

Educational Service Quality and Student Loyalty: A Causal Study

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(Abstract)

The most important factor influencing the higher education is the competition that has increased manifold across regions in the world. This has created pressure on universities nationally as well as internationally, thus, making their going tough. With the introduction of globalization there is an abrupt understanding that education sector has also changed into highly corporatized and service oriented field and is now often called as “industry” where, students perception and their retention has assumed great significance. This study has attempted to scrutinize the data in order to examine impact of educational service quality on student loyalty in institutions of higher education. For this purpose, using sample from four prestigious universities of the UT of Jammu and Kashmir, this study found that among the constituent elements of educational service quality, learning resources is the most influential and quality of administration is the least influential variable on students’ loyalty towards institution.

Keywords: *educational service quality, student loyalty, higher education, India*

Introduction

The higher education sector is undergoing major transformations all over the world, thereby, leading to increase in competition for institutions in this sector (Kirp and Shakespeare, 2003; Maringe and Gibbs, 2009). In today’s changing global environment, every service institution is searching for innovative ways to achieve competitive advantage by improving quality, achieving customer satisfaction and increasing customer loyalty. Confronted with these challenges, one of the approaches in which service marketers can differentiate their product service offerings is building corporate image. The term ‘corporate image’ refers to a person’s overall impression of an organization and is believed to create a halo effect on customers’ perception. The attitude of the customers towards the company gets improved if they are satisfied with the services provided to them. This attitude increases the consumer’s loyalty with the company, which further increases revenue, reduces customer acquisition costs, and lowers costs of serving repeat purchasers, leading to greater profitability (Reichheld, 1993; Reichheld and Sasser, 1990). The global pressure compels universities to assess themselves in terms of goals, structure, process and outputs and take novel steps to manage themselves (Flavian et al. 2005).

Theoretical Framework

Perceived Service Quality in Education

As per Harvey and Green (1993), there are many definitions available for quality in higher education but none is appropriate, reason being its complex and multi-faced

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nature, thus, each definition differs as per its criterion and perceptions and is being considered as 'stakeholder relative'. And while considering the student as a stakeholder, it is the requirement of the institutions of higher education to remain consistent (DeShields et al., 2005) in delivering a high level quality of service to be able to know the level to which students are satisfied, students will not switch to other universities, students will speak good about the universities and will like to continue their studies in the same institution and thereby reduce the costs incurred by the universities and increase their benefits (Bolton and Drew, 1991a; Cronin Jr and Taylor, 1992; Rust and Zahorik, 1993; Crosby, 1979; Stodnick and Rogers, 2008; Leonard et al., 2015). Henceforth, it becomes very important for educational institutions to assess the level of service quality and understand the various factors that have an overall influence on the service quality, thereby, leading them to design their service in the best possible manner (Abdullah, 2006). Thereby, many higher educational institutions have made achievement of quality as their main goal.

There are a number of studies that have focused on the significance of service quality in the institutions of higher education (Pereda et al., 2007; Yunus et al., 2009; De Jager and Gbadamosi, 2010; Shekarchizadeh et al., 2011; Khodayari and Khodayari, 2011; Annamdevula and Bellamkonda, 2012; Govender and Ramroop, 2012; Alaba and Olanrewaju, 2012; Calvo-Porall et al., 2013; Manaf et al., 2013; Đonlagić and Fazlić, 2015; Naidoo, 2015; Nshimiyimana and Berndt, 2015; Chui and bin Ahmad, 2016; Naidu and Derani, 2016; Ali et al., 2016; Cheng et al., 2016). Various institutes of higher education have started realizing this and are trying their best to compete in local as well as international market of students (Paswan and Ganesh, 2009). Moreover, nowadays students have many informal platforms available to express their opinions with respect to their experiences, thus, making higher educational institutions more and more accountable for the quality they provide to students.

Higher educational institutions have undergone considerable transformations which have lead them being considered as business like service industry, as they are focusing not only on satisfying but also exceeding the requirements of their students (Gruber et al., 2010). The research pertaining to the service quality in the area of higher education has been comparatively very less, especially when taken in comparison to commercial sector (Sultan and Wong, 2010).

The combination of both positive internal and external experiences of students in educational setting is critical (Naidoo, 2015; Nshimiyimana and Berndt, 2015; Ali et al., 2016; Annamdevula and Bellamkonda, 2016). It includes the class lectures, faculty facilities, and communications with both faculty and administrators. There are many advantages of keeping vigil on the feedback received by students on various issues and also provides the benefit to improvise services and thus, be able to generate optimistic opinions (Anderson, 1995; Pariseau and McDaniel, 1997; Ojo, 2010; Robinson and

Celuch, 2016; Onditi and Wechuli, 2017) and recognize the space existing between the student and the educationalist (Pariseau and McDaniel, 1997).

Student Loyalty in Education

Loyalty is understood to be positively linked to the ability of an institution not only in attracting new students, but also in retaining the existing ones (Dick and Basu, 1994; Oliver, 1997; Henning-Thurau et al., 2001; Austin and Pervaiz, 2017). As per Webb and Jagun (1997), the concept of loyalty in institutions of higher education is taken as a measure of intention of the student to make the recommendation of the institution to prospective students, to become good advocates of the institution and join the institution again for higher studies. Similarly, Athiyaman (1997) put forwards that loyalty of students is the combination between the intention of students to speak good regarding the institution and to offer information to the potential students.

For Martensen et al (1999), loyalty is a measure of willingness of students to update their education at same institution, make recommendation of study programme and the institution and selection of institution and study programme if they have to opt it in the present day. As put forward by few authors (Athiyaman 2000; Marzo-Navarro et al. 2005; Helgesen and Nettet 2007), retaining of customers has become very important in order to make sure the continued existence of the organizations in today's cutthroat competition. Like the other sectors, it has become important for higher educational institutions as well. Student loyalty has gained strategic importance for the higher educational institutions (Henning-Thurau et al., 2001; Marzo-Navarro et al., 2005a; Choudhury, 2015; Ali et al., 2016; Hsu et al., 2016; Annamdevula and Bellamkonda, 2016; Al-Kilani and Twaissi, 2017; Austin and Pervaiz, 2017).

Loyal students can provide the long term effects to the institution as they can turn out to be excellent promoters while advising the other students to join the institution. An increasing number of students are coming back to institutions for higher studies (Marzo-Navarro et al. 2005; Helgesen and Nettet 2007).

Impact of Perceived Service Quality on Student Loyalty in Education

Boulding et al. (1993) points out that service quality is important for student loyalty in the educational setting as well. Service quality and loyalty been recognized as significant contributors to the success of an educational institution (Donaldson and Runciman (1995). Various research scholars explain service quality as the key antecedent to loyalty (Bloemer et al., 1999; Nam et al., 2011; Hsu et al., 2012).

Phadke (2011) investigated the determinants of student loyalty among 838 undergraduate business students in Bangalore city of India. One of the results of her study showed that student loyalty is positively influenced by educational service quality (Manzuma-Ndaaba et.al, 2016; Al-Kilani and Twaissi, 2017). In 2013, the same results were obtained by Fares et al. when they examined the impact of service quality, student satisfaction, and

university reputation on student loyalty from 160 students studying in International Islamic University of Malaysia.

Kiran and Diljit (2011) conducted the study to find antecedents of customer loyalty in academic library setting among postgraduate students and academic staff of four intensive universities in Malaysia. One of the major results of the study included that service quality has a direct impact on the satisfaction of the customer (Sultan and Wong, 2014; Kärnä and Julin, 2015; Ali et al., 2016; Manzuma-Ndaaba et al., 2016; Annamdevula and Bellamkonda, 2016) which then has a direct influence on his/her loyalty (Annamdevula and Bellamkonda, 2016; Khoo et al., 2017).

Mohamad and Awang (2009) analyzed the impact of service quality and corporate image on the satisfaction and loyalty of students among outgoing Business and Management undergraduates in Malaysian Higher Learning Industry. One of the interesting findings of the study was that service quality has insignificant influence on the loyalty of students but has a direct impact on the satisfaction which was found to have significant effect on loyalty (Alves and Raposo, 2007a; Giner and Rillo, 2016; Annamdevula and Bellamkonda, 2016; Subrahmanyam, 2017; Khoo et al., 2017).

Research Design

The impact of perceived educational service quality on students' loyalty was examined by ascertaining the path coefficients. The current study includes the testing of the hypotheses:

“The perceived educational service quality has a significant and positive impact on students' loyalty.”

The four universities, selected for this study, were two from Kashmir (University of Kashmir and Islamic University of Sciences and Technology) and two from Jammu (Jammu University and Baba Ghulam Badshah University). The data was collected from the students of three streams i.e. commerce and management, arts and science in all the four universities.

The educational service quality (ESQ), in the current research work, was assessed by the scale “Educational Service Quality Instrument” developed by Holdford and Reinders in 2001 to measure the quality of education in USA and the student loyalty was measured from the scales developed by Hennig-Thurau et al. (2001) and Zeithmal et al. (1996).

Data Analysis

The descriptive statistics i.e. mean score, percentage of mean score and standard deviation are calculated for all the constructs employed in the current research. The perceptual disparities of the respondents i.e. students' about different constructs as well as with respect to various demographic variables assessed in the study are presented. Lastly, the causal associations between the educational service quality and student loyalty IS also

ascertained. The scale purification results on the basis of pilot study have proved that the scale is reliable and valid.

The Cronbach alpha or Coefficient alpha, developed by Cronbach Lee in 1951, is used to check the reliability or internal consistency of each construct of the instrument. The results reflected that the alpha values of each construct are either more than or quite close to 0.7, thus proving the internal consistency of the items of each construct. In addition to this, the inter-construct correlations also significantly reflected the theoretical framework which shows the associations. All this gives enough proof that the instrument used has confirmed validity.

Table 1.1: Descriptive Statistics of Educational Service Quality and Student Loyalty

S.No	Variable	Mean Score	% of Mean Score	Standard Deviation	Rank Order
1.	Educational Service Quality				
i)	Learning Resources	3.25	65.0	1.032	Second
ii)	Faculty	3.66	73.2	0.893	First
iii)	Administration	3.19	63.8	0.653	Third
iv)	Technical quality	2.87	57.4	0.749	Fourth
	Overall Educational Service Quality	3.24	64.8		
2.	Student loyalty	3.44	68.8	0.827	

Source: Survey Data Collected by the scholar for the study.

The data results signify an adequate model fit with respect to endogenous ($\chi^2 = 342.26$ ($p > 0.05$); GFI = 0.93; AGFI = 0.91; CFI = 0.97; RMR = 0.03; RMSEA = 0.05) as and exogenous constructs ($\chi^2 = 210.42$ ($p > 0.05$); GFI = 0.95; AGFI = 0.87; CFI = 0.91; RMR = 0.03; RMSEA = 0.04). The nomological validity of the scales is confirmed by the inter item correlations. The maximum shared variance (MSV) and average variance extracted (AVE) values point towards the fact that the severe issues are not there in the scale with respect to discriminant validity and the Cronbach's Alpha values reveal the reliability of scales. The confirmation of the research instruments with regard to convergent validity is proved by the factor loading and average variance extracted values, all of which are not only significant but also more than the cut-off limit (>0.40), specified by Nunnally & Bernstein (1994) and considered for the present study.

Educational Service Quality and Student Loyalty across Institutions of Higher Education in the State of Jammu & Kashmir: A Comparison

The variables educational service quality and student loyalty are studied in the four universities of Jammu and Kashmir State (Kashmir University, Jammu University, Islamic University of Sciences and Technology and Baba Ghulam Badshah University). The variation in the respondent's perception across all the four universities are

ascertained via ANOVA along with Duncans Posthoc test and the results thereof are shown in table 1.2.

The results of table 1.2 show that the perceptual variation among students about loyalty (ANOVA = 0.945; p = 0.683) among four universities is not statistically significant and Duncans Posthoc test also places the universities in the same group. However, the perceptual differences of students amongst these universities is very significant in case of educational service quality with ANOVA value = 4.175 and p value = 0.001 and the Duncans posthoc test places the universities in two different groups with Baba Ghulam Badshah University in one group and other three universities in the other group.

Table 1.2: Educational Service Quality and Student Loyalty across Universities: A Comparison

S. No	Variables	Mean Score	Overall Mean Score	ANO VA	Sig.	Duncans Posthoc Test
1.	Educational Service Quality					
i)	KU	3.08	3.24	4.175	.001 *	Different groups (iii) & (iv, i, ii)
ii)	IUST	3.03				
ii)	BGSBU	3.68				
iv)	JU	3.17				
2.	Student Loyalty					
i)	KU	3.47	3.44	.945	.683 ⁿ _s	Same group (iii, i, ii & iv)
ii)	IUST	3.41				
ii)	BGSBU	3.58				
iv)	JU	3.30				

Source: Survey Data Collected by the scholar for the study.

Note: * $p < .05$; ns=not significant; KU=Kashmir University; IUST= Islamic University of Science and Technology; BGSBU= Baba Ghulam Badshah University; JU= Jammu University

Impact of Educational Service Quality on Student Loyalty

It is very clear from the results of table 1.3 that all the four components of educational service quality are significantly and positively influencing student loyalty. All the four components of educational service quality collectively explain the variance of 37% ($R^2 = 0.37$) in student loyalty as shown in figure 1.1.

Structure Equation Modeling has been administered to find relationship in between various dependent and independent variables under study. The results so found have supported almost all the assumptions with which the study was initiated.

Table 1.3: Standard Coefficients indicating Impact of Educational Service Quality on Student Loyalty

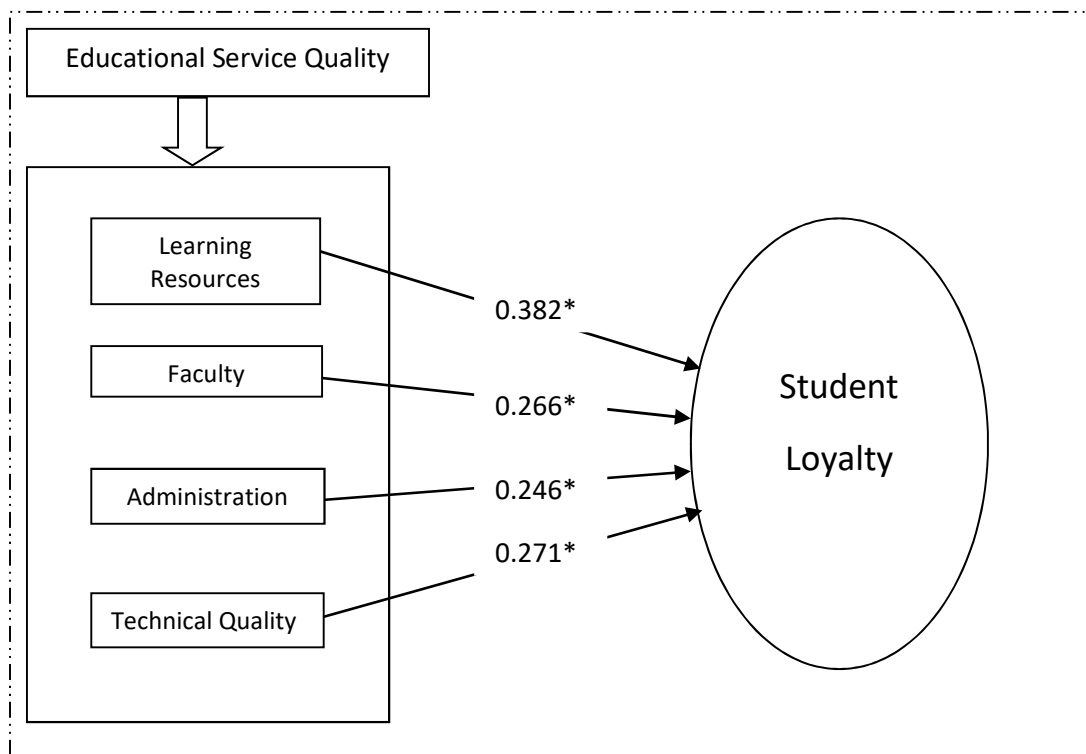
Independent Variable	Dependent Variable
	Student Loyalty
Educational Service Quality	
Learning resources	0.382*
Faculty	0.266**
Administration	0.246**
Technical (Outcome) quality	0.271*
R^2	0.37

Source: Survey Data Collected by the scholar for the study.

*Note: * <.001 ; **< .01*

The results in the table 1.2 clearly show that amongst all the four components of quality, the learning resources with $\beta_1=0.382$ and $p<0.001$ is seen to have the strongest impact on student loyalty which is followed by technical quality ($\beta_1=0.271$, $p<0.001$).

Figure 1.1: Impact of Educational Service Quality on Student Loyalty (component wise)



Source: Data compilation by the scholars for the present study.

*Note: * <.001 ; **< .01*

Thus giving us enough evidence that hypothesis *The educational service quality significantly influences student loyalty* is statistically supported.

Discussion, Findings and Conclusions

The existence of a positive and direct relationship between educational service quality and student loyalty (0.37) was demonstrated by this study. The results were confirmed by the students for all the three streams i.e. commerce and management, science and arts, incorporated in our study. The outcome of the study gets support from the results specified by Boulding et al. (1993) and Hennig-Thurau et al. (2001).

The results demonstrated that the learning resources has significant impact on student loyalty ($\beta_1=0.382$, $p<0.001$) followed by technical quality ($\beta_1=0.271$, $p<0.001$).

All these results prove that if institutions are able to achieve quality as per expectations of the students, student loyalty will increase. This shows that educational service quality has a positive and direct impact on loyalty, thus, the administrators need to give a special attention to the quality of the education service. This outcome of the study is found to be consistent with the previous studies which have talked about the significance of service quality. The research conducted by Hennig-Thurau et al. (2001) in the education context also came up with the same finding.

Strong positive relationship is observed between educational service quality and student loyalty. Maintenance of high service quality standards by an institution can help the institution to build up student loyalty.

Educational service quality, though, was found to be average but the students' perception across the four universities of three streams was found significantly different. The learning resources, faculty and technical quality were perceived to be of above average by students of all the three streams. For the students of Baba Ghulam Badshah University, learning resources was highest in the sampled universities of Jammu and Kashmir. This study revealed that students perceive 'faculty' and 'learning resources' more positively followed by 'administration' in the institutions under study.

In case of Student loyalty, the students of three streams revealed uniformity in their perception across all the four universities. The point of concern was that the students were neither interested to continue to be in touch with their faculty nor wanted to continue their higher studies in the same institution after the completion of their course.

Improvement in the physical infrastructure, libraries, computer labs, sports facilities and adequate field space for extracurricular activities along with continuous up gradation of them is required so that university always be in line with the changing environment in terms of its infrastructure. The attention should be paid to the quality of academic program offered and quality of faculty hired.

Since the research work concluded that service quality has significant influence on student loyalty, therefore, the universities need to concentrate on the skill and knowledge

possessed by faculty, attention to the needs of students and quick and effective services offered to students.

The administrators of the universities need to comprehend that all the encounters they have with the students have a significant impact. Thus, the management needs to make sure that the training of their employees and the service level that they desire is made available. The students are receivers of many services from the administrators since the time they get registered in an institution till they become the degree holders.

Application of internal feedback system is suggested to allow students to assess the experiences of the entire university. Its integration with the portal of students in order to have accessibility with ease can be done. Many modes like questionnaire based on Likert scale, critical incident techniques and online forums can be implemented by institutions which will allow students to get their problems redressed.

Limitations and Directions for Future Research

The main focus of the study was the post graduate students of the final year. needs to be tested with under-graduate students as well since they also have professional experiences. The sample included less number of students (single country and single state) thus, not allowing strong elucidations. The current research work was conducted at three public and one private university in the state of Jammu and Kashmir. Therefore, the research does not generalize the findings to the whole population of Jammu and Kashmir. Thus, the studies based on similar lines can be replicated in other contexts in order to be able to generalize the results of this study.

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