative strengths and weaknesses of each instrument in order to determine which instrument had the superior measurement capability in terms of unidimensionality, reliability, validity and explained variance of service quality. Eventually, the results of this comparative study were used to refine the *HEdPERF* scale, transforming it into an ideal measuring instrument of service quality for higher education sector. The HEdPERF scale got four dimensions which Comprises 41 items.

First dimension: Non-Academic Aspects

This contains variables that are essential to enable students fulfill their study obligations and it relates to duties and responsibilities carried out by non – academic staff. In other words, it is concerned with the ability and willingness of administration (or) support staff to show respect, provide equal treatment and safeguard confidentiality of information. Additionally, this factor describes the importance of being approachable and accessible, having positive attitudes and good communication skills, allowing fair amount of freedom and providing services within stipulated time frame.

Second dimension: Academic Aspects

This factor represents the responsibilities of academics and it highlights key attributes such as having positive attitude, good communication skills, allowing sufficient consultation, and being able to provide regular feedback to students. Other important elements center on the academic reputation of the institution, notably its ability to offer prestigious and wide ranging program with flexible structure, degrees that are recognized locally and internationally and finally having highly educated and experienced academic staff.

Third dimension: reliability

This consists of items that put emphasis on the ability to provide the pledged service on time, accurately and dependably.

It is also concerned with the ability to fulfill promises and the willingness to solve problems in a sympathetic and reassuring manner.

The fourth dimension: empathy

This relates to the provision of individualized and personalized attention to students with clean understanding of their specific and growing needs while keeping their best interests at heart.

2.10.3. Service Quality Model (GAP model)

Parasuraman, Zeithaml and Berry (1985) defined service quality 'as perceived by consumers, is the result of a comparison of expectations of a service they will receive and perceptions of the performance of the firms providing the service'. In fact, service quality is an abstract and elusive construct because of three features unique to services: intangibility, heterogeneity and inseparability of production and consumption. Therefore, it is difficult to evaluate as different customers have different perceptions of service quality.

Further research of Parasuraman et al,(1988) led to the deletion of certain items from the ten dimensions and the reassigning of other items, and resulted in the current SERVQUAL instrument that consists of five key dimensions of service quality: tangibility, reliability, responsiveness, assurance and empathy.

Parasuraman, Zeithaml and Berry (1990) proposed to subjectively measure service quality by finding out the extent of discrepancy between customers' expectations or desires and their perceptions of the actual quality of performed service. Good service quality exists when customer expectations are met or exceeded and is studied in five dimensions as mentioned in the previous section: tangible, reliability, responsiveness, assurance, empathy. The methodology of comparing customer's expectation and perception in five dimensions is the popular SERVQUAL (Danuta Ann Nitecki, 1996).

The discrepancy between customers' expectations or desires and their perceptions of the actual service performance was elaborated in the Disconfirmation of Expectations Paradigm (Patterson 1993) which related satisfaction to customer's pre-purchase expectations and perceptions of service performance and identified any difference as Disconfirmation. The comparisons which form the basis of the model are as follows:

- Perceived Performance > Expectation: High satisfaction (Delight)
- Perceived Performance = Expectation: Merely Satisfied
- Perceived Performance < Expectation: Dissatisfaction

According to Parasuraman *et al.* (1985:47), the SERVQUAL model is also referred to as the disconfirmation paradigm or gap model, the model says that the expected service is influenced by the word-of-mouth, the personal needs, past experience and also by the external communication to customers. A perception gap can appear between the expected service and the perceived service. This gap is called the GAP 5 (also called the service quality gap); it occurs if the customer is not satisfied and depends on the other 4 gaps which are:

- Provider gap 1: not knowing what customers expect
- Provider gap 2: not selecting the right service design and standards
- Provider gap 3: not delivering to service standards
- Provider gap 4: not matching performance to promises

The customer gap can be represented mathematically by the following formula:

$$SQ = \sum_{j=1}^K (P_{ij} - E_{ij})$$

Where:

SQ = Service quality

P_{ij} = Performance perception of stimulus i concerning attribute j

E_{ij} = Expectation of service quality for attribute j, which is the relevant norm for stimulus i

K = number of attributes

Parasuraman et al,(1990) further defined an additional series of items that captured the importance consumers place on each service attribute captured by the SERVQUAL scale: Service Quality= f (Perception- Expectation)*Importance.

$$SQ = \sum_{j=1}^K I_{ij} (P_{ij} - E_{ij})$$

Where: I_{ij} is the weighting factor, i.e., importance of attribute 'j' to an individual 'i.'

Since relative importance of variables is relevant in an evaluation of overall quality. Therefore, all dimensions should be weighed in terms of relative importance of the customers attach to them. The equation above shows that all three variables: importance, perceptions and expectations do play different roles in evaluating overall quality and information should be collected on all these variables.

This formula shows the gap between customer's perceptions and their expectations of service quality improvement in order to determine perceived service quality improvement. The wider the gap between stakeholder expectations and perceptions, the larger the weakness in service quality improvement (Parasuraman *et al.* 1985:46)

2.10.3.1. Criticisms on SERVQUAL

The publication of the first results of the SERVQUAL instrument provoked a debate on how best to measure service quality and in the subsequent decade there have been many attempts to demonstrate the efficacy of the SERVQUAL instrument. It is generally agreed, however, that

SERVQUAL instrument is suitable for measurement of service quality because it measures key aspects of service quality. Asubonteng (1996), moreover, claims that SERVQUAL is popular with managers because it combines ease of application and flexibility. Managers know that results obtained using the model are probably not objective truth but that they help identify the direction in which the firm should move.

Some researchers have, however, suggested that SERVQUAL model also has weak points both theoretically and operationally. SERVQUAL's five dimensions may not cover all service aspects of the organization and are not universals. The number of dimensions comprising service quality is contextually determined; Babakus and Boller (1992) suggested that the number of service quality dimensions is dependent on the particular service being offered. Andersson (1992) pointed to SERVQUAL's failure to draw on previous social research, particularly economic theory, statistics, and psychological theory.

The methodology of comparing the gap between expectation and perception has also attracted criticism. Cronin and Taylor (1992; 1994) argued that SERVQUAL is paradigmatically flawed because of its ill-judged adoption of the disconfirmation model. Babakus and Boller (1992) found that the use of a "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 SERVQUAL scale". They found that the dominant contributor to the gap score is the perception score.

Lewis (1993) criticized the use of a seven-point Likert scale for its lack of verbal labeling for points two to six which may cause respondents to overuse the extreme ends of the scale. Babakus and Mangold (1992) suggested using five-point Likert scale on the grounds that it would reduce the "frustration level" of respondents and increase response rate and quality. The double administrations of perception and expectation questionnaires may lead to boredom and confusion (Bouman & Van Der Wiele, 1992) and may also be deemed too time consuming (Carman, 1990).

2.10.4. Importance Performance Analysis Model

IPA, originally introduced by Martilla and James (1977), yields insights into which product or service attributes a firm should focus on to achieve customer satisfaction. Typically, data from satisfaction surveys are used to construct a two dimensional matrix, where importance is depicted along the x-axis and performance (satisfaction) along the y-axes. Customers are asked to rate each attribute on its performance.

The Importance-Performance Analysis conceptually rests on multi-attribute models. This technique identifies strengths and weaknesses of a market offering in terms of two criteria that consumers use in making a choice: the relative importance of attributes and evaluation of the offering in terms of those attributes. A particular application of the technique starts with an identification of the attributes that are relevant to the choice situation being investigated. The list of attributes can be developed after canvassing the relevant literature, conducting focus group interviews, and using managerial judgment. Otherwise, a set of attributes pertaining to 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 (Kitcharoen , 2004).

According to Joseph and Joseph (1997:161), the importance-performance analysis (IPA) paradigm is the most suitable model for measuring service quality satisfaction in education. The objective of the IPA is to identify which attributes or combinations of attributes are most influential in stakeholder satisfaction. Martilla and James (1977) state that stakeholder satisfaction is the result of certain important attributes and their judgment of attribute performance. They add that the IPA tries to assess the underlying importance accorded by consumers to the various quality criteria under judgment.

In addition, it is relevant for indicating which attributes are deemed most important and/or relevant by the stakeholder. Importantly, the IPA is a low cost, easily understandable model, which indicates to managers where they should devote more resources and time as well as those areas where too many resources are utilised. O'Neill and Palmer (2004) used this tool in their

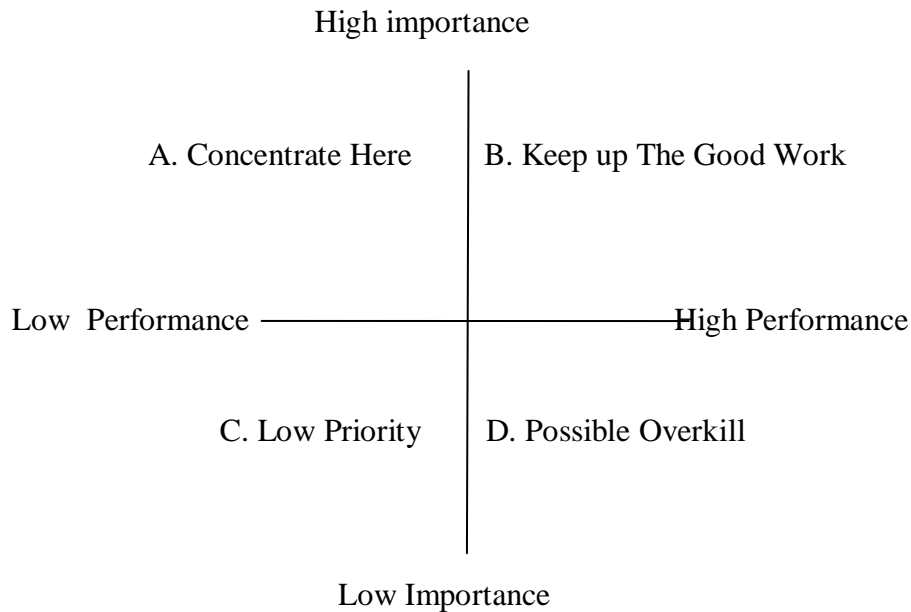
study of service quality evaluation in higher education institutions and found that IPA was widely applicable because of its simplicity, ease of application and diagnostic value.

As explained by Martilla and James (1977:77), the most attractive feature of the IPA is that the importance and performance mean values can be displayed graphically in a two-dimensional grid to facilitate easy interpretation. The grid is divided into four quadrants to enhance the interpretation of the mean importance and performance measures associated with each of the quality attributes.

By using a central tendency (e.g. mean, median or a rank-order measure) 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 quadrants of the importance performance grid (Crompton and Duray, 1985). Mean performance and importance scores are used as coordinates for plotting individual attributes on a two-dimensional matrix as shown in Figure 2. This matrix is used to prescribe prioritization of attributes for improvement (Slack, 1991) and can provide guidance for strategy formulation (Burns, 1986). The four quadrants are described as follows:

- **Concentrate here:** This quadrant indicates that the respondent feels that a particular quality attribute is highly important, but the attribute's performance causes low satisfaction.
- **Keep up the good work:** The quality attribute in this quadrant is regarded by the respondent as both important and indicates a satisfactory performance.
- **Low priority:** The quality attribute here is rated low in terms of performance, but respondents do not regard the attribute as highly important.
- **Possible overkill:** Here the performance of certain quality attributes in the institution is judged as being good, but respondents attach slight importance to it.

Figure 2.2. The Original IPA Framework



The study of Hemmasi et al, (2004) suggested that service quality assessment using importance performance analysis may be a more useful strategic management tool than the gap measures recommended by the author of SERVQUAL scale. The evidence of their study suggests that the gap measure does not appear to be appropriate conceptualization or operationalization of the service quality construct. The primary reason is the inadequacy of expectation/performance gap model which underlies the conceptual development of SERVQUAL scale. Service quality seems more appropriately identified through the type of importance performance analysis that has been demonstrated in the study. Specifically, the SERVQUAL scale item can be placed on an importance-performance grid (Martilla and James, 1977), which will then identify areas in which strategic redeployment of resources may be warranted to improve service quality.

The traditional importance-performance analysis, however, has two inherent weaknesses. First, while the technique considers an object's own performance in terms of a particular item, it ignores its performance relative to competitors (Burns, 1986). Second, while the technique takes into account attribute salience (i.e. importance), it does not recognize the determinacy of an attribute. Determinant attributes are those that discriminate well among competing products (Engle & Blackwell, 1990) and directly influence consumer choice. An attribute, say price, may

be very salient to consumers, but if the consumer feels that alternative products are about the same price, then price is not a determinant attribute. Hence, solely focusing on salience at the expense of determinacy may misguide strategy. A modified IPA model might, however, be constructed on the basis of comparing perceived performance and the importance of each service attribute of the five dimensions of the SERVQUAL model.

2.11. Conceptual Relation between Customer Satisfaction and Service Quality

Spurred on by the original work of Parasuraman et al. (1985) service quality and customer satisfaction have gained considerable interest among practitioners and researchers in the field of Services Marketing. The fact that both constructs are based on expectancy-disconfirmation paradigm has led some authors to conclude that service quality and customer satisfaction are the same and that the difference between them is more of a semantic than of an intrinsic nature (Tian-Cole et al., 2003). Customer satisfaction is related to the size and direction of disconfirmation, which is defined as the difference between an individual's pre-purchase (pre-choice) expectations (or some other comparison standard) and post-purchase (post-choice) performance of the product as perceived by the customer (Tse et al, 1990).

Service quality plays a key role in framing customers' evaluations with regard to pure services such as healthcare, financial services and education. Customer satisfaction relates to the customer's evaluation of whether a product or service has met the customers' expectations. Customer satisfaction is dynamic and is influenced by a variety of factors such as product and service features, consumer emotions, attributions related to a service success or failure, customers perceptions of equity or fairness, and the impact created by other consumers and family members. Customer satisfaction exerts macroeconomic implications and is an important indicator of national economic health, economic efficiency, pricing statistics, quality of life, corporate earnings and stock value. Customer satisfaction is often linked to customer loyalty and profits in many service-based firms.

2.12. Review of Empirical Literature

According to the research by Mulu (2012), which was on quality and quality assurance in Ethiopian higher institution academic staffs across the public universities are not properly trained and engaged to face challenges and improve quality education to the level it should be.

Negi (2010) in his work which was about Educational Quality and Students' Complaints Handling in the case of private university colleges in Addis Ababa; revealed that the major focus of private higher educational institutions under study is on attracting new enrolments rather than handling the existing complaints of students effectively.

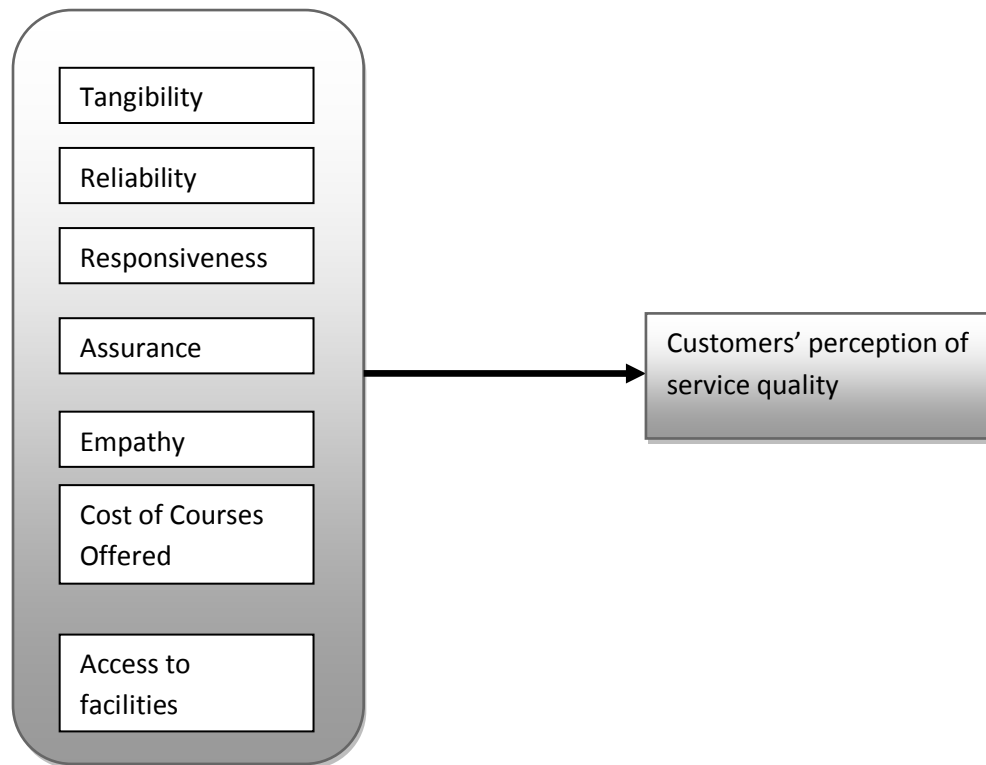
In his research Solomon (2012), which was on stakeholder's perception of service quality improvement in Ethiopian public higher education institutions; reveal that the reason for the highest gap between perception and expectation is that the stakeholders expect more from the service quality improvement initiative and this expectation is because of implementation of BPR. He also suggested that further research should be conducted on private higher institutions.

A research by Krisana Kitcharoen (2004) on IPA analysis of service quality of PHEI in Thailand; in the study modified IPA model was used for a sample of students and staff of ten randomly selected Thai universities to investigate the importance of service attributes for service providers' and student's evaluation of services. The gap between importance and performance from both perspectives were also evaluated. The findings of this study discovered that students' satisfaction with a service quality was significantly explained by age, tangible importance, empathy importance, reliability performance, and empathy performance. Meanwhile, staff members' satisfaction with a service quality was significantly explained by tangible importance, reliability importance, assurance importance, and reliability performance. In addition, the study released that students' satisfaction with a service quality positively affected their pride in the universities.

2.13. Conceptual Frame Work

This research will endeavor to find out the main service quality problems in PHEI by using SERVQUAL model with adding cost of courses offered and access to facilities in addition to the five dimensions.

Figure 2.3: Conceptual framework of the study



Chapter Three

3. RESEARCH DESIGN AND METHODOLOGY

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically and includes various steps that are generally adopted by a researcher in studying his research problem along with the logic behind them (Kothari, 2004). Thus in this particular chapter a full detailed of methodology will be discussed and deals with why different research strategies are chosen.

3.1. Study Site

There are around 46 private higher institutions in Addis Ababa and the researcher only selects six institutions by using their year of experience in the business. Therefore, out of the six institutions three of them are pioneers and the other three are recently opened universities. From the old institutions Unity University, Alpha University Collage and CPU Collage are selected and from the newly opened institutions ECUSTA Higher Learning Institute, Hope University Collage and Sri Sai Collage are chosen.

Table 3.1: Institutions with their date of establishment

Institution	Date of establishment
Alpha University Collage	1981
CPU Collage	1992
Unity University	1991
ECUSTA Higher Learning Institution	2008
Sri Sai Collage	2008
Hope university Collage	2012

3.2. Research Design

Descriptive research design were selected in this study because descriptive method is particularly appropriate when the research objective include the determination of the degree to which certain variables are related to actual phenomena (Hair et al 2000) as such information can provide decision makers with evidence that can lead to a course of action. Kothari (2004) identified that to describe the characteristics of a particular Phenomena, descriptive research is preferable. It is concerned with specific predictions, with narration of facts and characteristics concerning individual, group or situation. As mentioned above, the goal of descriptive research is to describe some aspect of a phenomenon, which is the status of a given phenomenon. It can also help us to understand a topic and lead to causal analysis (Abiy zegeye et al, 2009).

The time scale of this research was cross-sectional. According to Gray (2008:34), a cross-sectional study is used when the data are collected at one specific period of time.

3.3. Research Approach

There are two basic approaches to research, quantitative approach and the qualitative approach (Kothari, 2004).The former involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion. The later qualitative approach to research is concerned with subjective assessment of attitudes, opinions and behavior. Research in such a situation is a function of researcher's insights and impressions.

This study employed mixed method of research approach that is both quantitative and qualitative methods. A mixed method approach enables a researcher to obtain a more comprehensive understanding of educational phenomena, ranging from simple to complex, particular to general and from internal to external perspectives (Greene, 2005). Thus, according to (Punch, 2005), using both quantitative and qualitative approaches increases the scope, depth and power of the research.

3.4. Population and sampling

The population is the group that the researcher wants to generalize about Muijs (2004), for this study the population included all the regular students pursuing an undergraduate academic degree PHEI in Addis Ababa. The sampling method employed in this work is mixed approaches of sampling, so the researcher used stratified sampling first to classify the PHEI in their year of experience, then number of respondents was dispersed in proportion to the number of institution's enrolment rate. Simple random sampling was executed to select the respondents from the institutions.

The student respondents were only selected from final year, this is due to the students' familiarity with the institution and their perceptions of institutions' service delivery that were dependable over time. In their final year, students would have been at the university for at least three years, thus, they should have an accurate perception of the service quality. Mostly, students in their final year also have some critical viewpoints, and for this reason, their perceptions are usually more critical than in earlier years.

3.4.1. Sample Size

Considering Malhotra (2007), a sample of over 200 respondents in a survey study is likely to give an acceptable degree of accuracy, provided, it is based on some probability technique. Therefore, the stated sample size was considered to be appropriate to make generalizations about the study population. Based on Krejcie and Morgan's (1970) sampling table, it was appropriate to select sample size of 140. In this research the questionnaire was administered to 213 respondents and, it was distributed proportionally to the institutions enrolment rate with the exception of two institutions that their enrolment rate is low and it is difficult to take only three or four students to represent the students of the institutions. Therefore, the researcher deliberately adds a little more number.

Sample from x university = no of students from x university /total population*sample size

The total population is the sum of all students in the six institutions, that is 9870. Here are the institutions with their respective number of students and the sample taken from each of them.

- Unity University: Number of students 6000 ($6000/9870*200 = 122$)
- CPU Collage: Number of students 1500 ($1500/9870*200 = 30$)
- Alpha University Collage: Number of students 1270 ($1270/9870*200 = 26$)
- Hope University Collage : Number of students 740 ($740/9870*200 = 15$)
- ECUSTA Higher Learning Institution: Number of students 180 ($180/9870*200 = 4$)
- Sri Sai Collage: Number of students 160 ($160/9870*200 = 3$)

For ECUSTA Higher Learning Institution and Sri Sai Collage the researcher decided to take 10 students from each institution to get good insight.

3.5. Source and Method of data collection

The source of data for this study was both primary and secondary data. The primary data for this study was collected through questionnaire and interview that was developed by the researcher based on the review of prior researches. Berg (2001), points out that if the researcher wants to administer the results easily and to collect deep going information from a smaller number of individuals questionnaire and interviews are suitable respectively. Whereas, for secondary data for this research were collected from published articles, journals and books.

3.5.1. Scale and Measurements

The questionnaires had four sections; Section A- is personal information, like age, sex and university/collage were asked. For the questionnaires the researcher employ the SERVQUAL (Parasuraman, Zeithaml, and Berry, 1988) model were employed. Groons (2003) also has emphasised the importance of adopting the SERVQUAL instrument by taking account of the context in which it is used. Section B- is designed to measure the importance of the attributes with 28 questions and; section C will measure the performance of each item in relation to the service quality at your university this section also consists of 28 questions. The response will be rated with a five point Likert scale ranging from 1 (one being very unimportant) to 5 (five being

very important) for importance were as 1(one being very poor) to 5 (five being very good). For interview part data was collected from managers of the institutes using six questions.

3.6. Procedure of Data Collection

The data collection procedure for this research was undertaken in three phases. During the first phase, the pilot study was administered to test the appropriateness, validity and reliability of the questionnaire and checking weather modification of the instruments where necessary based on the pilot study. Then it followed by the second phase, which is aiming at conducting the survey from the targeted groups of the six higher institutions. The data was distributed to students at the end of their class in collaboration with the administration of the campus and their instructors.

During third phase, the interview was conducted with the mangers of the selected institutions. This was done to assess whether the managers have realistic perception of students' perception of the service and their satisfaction. In addition, this was helped in comparing the managers' perception with customers.

3.7. Data analysis

To test research questions and investigate research objective, the collected data was analyzed with both qualitative and quantitative methods.The quantitative data will be analyzed using statistical package for social science (SPSS) version 20.0.

Validity and reliability tests were conducted first; for validity the researcher survey question were made based on literature review and frame of reference to ensure result validity. To cheek its reliability cronbach alpha test will be used. Followed by descriptive statistics was used to interpret demographic variables of the respondents.

For questionnaires of IPA, first the mean importance and mean performance ratings were calculated for each of the SERVQUAL service attributes, then gap scores of individual IPA items will be calculated. Second the IPA graph was plotted, after that differential analysis have been conducted and paired sample t-test with a confidence interval of 95% was used to compare

the mean score of the importance level with the mean score of the performance level and to test the significance difference between the two means. Pearson correlation was used to examine the relationship between each of the independent dimensions. Regression analysis was conducted to determine service quality factors relative importance in contributing to overall evaluation of service quality by customers.

In addition qualitative data was grouped and organized for analysis question by question. For this the procedure by Silverman (2009), will be used. Content analysis to identify patterns and commonalities of responses will be used to analyze open- ended survey questions and produce meaningful theme. The resultant themes was cross examined to establish an agreed set of themes that were thought to appropriately represent participants view.

CHAPTER FOUR

4. DATA ANALYSIS AND INTERPRETATION

In this chapter the primary data collected from respondents were analyzed, the first part focused on analyzing the self administered questionnaires collected from students and the second part deals with the interview questions with the managers.

In order to collect the data, 213 structured questionnaires were distributed to students and from the distributed questionnaires; all of the questionnaires were returned giving a response rate of 100%.

4.1. Reliability analysis

The study used Cronbach alpha to assess the internal consistency of the research instrument. Cronbach's alpha (α) is a coefficient of reliability and it is commonly used as a measure of the internal consistency. The reliability in this study as assessed by coefficient alpha, was found to be 0.852 (table 4.1), as indication of acceptability of the scale for further analysis.

Table 4.1 Result of Reliability Analysis

Service Quality Dimensions	No. of Items	Cronbach's Alpha (α) Value			
		Pilot		Actual	
		Importance	Performance	Importance	Performance
Tangibility	4	0.967	0.852	0.773	0.727
Reliability	5	0.827	0.787	0.744	0.801
Responsiveness	4	0.722	0.878	0.736	0.804
Assurance	4	0.821	0.763	0.728	0.770
Empathy	5	0.743	0.827	0.735	0.824
Cost of courses offered	3	0.956	0.951	0.731	0.756
Access to Facilities	3	0.931	0.925	0.706	0.746
Overall scale Reliability	28	0.812	0.856	0.907	0.929

4.2. General Profile of the Respondents

The biographical profile of respondents is presented in Table 4.2. The properties include the gender and age of the sampled students. The results reveal that 45.5% of the students were male and 54.5% were female. This showed that the majority of the students are female which indicated females are becoming more participative in learning.

As for the age distribution, almost 54.5% of the respondents were young and between 22 and 24 years old, followed by 38.5% between 19 and 21 years. Only 4.2% of the sampled students fell into the 25 to 27 age group and 2.8% were older than 27 years. From this we can depict that majority of the students are youngsters.

Table 4.2 Summary of demographic variable of respondents

Demographic Variable	Category	Total	Percentage
Gender	Male	97	45.5
	Female	116	54.5
	Total	213	100
Age	19-21 years	82	38.5
	22-24 years	116	54.5
	25-27 years	9	4.2
	Above 27 years	6	2.8
	Total	213	100

From the institutions Unity University has the highest respondents which counts 56.3% followed by CPU Collage 14.1%, Alpha University Collage 12.2%, Hope University Collage 7%, Sri Sai Collage and ECUSTA Collage each of them take 5.2%.

4.3. Importance and Performance of the attributes

4.3.1. Importance

The mean score of importance and performance of the attributes are presented in Table 4 with the gap between them. The mean score of the importance attribute was found to be 4.155 with the value of maximum of 4.357 and minimum 3.732. Attributes like, “Staffs assist their customers”, “consistently courteous towards customers”, “Staff have sufficient knowledge to answer customers’ question”, “staff’s behaviour of the university will instil confidence”, “The cost of the academic programs is reasonable” and “The convenience of access to the computer facility” were rated as the most important by the respondents. The attributes belongs to reliability, assurance, cost of courses offered and access to facilities. The attributes rated above 4.30 and they are relatively higher than other attributes.

In addition, attributes such as “Staffs dressed neatly”, “Resource are in line with the services they provided” , “ the university show interest in solving customer’s problems”, “The university will perform service well for the first time”, “provision of o services on time”, “error free records”, “telling the exactly time when service will be performed”, “providing prompt service “, “staffs never be too busy to respond”, “ Customers will feel safe in their dealings with the university” , “Staffs will pay personal attention to customers”, “lecture hours convenient to all students”, “receiving special attention from staff”, “The university will have the customers’ best interests at heart”, “understanding the specific need of its customers”, “miscellaneous service charges”, scholarships are offered , “study room facility” and “access to the parking facility and sport areas” scored between 4.00 to 4.30, which also shows that these items are also important to the respondents.

The remaining three elements scored between 3.732 and 4.00 are “university has modern looking equipment and facilities”, “ physical facilities are visually appalling ”, and “ the university promises to do something and it will fulfil its promise”.

Generally, respondents thought the importance attributes are importance as per their perspective and there is no even one element found to be unimportant which score less than 3.00.

4.3.2 Performance

The aggregate mean of the performance attributes are 3.409 which varies between the maximum value of 4.208 and minimum 3.047. Only one attribute score above 4.0 “Staffs dressed neatly” with the score 4.21.

Attributes like “ physical facilities are visually appalling”, “Staff tell the exact time that of service performance”, “Staff willing to assist”, “Staffs have sufficient knowledge”, “convenient lecture hour”, “cost of the academic programs” , “scholarships”, “access to the computer facility” and “access to the study room facility” scored between 3.50 and 4.00.

Items rating between 3.40 to 3.5 are ; “ modern looking equipments “, “resource are in line with the services they provided”, “provide prompt service to customers”, “staff of the university will instil confidence”, “Customers will feel safe in their dealings with the university” and “Staffs are consistently courteous”.

The remaining twelve service attributes score varies between 3.04 to 3.40, these are “fulfilling its promise”, “showing interest in solving customer’s problems”, “perform service satisfactorily for the first time”, “providing its services on the time”, “error free records”, “personal attention to customers”, “customers receive special attention from staff”, “have the customers’ best interests at heart”, “understand the specific need of its customers”, “miscellaneous service charges are reasonable” and “access to the parking facility and sport areas”. These items receive the lowest score in their performance.

When we compare the performance and importance means scores the performance means score is 3.409 were as the importance mean score is 4.155. This shows a wide difference between the means.

4.4 Importance and Performance Gap

To find out the gap between perceived performance and importance, the difference of mean score of performance and importance is computed. The gap analysis is performed for all the service attributes.

The result from the gap analysis shows that all the twenty eight attributes had a negative mean gap which means all the attributes perform less compared to the importance level. The highest gap score is for “cost of the academic programs is reasonable” which is (-1.72) followed by the “staff will never be too busy to respond” (-1.58), “access to the parking facility and sport areas” which is (-1.21), “staff understand the specific need of its customers” (-1.12), “the university fulfil its promise” and “staff s will pay individual/personal attention” both of them score (-1.10) and the lowest gap is “staffs of the university dressed neatly” scores (-0.01).

Table 4.3 Mean, Standard deviation and Gap analysis

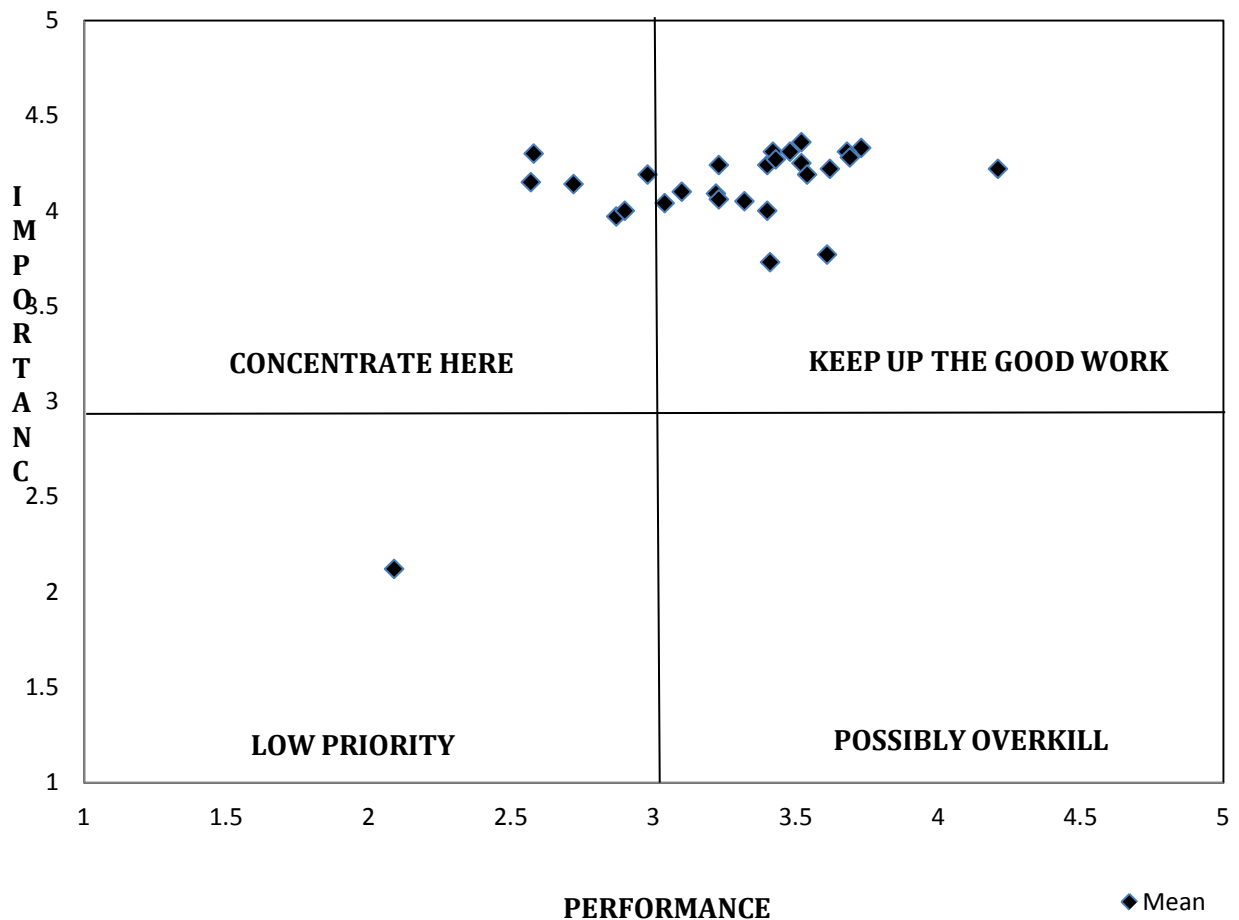
Service attributes	Importance		Performance		Gap (P-I)
	Mean	Std. Dev	Mean	Std. Dev	
1.The university has modern looking equipment and facilities	3.73	1.228	3.41	1.204	-0.32
2. The physical facilities at the university are visually appalling	3.77	1.088	3.61	1.135	-0.16
3.Staffs of the university dressed neatly	4.22	.942	4.21	.894	-0.01
4. Resource associated with the service is in line with the type of services they provided.	4.00	1.176	3.40	1.369	-0.60
5. When the university promises to do something, it will fulfil its promise.	3.97	1.137	2.87	1.307	-1.10
6. When customers have a problem the university will demonstrate a sincere interest in solving it.	4.10	1.111	3.10	1.324	-1.00
7. The university will perform service satisfactorily for the first time.	4.04	1.048	3.04	1.345	-1.00
8. The university will provide its services at the time they undertook to do so.	4.09	.989	3.22	1.225	-0.87
9. The university has error free records.	4.06	1.033	3.23	1.342	-0.83
10. Staff of the university will tell their customers exactly when service will be performed.	4.25	.942	3.52	1.297	-0.73
11. Staff of the university will provide prompt service to all customers.	4.24	.826	3.40	1.188	-0.84
12. Staff of the university will always be willing to assist its customers.	4.36	.838	3.52	1.204	-0.84
13. Staff of the university will never be too busy to respond to customers requests.	4.15	.935	2.57	1.241	-1.58
14. The behaviour of staff of the university will instil confidence in you.	4.31	.861	3.42	1.263	-0.89

15. Customers of the university will feel safe in their dealings with the university.	4.27	9.16	3.43	1.236	-0.84
16. Staff of the university will be consistently courteous towards customers.	4.31	.835	3.48	1.250	-0.83
17. Staff of the university will have sufficient knowledge to answer customers' question.	4.33	.929	3.73	1.190	-0.60
18. Staff of the university will pay individual/personal attention to customers.	4.00	1.084	2.90	1.255	-1.10
19. The university will have lecture hours convenient to all students.	4.22	.968	3.62	1.233	-0.60
20. The customers at the university will receive special attention from staff.	4.05	1.022	3.32	1.142	-0.73
21. The university will have the customers' best interests at heart.	4.24	.939	3.23	1.251	-1.01
22. The staff of the university will understand the specific need of its customers.	4.14	.954	2.72	1.249	-1.42
23. The miscellaneous service charges are Reasonable	2.12	1.023	2.09	1.352	-0.03
24. The cost of the academic programs is Reasonable	4.30	.875	2.58	1.325	-1.72
25. A variety of scholarships are offered to Students with free charge	4.19	1.044	3.54	1.382	-0.65
26. The convenience of access to the computer facility.	4.31	.956	3.68	1.381	-0.63
27. The convenience of access to the study room facility.	4.28	1.043	3.69	1.400	-0.59
28. The convenience of access to the parking facility and sport areas	4.19	1.134	2.98	1.523	-1.21

4.5. Importance –Performance Analysis (IPA)

IPA analysis is conducted on the mean score of importance and performance is taken to draw the IPA matrix which is separated in to four quarters. The X-axis represented the performance score of service attributes were as Y-axis represents importance. The graph is separated at 3.0 for both importance and performance axis by referring the guidelines for the graph, that is less than 3 represent low importance and performance whereas more than 3 is for high importance and performance. Therefore, the mean scores are pointed in the graph with the four quadrants named “keep up the good work”, “concentrate here”, “and low priority ”and“ possibly over kill”.

Figure 4.1 Importance Performance Analysis of PHEI



Most of the attributes are under “keep up the good work” which is a quadrant that shows high performance and importance. Attributes under the quadrant include “modern looking equipment”(1), “physical facilities visually appealing”(2), “staffs dressed neatly”(3), “resource associated with the service”(4), “solve customers’ problems” (6), “perform service satisfactorily for the first time” (7), “provide its services at the time”(8), “error free records”(9), “telling customers exactly when service will be performed”(10), “provide prompt service to customers”(11), “willing to assist its customers” (12), “the behaviour of staff will instil confidence”(14), “customers will feel safe in their dealings with the university”(15), “staff will be consistently courteous towards customers”(16), “staff will never be too busy to respond”(17), “have lecture hours convenient”(19), “the customers receive special attention from staff”(20), “the academic cost reasonable” (21), “scholarships are offered to students”(25), “access to the computer facility” (26), “access to the study room facility”(27). These attributes are rated good in the student’s perspective but they all posses negative gap scores. However, these attributes need improvements as Concentrate here quadrant because the importance and performance gap shows still not satisfactory.

In the “concentrate here” this quadrant shows the importance is high for the students but the institutions perform low. There are six attributes which provide less than the optimal service, the attributes are “the university fulfil its promise”(5), “having sufficient knowledge to answer customers”(13), “staff will pay individual/personal attention”(18), “the staff understand the specific need of its customers”(22), “having the customers’ best interests at heart”(24) and “access to the parking facility and sport areas”(28). These attributes which have also negative gap needs service enhancement to make them achieve keep up the good work quadrant.

There is only one element in “low priority” which is “The miscellaneous service charges are reasonable” (23). This quadrant shows attributes that are low importance as well as low performance and this implies there is no need to improve this area or invest resources.

For the fourth quadrant “possibly overkill” which represents high performance and low importance has no element, therefore there is neither a single element which is rated unimportant nor the institutions investing resource on it.

4.6. Rank of Overall Importance of the Attributes

From the data collected from students the rank of the attributes in their level of importance is presented as follows.

Table4.4. Mean Score of Importance for each Service Quality Dimension

Dimensions	Mean	Std. Deviation	Ranking
Tangibility	3.93	.714	7 th
Reliability	4.07	.787	6 th
Responsiveness	4.25	.662	3 rd
Assurance	4.30	.667	1 st
Empathy	4.13	.693	5 th
Cost of courses	4.20	.746	4 th
Access to facilities	4.26	.831	2 nd

Among the dimensions Assurance has the highest score with 4.30 and ranked the first, which includes behavior of staffs and their knowledge. Access to facilities ranked second with 4.26 which is expressed by access to study room, computer facilities and sport areas. Responsiveness, Cost of courses offered, Empathy and Reliability also ranked from third to sixth with respective mean value of 4.25, 4.20, 4.13 and 4.07.

The attribute tangibility has got the lowest score of 3.93 and which makes it the last from the attributes. This indicated that tangibility with the elements (having modern looking equipment, visually appealing physical facilities, staffs dressed neatly and equipments are in line with the service they give) are less important as per students response.

4.7. Rank of Overall Performance of the Attributes

The performance of attributes also ranked as per student's response and the rank shows the result below.

Table 4.5 Mean Score of Performance for each Service Quality Dimension

Dimensions	Mean	Std. Deviation	Ranking
Tangibility	3.66	.799	1 st
Reliability	3.13	.977	7 th
Responsiveness	3.40	.769	5 th
Assurance	3.52	.950	2 nd
Empathy	3.30	.840	6 th
Cost of courses	3.47	.965	4 th
Access to facilities	3.48	.743	3 rd

The result indicated that tangibility dimension has got the highest value (3.66) and ranked first as compared to the other six dimensions. Assurance (employee behavior and knowledge) ranked second with mean value of 3.52, in addition, access to facilities ranked third with a mean value of 3.48. On the other hand, dimensions like cost of courses offered (miscellaneous costs, academic cost and scholarships) with the mean score of 3.47 is rated fourth by the respondents. Responsiveness and Empathy ranked the fifth and sixth with a mean value of (3.40 and 3.30) respectively.

However, reliability has shown the least score with mean of 3.13 which is explained by features like fulfilling promises, showing interest in solving customer's problems, performing service on time and having error free records). For that reason, the institutions should have to address the problem in the area by taking further investigations.

4.8. Differential Analysis: Comparison of Importance and Perceived Performance Based on Service Quality Dimension

The paired-sample t test is used to compare the means of two variables within a single group; in this research it is utilized to compare mean importance and performance. The confidence interval of 95% is taken to compare the means.

Table4.6. Paired Sample t-test

Service Quality Dimension	Importance		Performance		Paired Difference	t	Sig.
	Mean	Std.dev	Mean	Std.dev			
Tangibility	3.93	.714	3.66	.799	- 0.27	-3.699	.000*
Reliability	4.07	.787	3.13	.977	- 0.94	-10.788	.000*
Responsiveness	4.25	.662	3.40	.769	-0.85	-10.380	.000*
Assurance	4.30	.667	3.52	.950	-0.78	-9.593	.000*
Empathy	4.13	.693	3.30	.840	-0.83	-10.045	.000*
Cost of courses Offered	4.20	.746	3.47	.965	-0.73	-8.277	.000*
Access to facility	4.26	.831	3.48	.743	-0.78	-7.798	.000*

* Paired difference is significant at 0.05 levels (2- tailed)

As you can see from the table above the paired difference for all attributes indicated negative sign which means the mean score of importance is less than the mean score of student's perception of actual performance. The highest difference is possessed by Reliability (-0.94) and the lowest is tangibility (-0.27).

The t- test result shows negative for all attributes, this show that the mean score of importance is greater than perceived performance. The p value of service quality dimension is lower than .05 which demonstrate the sig divergence between expected importance and perceived performance of the institutions, all of them are 0.000**.

4.9. Correlation Analysis

Correlation helps to know if there is any relationship between variables exist and it is a measure of linear relationship between variables. Correlation of .01 to .30 is considered small, correlations of .30 to .70 are considered moderate, and correlations of .70 to 1.00 are considered very large (Marczyk et al, 2005).The result of this study also showed there is positive relationship among the attributes .

There is higher positive correlation between responsibility and reliability dimensions, assurance and responsibility dimensions and; empathy and assurance dimension with Pearson correlation coefficient of 0.665, 0.647, 0.572 and 0.518 respectively.

Table4.7 Pearson Correlation

	TAN	REL	RES	ASS	EMP	COS	ACC
TAN	1						
REL	.492*	1					
RES	.447*	.665*	1				
ASS	.358*	.512*	.647*	1			
EMP	.294*	.540*	.459*	.572*	1		
COS	.285*	.454*	.438*	.504*	.518*	1	
ACC	.341*	.420*	.394*	.409*	.422*	.501*	1

* Correlation is significant at 0.01 levels (2- tailed)

Note:

TAN- Tangibility

REL- Reliability

RES- Responsibility

ASS- Assurance

EMP- Empathy

COS-Cost

ACC- Accessibility

4.10. Regression Analysis

Regression is a technique that can be used to investigate the effect of one or more predictor variables on an outcome variable. Regression allows you to make statements about how well one or more independent variables will predict the value of a dependent variable.

The first statistic ‘*R*’ is the multiple correlation coefficients between all of the predictor variables and the dependent variable. In this model, the value is 0.734. The next value, *R* Square, is simply the squared value of *R*. This is frequently used to describe the goodness-of-fit or the amount of variance explained by a given set of predictor variables. In this model, the value is 0.539, which indicates that 53.9% of the variance in the dependent variable is explained by the independent variables in the model. The model also indicated that 46.1 % of the variance can be explained by other factors which indicated further research is needed to identify the remaining factors that influence the level of service quality in education sector.

Table4.8 Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.734 ^a	.539	.523	.346

Table4.9 ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	28.636	7	4.091	34.203	.000 ^b
1 Residual	24.519	205	.120		
Total	53.155	212			

a. Dependent Variable: Rate your overall service perception

b. Predictors: (Constant), Tangibility, Reliability, Responsiveness, Assurance, Empathy, Cost of courses offered and Access to facilities

The F ratio (systematic variation to unsystematic variation) greater than one explains systematic variation is greater than unsystematic, in addition, the ratio also indicated whether the result of the regression model could have occurred by chance. In this study the F ratio has a value 34.2 and is significant at 0.000. Therefore, it is possible to say the regression model adopted in this study could have not occurred by chance and is considered significance.

Table4.10 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.867	.122		7.102	.000		
Tangibility	.046	.042	.074	1.107	.270	.505	1.981
Reliability	.877	.416	.411	2.110	.039	.355	2.817
Responsiveness	.075	.044	.147	1.699	.031	.299	3.349
Assurance	.290	.042	.549	6.851	.000	.350	2.856
Empathy	.045	.041	.085	1.098	.043	.379	2.639
Cost	.060	.029	.122	2.080	.039	.659	1.517
Accessibility	.007	.027	.016	2.274	.004	.636	1.574

a. Dependent Variable: Rate your overall service perception

The results indicate the positive and statistically significant relationship of perceived service quality with six of the explanatory variables except tangibility which has p value > (0.05). The relative importance of the factor (independent variable) in contributing to the variance of the student's perception of service quality (dependant variable) was explained by the standardized beta coefficient.

Here the largest beta coefficient is .549 which is for assurance. This means that this variable makes the strongest unique contribution to explaining the dependent variable, when the variance explained by all other variables in the model is controlled for with a sig. of 0.000*(<0.05).The next higher beta coefficient is reliability with a β coefficient of .411 with an important sig. Level (p=.039) that makes it to be the second most important factor in determining overall service quality.

The third contributor is responsiveness $\beta=0.147$ and $p=0.031$, the next elements in their respective contribution are; cost $\beta=0.122$ and $p=0.039$, empathy $\beta=0.85$ and $p=0.043$ and the attribute with the lowest weight but has significance value is accessibility $\beta=0.16$ and $p= 0.04$. Moreover, tangibility with a β value of 0.074 and p value 0.270 is indicated as having no significant influence on service quality of the institutions.

Tolerance is an indicator of how much of the variability of the specified independent is not explained by the other independent variables in the model and is calculated using the formula $1-R^2$ for each variable. If this value is very small (less than .10), it indicates that the multiple correlation with other variables is high, suggesting the possibility of multicollinearity. The other value given is the VIF (Variance inflation factor), which is just the inverse of the Tolerance value (1 divided by Tolerance). VIF values above 10 would be a concern here, indicating multicollinearity. Since the lowest tolerance is .299 (i.e. $>.1$) and the highest VIF is 3.349 (i.e. <10) there no problem of multicollinearity.

The model can be written as follows:

$$Y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \dots + \beta_nx_n + \epsilon$$

Were:

Y- Dependant variable

B- Constant

X1-xn- latent dependant variable

β_1 - β_n - regression coefficient of latent independent variable

ϵ -random error

Thus to find the impact of predictors on dependant variable the specific regression equation in the study will be:

$$SQ = \beta_0 + \beta_1(TAN) + \beta_2(REL) + \beta_3(RES) + \beta_4(ASS) + \beta_5(EMP) + \beta_6(COS) + \beta_7(ACC)$$

Where: TAN- Tangibility, REL- Reliability, RES- Responsibility, ASS- Assurance, EMP- Empathy, COS-Cost and ACC- Accessibility

Student's overall SQ perception= $0.867 + 0.411(\text{Rel}) + 0.147(\text{Res}) + 0.549(\text{Ass}) + 0.085(\text{Emp}) + 0.122(\text{Cos}) + 0.016(\text{Acc})$

From the regression analysis we can say that there was a positive relationship between six independent variables and dependant perception service quality since they have significant values. This indicated that overall perception of service quality largely depend on the six variables, when there is a high performance level these dimensions the overall service quality level increases. Students thought tangibility has no significance value and the service quality equation for the institutions will be represented by the six dimensions only (Reliability, Responsiveness, Assurance, Empathy, Cost of courses offered an Accessibility of facilities).

4.11. Analysis of Variance (ANOVA)

When the number of groups under a study is more than two, ANOVA is commonly used to observe any significant differences among and between the groups. It is used when the researcher is interested in whether the mean from several independent groups differ, (Robert, 2006). Therefore, in this study one way ANOVA was computed to observe the differences among the responses obtained on various dimensions from the respondents of the private university institutions.

For this study ANOVA is employed whether there is service quality difference among the institutions because of their experience, therefore, the institutions are divided into more experienced and less experienced. Since the study involves respondents representing the institutions, by using ANOVA differences among mean scores across various dimensions were obtained and checked for their significance.

Table 4.11 Analysis of Variance

No	Dimension	Mean of more experienced institutions	Mean of less experienced Institutions	Difference	F	Sig.
1	Tangibility	3.541	4.243	-.702	.970	.472
2	Reliability	2.958	4.017	-1.059	1.034	.453
3	Responsiveness	3.212	4.375	-1.163	.642	.717
4	Assurance	3.264	4.704	-1.44	3.274	.034
5	Empathy	3.109	4.267	-1.158	.736	.685
6	Cost of courses	3.375	3.963	-.588	1.336	.269
7	Access to facilities	3.348	4.185	-.837	1.093	.398

As the finding indicates there is negative mean difference between experienced and less experienced institutions. From this we can depict that the less experienced institutions are rendering relatively good service than experienced ones. However, except one element that is assurance with $p=.034$ which is less than 0.05 other attributes show there is no statically significant difference on the service quality of the institutions. So, from the ANOVA analysis we can say that the service given by the institutions is more or less the same since the six elements have the value of $p>0.05$.

4.12. Perception towards service quality

The overall students' perception towards service quality has been assessed using a five point Likert scale ranging from very poor, poor, neutral, good and very good as shown in the following table 4.9 and in figure.

Table 4.12 Overall Service Rating

Rate your overall service perception

	Frequency	Percent	Valid Percent	Cumulative Percent
V POOR	56	26.3	26.3	26.3
POOR	74	34.7	34.7	61.0
FAIR	38	17.8	17.8	78.9
GOOD	33	15.5	15.5	94.4
V GOOD	12	5.6	5.6	100.0
Total	213	100.0	100.0	

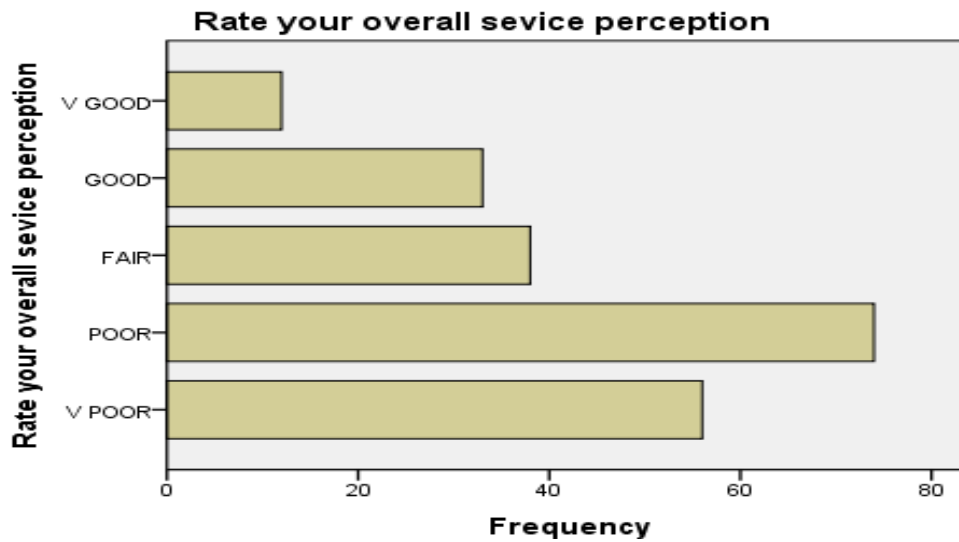


Figure 4.2 Rate of over all service perception

In general, we can assume that students are not pleased with the service being provided by institutions because only 5.6 percent of the respondents said the service quality is very good were as 15.5 percent of the respondents thought it is good. The service rated poor 34.7 percent which is the highest score of all and 26.3 percent thought the service is very poor. More than half of the respondents thought the service provided is either poor or very poor represents 61 percent, so the institutions over all service is not satisfactory in general.

Interview with managers

The interview is conducted with managers of four institutions two were from new and two others are from old (experienced) institutions. The answers given are analyzed below:

1. In your opinion, why students choose their school? Is it because:

- They for the most part want quality
- Brand name
- Convenience
- Price or what

Customers are rational in choosing one service over the other; so it is important for the institutions to know what points that students consider in selecting their institution otherwise it will be difficult to meet the needs of the customers without knowing why they preferred them in the first place.

Form the interview conducted, the managers of newly opened institution thought the main reason that students prefer their school is because they are convenient and price they offer is fair. And they also say that they are on the way of building their brand name and they are still trying to cope up with the quality offered by the experienced institutions.

For the experienced institutions managers the reasons are different; what they thought is that students choose their collage for the quality they possess and the brand name they were building all these years.

2. How did you perceive the level of service quality and students satisfaction with the overall service provided? Like

- schools teaching and class quality or library quality
- Cost of courses offered
- The staffs

For mangers it is important to know the level of service that the institution offered, this helps not only making good decisions in distributing resources but also in making improvements.

For this particular question, the data collected from managers of experienced as well as recent institutions were pretty much the same. Both of them rated their service as medium. They cannot offer the best quality because of financial problems as well as difficulty of getting experienced personnel in the market. Considering the satisfaction of the students they thought students are satisfied with some of the services provided and dissatisfied with others like lack of enough space in the school for sport and parking.

3. Is there specific technique in place used to ascertain student's satisfaction? If yes please indicate the techniques? If not why?

Customer satisfaction relates to the customer's evaluation of whether a product or service has met the customers' expectations. Customer satisfaction is dynamic and is influenced by a variety of factors; service providers have to place some mechanism to assess their customer satisfaction.

According to the answers received there are mechanisms that the institutions utilize to collect feedbacks and most of them use the methods below:

- Suggestion box – these boxes are usually kept to a place where students can see them, the main problem with these boxes are students did not put their suggestion in them. The managers thought the main reason behind this is students think the boxes did not get checked. The managers said they checked the boxes and they get few suggestions sometimes, however, most of the time the suggestions are vague and it makes it difficult for them to identify the problems.
- Questionnaire – this method is usual to most of the institutions in the country whether private or public institutions. These questionnaires play great role in conducting the service related with instructors usually. But the main problems related with these method is that they only focused on teachers and forget other services provided like library, registration and others.
- Appeal in person- The institutions also have personal way of giving feedback, this usually accomplished through students and students' dean. Students with complain will come to the dean and tell their grievances then the dean will solve it by himself/herself if it is within their power, otherwise, they will send it to the concerned body. This one is better than the above two in such a way that students can express precisely what their

problems are and the main problem related with this means is that students may afraid to do so.

- Students union - In the manager's opinion this one is better than other methods since it brings honest feedback. In this method first students will bring their issue to the student representatives of the union then the representatives will pass the issue to the dean.

4. Do you have customer compliant handling system in place as a strategy of improving the service delivery of the school? If yes what are the mechanisms used to handle the compliant?

Research has shown that resolving customer problems effectively has a strong impact on customer satisfaction, loyalty, and bottom-line performance. That is, customers who experience service failures, but are ultimately satisfied based on recovery efforts by the firms, will be more loyal than those whose problems are not resolved (Zeithaml and Bitner, 2003).

There are methods in collecting customer's suggestion but what are the systems put to handle the problems raised is the main questions since collecting them does not bring any change without any measure.

The managers of the institutions tell the researcher there is a process in solving compliant. The first thing they do is collecting the problems and analysing them, this is accomplished by the committee established which includes the dean. The second process is identifying who is responsible in solving the problem, the dean solve most of the problem as they told me. However, if problems are beyond the capacity of the dean, it will go as far as the president.

5. Staff training plays a central role with regard to customer satisfaction and quality service delivery. When did employees undertake a formal education or training programs (in house or external)?

Giving training is helpful in updating the knowledge of the staffs; this in turn brings customer satisfaction and quality service delivery.

The institutions provide employees both internal and external trainings:

Internally- There are different internal trainings like pedagogy courses given to instructors for informing them about the ethics of teaching as well as the method of delivery. Research and

publication departments also play great role in giving trainings about the methodology of research to the instructors. Others like conferences held in the institutions also enable the institutions to get knowledge about researches and pedagogy.

Externally: Instructors attended different conferences held outside the institutions and scholarship programmes also offered for them.

6. Is there any mechanism that the institution check whether its service delivered in proper way to its students?

If institutions do not check the delivery of the service; this will create a gap between the institutions and the customers in this instance check and balance is necessary in service delivery. This one is different from the above question in such a way that if customers did not give any opinion or their opinion is biased because of some reasons; the institutions should have their own checking method to assess the situation.

There is a method that the institutions employ in checking service delivery; they assess it by using different means like by asking the students face to face and this is done by the dean himself sometimes. But, there is no scheduled check up in the institutions.

CHAPTER FIVE

5. SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Summary of Findings

The main objective of this study was to assess the perceived service quality of PHEI in Addis Ababa by employing IPA analysis. The study was conducted using the modified service quality dimensions (Tangibility, Reliability, Responsiveness, Assurance, and Empathy) and adding two elements in addition which are Cost of courses offered and Access to facilities. As a result, the study used seven service quality dimensions as suggested by different authors of service quality measurement, it can be appropriate to modify the items of service quality dimensions instruments to make the survey more relevant to the context of the particular environment.

To test reliability of the modified SERVQUAL Cronbach Coefficient (alpha) was computed all items is 0.70. The research was conducted by distributing 213 questionnaires to respondents from which all of them have been conducted.

The IPA analysis results showed that majority of the attributes are laid under keep up the good work. Items under the quadrant include “modern looking equipment”(1), “physical facilities visually appealing”(2), “staffs dressed neatly”(3), “resource associated with the service”(4), “solve customers’ problems” (6), “perform service satisfactorily for the first time” (7), “provide its services at the time”(8), “error free records”(9), “telling customers exactly when service will be performed”(10), “provide prompt service to customers”(11), “willing to assist its customers” (12), “the behaviour of staff will instil confidence”(14), “customers will feel safe in their dealings with the university”(15), “staff will be consistently courteous towards customers”(16), “staff will never be too busy to respond”(17), “have lecture hours convenient”(19), “the customers receive special attention from staff”(20), “the academic cost reasonable” (21), “scholarships are offered to students”(25), “access to the computer facility” (26), “access to the study room facility”(27). These items are rated good in the student’s perspective but they all posses negative gap scores. However, these attributes need improvements as Concentrate here quadrant because the importance and performance gap shows still not satisfactory.

In the “concentrate here” this quadrant shows the importance is high for the students but the institutions perform low. In this quadrant we found six attributes these are; which provide less than the optimal service, the attributes are “the university fulfil its promise”(5), “having sufficient knowledge to answer customers”(13), “staff will pay individual/personal attention”(18), “the staff understand the specific need of its customers”(22), “having the customers’ best interests at heart”(24) and “access to the parking facility and sport areas”(28). These attributes which have also negative gap needs service enhancement to make them achieve keep up the good work quadrant.

There is only one element in “low priority” which is “The miscellaneous service charges are reasonable” (23). This quadrant shows attributes that are low importance as well as low performance and this implies there is no need to improve this area or invest resources.

For the fourth quadrant “possibly overkill” which represents high performance and low importance has no element, therefore there is neither a single element which is rated unimportant nor the institutions investing resource on it.

The analysis result in relation to student’s score of importance among the seven variables Assurance (which includes behavior of staffs and their knowledge) has the highest score with 4.30 and ranked the first, the second element with highest rate is Access to facilities(to study room, computer facilities and sport areas) ranked second with 4.26. Responsiveness, Cost of courses offered, Empathy and Reliability also ranked from third to sixth with respective mean value of 4.25, 4.20, 4.13 and 4.07. Tangibility has got the lowest score of 3.93 and which makes it the last from the attributes as well as less important among the dimensions.

Related to the respondents score for performance tangibility dimension has got the highest value with mean of (3.66) and ranked first. Assurance (employee behavior and knowledge) ranked second with mean value of 3.52 followed by access to facilities ranked third with a mean value of 3.48. Cost of courses offered with the mean score of 3.47 is rated fourth. The fifth Responsiveness a mean value of 3.40 and Empathy ranked sixth with 3.30. Though, reliability has shown the least score with mean of 3.33 which showed that performance is the lowest of all the dimensions.

The gap result indicated that students perceived service performance was significantly less than their importance. All the dimensions have shown a negative gap score, which indicated there is low service quality which may express less satisfaction. The highest gap score is on Reliability (-0.94) with the attributes like fulfilling promises, showing interest in solving customer's problems, performing service on time and having error free records. The second highest gap is on Responsiveness (-0.85) and the third highest gap score is Empathy (-0.83). Assurance and Access to facilities have (-0.78) gap score each followed by Cost of courses offered (-0.73). The least gap score of all is recorded on Tangibility with a score of (-0.27).

The Pearson correlation result indicates that all the service quality dimensions were positively correlated. There is higher positive correlation between responsibility and reliability dimensions ($r=0.665$), assurance and responsibility dimensions ($r= 0.647$) and; empathy and assurance dimension with Pearson correlation coefficient 0.518.

The regression analysis also revealed that six dimensions have statically significant influence on the perception of service quality (Reliability, Responsiveness, Assurance, Empathy, Cost of courses offered and Access to facilities) and Tangibility has no significance impact on the service quality of the institutions.

The ANOVA was conducted to look at whether a difference is existed between experienced institutions and less experienced on their service delivery, the result showed that the mean value of less experienced is better than the more experienced once. However, there is no significant difference between the institutions on six of the attributes (Tangibility, Reliability, Responsiveness, Empathy and Cost of courses offered and Access to facilities). Whereas, Assurance has significant value of $p=0.034$ which indicated that only in this element the institutions vary.

Lastly, the overall service evaluation result showed students are not satisfied with the service, students who rated the service as good and very good counts 21.1% and 17.8 said that it is fair. The remaining 61% thought it is bad or very bad which counts more than half, from this we can describe that institutions should have to do more on their service quality.

The interview with managers also revealed the institutions have the infrastructure for conducting feedbacks as well as training means for the instructors. The service quality and customer satisfaction of the institutions as of the manager's perception is medium.

5.2. Conclusion

Up on the finding of the study, it can be concluded that from the twenty eight questions most of the attributes are traced at 'keep up the good work' quadrant which are twenty one in number. The other six attributes are laid under 'concentrate here' quadrant; these attributes have possessed importance but they are not performing well. On the third quadrant 'low priority' there is only one element which is miscellaneous charges are reasonable which represent low importance and performance. There is no any attributes on the fourth quadrant 'possibly overkill'. Even if most of the attributes are concentrated 'keep up the good work' quadrant they all show negative magnitude in the gap analysis.

From the seven dimensions assurance (the behavior of staffs and their knowledge) is priority attribute for students. Tangibility has got the lowest importance score. Whereas when we consider the performance rate, tangibility has got the highest score and reliability score the least. In this regard we can see that tangibility has low importance according to student's perception but it is performing better than other attributes. This shows that there is information gap between the institutions and students.

From the gap analysis of all attributes; we can conclude that there must be some measures to be taken to improve quality of service especially those with the highest gap. In addition, all the dimensions indicated negative gap score indicated there is a need for improvement in the institutions service delivery. The finding also indicated there is negative magnitude because the service performance by the institutions is lower compared to the importance level, which tells us there is dissatisfaction.

The paired sample t-test showed the dimensions with highest mean difference between importance and performance. The analysis also indicated priority areas which needed an improvement are reliability, responsiveness and empathy.

Regression analysis showed that six service dimensions explain the service variation (Reliability, Responsiveness, Assurance, and Empathy, Cost of courses offered and Access to facilities) and Tangibility is the only attribute that does not explain any variation in the dependant variables.

The ANOVA analysis revealed that from the experience perspective of the institutions there is no significant difference between the institutions on six of the attributes (Tangibility, Reliability, Responsiveness, Empathy and Cost of courses offered and Access to facilities). Whereas, Assurance has significant value which indicated that only in this element the institutions vary. For this reason we can say that their experience did not affect their service performance.

When we consider the overall service rate majority of the respondents said the service is not satisfactory. More than half of the respondent thought the service is either bad or very bad. Therefore, these results strengthen the result of the gap analysis.

The interview conducted from the managers showed that there is a problem related with assessing the feedback of the students since they are not conducted particularly on service issues as well as the questions only focused on instructors. When we look at training their main focus is on instructors and they are related with academic programs. Generally, it is difficult to say they have a realistic perception of the service they provided with because the questionnaire conducted from the students show a gap.

5.3. Recommendation

Based on the findings of the study, the following recommendations are given:

- ♣ Tangibility was rated seventh in importance; but when we consider its performance it is the highest of all the others. This clearly designated that there is information gap between students and the institutions; therefore, institutions have to develop a regular means of collecting feedbacks on service delivery and customers' satisfaction. Questionnaires developed on service quality issues specifically could be a best solution for such a problem.

- ♣ All the attributes showed negative gap and institutions have to put good effort in order to narrow wider gaps. This could be addressed by modern systems which shorten the lengthy process in areas such as registrars; and equipments like computers could also make the service delivery more speedy and reliable especially in the library system where there is a need for online access to catalogues and digital books.
- ♣ The six dimensions which showed high importance and low performance need immediate action. These are “the university fulfils its promise”, “having sufficient knowledge to respond to customers”, “staff will pay individual/personal attention”, “and the staffs understand the specific needs of its customers”, “having the customers’ best interests at heart” and “access to the parking facility and sport areas”.
- ♣ Institutions should have to work on building their brand equity by enhancing customer satisfaction. Students may not change their school after they got registered once, however, they have good chance of spreading word of mouth to others. Moreover, it could be a good way of promotion for the institutions if they position their brand well in the students’ mind. The positioning can be done by developing value adding services to their students like make up class, different training programs and scholarships.
- ♣ Trainings provided by the institutions focused more on academic issues and instructors only but extra priority must also given to service related problems and method of solving them. The trainings must also include administrative staffs to equip them with the knowledge of service quality and customer handling.
- ♣ Finally, service providers should have to consider their students as a customer since the institutions cannot survive without them. Hence, further researches must be conducted by the institutions in order to get comprehensive knowledge on the issue as well as to provide quality service for their customers.

5.4. Limitation and Implication for Further research

This study has its own limitations; it is mainly focused on PHEI which means public higher institutions are excluded. Therefore, interested researchers in the area could make a study by including both institutions; this may help to compare the service quality between them. In terms of area it would be good if PHEI outside Addis Ababa are taken as well.

In PHEI there are a number of stakeholders like instructors, staff members and others. But this research is only conducted on students and managers, whereas, the stakeholders are many. If further studies are conducted it will be good to include other stakeholders to get comprehensive result.

Other researchers could also take other additional variables which are most determinants of the service quality of the sector. In this research tangibility is non determinant of service quality for example, so it could be possible for substituting other variable instead.

There are few studies on service quality of higher education institutions in this country; this may be due to the view that may not consider the sector as service. As a result, this study will contribute a lot to the sector but further more researches need to be conducted to provide sufficient fact for improvements in the sector.

Reference

- Abiy z., Alemayhu W., Daniel T., Melese G., Yilma S.(2009). Introduction to Research Method Preparatory module for Addis Ababa University graduate programs, Addis Ababa.
- Adee, A. (1997). Linking student satisfaction and service quality perceptions: the case of university education, *European Journal of Marketing* 37(7): 528–535.
- Altbach, P (1999). *Private Prometheus: Private higher education and development in the 21st century*. Westport, Conn.: Greenwood Press.
- Athiyainan, A. and O'Donnell, B. (1994). Exploring graduates' perceptions of the quality of higher education, *Journal of Institutional Research in Australasia* 3(1): 1–7.
- Becket, N. and Brookes, M. (2006), "Evaluating quality management in university departments", *Quality Assurance in Education*, Vol. 14 No. 2
- Bennett, R., Bove, L., Dann, S., Drennan, J., Frazer, I., Gabbott, M., Hill, R., Lawley, M., Matear, S., Perry, C., Sparks, B., Summers, J., Sweeney, J., Ward, T., and White, L. (2003). *Services marketing: a managerial approach*. John Wiley & Sons: Queensland.
- Bennett, J.A. & Strydom, L. (2005). Customer service in tourism establishment. In Bennett, A., Jooste,
- C.& Strydom, L. (Eds.), *Managing tourism services: A southern African perspective* (3rd ed.), (pp.249-282).Pretoria: Van Schaik Publishers.
- Berry, L.L. (1980), "Service quality is different", *Business*, Vol. 30, pp. 24-9.
- Berry, L and Parasuraman, A. (1992), "Prescription for service quality", *America Organizational Dynamics*, Vol. 20 No.4 pp. 5-15.
- Burns, A.C. (1986) "Generating Marketing Strategy Priorities Based on Relative Competitive Position", *Journal of Consumer Marketing*, 3(3), pp. 49-56.
- Cheng, Y.C. and Tam, M.M. (1997), "Multi-models of quality in education", *Quality Assurance in Education*, Vol. 5 No. 1

- Chowdhury Md. and Abe Shuzo (2002), "Customers' perception of value: a multi item scale for its measurement," Asia Pacific Advances in Consumer Reserch.
- Cronin and Taylor (1992). SERVQUAL verses SEERVPERF : Reconciling Performance- Based and Perception- Minus-Expectation measurement of service quality. Advances in Consumer Research, 22(1),101-108
- Crompton, J. L. a. D., N. A. (1985) "An Investigation of the Relative Efficacy of Four Alternativ 22 Service Approaches to Importance - Performance Analysis", Journal of Academy of Marketing Science (Fall), pp. 69-80.
- Cuthbert, P. (1996) Managing service quality in HE: is SERVQUAL the answer?, part 2, Managing Service Quality 6(3): 31– 35.
- Daniel S Alemu, (2010) "Expansion VS. Quality: Emerging Issues of for-Profit Private Higher Education Institutions in Ethiopia" In International Review Education. No. 56, pp 51-61
- Danuta Ann Nitecki (1996) "An assessment of the applicability of SERVQUAL dimensions as customer based criteria for evaluating quality of service in an academic library", Unpublished doctoral dissertation, College Park, The University of Maryland.
- Emery, C., Kramer, T., Tian, R. (2001), Customer vs. Products: Adopting an Effective Approach to Business Students. Quality Assurance in Education, 9(2), 110-115.
- Firdaus, A. (2004). Managing service quality in higher education sector: a new perspective through development of a comprehensive measuring scale, Proceedings of the Global Conference on Excellence in Education and Training: Educational Excellence through Creativity, Innovation & Enterprise. Singapore.
- Fisk, R.P.Grove,S.J&John, J.(2008). Interactive services marketing(3rd ed.). New york: Houghton Mifflin company
- Ford, J.B., Joseph, M., Joseph, B. (1999). Importance-performance analysis as a strategic tool for service marketers: the case of service quality perceptions of business students in New Zealand and the USA. The Journal of Services Marketing, Vol.13, No.2, pp.171-186.
- George, R.(2004). Marketing South African tourism (2nd ed.). Cape Town: Oxford.

- Gibbons, M. (1998). Higher Education Relevance in the 21st century. World Bank. Retrieved from http://www.eric.ed.gov/ERICDocs/data/ericdocs2sql/content_storage_01/0000019b/80/17/17/21.pdf
- Gray, E. (2008). Principles and planning for research. New York: Sage Publications Publications.
- Griffin Ricky W. (1996) Management, 5th Edition, Houghton, Mifflin Company, Boston
- Greene, J.(2005). The generative potential of mixed methods inquiry. International Journal of Research & Method in Education, 28(2):207-211.
- Groons C. (2003). Towards a third Phase in service quality research :challenges and future directions, in Swartz,T.A., Brown ,S.W. (Eds), Advances in Service Marketing Management.3,49-64
- Hair, J.F., R.P. & Ortinau, D. J. (2000). Marketing research: A practical approach for the new millennium. Singapore: McGraw-Hill.
- Harvey, L. and Green, D. (1993). Defining Quality. Assessment and Evaluation Higher Education 18(1) 9-34.
- Hemmasi ,M., Strong K.C , Taylor S.A, (2004). Measuring Service Quality for Strategic Planning and Analysis in Service Finns. Journal of Applied Business Reserch,10(4).
- HERQA. (2013), List of Pre accredited, Accridated and Re accredited Institutions,Addis Ababa,Ethiopia.
- Hill, F.M. (1995), “Managing service quality in higher education: the role of student as primary consumer”, Quality Assurance in Education, Vol. 3 No. 3, pp. 10-21.
- Joseph, M & Joseph, B. (1997). Service quality in education: a student perspective. Quality Assurance in Education07-610.Education: An Empirical Investigation, MEQ 3, Fall. Available from Internet: <http://www.elmarlist.org/MEQ_Vol_3/student_satisfaction.pdf>.
- Joseph, M., Yakhou, M. and Stone, G. (2005). An educational institution’s quest for service quality: customers’ perspective. Quality Assurance in Education, Vol.13, No.1, pp.66-82.
- Kennington, C., Hill, J., and Rakowska, A. (1996). ‘Consumer selection criteria for banks in Poland’, International Journal of Bank Marketing, Vol.14, No.4, pp.12-21.

- Kitcharoen K. (2004). 'The Importance-Performance Analysis of Service Quality in Administrative Departments of Private Universities in Thailand'.
- Kotler, Philip. (1997). "Marketing Management: Analysis, Planning, Implementation, and Control", 9th ed., Prentice- Hall, New Jersey, USA.
- Kothari C.R.(2004). Research Methodology, Method and Technique, 2nd ed, New Age International Limited,India.
- Krejcie,R., and Morgan, D. (1970).Determining sample size for research activities. Educational and Physiological Measurement,30,
- Krisana Kitcharoen. (2004). The importance-performance analysis of service quality in administrative departments of private universities in Thailand. ABAC Journal Vol. 24. No. 3
- Levy, D. (2006). An introductory global overview: The private fit to salient higher education tendencies.Retrievedfromhttp://www.albany.edu/dept/eaps/prophe/publication/paper/PROPEWP07_files/PROPEWP07.pdf
- LeBlanc, G. and Nguyen, N. (1997). Searching for excellence in business education: an exploratorystudy of customer impression of service quality. *International Journal of Educational Management*,Vol.11, No.2, pp.72-79.
- Lewis, R.C. and Booms, B.H. (1983). "The marketing aspects of service quality", in Berry, L., Shostack, G. and Upah, G. (Eds), *Emerging Perspectives on Services Marketing*, AmericanMarketing Association, Chicago, IL
- Lehtinen U., Lehtinen J. R. (1982). *Service Quality: A Study of Quality Dimensions*, Service Management Institute, Helsinki
- Lovelock, C. (1983), "Classifying services to gain strategic marketing insights", *Journal of Marketing*, Vol. 47 No. 3
- Lovelock, C. (2001). *Services marketing: people, technology, strategy*, 4th edn, Prentice Hall: NewJersey.
- O'Neill, M. & Palmer, A. 2004. Importance-Performance Analysis: A useful tool for directing continuous quality improvement in higher education. *Quality Assurance in Education*, 12(1):39-52.

- Malhotra, N. K. (2007). *Marketing Research: An Applied Orientation*. 5th edition, PHI., D.
- Martilla, J & James, J. (1977). Importance-performance analysis. *The Journal of Marketing*
- Marczyk, G. DeMatteo. (2005). *Essentials of Research Design and Methodology*. Jhon Wiley & Sons, Inc., Hobokon, New Jersey.
- Martilla, J & James, J. (1977). Importance-performance analysis. *The Journal of Marketing*, 41(1):77-79.
- Mazzarol, T. (1998). "Critical success factors for international education marketing", *International Journal of Educational Management*, Vol. 12 No. 4
- McElwee G., Redman T. (1993). Upward appraisal in practice: an illustrative example using the QUALED model, *Education and Training*, Vol. 35, No. 2, pp. 27-3
- Ministry Of Education (MOE). (2007). Education statistics abstract for the year 2006- 2007. Retrieved from <http://www.moe.gov.et/Downloads.aspx?Id=4> (Visited on 12. 10.2009).
- Mulu, N. (2012) *Quality and Quality Assurance in Ethiopian Higher Education*
- Muijs, D. (2004). *Doing quantitative research in education with SPSS*. London: Sage Publications Publications.
- Owlia, M.S., & Aspinwall, E.M. (1997). TQM in higher education – a review. *International Journal of Quality & Reliability Management*, 14(5), 527–543.
- Parasuraman, A, Zeithaml, V & Berry, 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. and Berry, L.L. (1990). "Delivering Quality Service: Balancing Customer Perceptions and Expectations", The Free Press, New York
- Parasuraman, A., Leonard, B., and Zeithaml, V. (1991). 'Understanding customer expectations of service', *Sloan Management Review*, 32:3, 420-50.
- Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1994). "Reassessment of expectations as a comparison standard in measuring service quality: implications for further research", *Journal of Marketing*, Vol. 58 No. 1, pp. 111-24.
- Patterson Paul G. (1993). "Expectations and product performance determinants of satisfaction for high-involvement purchase", *Journal of Psychology and Marketing*

- Pitman T. (2000). "Perceptions of academics and students as customers: a survey of administrative staff in higher education", *Journal of Higher Education Policy and Management*.
- Punch, KF. (2005). *Introduction to social research: Quantitative and qualitative approaches*. Los Angeles: Sage Publications Publications.
- Rakshit Negi.(2010). "Educational Quality and Students' Complaints Handling: A Case of Private University Colleges in Addis Ababa", Addis Ababa.
- Robert, Ho.(2006). *Handbook of Univariate and Multivariate Data Analysis and Interpretation with SPSS*.
- Saint, W. (2004). *Higher education in Ethiopia: The vision and its challenges*. Working paper series. Washington, DC: World Bank.
- Shemwell, D. J., Yavas, U. & Bilgin, Z. (1980). Customer-service provider relationships: an empirical test of a model of service quality, satisfaction and relationship-oriented outcomes. *International Journal of Service Industry Management*.
- Shank, M.D., Walker, M. and Hayes, T. (1995). "Understanding professional service expectations: do you know what our students expect in a quality education?", *Journal of Professional Service Marketing*, Vol. 13 No. 1
- Sohail, M.S. and Shaikh, N.M. (2004). Quest for excellent in business education: a study of student impressions of service quality. *The International Journal of Educational Management*, Vol.18, No.1,
- Smith, G, Smith, A & Clarke, A. (2007). Evaluating service quality in universities: a 203 service department perspective. *Quality Assurance in Education*, 15 (3):344- 351.
- Srikanthan, G., Dalrymple, J. (2003). Developing alternative perspectives for quality in higher education. *The International Journal of Educational Management*.
- Slack, N. (1991). "The Importance-Performance Matrix as a Determinant of Improvement Priority", *International Journal of Operations & Production Management*.
- Stanton William J., Etzel Michael J., Walker Bruce J. (1994). *Fundamental of Marketing*, 10th Edition, Mc Graw-Hill Inc., New York.

- Tamirat, W. (2008). The anatomy of private higher education in Ethiopia. Current landscape, challenges and prospectus. Addis Ababa: St. Mary University college press.
- Teklemariam S. (2003). Public attitude to private colleges in Ethiopia. An exploratory survey. Proceedings from The first National conference on private Higher education in Ethiopia. Revisiting the voyage of half a decade –private higher education in Ethiopia. Addis Ababa: St Mary University College Press .
- Teshome G.W. (1990). The Development of Higher Education and Social Change. East Lansing:Michigan State University Press.
- Teshome, Y. (2003). Transformations in higher education: Experiences with reform and expansion in the Ethiopian higher education system. Keynote speech presented at an Africa Regional Training conference ‘Improving tertiary education in Sub-Saharan Africa: Things that work!’ held in Accra, Ghana on September 23-25.
- Teshome, Y. (2007). The Ethiopian Higher Education: Creating Space for Reform. Addis Ababa: St Mary’s University Collage Printing Press.
- Tian-Cole, S. & Crompton, J.L. (2003). A conceptualization of the relationships between service quality and visitor satisfaction, and their links to destination selection, Leisure Studies, Vilares, M.J. & Coelho, P.S. (2003)
- Tse, D.K.N., Franco M. and Wilton, P.C. (1990). Consumer Satisfaction as a process’, Psychology and Marketing, 7:Fall, 177-93.
- UNICEF (2000). Curriculum report card. Working Paper Series, Education Section, Programmers Division. New York, NY: Author.
- Waugh R.F. (2002). “Academic staff perceptions of administrative quality at universities”, Journal of Educational Administration
- Wisniewski, M., Donnelly, M. (1996). Measuring service quality in the public sector: the potential for SERVQUAL. Total Quality Management, 7(4), 357-365
- Woodruffe, H. (1995). The impact of customer-to-customer interaction and customer homogeneity on customer satisfaction in tourism service— The service encounter prospective. Tourism Management, 28 (2007).

World Bank .(2003).Higher Education Development for Ethiopia: Pursuing the Vision.
Washington, DC: The World Bank.

World Bank.(2004).Higher education development for Ethiopia: Pursuing the vision.
Washington DC: World Bank.

Zeithaml, V.A. and Bitner, M.J. (1996). Services Marketing, McGraw-Hill, Singapore.

Zeithaml, V.A., Bitner, M.J. & Gremler, D.D.(2009). Service Marketing - Integrating consumer
focus across the firm (5th Ed), McGraw-Hill, Irwin.

Appendix-1
Addis Ababa University
School of commerce
Masters of Marketing Management Program
Name of Student: - Elisabeth Regassa

Dear Respondent

The purpose of this questionnaire is to collect primary data for a study on “**Assessing Students’ Perception on Service Quality of Private Higher Education Institutions in Addis Ababa**”. This is undertaken as a partial fulfillment for the degree of Masters of art in Marketing Management at Addis Ababa University School of commerce. In this regard I kindly ask you to provide me with reliable information to the best of your knowledge, so that the findings from the study would meet the intended purpose. I strongly assure you of confidentiality of the information you give me, and would like to extend my deepest gratitude in advance for being a volunteer to devote your valuable time in filling this questionnaire.

Directions

1. No need to write your name
2. Please tick (√) in the appropriate box

Section A- General Information

1. Your gender

1. Male 2. Female

2. Age

1. 19 _ 21years

2. 22 _ 24 years

3. 25 _ 27 years

4. above 27 years

3. University/Collage

- | | |
|-------------------------------------|--------------------------|
| 1. Alpha University collage | <input type="checkbox"/> |
| 2. CPU Collage | <input type="checkbox"/> |
| 3. ECUSTA Highf Leaning Institution | <input type="checkbox"/> |
| 4. Hope University Collage | <input type="checkbox"/> |
| 5. Sri Sai Collage | <input type="checkbox"/> |
| 6. Unity Universiy | <input type="checkbox"/> |

Section B: Importance and Performance Attributes

Importance attributes

How Important to you each attributes which are mentioned below and rank them using the scale below.

Column A

1. Very Unimportant
2. Unimportant
3. Neutral
4. Important
5. Very Important

Performance Attribute

How effectively does the university perform in comparison to your importance and rank them using the scale below.

Column B

1. Very Poor
2. Poor
3. Neutral
4. Good
5. Very Good

Instruction:

- * You should have to fill both columns
- * Circle only one option from each column (column A and Column B)

						Item					
Column A Importance Rating							Column B Performance Rating				
Tangibility											
1	2	3	4	5	1	The university has modern looking equipment and facilities	1	2	3	4	5
1	2	3	4	5	2	The physical facilities at the university are visually appalling	1	2	3	4	5
1	2	3	4	5	3	Staffs of the university dressed neatly	1	2	3	4	5
1	2	3	4	5	4	Resource associated with the service (such as modules, cafeteria utensils etc) are in line with the type of services they provided.	1	2	3	4	5
Reliability											
1	2	3	4	5	5	When the university promises to do something, it will fulfil its promise.	1	2	3	4	5
1	2	3	4	5	6	When customers have a problem the university will demonstrate a sincere interest in solving it.	1	2	3	4	5
1	2	3	4	5	7	The university will perform service satisfactorily for the first time.	1	2	3	4	5
1	2	3	4	5	8	The university will provide its services at the time they undertook to do so.	1	2	3	4	5

1	2	3	4	5	9	The university has error free records.	1	2	3	4	5
Responsiveness											
1	2	3	4	5	10	Staff of the university will tell their customers exactly when service will be performed.	1	2	3	4	5
1	2	3	4	5	11	Staff of the university will provide prompt service to all customers.	1	2	3	4	5
1	2	3	4	5	12	Staff of the university will always be willing to assist its customers.	1	2	3	4	5
1	2	3	4	5	13	Staff of the university will never be too busy to respond to customers requests.	1	2	3	4	5
Assurance											
1	2	3	4	5	14	The behaviour of staff of the university will instil confidence in you.	1	2	3	4	5
1	2	3	4	5	15	Customers of the university will feel safe in their dealings with the university.	1	2	3	4	5
1	2	3	4	5	16	Staff of the university will be consistently courteous towards customers.	1	2	3	4	5
1	2	3	4	5	17	Staff of the university will have sufficient knowledge to answer customers' question.	1	2	3	4	5
Empathy											
1	2	3	4	5	18	Staff of the university will pay individual/personal attention to customers.	1	2	3	4	5
1	2	3	4	5	19	The university will have lecture hours convenient to all students.	1	2	3	4	5
1	2	3	4	5	20	The customers at the university will receive special attention from staff.	1	2	3	4	5
1	2	3	4	5	21	The university will have the customers' best interests at heart.	1	2	3	4	5
1	2	3	4	5	22	The staff of the university will understand the specific need of its customers.	1	2	3	4	5
Cost of Courses Offered											
1	2	3	4	5	23	The miscellaneous service charges are Reasonable	1	2	3	4	5
1	2	3	4	5	24	The cost of the academic programs is Reasonable	1	2	3	4	5
1	2	3	4	5	25	A variety of scholarships are offered to Students with free charge	1	2	3	4	5
Access to Facilities											

1	2	3	4	5	26	The convenience of access to the computer facility.	1	2	3	4	5
1	2	3	4	5	27	The convenience of access to the study room facility.	1	2	3	4	5
1	2	3	4	5	28	The convenience of access to the parking facility and sport areas	1	2	3	4	5

29. What is your overall perception towards the service quality of your institution?

Very poor	Poor	Fair	Good	Very Good
1	2	3	4	5

Thank you for your Cooperation!

Appendix 2

Interview questions for managers

1. In your opinion, why students choose their school? Is it because:
 - They for the most part want quality
 - Brand name
 - convenience
 - Price or what?
2. How did you perceive the level of service quality and students satisfaction with the overall service provided? Like
 - schools teaching and class quality or library quality
 - Cost of courses offered
3. Is there specific technique in place used to ascertain student's satisfaction? If yes please indicate the techniques? If not why?
4. Do you have customer compliant handling system in place as a strategy of improving the service delivery of the school? If yes what are the mechanisms used to handle the compliant?
5. Staff training plays a central role with regard to customer satisfaction and quality service delivery. When did employees undertake a formal education or training programs (in house or external)?
6. Is there any mechanism that the institution check whether its service delivered in proper way to its students?

Statement of Declaration

I declare that this study, **Assessing students' perception on service quality of private higher education institutions in Addis Ababa** is my own work and that all the sources I have used or quoted have been indicated and acknowledged by means of complete references.

Signature

(Elsabeth Regassa)