

## MANAGEMENT HIGHER EDUCATION: THE INSIDER VIEW

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**Abstract: Background / Objectives:** Management higher education institutions, which initially witnessed a boom a decade ago, now seem to be faltering. The reasons for being at the crossroads are not clearly visible. The quality of management education institutions' services needed a holistic study. **Methods / Statistical Analysis:** Causal and descriptive research designs have been used to identify the antecedents of service quality of management education institutions. Structured questionnaire was administered to students pursuing BBA/MBA degree programs. Actual sample size was 612 respondents. The main tools used for statistical analysis were percentages, means, Structural Equation Modeling (SEM). **Results:** Reliability; responsiveness, assurance and empathy had a positive impact on intangibles. Ambience and spaces & utilities had a partial positive impact on tangibles. Training and activities in multiple domains had a partial positive impact on learning and development. These three impacted dimensions in turn had a partial positive impact on service quality of institution. Structural equation model was used and the model had good fit. **Conclusion/ Application:** This research has served to assess the service quality dimensions impacting management education institution as well as students' perception. The structural equation model aided the estimation of causal relationships between the study variables and aided the formulation of suggestions to improve service quality of management education institutions.

**Keywords:** Higher Education, Management, Service Quality, Students.

### 1. INTRODUCTION

#### 1.1. Need for Research

Management education degrees especially MBA were touted to be the quickest way to corporate success with high salaries and status. While the hype about such programs grew, so were the criticisms about the functioning and quality of institutions churning out future managers, especially affiliated institutions. Literature has focused mainly on issues like infrastructure, faculty, placements, and foreign tie-ups. Some publication houses brought out "ranking" reports but these were not in-depth studies backed by credible evidence.

There existed a need for a holistic evaluation of service quality by taking the major players, namely, students, faculty and administrators into account and

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ascertaining their perceptions. This was more required than just focusing on placements and salaries.

### **1.2. Research Gaps**

Management education degrees especially MBA were touted to be the quickest way to corporate success with high salaries and status. While the hype about such programs grew, so were the criticisms about the functioning and quality of institutions churning out future managers, especially affiliated institutions. Literature has focused mainly on issues like infrastructure, faculty, placements, and foreign tie-ups. Some publication houses brought out "ranking" reports but these were not in-depth studies backed by credible evidence.

Literature has been repeatedly highlighting the following issues faced by Management education institutions, albeit in different studies. The major issues were found to be: focus on individual brilliance rather than teamwork; curriculum focuses on functional area view rather than organizational view; less focus on application of knowledge and skills; inability to customize learning to meet specific situations and problems; less focus on strategic development; negligible exposure to case studies; not encouraging candidates with prior work experience to apply; summer and final projects done merely as a formality; limited vision (not focusing beyond curriculum); less importance for value-added courses; not much efforts for fostering industry relevant skills; not much autonomy especially within university-affiliated system; most faculty do not have adequate corporate exposure / experience; inadequate institution-industry interactions; non-utilization of alumni's services; not involving industry while designing curricula; insufficient mentoring by corporate; negligible teaching by global faculty.

It seems, from literature, that no one variable can be singled out as predictor, but rather that they may have a moderating effect or have an impact in combination with other variables. Most research studies have taken into account only few variables at a time. It has become more and more imperative to focus on service quality to deliver satisfaction and delight. This research aims at assessing the service quality of management education institutions at Salem city in Tamilnadu, South India.

## **2. MATERIALS AND METHODS**

### **2.1. Research Design**

Causal research design was employed for data collection, analysis and testing of service quality research model used in this research.

### **2.2. Objectives of the Research**

The objectives of the research were: (a) to ascertain the antecedents of service quality in management education institutions, (b) to ascertain the perception of students

satisfaction level with respect to identified antecedents, and (c) to study the causal relations between study variables.

### **2.3. Sampling Design**

The population comprised students pursuing BBA / MBA degree programs in Salem district of Tamilnadu in South India. The frame comprised students pursuing BBA / MBA degree programs under full-time category in institutions in Salem district. Proportionate Stratified sampling was employed wherein strata comprised three categories, namely, 3 institutions offering only UG programs, 14 institutions offering only PG programs, and 4 institutions offering both UG and PG programs. The actual sample size was 612 students.

### **2.4. Data Collection Design**

Primary Data Collection Method comprised survey method for students. Primary Data Collection Instruments was structured questionnaire.

### **2.5. Statistical Tools**

The main tools used for statistical analysis were percentages, means, standard deviation, and Structural Equation Modelling (SEM).

### **2.6. Conceptual Framework**

Conceptual framework of the current research was based upon research gaps and exhaustive review of literature. The rationale behind constructing this framework was that it attempts to facilitate a more holistic model relating to service quality of the Institution by adding more determinants. The model has been inspired and partly adapted from (i) the adapted SERVQUAL model of Soutar (1996) Pariseau (1997) Chua (2004), (ii) Transformation system model of Sahney (2004), and (iii) Holonic model of Karapetrovic (1999).

The variables extracted from review of literature were mainly sourced from journal articles authored by Pereda (2007), Abdullah (2005), Sohail (2004), Banwet (2003), Wiklund (2003), Tam (2002) McAdam (2000), Oldfield (2000), Yorke (1999, 1995), Joseph (1997), Cuthbert (1996), Owlia (1996), and McKenna (1995).

Factors affecting service quality comprised three determinants and eight sub-determinants. The sub-determinants in turn comprised 30 variables. 29 variables were identified from review of literature. These 29 variables comprised Innovative strategies, Quality of faculty, Reputation of Institution, Career Placements, Choice of specialization, Counselling, Online / Digital resources, Scholarships, Social & Environmental Sensitivity, Value-Added Courses, Admission process, Assessment system, Examination system, Recognition of achievements, Prompt response from

Management, Residential accommodation, Library facilities, Reprography (Xerox) facility, Resources for learning, Sports/Recreation, Program curriculum, Training Programs, Clubs / Forums, Creativity, Entrepreneurial skills, Field assignments, Guest Lectures, Industrial Visits, and Co-curricular & Extra-curricular activities. One variable was added to the study keeping in mind current scenario, namely, Alumni Interaction.

The Endogenous (Descriptive) Variables were: Intangibles (INT); Tangibles (TAN); Learning and Development (LAD), and Service Quality (SEQ).

The Exogenous (Operational) Variables were: Reliability (INT1), Responsiveness (INT2), Assurance (INT3); Empathy (INT4); Ambience (TAN1); Spaces and utilities (TAN2); Training (LAD1); and Activities in multiple domains (LAD2).

## 2.7. Research Questions (RQ) and Null Hypotheses (H<sub>0</sub>)

RQ1: Do identified antecedents have an effect on students' perceived satisfaction with intangibles?

H<sub>01a</sub>: Reliability has no effect on students' perceived satisfaction with intangibles.

H<sub>01b</sub>: Responsiveness has no effect on students' perceived satisfaction with intangibles.

H<sub>01c</sub>: Assurance has no effect on students' perceived satisfaction with intangibles.

H<sub>01d</sub>: Empathy has no effect on students' perceived satisfaction with intangibles.

RQ2: Do identified antecedents have an effect on students' perceived satisfaction with tangibles?

H<sub>02a</sub>: Space and utilities has no effect on students' perceived satisfaction with tangibles.

H<sub>02b</sub>: Ambience has no effect on students' perceived satisfaction with tangibles.

RQ3: Do identified antecedents have an effect on students' perception satisfaction with Learning & Development?

H<sub>03a</sub>: Training has no effect on students' perceived satisfaction with Learning & Development.

H<sub>03b</sub>: Activities in multiple domains has no effect on students' perceived satisfaction with Learning & Development.

RQ4: Does students' perceived satisfaction with intangibles, perceived satisfaction with tangibles, and perceived satisfaction with learning & development have an effect on service quality of institution?

H<sub>04a</sub>: Perceived satisfaction with intangibles has no effect on students' perceived satisfaction with service quality of institution.

- H<sub>04b</sub>: Perceived satisfaction with tangibles has no effect on students' perceived satisfaction with service quality of institution.
- H<sub>04c</sub>: Perceived satisfaction with Learning & Development has no effect on students' perceived satisfaction with service quality of institution.

### 2.8. Pilot Study and Reliability Coefficient

Pilot study was conducted involving 60 student respondents and a few modifications were implemented. The reliability coefficient (cronbach alpha) was found to be 0.826 for research instrument comprising 30 items.

### 2.9. Limitations of the Research

The limitations of the research were: (a) the study was focused on service quality of management education institution only and other dynamics of service marketing and management are not under its purview; (b) There may be changes in the service sector / education sector environments in the future which in turn may influence changes in service quality levels, expectations and perceptions.

## 3. RESULTS AND DISCUSSION

### 3.1. Mean Ratings

The mean ratings for 30 variables are presented in Table 1.

**Table 1**  
**Mean Ratings for Management Education Institutions (MEI)**

Dimension	Variables	Mean Ratings (Out of 4)			
		MEI1	MEI2	MEI3	Overall
INT1	Admission process	2.56	2.56	2.46	2.55
	Assessment system	2.62	2.63	2.57	2.62
	Examination system	2.48	2.54	2.38	2.47
INT2	Recognition of achievements	2.65	2.49	2.66	2.64
	Response from Management	2.55	2.39	2.56	2.54
INT3	Innovative strategies	2.56	2.46	2.46	2.54
	Quality of faculty	2.55	2.44	2.61	2.54
INT4	Reputation of Institution	2.52	2.56	2.36	2.51
	Alumni Interaction	2.49	2.44	2.62	2.46
	Career Placements	2.27	2.29	2.18	2.27
	Choice of specialization	2.64	2.39	2.57	2.61
	Counselling	2.26	2.51	2.11	2.27
	Online / Digital resources	2.68	2.51	2.67	2.67
	Scholarships	2.44	2.41	2.43	2.44
	Social & Environmental Sensitivity	2.65	2.59	2.52	2.64
Value-added Courses	2.79	2.78	2.75	2.79	

*contd. table 1*

Dimension	Variables	Mean Ratings (Out of 4)			
		MEI1	MEI2	MEI3	Overall
TAN1	Residential accommodation	2.5	2.76	2.56	2.52
TAN2	Library facilities	2.64	2.54	2.79	2.65
	Reprography facility	2.41	2.66	2.33	2.42
	Resources for learning	2.52	2.39	2.61	2.52
	Sports/Recreation	2.45	2.37	2.44	2.44
	Program curriculum	2.66	2.41	2.85	2.67
LAD1	Training Programs	2.57	2.8	2.48	2.58
LAD2	Clubs / Forums	2.55	2.46	2.51	2.54
	Creativity	2.6	2.54	2.54	2.59
	Entrepreneurial skills	2.72	2.93	2.61	2.73
	Field assignments	2.55	2.73	2.62	2.57
	Guest Lectures	2.49	2.51	2.51	2.5
	Industrial Visits	2.62	2.51	2.56	2.61
	Co- /extra-curricular activities	2.73	2.56	2.69	2.71

MEI1= Affiliated; MEI2= Autonomous; MEI3=University Department.

Source: Primary Data.

The top five variables (highest rating) influencing service quality of Management education institutions were Value Added Courses, Entrepreneurial skills, Co-curricular and Extra-curricular activities, Program Curriculum and Online / Digital resources.

The bottom five variables (lowest rating) influencing service quality of Management education institutions were Counselling, Career Placements, DTP facility, Sports/Recreation and Scholarships.

The highest mean rating was for tangibles, followed by learning and development while intangibles were rated the least. The mean rating for service quality was found to be 2.59 (out of 4) indicating that it was placed between 'satisfactory' and 'good'.

### 3.2. SEM Analysis

The SEM analysis based on primary data collected from students is presented in Table 2.

It is found that the calculated p value was greater than 0.05; Goodness of Fit index (GFI) value, Adjusted Goodness of Fit Index (AGFI) value and Comparative Fit index (CFI) value were greater than 0.9 indicating a very good fit. It was found that Root Mean Score Error of Approximation (RMSEA) value was minimal.

**Table 2**  
**SEM Analysis (Students Survey)**

<i>Hypothesised Path</i>	<i>Standardised Path Coefficient</i>	<i>Result of Null Hypothesis</i>
H <sub>01a</sub> : INTAN1/ Perceived satisfaction INT.	0.280	***
H <sub>01b</sub> : INTAN2/ Perceived satisfaction INT.	0.406	***
H <sub>01c</sub> : INTAN3/ Perceived satisfaction INT.	0.407	***
H <sub>01d</sub> : INTAN4/ Perceived satisfaction INT.	0.084	***
H <sub>02a</sub> : TAN1/ Perceived satisfaction with TAN.	0.713	***
H <sub>02b</sub> : TAN2/ Perceived satisfaction with TAN.	0.175	***
H <sub>03a</sub> : LAD1/ Perceived satisfaction with LAD.	0.722	***
H <sub>03b</sub> : LAD2/ Perceived satisfaction with LAD.	0.133	***
H <sub>04a</sub> : INT/ Perceived SEQ of management education institution.	0.138	***
H <sub>04b</sub> : TAN/ Perceived SEQ of management education institution.	0.482	***
H <sub>04c</sub> : LAD/ Perceived SEQ of management education institution.	0.349	***

\*\*\* Null hypothesis is accepted as it is significant at  $p < 0.001$ .

Source: Primary Daa and AMOS output.

#### 4. CONCLUSION

It was found that reliability; responsiveness, assurance and empathy had a positive impact on intangibles. Ambience and spaces & utilities had a partial positive impact on tangibles. Training and activities in multiple domains had a partial positive impact on learning and development. These three impacted dimensions in turn had a partial positive impact on service quality of institution.

This research has served to assess the service quality dimensions impacting the Management education institution's service quality. It served as a measurement technique to assess the students' overall perception about Management education institution's service quality. The structural equation model aided the estimation of causal relations between the study variables.

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