UNIVERSITY OF SARAJEVO
SCHOOL OF ECONOMICS AND BUSINESS

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MASTER'S THESIS

# AN ANALYSIS OF THE SERVICE QUALITY PERCEPTION IN HIGHER EDUCATION: THE CASE OF THE SCHOOL OF ECONOMICS AND BUSINESS, UNIVERSITY OF SARAJEVO

Ljubljana, December 2014                                    DALILA GORAN

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# INTRODUCTION

Educational service is intangible, expendable and at the same time it is produced by the service provider and consumed by users. The quality of education services in higher education institutions can not be objectively measured, but it is a complex and varied concept that should be explored. The conditions in which they operate academic institutions have significantly changed in recent years. In this sense it is important to mention technologically progress that has improved ways of teaching and learning. High quality service is an essential prerequisite for competitiveness and survival in the market of higher education. As with most of the services, also in higher education students' expectations significantly affect the assessment of service quality, and satisfaction of students. For the admission to higher education institutions, students' expectations are based on their past experiences of high school and the oral tradition of students who attend or have attended some of the programs. Apart from their concern about the quality of services, academic institutions are aware that satisfaction of students is very important since the students' satisfaction has a positive influenc on their decision to continue their education at that institution.

Numerous studies in this area have shown that students' satisfaction has a positive effect on students' motivation, their attendance, to attract prospective students and increase revenue (Vranešević, 2006, p. 13). Faculties are aware that education is a service industry and that it is of paramount importance to meet the needs and desires of their clients/students. Nowadays educational service does not merely mean the teacher - student relationship and lectures, but the process involves a comprehensive process - from the entrance of the student, ie. their applications for enrollment until the completion of the study and its inclusion in the alumni association.

Quality is one of the most used and most determined terms in the business world. According to Golder, Mitra and Moorman (2012, p. 18) quality is probably the most important and most complex component of a business strategy. Customers look for quality in services and products, so companies compete on quality and markets are transformed by it. Quality is important and one of the most frequent focuses of research in many disciplines such as: marketing, management, economics, engineering, and operations, strategy and market research.

According to Rai (2012) quality is an attribute that is seen as subjective, depending on perception and usually is differently understood by different people. The term quality can be looked at from two opposite sides: the producer (service provider) and the customer (service receiver). From the customers perspective they may be focused on certain specification of a product/service, leading them to compare the product/service to the service of competitors on the market. On the other side the producers may deal with conformance quality or assuring that the product/service is produced and delivered

correctly. The degree of quality that product oriented companies need to produce is much different than service quality. Products can be standardized and they have to go through controlling processes, whereas services can never be delivered in the same way. If customers and producers points of view are combined it gives a 360 degree view of the different groups that are involved in judging quality by covering all possible directions. In the approach Rai (2012) developed the customer view is comprised of true characteristics and the producer view of substitute characteristics. He claimed that customer satisfaction is determined by the degree to which the true and substitute views match.

Zeithaml (1988, p. 15) believes as well that objective quality does not exist, because all quality is perceived by someone. Garvin (1984, p. 29) believes on the other hand that perceived quality is just one of the dimensions of quality. According to the newest Journal of Marketing issued in 2012, Golderet al. (2012, p. 20) create an Integrative Quality Framework and defined quality as set of three distinct states and offerings whose attributes are relative:   performance generated while producing, experiencing and evaluating offerings. Offerings are products, services or a combination of both, attributes are components, properties, or a feature that comprises an offering. Basically they assert that quality in evaluation has three processes, which deal with different sets of attributes. According to Golderet al. (2012, p. 20) these processes are:

- The quality production process occurs when firms use attribute design and process design specifications to convert their resource inputs and those from customers into produced attributes;
- The quality experience process occurs when firms (alone or with customers) deliver attributes for customers to experience and customers perceive these attributes through the lens of their measurement knowledge and motivation, emotion, and expectations;
- The quality evaluation process occurs when customers compare an offering's perceived attributes with their expectations to form summary judgments of quality and satisfaction.

Before we move on to service quality it is important to make a clear distinction between products and services, why services are so specific and why they are treated differently from products/goods. The knowledge that people have about the quality of goods is not enough to understand the quality of services. In order to better understand services, the characteristics of services and what separates them from products (goods) will be further discussed. Services have four unique characteristics that make them different from products. Intangibility of services- the easiest way to explain intangibility is to say that services can not be touched; they can not be counted, measured, stored nor tested in advance. Services are mainly seen as performances, activities, benefits or satisfactions rather than objects. With such characteristics services can not have standardized procedures concerning the quality of how the service will be "produced". Inseparability of services- according to Zeithaml (1988, p. 20) inseparability of services means that the

delivery and consumption of many services happen at the same time simultaneously. He discusses how in many services during the delivery of the service the customer can interact with the service provider, which means that the quality of the service occurs during the service itself. This means as well that the company has less managerial control over the quality of the service because of the participation of consumer. The customers have a direct influence on the end result of the service because usually they have to give a description of what they want or describe how they feel (e.g. a visit to the hairdresser, beautician salon or doctor).

Heterogeneity of services- Zeithaml (1988, p. 20) claims that services are heterogeneous because they have high potential for variability in delivery. This problem mainly occurs with services that have high labour content because the service is not always delivered by the same person and how people will perform is different from day to day. Service personnel lack consistency in their behaviour and it can not be guaranteed to customers. Usually what the company wants to deliver is completely different from what the customer receives. Perishability of services- the last characteristic of services is perishability which is connected to time. Zeithaml (1988, p. 20) suggests that services can not be stored nor carried with us into some future period, they happen at the moment they are delivered. Time plays an important role for services since they are time dependent. Usually this characteristic is more a concern for the service deliverer than for customers, because the customer only becomes aware of this problem when they realize that they have to wait for a service.

Santos (2003, p. 239) claims that although the phenomena of service quality is relatively new, it is one of the driving factors for sustainability and organizational achievements in a company. Service quality represents the comparison between customer's expectations and the costumer's perception of the delivered service. Customers request services at the service interface, where the service encounter (also known as the moment of truth) is realized by the customer after the service is provided and delivered or consumed at the same time by the customer. In order to meet customer needs and for the company to remain competitive their main focus is on quality. Satisfying and meeting customer needs is crucial for companies to survive nowadays. As an outcome of using quality practices companies tend to identify problems quickly and improve their operational processes. Companies that are quality oriented establish valid and reliable performance measures, such as measuring customer satisfaction and outcomes. They also tend to measure customer satisfaction and outcomes of different performances. Service quality can be seen as the degree of achievement, of an ordered service. Referring to the degree of achievement two types of quality can be distinguished: objective and subjective quality. People create their expectations of a service through past experiences, personal needs, but very often as well through the word-of-mouth. In the end the customer will compare the expected service and perceived service, and the result of these two will lead to perceived service quality. When expected and perceived service are compared there can appear a gap,

which means that the perceived service does not match with what was expected from the service. There are several factors that influence the appearance of these gaps and were found by Parasuraman, Zeithaml and Berry in 1985. The factors that influence gaps and the gaps model will be explained later on. Service quality can be divided into two broad types: subjective and objective service quality.

Objective service quality can be seen as an accurate measurable conformity of a working result with the previous defined benefit. The measurability criteria for objective quality can easily turn out to be subjective due to the fact that measurability is highly dependent on the definition of accuracy. Subjective service quality can be defined as the perceived conformity of the working result with an expected benefit. The expected benefit is a creation of the customer's imagination about the service and the service provider's skills into performing as well as possible.

Service quality relates to terms such as service potential, service process or service result. The qualifications that co-workers possess can be seen as potential quality, process quality as the speed of the service and service result as how much the performance and customer wishes matched. There are several interconnecting factors that are relevant for service quality which include the way in which individuals are treated by the service provider, the amount of information the provider offers to the client, the level of personalization given to the client, accessibility and technical competences. Service quality is an important indicator to customer satisfaction. According to Normann (2000), service quality is the moment of truth, it is what is served at the moment of the delivery of the service and if a problem occurs at that moment that is the best moment to solve the problem, because after the delivery it is usually too late.

Measuring customer satisfactionis not a new concept, but not everyone is fully aware of the importance of satisfaction (Hameed&Amjad, 2011, p. 154). Taxpayers' money is used to finance public needs, such as education, science, culture, etc., so it is important that users of public services and the taxpayers are satisfied with the quality of service received. To be able to assess the quality of public sector services, it is necessary to carry out the evaluation of its effectiveness and efficiency in service delivery. According to Yanhong Li and Kaye (1999, p. 119) it is far more expensive to attract new costumersthan to retain existing ones, and this also applies for higher educations institutions in the sense of keeping current students to continiue their education (2$^{nd}$ and 3$^{rd}$ cycle of studies) at their institution. In addition, a large number of prospective students base their decision on the experiences of former students. In this part experience of students is essential, and a powerful influence in the transmission of positive and negative experiences in particular has a "word of mouth" whose influence is often underestimated. Interference on the issue of student satisfaction may lead us to the conclusion that the key problem in meeting the needs of students lies in meeting the expectations of students that are directly related to

student motivation, ability of the teaching staff and the opportunities that faculty offers in terms of technical support.

In the last decade quality has become a major preoccupation of large number of enterprises, companies and educational institutions in the world. The adoption of a quality system has to be a strategic decision of every organization (Trivun, Vranić, &Kenjić, 2009, p. 321).But what does quality service in higher education mean? From the client's perspective American Society for Quality gave a definition of quality: Quality is a subjective term for which each person has their own definition.

With the aim of understanding the quality in higher education, it is important to consider different perspectives and different approaches. Many authors have defined quality in different ways. Quality in education is continuous process that ensures the fulfillment of agreed standards (Palihawadana& Holmes, 1999, p. 24). Agreed standards should ensure that every educational institution where quality is assured, has the potential of achieving high-quality content and results. Quality Score is the result of external evaluation of quality of educational institutions and programs (Palihawadana& Holmes, 1999, p. 25). Quality control refers to the formal and informal verification process used by the institution to track the quality and standards. Quality assurance refers to the processes by which institutions guarantees that the standards and quality of education are provided, maintained and upgraded (Hameed&Amjad, 2011, p. 160). According to Yanhong and Kaye (1999, p. 120) quality management is a group of measures that are regularly taken at the institutions, to ensure the quality of higher education, with an emphasis on quality improvement as a whole. The quality of educational experience of students is influenced by many factors, so the institution must guarantee the quality of each element.

Measurement of service quality in higher education confronts the complexity of services intangibility and the presence of the various stakeholders quality requirements (Klarić & Kulašin, 2011, p. 824). Such circumstances require dominant approach in solving problem of measuring service quality in higher education which is similar to the approach in other service sectors, whereare used surveys with internally designed questionnaires.Interest in the measurement of service quality is high and service quality is an abstract and elusive concept that is difficult to define and measure. Bologna process affirms the quality and requires that the measurement of quality can not be done only through the individual segments, especially if the questionnaires were designed internally, from the perspective of the organization (faculties, university). The results obtained after the application of non-standardized surveys vary, which clearly points out the problems with the reliability and validity. Also, it is significant that such measurements often overlook or completely ignore the problem factors of service quality in higher education, because the quality of services is often viewed as a one-dimensional category (Klarić & Kulašin, 2011, p. 826). Public universities, therefore, as the solution suggest general acceptance of instruments measuring

service quality, statistically reliable and valid, where the quality of service is treated as a multidimensional construct.

Parasuraman, Zeithaml and Berry (1988, p. 26)have published results of their research that they have done on service quality. Parasuraman, Zeithaml and Berry (1988, p. 28) introduced ten dimensions of service quality: reliability, accessibility, responsiveness, courtesy, competence, credibility, security, communication, understanding the customer and tangibles. In 1988, these ten components were reduced to five major dimensionsthat enable the acronym RATER: reliability, assurance, tangibles, empathy and responsiveness.

Table 1. SERVQUAL dimensions

| Ten dimensions | | Five dimensions - RATER | |
|---|---|---|---|
| 1. | Competence - possession of the required knowledge and skills to perform service. | 1. | Reliability – means performing promised service accurately and dependably. |
| 2. | Courtesy - consideration for the customer's property and a neat and clean appearance of employees. | 2. | Assurance – represents courtesy and knowledg of employees and ability to convey confidence and trust. |
| 3. | Credibility - includes honestey, trustworthiness, and belief. | 3. | Tangibles - physical facilities, equipment, personnel and communication. |
| 4. | Security - enables the customer to feel free from risk, danger or doubt. | 4. | Empathy - means individualized attention provided to customers. |
| 5. | Access - approachability and ease of contact. | 5. | Responsiveness – represents promt service and willingness to help customers. |
| 6. | Communication – is about informing customers in a language they are able understand and listening to customers. | | |
| 7. | Knowing the customer - represents effort of employees to understand the customer's needs. | | |
| 8. | Tangibles - physical evidence of provided service. | | |
| 9. | Reliability - means performing promised service accurately and dependably. | | |
| 10. | Responsiveness - represents promt service and willingness to help customers. | | |

Based on disconfirmation models, Parasuramanet al. (1988, p. 30) supported the idea that service quality results from a comparison of actual performance of services and customer expectations. According to Çerri(2012, p. 120) in a research study that was published in 1988, Parasuramanet al.have reduced the number of service quality dimensions from ten to five, asserting that these five dimensions capture the domain of service quality. SERVQUAL is a reliable and robust instrument for measuring service quality. Since the 1985 when SERVQUAL was first published, its creators Parasuraman, Zeithmal and Berry (1988), have been working on its further development and to promote the technology through a series of publications. SERVQUAL is designed to measure the quality of service in many service sectors: tire sales, dental services, hotel industry, travel and tourism, automobile maintenance, business schools, higher education, hospitals, accounting firms, banks, government agencies, etc.

The original SERVQUAL instrument consists of two sections, each containing 22 items. The first 22 items relate to respondents' expectations of service quality, while the other 22 items measure the actual performance of service provision. The level of service quality is represented by the gap between the expected and the perceived service. The 22 items represent the five service quality dimensions that have been specified as SERVQUAL dimensions. Our questionnaire was designed to gather empirical data from undergraduate students and consisted of two parts. First, the perceived service quality was measured by means of an adapted SERVQUAL scale (Parasuraman et al., 1988, p. 34), using 30 instead of the original 22 items. The adapted scale refers to the "addition or deletion of items based on their supposed suitability for a particular research context" (Finn &Kayande, 2004, p. 41).

Cronin and Taylor (1992, p. 60) have quite strongly criticized the role of expectations in measuring the quality of services and they used the not confirming paradigm. They claimed that SERVQUAL is conceptually and operationally inadequate and together with SERVPERF they tested it in four service sectors: banking sector, fast food sector, dry cleaning sector and sector dealing with pest control services. Their study was later replicated and further results have shown empirical evidence supports the relevance of the P-E=quality gap as the basis for service qualitymeasurement.According to Fogarty, Catts and Forlin (2000, p. 109) the questions of the SERVPERF scale can cover most of the widearea of service quality.

Besides SERVQUAL and SERVPERF, many authors also use Kano Model. Kano Model classifies product attributes into three categories: basic needs, performance needs, and delighters. A competitive product meets basic attributes, maximises performances attributes, and includes as many "excitement" attributes as possible at a cost the market can bear (Ullman, 1997).

It is extremely important to develop common criteria and methodology for insurance quality (Vašišek, Budimir, & Letinić, 2007, p. 149). To ensure the quality of higher education, it is necessary to carry out the evaluation of educational institutions as a whole, specific subject area and curricula. Performance indicators are important for successful management in higher education because they allow achieving cost savings, increase transparency, reliability and efficiency. Performance indicators improve decision-making in the process of planning and management, and allow the higher education institutions to extent their success.

The purpose of this master's thesis is to analyze service quality at School of Economics and Business Sarajevo at all three cycles of study. From the purpose of the thesis, one main research question is derived: How is it possible to describe concept of service quality and specifically service quality in higher education and how can we measure it? After defining service quality, the author will answer the next research question: What are key elements of service quality in higher education institutions? The third research question is: Are there differences in the perception of certain dimensions of the SERVQUAL model by students of three cycles of study at School of Economics and Business in Sarajevo? And the fourth research question is: How to improve services quality at the School of Business and Economics in Sarajevo?

The main goal of this master's thesis is to identify the basic elements that affect student satisfaction in higher education institutions. In the master's thesis author plans to achieve the following objectives:

- to present the theoretical background of service quality;
- to present ways of measurment of service quality;
- to examine elements of service quality;
- to analyse service quality at School of Economics and Business Sarajevo at all three cycles of studies;
- to analyse differences in the perception of certain dimensions of the SERVQUAL model by students of all three cycles of study at School of Economics and Business in Sarajevo;
- to give recommendations for improvement of service quality.

The thesis consists of two main parts – theoretical part and empirical research. The theoretical part will be based on the available literature, published scientific articles and other resource related to the service quality literature review.

Research will be provided in the empirical part the: SERVQUAL model, data collection, sampling, data analysis and the results of the research. The author will do a survey among students of all three cycles of studies at School of Business and Economics Sarajevo about service quality and present the results. Many authors that have researched service

qualityuse SERVQUAL model, which is presented in chapter number two, therefore in this master thesis is also used SERVQUAL model. The survey will be done trough SERVQUAL model, and it will include 450 students from School of Business and Economics Sarajevo: 200 students from first cycle (undergraduate studies), 200 students from second cycle (master studies), and 50 students from third cycle (PhD studies). SERVQUAL model is based on five dimensions of service quality: reliability, assurance, tangibles, empathy and responsiveness. Each dimension contains more statements. SERVQUAL model contains 22 pairs of statements measured by Likert scale comprising these dimensions. Each statement appears in two times. One measures the user's expectations the service, and the other members' perception. The quality is measured as the difference between perceptions and expectations. Quality service occurs when expectations are exceeded, while the opposite occurs as a gap. The gap may be negative when customers will be dissatisfied, or positive when customers could be delighted. The gap is the results for each statement calculated as the difference between perception and expectations.

The essence of this instrument is called the gap or difference between the users' perception of service quality and their expectation. Authors of SERVQUAL define quality of service as a relation (1):

$Q = P\text{-}E$(1)

where:

E - expectations of service users (expectations), measured with a 22 elements

P - perceptions of service users (perceptions), measured with 22 elements (Armstrong, Connie & Go, 1997, p. 104).

This master thesis has five main parts. The first chapter is introduction where the purpose of the thesis, objectives (goal) of the thesis, methods of the thesis and structure of the thesis are presented. The second chapter is literature review where the author analyses: background of quality, the concept of service quality, quality in higher education and measurement of service quality. Next chapter, deals with previous empirical research, while in the fourth part author presents results of the research: School of Economics and Business Sarajevo and their analysis. In the end of the master thesis there is a conclusion, list of references and appendix.

# 1 LITERATURE REVIEW

This chapter presents an overview of current literature in the frame of the presented research problem. Following sections of this chapter begins with background of quality, after that author will present the concept of service quality, quality in higher education and measurement of service quality.

## 1.1 Background of Quality

The concept of quality is derived from the Latin word qualitas (property, excellence, value, quality, characteristic, feature, capability). Our distant ancestors manage the quality, as evidenced by the stored data from Mesopotamia, Egypt and China. Demand for quality is likely to occur in the very first forms of business, so-called barter or exchange of tangible goods.

The beginning of development of quality control begins in 1910th, when the company Ford (founded in 1907th year) introduced the practice of manufacturing automotive industry based on principles of Organization F. W. Taylor. A function of control was in the process of separating the bad of good products and it became independent and separate from the production function.

Further expansion of the economy and the development of technology after World War II have given rise to the increasing complexity of production processes and products. This resulted in the first attempts of standardization and quality record in America, where the expansion and its effects were most notably. In such an environment specification of the quality system called MIL - Q - 9858 and MIL - I – 45208. Both standards are used today and are referred to U.S. contracts of defense.

The first statistical quality control of the production was made by WA Sherwart in 1924. From this control, during World War II, there was developed a statistical quality control. Sherwart founded statistics as a means of quality control. Quality becomes a fundamental way of managing the strategic goal of organization. This is confirmed by the text of the European Charter of quality signed at the First European Convention on Quality in Paris, on 23rd of October 1998. Historical background of quality we will finish with stages of development of internal quality control (Injac, 1998):

- pre-industrial (auto)control - until the Industrial Revolution: a fundamental feature of the internal Quality control is characterized by a direct and constant insight of owners in all stages of product development;
- the organization of the industrial revolution to the 1914: the development of industrial company ceases to direct quality control of the owner and exceed the jurisdiction to the particular specialized workers-controller;
- organization of 1914-1940: a fundamental feature of the emergence of an independent Group carried Affairs quality;
- organization of 1940-1955: quality control department does not rise only vertically (hierarchy), but begins to include activities that are not only direct production;
- organization of 1955-1987: a fundamental feature of the internal quality control is to grow at a company hierarchy to the level of second-line management and dissemination at the level of departments (purchasing, sales, etc.).

- organization of l987 to date: the emergence of a series of ISO 9000, internal quality control escalates into an integrated system for management and quality assurance.

Based on existing trends, the next stage in the development of quality management was Total Quality Management (hereinafter: TQM).

In the most general sense, the quality is a trait that denotes a particular object or phenomenon and distinguishes them from other objects or phenomena. There is no unique definition of quality. The reason is that the quality is in fact perception of quality. What the user perceives as quality, it is the quality (Kelly, 1997). Deming (1986) says that quality is predictable ratio of standardization and costumization with low price and market orientation, and Juran (1970) considers that quality as the suitability requirements estimated by the user.

Quality is "an integral part of human cognition that moves through an endless spiral progress ... never reaching the limit "(Injac, 1999). There is no human activity which does not pay attention to quality. If we analyze the quality from the perspective of the company, there is inevitably the question of quality processes and product as factors of total quality.

Quality is the degree of excellence which organizations can achieve in delivering products or services to its customers. Armstrong (2001, p. 181) distinguishes three types of quality: quality solutions (project design), quality compliance and customer satisfaction. For an organization the most important is customer satisfaction. Quality has become a fundamental factor for survival in the market, profitability and development, not only of individual activities and organizations but also the entire economy of the country.

The history of quality is as old as the history of mankind. Quality has different meanings for people, organizations, nations and civilizations. Therefore, there are different interpretations of scientists, philosophers, producers, users, etc. System series of ISO 9000 defines quality as the totality of features and product features underlying their ability to meet the explicit requirements.

## 1.2 The concept of Service Quality

The main tasks of a company are quality assurance and quality management. According to Trivun, VranićandKenjić (2009, p. 321) in the last decade quality has become an important preoccupation of enterprises, companies and educational institutions among many others in the world. The adoption of quality system has to be a strategic decision of an organization. The application of the quality management system in the organization is under the influence of different requirements, specific objectives, products or services offered the process and the size and structure of the organization (Trivunet al., 2009, p. 322).

Kotler and Lee (2006) claim that it is important to satisfy all five stakeholders:

- owners;
- employees;
- partners;
- members;
- environments (communities).

It is very difficult to unambiguously determine the definition of quality that would encompass all its aspects and accurately determine the essential elements. Although in principle, all people can recognize quality, the problem usually occurs when we try to clarify what it does. Different views of observation further complicate attempts to clarify the phenomenon of quality. Depending on the perspective of the individual, the quality can vary. What for someone is a high level of quality, the other person may consider as an average quality or even low level of quality. Depending on the perception of quality, and established standards for certain areas, the process of comparing the standards can approximately determine the level of quality (Thompson & Strickland, 2001). According to YanhongLi and Kaye (1999, p. 119) measuring the level of achievement of agreed indicators, success in achieving quality standards is the usual way, which is used to facilitate the understanding of the quantitative, but also qualitative characteristics of the product or service. Qualityunderstandingfrom the client's perspective is very close to the definition of quality that gave the American Society for Quality: "Quality is a subjective issue for which each person has his/her own definition."

### 1.2.1 Terms and Definitions

Quality is understood and interpreted differently depending on who looks at the quality. Different perceptions of quality have consumers and producers. From the standpoint of the consumera quality product or serviceistheproduct or service that meets a specific need. From the standpoint of the manufacturer quality shows how their product or service was sold and how successful was it(Wilson, 1978). The quality from the standpoint of the market is the extent to which certain goods or services meet a particular customer in relation to identical goods or services offered by competition.

Many authors have defined quality in a different ways. The perspective of the customer or user of the service or product is one of the most important perspectives in the process of defining quality. Wilson (1978) says that customer's perception is a key element of the valuation of each individual and consists of the following factors: the quality of products or services, services provided by the institution, the employees, the image of the organization, the selling price of products or services, the total cost of the customer for the product or service. Marketing of higher education institutions and their attempts to influence the

perception of customers/beneficiaries are the most powerful tool in the attempt of positioning of higher education institutions in the market and the environment.

According to Green (1993) in addition to the impact on the perception of the customer, it is important that the service offered by the organization has value for the user. Distinctiveness of the product or service that affects the perception of the customer provides a large contribution to the creation of a complex construct of quality (Cornuel, 2007, p. 29).

Crosby (1980) considers that quality is free, because in fact what cost is low quality and the need to perform additional activities that occurred as a result of poor performance. It is important to do the right job at the first time, in order to avoid negative consequences and increasing costs of repeate the process of producing products or services.

Feigenbaum (1961) has highlighted key role of costumers in defining quality standards: "The quality is determined by the consumer, based on their actual experience with the product or service, measured according to their expectations - imposed or unspoken, merely sensed or conscious, entirely subjective or technically operational - presenting such a movable target in the highly competitive market."

Hammer and Champy (2003) are dealing with defining quality of the process as the sum of activities that take one or more items in the input and create the output, in order to have satifiedconsumers, customers, or clients.

## 1.2.2 Stages of development of service quality

Every organization or company already has a quality assurance system that sometimes is not implemented or recognized as such. However, organizations that do not have a quality assurance system, could not carry out their business processes. Consequently, it is essential that every organization recognizes the existing quality assurance system, to assess, repair defects in the future, the structure and development of the organization, and manage it.

Quality management is a particular way of organizing the efforts of all employees. The ultimate goal is to harmonize their work in such a way that not only people approach tasks with enthusiasm, but to participate in improving the way business is done. Quality management introduces significant changes in the relationship between those who govern and those who are working.

According to Oscar (2007) development of quality took place in five stages:

- Phase 1 is called the "seller's market" and implies an orientation towards production and quantity. What marks the period up to the 1963 is that the supply is lower than

demand, ie the customer due to scarcity accepts whatever is offered. This phase is called "Phase quality control".

- Phase 2 - there is a strong balance between supply and demand. There the concept of quality assurance is introduced and with qaulity measurement of the same, the era of statistical quality control begins here.
- Phase 3 is called "market of customer" and it is characterized by expanding market demand, competition from suppliers, a growing number of statistical procedures. The first time the produciton or quality measurement processes are systematically organized and in 1987 standard ISO 9000 was introduced, A certified quality assurance system makes it a competitive edge and serves as a base of trust of supplier and customer.
- Phase 4 is characterized by changing and expanding the understanding of the concept of the product. Here, the buyer sets conditions - quality services and products. Additional services now constitute the criterion of distinction. Customer satisfaction is a measure of quality. Significant becomes a philosophy of comprehensive quality management TQM.
- Phase 5 or TQM phase: Market orientation on network connectivity, information and ecology. This phase defines supplier-customer interconnection, quality of service, the importance of environmental protection, joint planning requirements of customers and suppliers in terms of quality.

## 1.3 Quality in higher education

Educational service is intangible and it is produced by the service provider (teacher) and consumed by users (students)at the same time. Service quality in higher education institutions can not be objectively measured, but it is a complex and diverse concept that should be explored (Hameed&Amjad, 2011, p. 151).

The last decade was characterized by increasing of competition among higher education institutions. High quality service is an essential prerequisite for competitiveness and survival in the market of higher education. The biggest challenge for academic institutions is which level of qualityinstitutions must achieve in order to remain competitive in the market. To successfully overcome the aforementioned challenges higher education institutions are required to identify students' needs and understandthe formation of student perceptions of service quality. Students' expectations significantly affect the assessment of service quality, and students' satisfaction. For the admission to higher education institutions, students' expectations are largely based on their past experiences of high school and the positive experience of students who attend or have attended that programme.

Besides taking care about the quality of services, academic institutions are becoming more aware of the importance of student satisfaction since students' satisfaction has a positive influence on their decision to continue their education at that institution. Students'

satisfaction influences on student motivation, their attendance and increase of revenue of educational institution (Vranesevic, 2006, p. 14). Because of all the foregoing, higher education institutions are under pressure from government and society to achieve better relationship between the provided services and the financial compensation they receive and to make an effort to ensure a higher quality of education that will meet individual and social needs of students.

Accreditation is a process through which the (non)governmental or private body evaluates the quality of an educational institution as a whole or a specific educational program and whether the program meets the minimum evaluation criteria and standards. The result is the awarding of a status. According to Cullen and Hassall (2003, p. 20) the accreditation process involves three stages:

- The process of self-evaluation carried out by the employees, and the end result of the process is a report prepared on the basis of a set of standards and criteria of the accrediting body;
- Study visit carried out by expert group accreditation body (inspection records, facilities, conducts interviews with scientific and academic and administrative staff);
- The evaluation of the evidence and recommendations from a number of criteria related to quality, which has resulted in making the accreditation body.

Accreditation of institutions implies accreditation of the entire university or college with all programs, sites, and methods of delivery, etc., while under the accreditation of the study program accreditation involves an individual study program, which is planned to be implemented at an accredited higher education institution.

Assessment represents a system of collecting, quantifying, and using information about educational institution (institutional assessment) or individual educational program (evaluation of educational programs). It is defined as technically designed process for evaluating the results of student learning and improving student learning and development, as well as the effectiveness of teaching.

The process of institutional verification is based on the verification of evidence, and peer review, which examined the procedures and mechanisms for ensuring and improving the quality of institutions. Audit report is a document drafted on the basis of peer review, during the visit institutions in order to evaluate the quality, ie the quality of institutions, academic standards, educational infrastructure and personnel. There are three methods of internal checks and audits: a) a group of experts; b) audit performed by users inside and outside the sector; c) consulting firm conducts internal audit.

Evaluation of teaching and learning in a particular department or program encompasses all activities to determine the quality and appropriateness of the program. Indicators of

evaluation of the operational variables are related to measurable characteristics of educational institutions, or programs of study. Using indicators, academic institutions can identify performance trends and areas for improvement. There are different types of indicators: economic indicators of efficiency and effectiveness.

Culture of quality implies quality assurance mechanisms and quality control within the institution and the continuous application of the results. Quality culture is defined as the ability of institutions or programs to achieve continuous quality assurance, without relying on periodic evaluation.

The results (outcomes) are expected results or achieved results of the program, ie the goals of institution that measures a number of indicators. Outcomes are the result of an implementation of planned program of teaching in terms of students in all areas. Assessment may be related to the performance of teaching staffor the functioning of the department or program. The evaluation of students' results is the process of collecting and analyzing quantitative and qualitative data about teaching and learning outcomes in order to test compliance with the stated purpose and goals of education. Peer review, external review, is the process of evaluating the quality and effectiveness of academic programs in certain institutions, staff and/or its structure by external experts.

Quality Score is the variable which indicates result of the process of external evaluation of quality of an educational institution and programs. This proccess consists of mechanisms , techniques and activities carried out by an external body. Important aspects of defining and working with the concept of quality assurance are: a) the context, b) method, c) levels, d) mechanisms, e) certain quality values (academic values, traditional values - focus on the scientific area; management skills - focus on procedures and practices; pedagogical value - focus on staff, teaching skills and classroom exercises, employment).

Quality control refers to the formal and informal verification process used by the institution to track the quality and standards and ensure satisfactory results. Performance indicators are statistical parameters that measure the performance of institutions: qualitative and quantitative measurement of outputs, or programs (eg, the number of applications due to the enrollment quota, the workload of teachers, employment of graduates, grants and contracts for research, the number of published articles and studies, the proportion of students and science-teaching staff, revenues and expenses institutions and equipment, and infrastructure).

Quality assurance refers to the means or processes by which institutions guarantees that the standards and quality of education is provided, maintained and upgraded. The concept of Quality Assurance (QA) is used for an external and internal quality assurance of the institution (Trivun et al., 2009, p. 329). Quality management is a group of measures that are taken at the level of systems or institutions, to ensure the quality of higher education,

with an emphasis on quality improvement as a whole. As a generic term, quality management covers all activities ensuring compliance policy and quality objectives and implement them through quality control, quality assurance, quality planning, and quality improvement mechanisms.

Total Quality Management (TQM) is comprehensive approach to quality management that emphasizes the following factors: focus on customers, continuous improvement, strategic management, the need for explicit systems of quality assurance in higher education, guidance and supervision to strengthen employees (Yang, 2012).Since TQM is always based on the best in a particular area there have been introduced many national and international awards for quality. Earlier it was about getting awards thought grading that leads to prestige, and in the meantime the quality awards have got multiple meanings. All organizations and companies that applyhave benefits of participation in the competition regardless of the final outcome. The most important international awards in the field of quality are: Deming Prize, Malcolm Baldrige National Revard and European Quality Award.

One of the major issues, which occurs in institutions of higher education, is the issue of quality assurance. The quality of higher education is the core of creating a European Higher Education Area. Institutions of higher education are required to ensure quality at institutional, national and European level. It is extremely important to develop common criteria and methodology for quality assurance.

Each individual institutions is responsible for implementation of the principle of institutional autonomy, as well as the quality assurance of higher education, which is a good prerequisite for real accountability of the academic system within the individual countries. To ensure the quality of higher education, it is necessary to carry out the evaluation and assessment of educational institutions as a whole, a particular subject area curricula. Measuring can be:

- External - carried out by an independent expert body, expert committee or team, and is based on formal criteria to be set by the government or ministry, or experts and
- Internal - carried out by the institution itself; also called a self-evaluation.

The basic evaluation criteria are derived from the goals of the evaluated institution and the case surveys may be:

- setting the mission and goals;
- management;
- policy and decision-making process;
- development and organization of teaching activities;
- research and development;

- international cooperation and international projects;
- financing;
- excellence of staff;
- students;
- shared services;
- mechanisms of quality assurance, customer satisfaction and other factors.

The interest in performance indicators at the international level over the past decade has increased the need for quantitative and qualitative evaluation of higher education institutions. On the one hand, that the system of higher education expanded, despite the increasing number of participants grew, so did concern the state administration for public accountability and transparency of institutions of higher education and sought to find objective measures of the effectiveness of institutions, but also of the entire system.

On the other hand, one can say that the interest in performance indicators derived from the need to improve the quality of higher education institutions. With time and the higher education institutions, trying to better show the outside, market-oriented, competitive system, felt the need for objective measures of evaluation.

Recently, interest in performance indicators in higher education increased, and emerged a number of reasons:

- The need for useful information for prospective students, their parents, school counselors and others involved in deciding which institution to access;
- Comparisons between institutions in terms of features and performance, how could indicate future advancement in the provision of educational services;
- The need to display the diversity of higher education institutions; and
- Contribution of public responsibility for much of the budget funds and help in the development of policies in higher education.

Performance indicators provide information on common characteristics of higher education institutions, as well as each other's differences. They also discover the many possibilities of student activities and evaluate the performance of institutions in the areas of importance for the purpose of institutions in the higher education. Other indicators, especially those related to the financial performance of institutions, measures available funding sources.

In Australia, during the 90s, there was conducted extensive data collection related to the higher education system. There was established a wide range of indicators in which higher education institutions have shown the need for statistical data processing. During a decade a research group has developed a series of quantitative indicators appropriate for evaluating success in higher education. Most of the action was focused on the development of valid and reliable indicators for the purposes of comparing institutions within the

national system. There were created two reports: DEET DEET 1994 and 1996. Issued by the competent ministry and presented the various performance indicators relevant to higher education. In Australia, there are published over 200 indicators annually.

UK Government is occupied with measuring and improving the efficiency of the public sector, half a century. However, special attention is given to it in the past two decades since the United Kingdom starting to deal with the growing demands for more and better public services, as well as the resistance of the population towards higher tax liabilities. The UK Government began making performance indicators. The last trend is an attempt to improve the performance of state administration budget planning and management and reporting based on the measurement results. The reforms consequently seek to redirect the focus of the process related to the management and planning of the input values on results. In essence, this includes reporting units of the public sector on the objectives, indicators and targets with respect to the results achieved, and not according to how the service is provided.

Improving management within the Government of Canada began in 2003 with the prospect of including significant financial resources to implement reforms. Over the years, the Canadian government made a number of improvements in public sector management. Although many management challenges in the public sector are identical to those in the private sector, the public sector is required, however a different approach to their management. Despite awareness of the need for efficiency and evaluation of public funds, the government does not keep a motive of making profits. Acting within organizational boundaries, the government manages public resources and leads to balance regional needs and national development goals, economic opportunities and social benefits, and short-term plans with long-term goals. It manages various areas of organizational structure, international and national agreements, as well as collective agreements with public sector institutions. This is all we need to do in a transparent manner.

## 1.4 Concepts, classification and approaches to quality

Quality is a term that has no common universal definition that could be applied in all areas, for every phenomenon or entity; the question is how the concept of quality is applied in mechanisms for quality assurance. Harvey and Green (1993) were concerned with these issues and completed the classification and elaboration of the concepts of quality, which are discussed in detail in the Manual for Quality Assurance (Harvey & Green,1993).

It is a pragmatic approach where the quality is directly related to its users, or interested interest groups (stakeholders). Different stakeholders have different priorities. For students and teachers it is the educational process, while employers prioritize output of higher education. In this regard, Green (1994) concludes: "The best that can be achieved is to define more clearly the criteria in which any interested group benefits, when assessed

quality, and that these different views are taken into account in evaluating the quality." It is also important to define the difference between quality and standards.

"Quality" refers to the process (eg quality of the educational process - how students perceive it), and "standards" results, achievements. The relationship between them can be defined by the contribution of the educational process ("Quality"), achieving defined "standards".

Categorization of concepts of quality in higher education includes the following (Harvey & Green, 1993):

- Quality as excellence –It is a traditional academic standpoint advocating that his goal is to be the best. In higher education it could mean that if the institution receives the best students, provides them with the best conditions, the best teaching staff and the best equipment, it is expected that the result will be excellent. However, this concept does not define quality standards or what would be considered as quality.

- Quality as avoiding mistakes (zero errrors) - The concept is distinctive and acceptable for mass industry, because it can easily determine the specific caution products to the smallest detail that can be standardized, measured and checked. In the education system, students could be viewed as a "product" of higher education, but due to the fact that it is not expected to be identical, this concept is not appropriate.

- Quality of the set achievement (fitness for purpose) - This view requires that the product or service meets the needs, demands and desires of customers or users and the quality is measured by the degree of achievement of these goals. Students, academia, government, and society as a whole, they are all, more or less, clients or customers of higher education. They have quite different views on the "purpose" and "set goals". Orientation towards the user is certainly the main advantage of this concept, as its main weakness cited the common variety of expressed needs, and their relevance. Objectives are usually formulated through mission statements or program.

- Quality as transformation - A feature of this concept is that it is strictly focused on the students. If the institution is better, it better meets the objective of students in specific skills, knowledge and attitudes. This perception of quality is particularly appropriate when there are significant changes in the profile of the student, for example, when the socio-political changes lead to increased participation in higher education. Quality is conceived as a process of transformation that takes place primarily in order to increase quality of students' experiences, continuous improvement based on a bottom-up approach, accountability and openness is the main way to obtain greater confidence. In such a system, the emphasis is on effective action, and includes external monitoring.

Although this concept is quite popular, its major drawback is that it is difficult to measure the quality of a transformation in terms of intellectual capital.

- Quality as threshold - Defining the threshold for quality means setting specific standards and criteria. Any program, study department, college or institution that meets the standards and criteria shall be declared as quality. The advantage of this concept is the possibility of objectivity and certification which is achieved by defining the threshold. However, this approach leads to a higher uniformity of the system, and this system has a negative impact if the institution accepts the mentalityand adjustment makes only what is sufficient to meet the minimum.

- Quality as value for money (accountability) - The central idea of the definition of quality is accountability in the sense of taking responsibility, based on the need to restrict public spending. It is a populist concept that equates quality and value. Although this term is commonly associated with the consumption of public funds for higher education, it has a significantly wider context and represents the social responsibility of the academic community.

- Quality as enhancement - This concept emphasizes the commitment to continuous improvement and is based on the idea that achieving quality is essential to the academic spirit. The disadvantages of this concept are that it is difficult to "measure" improvement, and that evidence of improvements is not always clear and immediately noticeable.

The understanding of the quality and the basic tenets of certain concepts are mixed, intertwined and changing due to constant changes in the environment in which higher education institutions operate, as well as due to the increase of knowledge within higher education systems and institutions which gradually develop their own concepts and models of quality evaluation and quality management.

## 1.5 Measurement of Service Quality

Service quality is a major part of higher education institutions, which makes it important to correctly and properly research and measure its effectiveness. As mentioned above, service quality is based on multiple dimensions (Parasuraman et al., 1988, p. 29). The relationship between students' expectations and their satisfaction with teaching quality and success in overcoming some courses has an important role in shaping the reputation of academic institutions. At the same time, it affects the choice of students to switch from one institution to another. Recognizing the importance of these issues, many universities attach great attention to them when creating guidelines to improve the quality of their services. Here we will present four models of measuring the quality of services, which can be used by higher education institutions.

## 1.5.1 SERVQUAL Model

SERVQUAL is a key instrument for measuring quality of services in the marketing literature (Parasuraman, Zeithaml& Berry, 1994, p. 22). This instrument has a broad use by managers (Parasuramanet al., 1994, p. 23) and scientists to measure the perceptions of consumers regarding the quality of service. According to Parasuraman, Zeithaml and Berry (1988, p. 31) consumers are using the same criteria to measure quality, regardless of the type of service. The meaning of quality as a competitive advantage is what differentiates one institution from the competition.Costumerscan use five dimensions as evaluation criteria of service quality: reliability, tangibility, responsibility, security and empathy.

Dimensions are commented below (Parasuramanet al., 1988, p. 32):

- Reliability: the ability to realize the promised services responsibly and accurately;
- Tangibility: physical plant, equipment, personnel and communication materials;
- Responsibility: providing prompt services and willingness of employees to help customers;
- Assurance: courtesy and knowledge of employees and their ability to provide confidence and trust;
- Empathy: capacity that one person has to experience another's feelings by providing individualized attention to customer service.

The essence of this instrument is in finding the gap between the expectations and perception of a service.Parasuramanet al. (1988, p. 33) developed a methodology for a comparison between customer perception of quality and customer expectation.

SERVQUAL is a reliable and robust instrument for measuring service quality. Since the 1985 when SERVQUAL was published, its creators Parasuraman, Zeithmal and Berry have been working on its further development and to promote the technology through a series of publications.

The original SERVQUAL instrument consists of two sections, each containing 22 items. The first 22 items relate to respondents' expectations of service quality, while the other 22 items measure the actual performance of service provision. The level of service quality is represented by the gap between the expected and the perceived service. The 22 items represent the five service quality dimensions that have been specified as SERVQUAL dimensions. Our questionnaire was designed to gather empirical data from undergraduate students and consisted of two parts. First, the perceived service quality was measured by means of an adapted SERVQUAL scale (Parasuraman et al., 1988, p. 34), using 30 instead of the original 22 items. The adapted scale refers to the "addition or deletion of items based on their supposed suitability for a particular research context" (Finn & Kayande, 2004, p. 41).

The essence of this instrument is to find the gap or difference between the expectations of service users and their perceptions of a given service. Authors of SERVQUAL define quality of service as a relation (2):

$$Q=P-E \hspace{4cm} (2)$$

Where:

E - expectations of service users, measured with 22 statements

P - perceptions of service users, measured with 22 statements (Armstrong, Connie, & Go, 1997, p. 103)

Answers are recorded on the Likert scale (scale of 1-7, where 1 means very or completely disagreed, and score 7 very or complete agreement). SERVQUAL instrument was administered twice in different meaning; the first time, to measure expectations and the second time, to measure perceptions of service users, and calculates the gap, ie the gap or difference between perceptions and expectations.

Parasuramanet al. (1994, p. 35), emphasized the importance of vague ie ambiguous nature of SERVQUAL's expectation that obtained by measuring the relationship between different standards of expectations and perceived service quality. Their model confirms that there are two levels to which the expectations of the users can evaluate the quality of service. First, the desired service, what the client believes that can and should be provided. Secondly, adequate service makes minimum level of service that the user is willing to accept. Separating the tolerance zone of the two levels is defined as a level of performance considered satisfactory. This means that the expectations of customers vary between desired service and adequate service, rather than just point expectations.

Using the distinctions, Parasuramanet al.(1994, p. 35) tested three alternative measures of quality of service, using a scale of 1-9: two columns of the questionnaire, called SERVQUAL+, which has a separate level desired, adequate and perceived service; two columns that represent perception and expectation. Results show that one column has a very high setpoint, where the other two methods are still trying to accommodate the psychometric properties. The three column format still provides detailed information which are helping to achieve the desired level of service and provide sufficient information for appropriate improvements.

SERVQUAL instrument can be applied to any services industry after adjusting certain organizational framework. Furthermore, the gap results will help managers to diagnose where can they achieve improvements in performance. The biggest negative gap results, combined with an estimate of the greatest expectations, facilitate priority of improving performance. Likewise, if they have achieved positive results gap expectations are not only achieved but exceeded. Practical use of the SERVQUAL instrument is recognized by two purposes. First, on a qualitative basis, the awareness of what makes a quality service and

secondly, on a quantitative basis as a measure of quality that can provide useful data for quality management (Asubonteng, McCleary& Swan, 1996, p. 54).

Qualitative use of SERVQUAL's: Due to the widespread use of the SERVQUAL measurement instrument first step is to check if there are done similar research in this field, otherwise it must have re-defined dimensions and associated GAP's. The next step is to make a judgment about the expectations of the customers. In the final step performance is compared with expectations in order to identify strengths and weaknesses. Dimensionsin which performance is below expectations is weakness and strength are those dimensions where performance surpassed expectations.

Quantitative use of SERVQUAL's: The first step is to determine the dimensions of the particular focus of activity. Further step is followed by measurement of expectations and performance and comparing the obtained expectations and performance in order to identify strengths and weaknesses in the quality of services. In addition, the measurement system should be installed in order to determine the quality of service over a long period of time and compared with other services. Measuring quality during certain times is useful to be able to see improvements that have been realized or, perhaps, whether the expectations changed.

Table 2.Calculation of SERVQUAL Scores

| Dimension | Statement | Expectation | Perception | Gap Score | Average |
|---|---|---|---|---|---|
| Tangibles | 1 | | | | |
| | 2 | | | | |
| | 3 | | | | |
| | 4 | | | | |
| Reliability | 5 | | | | |
| | 6 | | | | |
| | 7 | | | | |
| | 8 | | | | |
| | 9 | | | | |
| Responsiveness | 10 | | | | |
| | 11 | | | | |
| | 12 | | | | |
| | 13 | | | | |
| Assurance | 14 | | | | |
| | 15 | | | | |
| | 16 | | | | |
| | 17 | | | | |
| Empathy | 18 | | | | |
| | 19 | | | | |
| | 20 | | | | |
| | 21 | | | | |
| | 22 | | | | |
| Unweighted Average SERVQUAL score: | | | | | |

Source: *Parasuraman, A., Zeithaml,V.A & Berry, L.L., SERVQUAL: A Multiple Item Scale for Measuring Consumer Perceptions of Service Quality, 1988, p. 29.*

There are a lot of ways in which SERVQUAL results can be used to improve the performance of service quality. According to Parasuramanetet al. (1994, p. 26) "SERVQUAL is most valuable when it is used to track service quality trends, and when it is used in conjunction with other forms of service quality measurement". SERVQUAL can also be used in categorizing institution's customers into several percieved segments of quality on the basis of their individual SERVQUAL scores (Parasuraman et. al, 1994, p. 27).

According to Parasuramanet al. (1994, p. 30) we can analyze these segments on the basis of:

- psychographic, demographic and/or other profiles;
- the relative importance of the five dimensions in influencing service quality perceptions; and
- the reasons behind the reportedperceptions.

Although the SERVQUAL model has only five dimensions, they capture all of the ten original conceptualized dimensions. The SERVQUAL model suggests that the expected service is influenced by several different factors: people's personal needs, word-of-mouth, past experiences and external communication with customers. The model tries to evaluate and measure how close the expected service was to the perceived service. There can be a big difference between expected service and perceived service quality. The difference between them is known as the perception gap and is called the service quality gap. Perceived service quality depends on external communication to the customers and how the service is delivered. The communication gap appears when promises do not match the delivery and appears between external communication with customer and service delivery.

Parasuramanet et al. (1994, p. 33) presented in which way SERVQUAL model can be used to asses service performance to the competitors. There can be made a two-section format, with expectation and perception sections by including a set of statements for each firm. In that waywe are able to measure service quality of several firms. We do not have to repeat the expectation section for each firm. For example, a company can identify the most important dimensions, and to compare itself to the competition.

Many authors have discussed application of SERVQUAL. According to Wisniewski (2001, p. 43) SERVQUAL model can have following applications: weights, understanding the internal customer, comparing services and performance over time.

## 1.5.2 SERVPERF Model

After its introduction, SERVQUAL was applied to a wide range of traditional services including retail businesses (Teas, 1993, p. 20), support services (Pitt, Watson, &Kavan,

1995), and health care applications (Babakus&Mangold, 1992). Several authors, however, questioned the utility of the gap model in assessing service quality (e.g., Asubonteng, McCleary& Swan, 1996; Babakus&Boller, 1992). As an alternative, Cronin and Taylor (1992, p. 59) introduced SERVPERF, which directly measured the service quality perceived by the customer in lieu of assessing the gap between expectation and experience. The survey items used in the SERVPERF model are largely based on the survey items in SERVQUAL, suggesting some consensus regarding the critical aspects of traditional service quality.

Cronin and Taylor (1992, p. 60) have quite strongly criticized the role of expectations in measuring the quality of services and they used the not confirming paradigm. They claimed that SERVQUAL is conceptually and operationally inadequate and together with SERVPERF they tested it in four service sectors: banking sector, fast food sector, dry cleaning sector and sector dealing with pest control services. Their study was later replicated and further results have shown that empirical evidence supports the relevance of the P-E=quality gap as the basis service quality measurement. SERVPERF relation (3) is:

$$SQ_i = \sum_{j=1}^{k} P_{ij} \qquad\qquad (3)$$

Where
$SQ_i$– percieved service quality of individual „i"
k – number of items
p – perception of individual „i" with respect to performance of a service firm „j"

In response to criticism of the psychometric validity of SERVQUAL, Brown, Churchill and Peter (1993) developed an alternative measure of direct performance comparisons with the expectations, where they used Likert scale. Their deliberations were based on the fact that the same person can not answer questions about expectations and performance, and that the resulting difference is still positively correlated.

### 1.5.3 Kano Model

Kano Model classifies product attributes into three categories: basic needs, performance needs, and delighters. A competitive product meets basic attributes, maximises performances attributes, and includes as many "excitement" attributes as possible at a cost the market can bear (Ullman, 1997).

*Figure 1.*Kano model
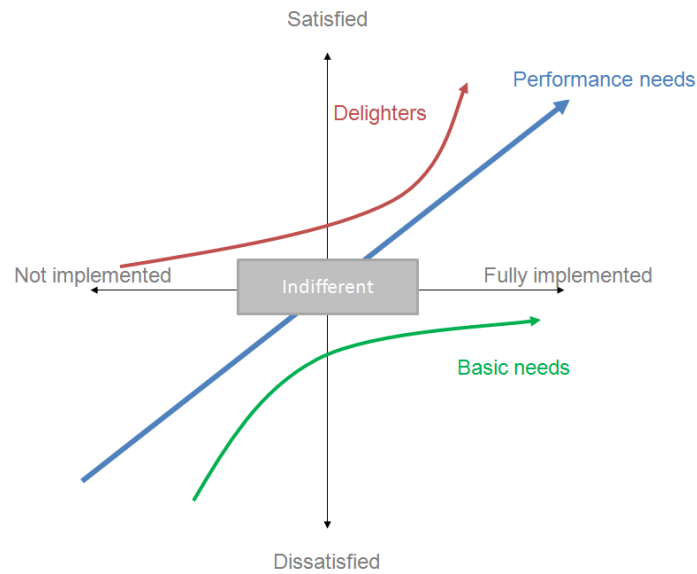
The objective of Kano model is not parsing the domain service quality at lower level elements that represent the quality of static components, whereby these components can move within a range of fully-functional to abstract and psychological, but the analysis of the quality of service in the domain of lower level elements, generally to mark the product/services, according to the character of their impact on customer satisfaction.Since the effect of elements can be observed depending on the level of performance elements, Kano model can be described as a dynamic model of quality.

According to Ullman (1997) Kano model distinguishes five basic set of elements of quality:

- attractive quality elements
- one-dimensional quality elements
- must-be quality elements
- indifferent quality elements
- reverse quality elements

According to Ullman (1997) a relatively simple approach to apply the Kano Model Analysis is to ask customers two simple questions for each attribute:

- rate your satisfaction if the service has this attribute?; and
- rate your satisfaction if the service did not have this attribute?

Customers should answer with as follows:

- satisfied;
- neutral;
- dissatisfied;
- don't care

According to Ullman (1997) the information obtained from the Kano Model Analysis, provides valuable input for the Quality Function Deployment process. By combining the two answers in the following evaluation table, the service features can be classified:

Table 3. Kano evaluation table

| Customer requirements → ↓ | | Dysfunctional (negative) question | | | | |
|---|---|---|---|---|---|---|
| | | 1. like | 2. must be | 3. neutral | 4. live with | 5. dislike |
| Functional (positive) question | 1. like | Q | A | A | A | O |
| | 2. must-be | R | I | I | I | M |
| | 3. neutral | R | I | I | I | M |
| | 4. live with | R | I | I | I | M |
| | 5. dislike | R | R | R | R | Q |

Source: *Sauerwein E., Bailom F., Matzler M., &Hinterhuber H.H., The Kano Model: How To Delight Your Customers, 1996, p. 61.*

In addition to the Kano questionnaire, it is helpful that customer ranks the individual service criteria of the current service and to determine the importance of the individual service criteria. According to Ullman (1997) this is helpful for establishment of priorities for service development and for improvements wherever necessary.

Table 4. Structure of the Kano questionnaire



Source: *Sauerwein E., Bailom F., Matzler M., &Hinterhuber H.H., The Kano Model: How To Delight Your Customers, 1996, p. 6.*

# 2 PREVIOUS EMPIRICAL RESEARCH ABOUT MEASURING SERVICE QUALITY

Service quality is often measured using SERVQUAL instrument, developed by Parasuramanet al. (1988, p. 26), especially when it comes to high-contact services such as: health care, education and tourism. In the following chapther author will present previous empirical research about measuring service quality in above mentioned high-contact services. These areas were chosen among other because this are high-contact services that can belong to the public sector, and a lot of research was done exactly in these areas, where SERVQUAL model was used.

There are many factors that are affecting the perception of quality and customer satisfaction, including health services, and it is difficult to standardize those factors. It is much more difficult to determine the level of quality in health care than in, for example, financial or tourist services, mainly because it is about human being health and his life is in direct connection with that service (Eiriz & Figueiredo, 2005, p. 29). Quality management has to be implemented in the provision of health services (Gupta, 1995, p. 94). It allows the expansion and improvement of the level of quality that users expect in health care, in all aspects of health services: quality of care, the quality of the medical services and the quality of the administrative system. Health services whose quality should be acceptable to the user include: direct health care services such as diagnose, prescribing medications,

surgery and treatments; food quality performance, security, housing and employee behavior (Mohanty, 1995, p. 64).

Results of previous studies conducted in different countries using SERVQUAL model, suggest that it is a useful tool for measuring quality of health services. Public university health clinic in Houston (Anderson, 1995, p. 55) conducted a survey on the quality of services by applying SERVQUAL instrument. The results revealed reliability, accountability and security and understanding for users are more important to students. The exception gap related to equipment of clinics was huge comparing to perception of students.

The most important result of the study of the quality of hospital services in Hong Kong is confirmation that SERVQUAL can be used as a consistent and reliable instrument. Measurements of the dimensions of quality of concrete services have shown a negative difference between perceptions and expectations. Except for the dimension that relates to tangible elements, for all other expectations are higher than the perceived level of quality of services provided (Lam, 1997, p. 43).

Applying SERVQUAL Bangladesh government surveyed the patients' perception of service quality in many hospitals, and the results showed poor general condition, indifference and disregard of patient satisfaction in most hospitals, especially thosegovernment owned. In this way, there was the need to consider the introduction of a number of additional measures at the national and interdepartmental level (Andaleb, 2001, p. 32).

And research at the clinic for colposcopy in Scotland was conducted using a custom SERVQUAL instrument. Patients were speaking about their expectations upon arrival at the clinic and about surgeries before departure. Perceptions and expectations were later compared to identify gaps and determine the greatest gap. As mentioned above, the author used SERVQUAL model to conduct the research. After conducting the research management of Clinic reacted positively to the results of research and decided to take activities to improve the quality of services (Wisniewski & Wisniewski, 2005, p. 102).

In the empirical literature there exists a lot of service quality literature. Studies dealing with the expectations of students and their satisfaction and success in mastering the course of the study can be divided into two groups: studies that explain how students' expectations affect their perception of the quality of teaching and research to determine the factors of student satisfaction. Yahnong Li and Kaye (1999, p. 115) conducted a study on a sample of 228 students enrolled at the University of Portsmouth who have attended courses in Construction and Mathematics. By using the non-parametric Mann-Whitney test they have proved that the expectations of students are relatively stable over time, while their

perception of service quality changes during the study and the perceived level of quality decreases as the study progresses.

Chonkoet al. (2002, p. 39) conducted a study on a sample of 750 students enrolled in the course Introduction to Economics at Baylor University in Texas. The results suggest that the actual perception of students often varies in relation to items that are assessed in the evaluation of teachers, and that there is a high correlation between the expectations that students have on teachers and teaching and how students evaluate teachers and teaching.

A certain number of studies of the economics of education are concerned with identifying the attitudes of students toward courses in theoretical economics. This research attempts to analyze the tendency of students to learn theoretical economics and explore their views on the importance of knowledge of theoretical courses to master other subjects or for future careers. Research suggests that courses in theoretical economics have often caused fear among a large section of students. For some students that fear has a positive impact that results in a greater effort, and sometimes it has a negative impact on the success as well as the student's perception of the economy (Benedict and Hoag, 2002, p. 69).

Vraneševićet al. (2006, p. 117) conducted a study on a sample of 350 students of the Faculty of Economics in Zagreb. Their study showed that the largest number of students considered that the teaching staff has an extremely important influence on their satisfaction with the services at Faculty of Economics in Zagreb, while nearly half (47%) believes that non-teaching staff has an extremely insignificant impact on their satisfaction even though students are the least satisfied with non-teaching staff. 36% of students considered the physical environment extremely irrelevant to their total satisfaction of the Faculty of Economics.  Furthermore, the same research suggests that 68% of students have based expectations about teaching and teachers under the influence of the former students' experience, 15%, according to the website of the Faculty, and 11% areresults of presentation of faculties. The remaining 6% students formed ther expectation under the impact of other sources.

Most of the researchers that have measured sevice quality in higher education have used SERVQUAL model, so in this master thesis author will also use SERVQUAL model to measure service quality at School of Economics and Business Sarajevo at all three cycles of studies.Babić-Hodović and Mehić (2004, p. 181) have conducted a research at School of Economics and Business Sarajevo. They have researched basis for marketing strategy of higher educational institutions, using Kano and SERVQUAL model. The main goal of this research was to apply dimensions of quality models evaluated by students, provided in the Kano model and SERVQUAL model on the education process of School of Economics and Business Sarajevo in order to approve that they may be used as a sound basis for creating a marketing strategy (Babić-Hodović&Mehić, 2004, p. 182). There is also one more research that was dealing with measuring the perception of quality services using

SERVQUAL model in the case of services of education at School of Economics and Business Sarajevo. Babić-Hodović and Cinjarević (2008, p. 29) have presented their research results about quality perception among students at School of Economics and Business Sarajevo. They have tested hypothesis that previous expectations, have direct influenceonthepreferences related to some of dimensions, as well as the fact that time distance will influence clients' preferences. Contribution of this master thesis is to expand this area, because of third level of education (doctoral study) which wasn't present before.

Fah and Kandasamy (2011) remarkedthat SERVQUAL five dimensions, as well as ecological concept and desing had major relationship with customer satisfaction in Malaysian hotels (Marković&Janković, 2013).

## 3 EMPIRICAL RESEARCH: SERVICE QUALITY AT SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO

In this chapter author will present the results of emipirical research that has beeen done at School of Economics and Business Sarajevo. Here methodology, empirical data and results will be presented. The concept of research methodology is extensive and it can be classified as a tool for problem solving or a way to conduct and gather new knowledge.

### 3.1 Data and Research methodology

The empirical research was conducted at School of Economics and Business Sarajevo. The primary data was collected through SERVQUAL model questionnaire. The questionnaire was divided into three parts. The first part of the questionnaire dealt with demographic questions. In the second part of the questionnaire students were expected to rank their expectations regarding service quality at School of Economics and Business Sarajevo. The third part of the questionnaire examined the student's perceptions toward the service quality at School of Economics and Business Sarajevo. The model SERVQUAL that was used has 22 questions (Appendix A). The 22 attributes of the SERVQUAL model that was used are classified in five dimensions: reliability, assurance, tangibles, empathy and responsiveness. The attributes were assessed by the respondents by using a seven-point Likert scale where 1 represented "strongly disagree" and 7 represented "strongly agree".

The questionnaire was distributed online, trough the programme Google Drive. Respondents were chosen according to cycle of study. The respondents that were of interest were students of all three cycles of study at School of Economics and Business Sarajevo. The data was collected in June 2014. The paired t-test analysis was used to make a comparison of students' perception and their expectations. The effect size evaluates the standard mean effect, and expresses the mean difference between two groups in standard deviation units. This means that the value of the means for students' expectations was compared to the mean value of studets' perceptions.

## 3.2 Respondents profile

Demographic features of the respondents are shown in Table 5 and were analyzed through descriptive statistical analysis. The sample had more female respondents (56%) than male respondents (44%). Most of the respondents are from the age group of 22-25 (49%), and the age group of 18-21 (33%). From the sample of 450 respondents, 11% of them are from the age group of 26-30, 5% of the age group of 31-40, and 1% each from the age groups of 41-50 and above 51. Most of the respondents, 45% each, are studying at the first and second cycle of study (bachelor and master) and 11% of respondents are studying their third cycle, PhD.

Table 5.Profile of respondents

| Item | Number (n=450) | Percentage of the sample (n=450) |
|---|---|---|
| **Gender** | | |
| Female | 253 | 56 |
| Male | 197 | 44 |
| **Age** | | |
| 18-21 | 148 | 33 |
| 22-25 | 221 | 49 |
| 26-30 | 47 | 11 |
| 31-40 | 27 | 5 |
| 41-50 | 6 | 1 |
| 51 and more | 1 | 1 |
| **Level of study** | | |
| Bachelor – 1st cycle | 200 | 45 |
| Master – 2nd cycle | 200 | 45 |
| PhD – 3rd cycle | 50 | 11 |

*Figure 2.* Profile of respondents
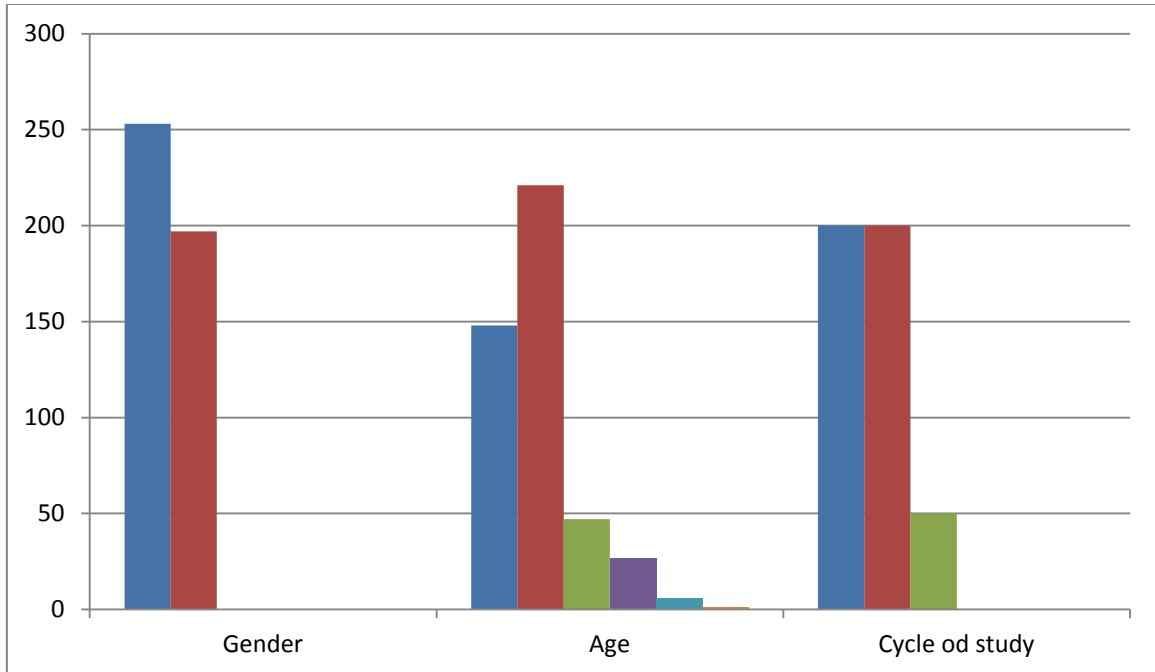


## 3.3 Results

Table 6 presents detailed overview of the attributes that students were asked to observe. They were first asked about their expectations, and then about the perceptions they have about service quality at School of Economics and Business Sarajevo. Perceptions and expectations are compared and shown as the service quality gap.

Table 6. Students' of 1st cycle of study expectations and perception of service quality at School of Economics and Business Sarajevo

| Statement | Expectations | | Perceptions | | Gap | t-value | D |
|---|---|---|---|---|---|---|---|
| | Mean | SD | Mean | SD | | | Effect size |
| **Tangibles** | | | | | | | |
| 1SEBS[*] has up-to-date equipment. | 6.68 | 0.46 | 3.08 | 1.07 | -3.60 | 3.91 | 4.68 |
| 2 The facilities of SEBS are visually appealing. | 6.77 | 0.62 | 2.19 | 1.09 | -4.58 | 3.67 | 5.31 |
| 3 The employees of SEBS are well dressed and appear neat. | 6.48 | 0.81 | 2.66 | 1.04 | -3.82 | 1.08 | 4.11 |
| 4 The appearance of SEBS facilities corresponds to the services provided. | 6.68 | 0.46 | 2.40 | 0.98 | -4.28 | 4.42 | 5.90 |
| **Reliabillity** | | | | | | | |
| 5 When SEBS makes a commitment to provide a service at the scheduled time, it does so. | 6.59 | 0.67 | 3.85 | 1.15 | -2.73 | 1.79 | 3.00 |
| 6 SEBS shows consideration for students' | 6.65 | 0.68 | 2.72 | 1.88 | -3.93 | 3.50 | 3.06 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| problems. | | | | | | | |
| 7 SEBS is reliable. | 6.58 | 0.67 | 3.50 | 1.47 | -3.08 | 2.48 | 2.87 |

<div align="right">Table continues</div>

Continued

| Statement | Expectations | | Perceptions | | Gap | t-value | D |
|---|---|---|---|---|---|---|---|
| | Mean | SD | Mean | SD | | | Effect size |
| | | | | | | | |
| 8 SEBS provides services at the scheduled time. | 6.55 | 0.82 | 4.16 | 0.87 | -2.39 | 6.29 | 2.80 |
| 9 SEBS keeps its records accurately. | 6.61 | 0.63 | 3.91 | 0.48 | -2.70 | 7.05 | 4.82 |
| **Responsiveness** | | | | | | | |
| 10 Working hours of SEBS are adjusted to all students. | 4.77 | 1.34 | 4.43 | 1.61 | -0.34 | 0.02 | 0.23 |
| 11 The employees of SEBS do provide prompt service. | 2.69 | 2.28 | 5.21 | 2.05 | 2.51 | 8.62 | -1.15 |
| 12 The employees of SEBS are always willing to help students. | 2.46 | 2.16 | 5.93 | 1.60 | 3.47 | 5.72 | -1.84 |
| 13 The employees of SEBS are never too busy to answer students' requests. | 2.58 | 2.33 | 5.73 | 1.49 | 3.15 | 1.68 | -1.64 |
| **Assurance** | | | | | | | |
| 14 Students can have confidence in employees at SEBS. | 6.38 | 0.91 | 3.79 | 1.55 | -2.58 | 4.06 | 2.08 |
| 15 While performing transactions with employees at SEBS you feel confident. | 6.25 | 0.81 | 4.52 | 0.71 | -1.73 | 4.10 | 2.27 |
| 16 Employees of SEBS are polite. | 6.69 | 0.46 | 4.27 | 2.00 | -2.42 | 1.16 | 1.96 |
| 17 Employees are provided adequate support by SEBS in order to perform their jobs successfully. | 5.98 | 1.07 | 3.86 | 0.69 | -2.12 | 5.73 | 2.40 |
| **Empathy** | | | | | | | |
| 18 SEBS does give students individual attention. | 2.83 | 1.99 | 4.28 | 1.99 | 1.45 | 2.14 | -0.72 |
| 19 Employees of SEBS give you individual attention. | 3.07 | 2.22 | 4.50 | 1.94 | 1.43 | 3.55 | -0.68 |
| 20 Employees of SEBS know your needs. | 2.72 | 2.07 | 5.75 | 1.90 | 3.03 | 2.78 | -1.52 |
| 21 SEBS takes thoughtful care of you. | 2.49 | 2.22 | 5.83 | 1.31 | 3.33 | 1.34 | -1.88 |
| 22 SEBS informs students about the time of a service to be provided. | 3.00 | 2.41 | 4.44 | 1.03 | 1.43 | 2.48 | -0.83 |

Note: *School of Economics and Business Sarajevo

Table 7. Students' of 1st cycle of study expectations and perception of service quality at School of Economics and Business Sarajevo - Overall attribute mean scores

| | Expectations mean | Perception mean | Gap |
|---|---|---|---|
| Overall mean for 22 attributes | 5.10 | 4.12 | -0.98 |

*Figure 3.* Students' of 1st cycle of study expectations and perception of service quality at School of Economics and Business Sarajevo - Overall attribute mean scores
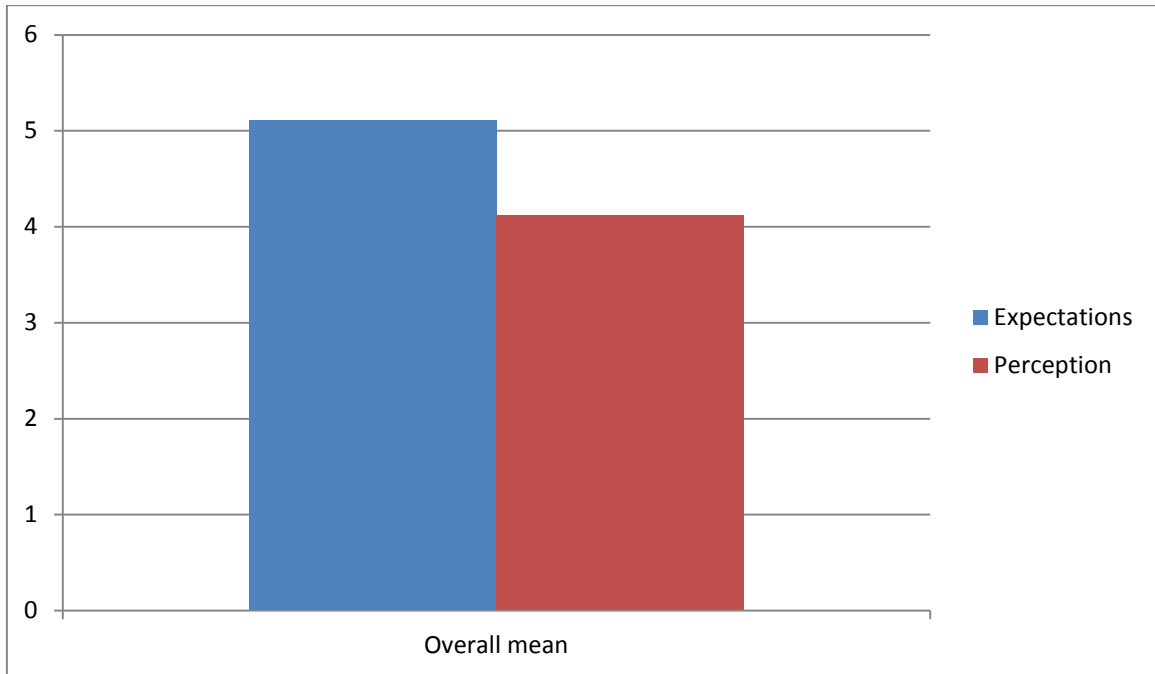


Table 7 presents the overall mean values of the 22 attributes, and shows that students' expectations of attributes exceeded the perceived attribute values, with a gap value of -0.98 which means that they should improve although the gap is not large, which means that their expectations were not much higher than the perceived service.

Table 8. Students' of 1st cycle of study expectations and perception of service quality at School of Economics and Business Sarajevo through dimensions

| Dimensions | Expectations | Perceptions | |
|---|---|---|---|
| | Mean | Mean | Gap |
| Tangibles | 6.65 | 2.58 | -4.07 |
| Reliability | 6.59 | 3.62 | -2.96 |
| Responsiveness | 3.12 | 5.32 | 2.19 |
| Assurance | 6.32 | 4.11 | -2.21 |
| Emphaty | 2.82 | 4.96 | 2.13 |
| **Overall    mean    of    five dimensions** | **5.10** | **4.12** | **-0.98** |

*Figure 4.* Students' of 1st cycle of study expectations and perception of service quality at School of Economics and Business Sarajevo through dimensions
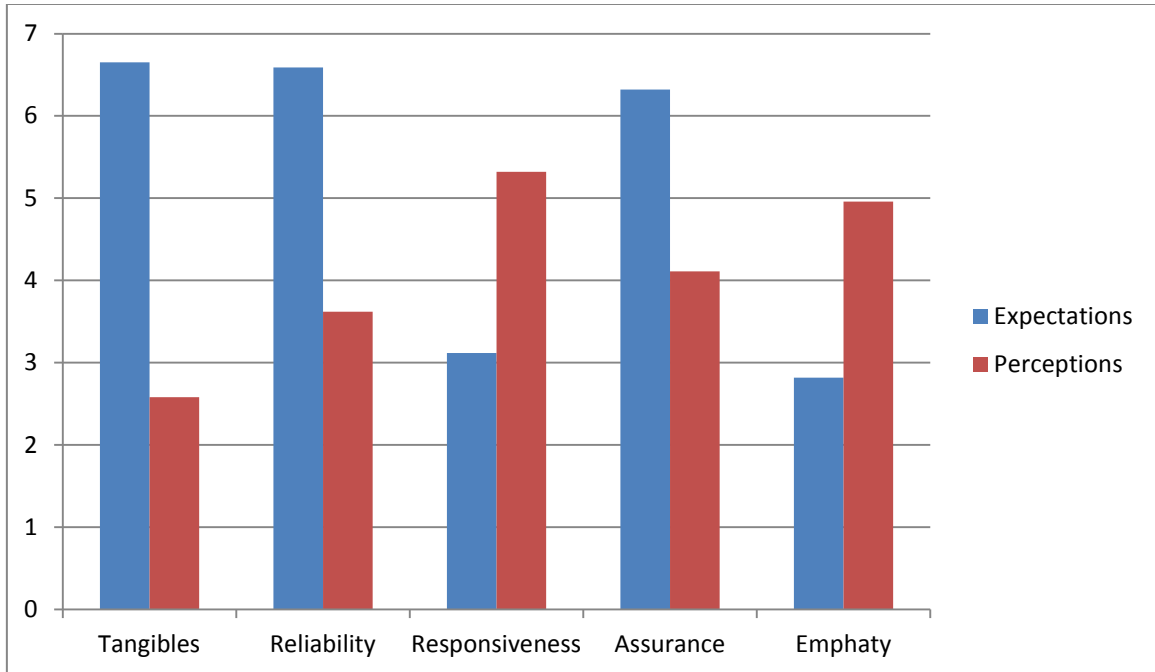
The mean scores for students' expectation ranged form 2.46 to 6.77, meaning that the lowest expectation item was that „School of Economics and Business Sarajevo employees are not obliged to help students at all times" and on the other hand the highest expectations item was „The facilities of SEBS are visually appealing". The overall mean score of students of bachelor studies expectations of service quality at Scool of Economics and Business Sarajevo is 5.10, which indicates that the students have high expectations. Table 5 shows the five dimension expectation scores. The mean scores range from 2.82 to 6.65. Dimension the students had the highest expectations was tangibles and the lowest expectations were on the dimension of emphaty.

The mean scores of students' of 1st cycle perceptions ranged from 2.58 to 5.32. The lowest score for perception was on the item „The facilities of School Of Economics and Business Sarajevo are visually appealing". The highest perception score was on the item „The employees of School Of Economics and Business Sarajevo are not always willing to help students". The overall perception mean score is 4.13, which implies that their perception is high regarding service quality at School of Economics and Business Sarajevo. The dimensions perception score shows that the highest perception was 5.32 for responsiveness and the lowest was 2.58 for tangibles.

Results show that students' expectations are higher than their perceptions of delivered service. This means that the service quality gap is negative for almost all attributes from

the questionnire. The widest gap in the service quality, -4.58, is noticed for the attribute related to the facilities visual appealing. On the other hand, the lowest negative gap, -0.34 was for the attribute „Working hours of SEBS are adjusted to all students". This would mean that there is a small difference between the perceived service and expected service. The overall gap of all attributes is -0.98, which implies that service quality at School of Economics and Business Sarajevo should be improved, especially those three attributes, where the gap was negative: tangibles, reliability and assurance.

When it comes to students' of 1st cycle expectations and perception of service quality at SEBS, we can see that the widest negative gap appears in the dimension of tangibles, and the reccommendation for SEBS is to make improvements in that dimension in order to have more satisfied students. Below in this master thesis there are presented the results of students' of 2nd cycle of study expectations and perception of service quality at School of Economics and Business Sarajevo.

Table 9. Students' of 2nd cycle of study expectations and perception of service quality at School of Economics and Business Sarajevo

| Statement | Expectations | | Perceptions | | Gap | t-value | D |
|---|---|---|---|---|---|---|---|
| | Mean | SD | Mean | SD | | | Effect size |
| **Tangibles** | | | | | | | |
| 1SEBS has up-to-date equipment. | 5.99 | 0.24 | 3.00 | 0.00 | -2.99 | 1.44 | 24.49 |
| 2 The facilities of SEBS are visually appealing. | 5.95 | 0.99 | 3.47 | 0.49 | -2.47 | 2.72 | 3.30 |
| 3 The employees of SEBS are well dressed and appear neat. | 5.52 | 0.49 | 3.47 | 0.49 | -2.04 | 8.84 | 4.09 |
| 4 The appearance of SEBS facilities corresponds to the services provided. | 6.00 | 0.00 | 2.52 | 0.49 | -3.47 | 1.62 | 13.92 |
| **Reliabillity** | | | | | | | |
| 5 When SEBS makes a commitment to provide a service at the scheduled time, it does so. | 5.47 | 0.49 | 4.00 | 0.00 | -1.47 | 3.04 | 5.91 |
| 6 SEBS shows consideration for students' problems. | 5.52 | 0.49 | 2.47 | 0.49 | -3.04 | 7.12 | 6.09 |
| 7 SEBS is reliable. | 5.47 | 0.49 | 4.47 | 0.49 | -1.00 | 5.46 | 2.00 |
| 8 SEBS provides services at the scheduled time. | 5.00 | 0.14 | 4.00 | 0.00 | -1.00 | 6.26 | 14.35 |
| 9 SEBS keeps its records accurately. | 6.00 | 0.00 | 3.52 | 0.49 | -2.47 | 5.03 | 9.92 |
| **Responsiveness** | | | | | | | |
| 10 Working hours of SEBS are adjusted to all students. | 5.52 | 0.49 | 3.47 | 0.49 | -2.04 | 8.84 | 4.093 |
| 11 The employees of SEBS do provide prompt service. | 5.52 | 0.49 | 2.52 | 0.49 | -3.00 | 2.68 | 6.00 |
| 12 The employees of SEBS are always willing to help students. | 5.52 | 0.49 | 3.52 | 0.49 | -2.00 | 2.40 | 4.00 |
| 13 The employees of SEBS are never too busy to answer students' requests. | 6.00 | 0.00 | 3.52 | 0.49 | -2.47 | 5.03 | 9.92 |
| **Assurance** | | | | | | | |
| 14 Students can have confidence in employees at | 5.00 | 0.00 | 4.04 | 0.99 | -0.95 | 1.16 | 1.91 |

| SEBS. | | | | | | | |
|---|---|---|---|---|---|---|---|

Table continues

Continued

| Statement | Expectations | | Perceptions | | Gap | t-value | D |
|---|---|---|---|---|---|---|---|
| | Mean | SD | Mean | SD | | | Effect size |
| 15 While performing transactions with employees at SEBS you feel confident. | 6.00 | 0.00 | 4.52 | 0.49 | -1.47 | 3.04 | 5.91 |
| 16 Employees of SEBS are polite. | 6.00 | 0.00 | 3.52 | 0.49 | -2.47 | 5.03 | 9.92 |
| 17 Employees are provided adequate support by SEBS in order to perform their jobs successfully. | 5.47 | 0.49 | 2.95 | 0.99 | -2.52 | 2.93 | 3.36 |
| **Empathy** | | | | | | | |
| 18 SEBS does give students individual attention. | 5.00 | 0.00 | 2.95 | 0.99 | -2.04 | 2.80 | 4.09 |
| 19 Employees of SEBS give you individual attention. | 6.00 | 0.00 | 3.47 | 0.49 | -2.52 | 1.09 | 10.09 |
| 20 Employees of SEBS know your needs. | 5.00 | 0.00 | 2.95 | 0.99 | -2.04 | 2.80 | 4.09 |
| 21 SEBS takes thoughtful care of you. | 6.00 | 0.07 | 4.00 | 0.00 | -2.00 | 2.56 | 56.99 |
| 22 SEBS informs students about the time of a service to be provided. | 6.00 | 0.07 | 3.00 | 0.00 | -3.00 | 0.00 | 85.41 |

Table 10. Students' of 2nd cycle of study expectations and perception of service quality at School of Economics and Business Sarajevo - Overall attribute mean scores

| | **Expectations mean** | **Perception mean** | **Gap** |
|---|---|---|---|
| Overall mean for 22 attributes | 5.64 | 2.84 | -2.80 |

*Figure 5.* – Students' of 2nd cycle of study expectations and perception of service quality at School of Economics and Business Sarajevo - Overall attribute mean scores
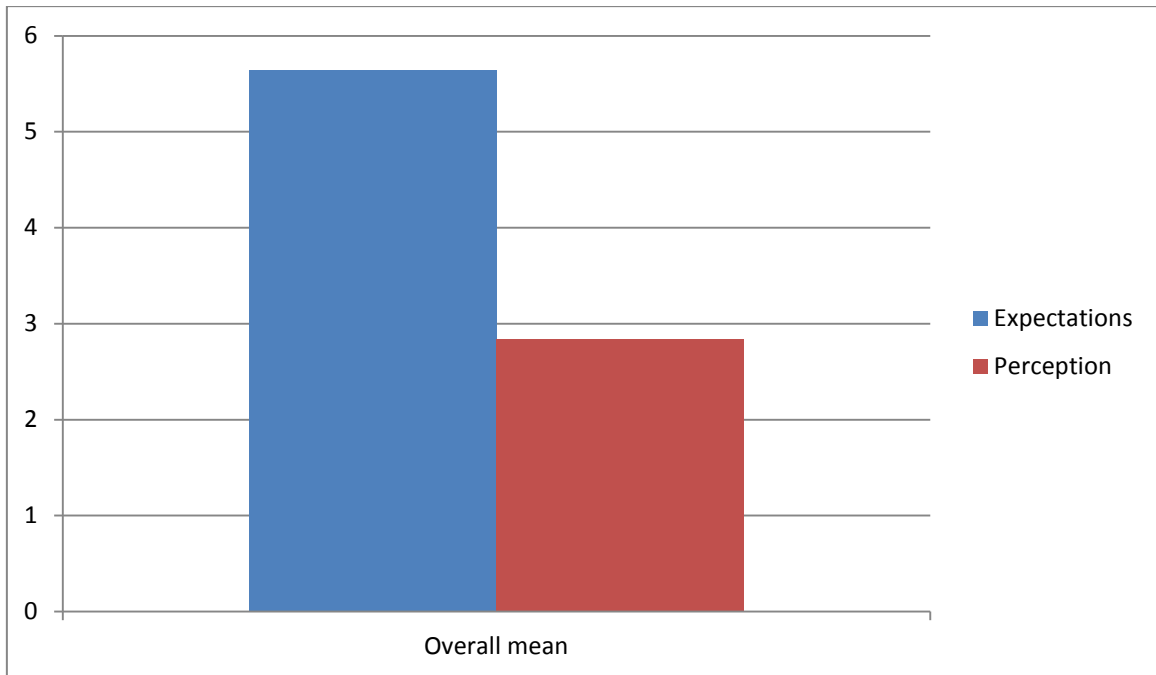
Results above present students of master studies expectations and perceptions regarding service qulity at School of Economics and Business Sarajevo. The mean scores for students' expectation ranged form 5.00 to 6.00, meaning that the lowest expectation item was that „Students can have confidence in employees at SEBS". The overall mean score of students of master studies expectations of service quality at Scool of Economics and Business Sarajevo is 5.64, which indicates that the students have high expectations. Next table shows the five dimension expectation scores. The mean scores range from 5.49 to 5.86. Dimension the students had the highest expectations was tangibles and the lowest expectations were on the dimension of reliability.

Table 11. Students' of 2nd cycle of study expectations and perception of service quality at School of Economics and Business Sarajevo through dimensions

| Dimensions | Expectations | Perceptions | |
|---|---|---|---|
| | Mean | Mean | Gap |
| Tangibles | 5.86 | 3.11 | -2.74 |
| Reliability | 5.49 | 3.69 | -1.80 |
| Responsiveness | 5.64 | 3.26 | -2.38 |
| Assurance | 5.61 | 2.25 | -3.36 |
| Emphaty | 5.60 | 1.88 | -3.71 |
| **Overall mean of five dimensions** | **5.64** | **2.84** | **-2.80** |

*Figure 6.* Students' of 2nd cycle of study expectations and perception of service quality at School of Economics and Business Sarajevo through dimensions
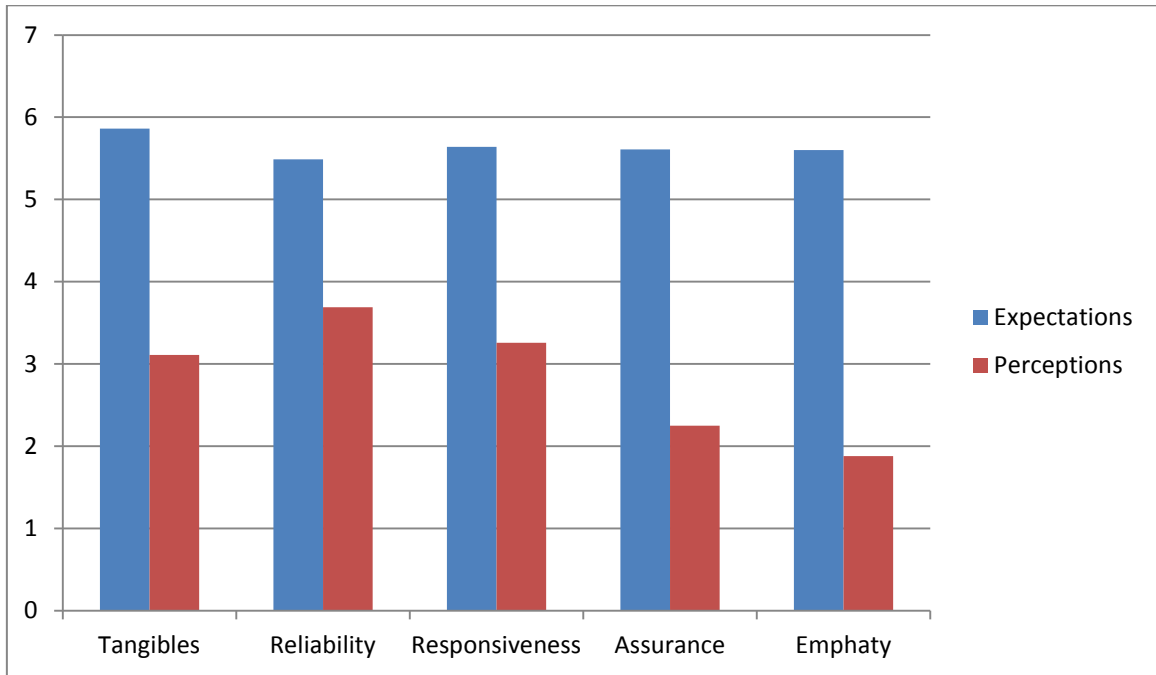
The mean scores of students' of 2nd cycle of study perceptions ranged from 2.47 to 4.52. The lowest score for perception was on the item „School of Economics and Business Sarajevo shows consideration for students' problems". The highest perception score was on the item „While performing transactions with employees at School of Economics and Business Sarajevo you feel confident". The overall perception mean score is 2.84, which implies that their perception is low regarding service quality at School of Economics and Business Sarajevo. The dimensions perception score shows that the highest perception was 3.69 for reliability and the lowest was 1.88 for emphaty. Results show that students' of master study expectations are also higher than their perceptions of the delivered service. Service quality gap is negative for all attributes from the questionnire. The widest gap, -3.47, is noticed for the attribute „The appearance of School of Economics and Business Sarajevo facilities should correspond to the services provided". On the other hand, the lowest negative gap, -0.95 was for the attribute „Students can have confidence in employees at SEBS". The overall gap of all attributes is -2.80, which implies that service quality at School of Economics and Business Sarajevo should be improved. As we can see from the results, the wides negative gap among master students appears in the dimension of emphaty. SEBS management should consider improvements in the field of emphaty, which will result with more satisfied students, not only the 2nd cycle students, but all of them. Below in this master thesis there are presented the results of students' of 3rd cycle of study expectations and perception of service quality at School of Economics and Business Sarajevo.

Table 12. Students' of 3rd cycle of study expectations and perception of service quality at School of Economics and Business Sarajevo

| Statement | Expectations | Perceptions | Gap | t-value | D |
|---|---|---|---|---|---|

| | | Mean | SD | Mean | SD | | | Effect size |
|---|---|---|---|---|---|---|---|---|
| **Tangibles** | | | | | | | | |
| 1SEBS has up-to-date equipment. | | 6.11 | 0.32 | 3.01 | 0.14 | -3.09 | 1.00 | 13.31 |
| 2 The facilities of SEBS are visually appealing. | | 6.01 | 1.00 | 3.50 | 0.50 | -2.50 | 1.83 | 3.31 |
| 3 The employees of SEBS are well dressed and appear neat. | | 5.49 | 0.50 | 3.50 | 0.50 | -1.98 | 2.16 | 3.92 |
| 4 The appearance of SEBS facilities corresponds to the services provided. | | 5.98 | 0.24 | 2.49 | 0.50 | -3.49 | 3.55 | 9.31 |
| **Reliabillity** | | | | | | | | |
| 5 When SEBS makes a commitment to provide a service at the scheduled time, it does so. | | 5.50 | 0.50 | 4.01 | 0.14 | -1.49 | 5.93 | 4.62 |
| 6 SEBS shows consideration for students' problems. | | 5.49 | 0.50 | 2.50 | 0.50 | -2.98 | 1.48 | 5.90 |
| 7 SEBS is reliable. | | 5.50 | 0.50 | 4.50 | 0.50 | -1.00 | 9.80 | 1.98 |
| 8 SEBS provides services at the scheduled time. | | 5.13 | 0.44 | 4.01 | 0.14 | -1.11 | 1.49 | 3.80 |
| 9 SEBS keeps its records accurately. | | 6.05 | 0.23 | 3.49 | 0.50 | -2.56 | 9.62 | 6.91 |
| **Responsiveness** | | | | | | | | |

Table continues

Table continues

Continued

| Statement | Expectations | | Perceptions | | Gap | t-value | D |
|---|---|---|---|---|---|---|---|
| | Mean | SD | Mean | SD | | | Effect size |
| | | | | | | | |
| 10 Working hours of SEBS are adjusted to all students. | 5.49 | 0.50 | 3.50 | 0.50 | -1.98 | 2.16 | 3.92 |
| 11 The employees of SEBS do provide prompt service. | 5.49 | 0.50 | 2.49 | 0.50 | -3.00 | 8.23 | 5.94 |
| 12 The employees of SEBS are always willing to help students. | 5.49 | 0.50 | 3.49 | 0.50 | -2.00 | 9.84 | 3.96 |
| 13 The employees of SEBS are never too busy to answer students' requests. | 6.01 | 0.14 | 3.49 | 0.50 | -2.52 | 3.58 | 7.84 |
| **Assurance** | | | | | | | |
| 14 Students can have confidence in employees at SEBS. | 5.05 | 0.31 | 3.98 | 1.00 | -1.07 | 8.44 | 1.63 |
| 15 While performing transactions with employees at SEBS you feel confident. | 6.01 | 0.14 | 4.49 | 0.50 | -1.52 | 1.58 | 4.74 |
| 16 Employees of SEBS are polite. | 6.01 | 0.14 | 3.49 | 0.50 | -2.52 | 3.58 | 7.84 |
| 17 Employees are provided adequate support by SEBS in order to perform their jobs successfully. | 5.50 | 0.50 | 3.01 | 1.00 | -2.49 | 2.86 | 3.28 |
| **Empathy** | | | | | | | |
| 18 SEBS does give students individual attention. | 5.03 | 0.28 | 3.01 | 1.00 | -2.01 | 7.18 | 3.13 |
| 19 Employees of SEBS give you individual attention. | 6.01 | 0.14 | 3.50 | 0.50 | -2.50 | 5.50 | 7.78 |
| 20 Employees of SEBS know your needs. | 5.01 | 0.24 | 3.01 | 1.00 | -2.00 | 1.44 | 3.19 |
| 21 SEBS takes thoughtful care of you. | 6.01 | 0.14 | 3.98 | 0.14 | -2.03 | 7.16 | 14.56 |
| 22 SEBS informs students about the time of a service to be provided. | 5.98 | 0.14 | 3.01 | 0.14 | -2.96 | 7.36 | 21.14 |

Table 13. Students' of 3rd cycle of study expectations and perception of service quality at School of Economics and Business Sarajevo - Overall attribute mean scores

|  | Expectations mean | Perception mean | Gap |
|---|---|---|---|
| Overall mean for 22 attributes | 5.66 | 2.85 | -2.81 |

Figure 7. Students' of 3rd cycle of study expectations and perception of service quality at School of Economics and Business Sarajevo - Overall attribute mean scores



Table 14. Students' of 3rd cycle of study expectations and perception of service quality at School of Economics and Business Sarajevo through dimensions

| Dimensions | Expectations | Perceptions |  |
|---|---|---|---|
|  | Mean | Mean | Gap |
| Tangibles | 5.90 | 3.13 | -2.76 |

| | | | |
|---|---|---|---|
| Reliability | 5.54 | 3.70 | -1.83 |
| Responsiveness | 5.62 | 3.24 | -2.37 |
| Assurance | 5.65 | 2.25 | -3.40 |
| Emphaty | 5.61 | 1.93 | -3.68 |
| **Overall mean of five dimensions** | **5.66** | **2.85** | **-2.81** |

*Figure 8.* Students' of 3rd cycle of study expectations and perception of service quality at School of Economics and Business Sarajevo through dimensions
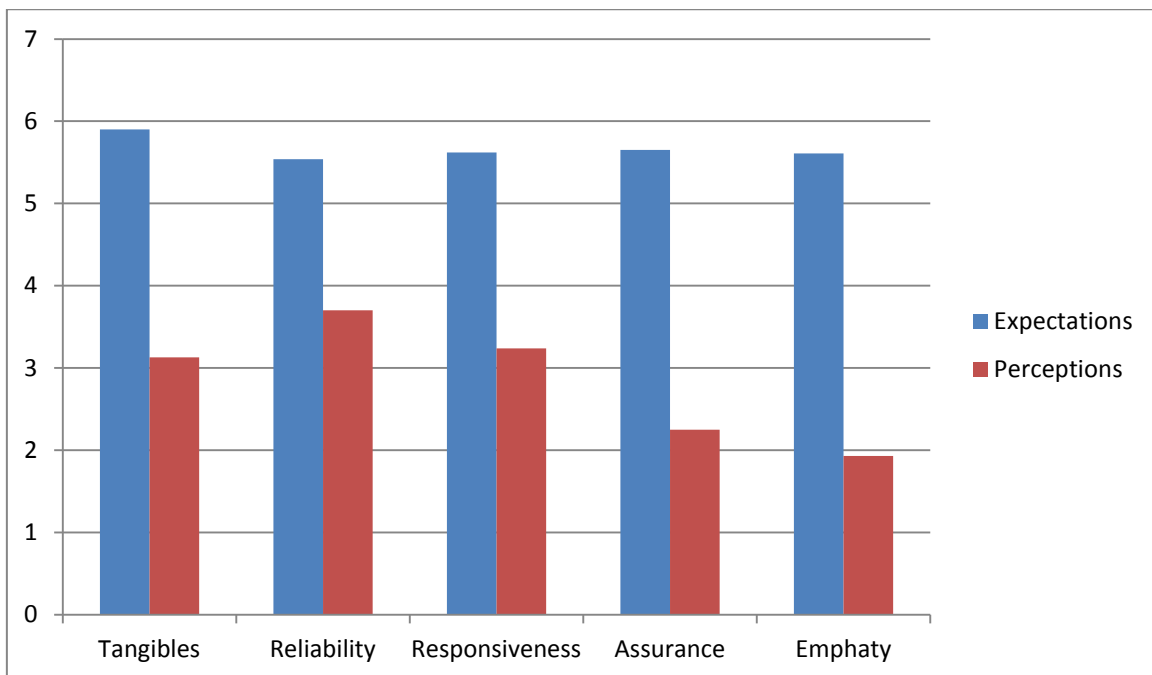


The mean scores for students' of PhD studies expectation ranged form 5.03 to 6.11, meaning that the lowest expectation item was that „School of Economics and Business Sarajevo is not expected to give students individual attention" and the highest expectations item was „School of Economics and Business Sarajevo should have up-to-date equipment". The overall mean score of students of PhD studies expectations of service quality at Scool of Economics and Business Sarajevo is 5.66, which means that the students have high expectations. Table 11 shows the five dimension expectation scores. The mean scores range from 5.54 to 5.90. Dimension the students had the highest

expectations was tangibles and the lowest expectations were on the dimension of reliability.

The mean scores of students' perceptions ranged from 2.49 to 4.50. The lowest score for perception was on the item „The appearance of School of Economics and Business Sarajevo facilities correspond to the services provided". The highest perception score was on the item „School of Economics and Business Sarajevo is reliable". The overall perception mean score is 2.85, which implies that their perception is very low regarding service quality at School of Economics and Business Sarajevo. The dimensions perception score shows that the highest perception was 3.70 for reliability and the lowest was 1.93 for emphaty.

The service quality gap is negative for all attributes from the questionnire. The widest gap in the service quality, -3.49, is noticed for the attribute „The appearance of SEBS facilities corresponds to the services provided ". The lowest negative gap, -1.00 was for the attribute „SEBS is reliable". This would mean that there is a small difference between the perceived service and expected service. The overall gap of all attributes is -2.81, which means that service quality at School of Economics and Business Sarajevo should be improved.

Table 15. Comparison between students' of all three cycle of study expectations and perception of service quality at School of Economics and Business Sarajevo through dimensions

| Dimension | 1st cycle of study | | | 2nd cycle of study | | | 3rd cycle of studdy | | |
|---|---|---|---|---|---|---|---|---|---|
| | E | P | GAP | E | P | GAP | E | P | GAP |
| Tangibles | 6.65 | 2.58 | -4.07 | 5.86 | 3.11 | -2.74 | 5.90 | 3.13 | -2.76 |
| Reliability | 6.59 | 3.62 | -2.96 | 5.49 | 3.69 | -1.80 | 5.54 | 3.70 | -1.83 |
| Responsiveness | 3.12 | 5.32 | 2.19 | 5.64 | 3.26 | -2.38 | 5.62 | 3.24 | -2.37 |
| Assurance | 6.32 | 4.11 | -2.21 | 5.61 | 2.25 | -3.36 | 5.65 | 2.25 | -3.40 |
| Emphaty | 2.82 | 4.96 | 2.13 | 5.60 | 1.88 | -3.71 | 5.61 | 1.93 | -3.68 |
| **Overall mean of five dimensions** | **5.10** | **4.12** | **-0.98** | **5.64** | **2.84** | **-2.80** | **5.66** | **2.85** | **-2.81** |

*Figure 9.* Comparison between students' of all three cycle of study expectations and perception of service quality at School of Economics and Business Sarajevo through dimensions

45
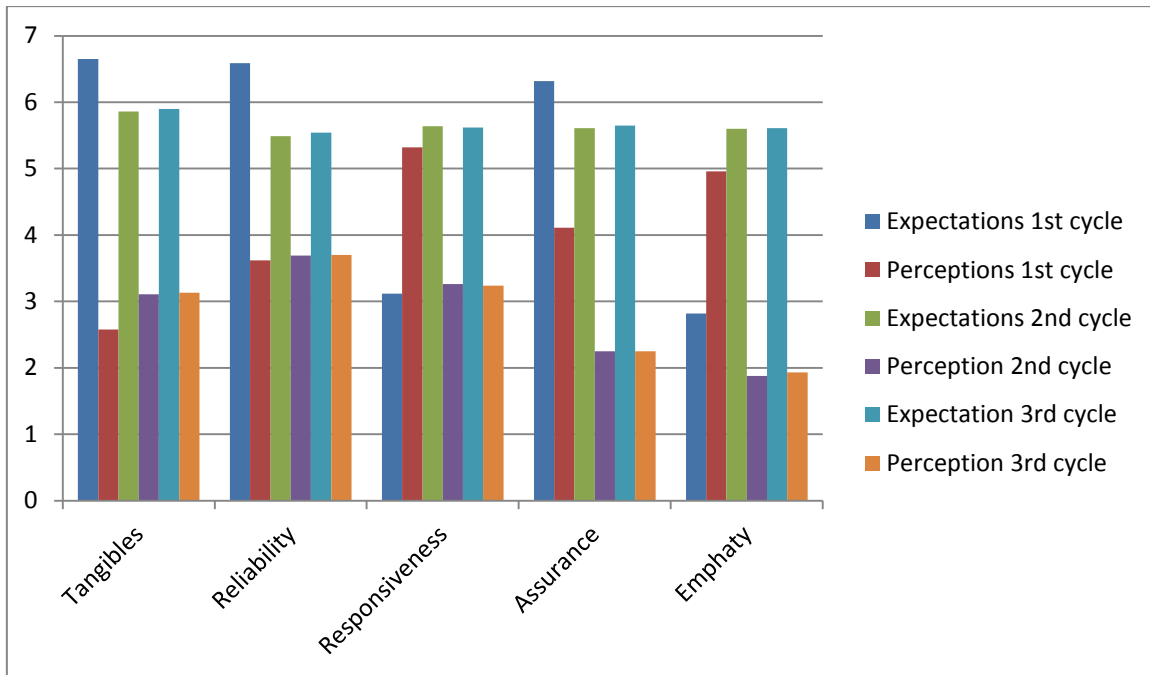
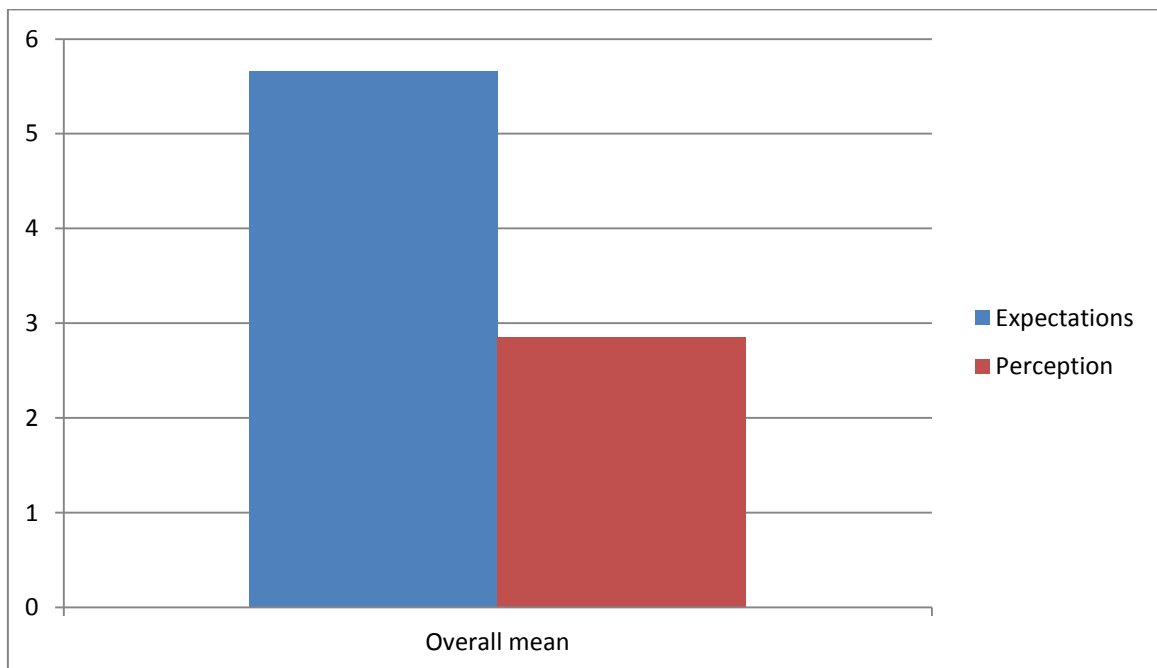Table 12 shows the comparison between students' of all three cycle of study expectations and perception of service quality at School of Economics and Business Sarajevo through dimensions. As we can see students of bachelor studies had the highest expectations (6.65) in the dimension of tangibles, as well as students of master studies (5.86) and of PhD studies (5.90). Bachelor students had the lowest expectation in the dimension of emphaty (2.82), while master and PhD students had lowest expectations in the dimension of reliability (5.49 and 5.54).

Bachelor students had the highest perception in the dimension of responsiveness (5.32), master students in the dimension of reliability (3.69) as well as PhD students (3.70). overall students' lowest perception was in the dimension of: tangibles 2.58 – bachelor students, emphaty 1.88 – master students, and also emphaty 1.93 – PhD students. Table 12 indicates that highest overall gap appears among PhD students, -2.81, and master studens, -2.80, while the gap that appears among bachelor students is not very high, -0.98, but it still means that School of Economics and Business has to do improvements.

## CONCLUSION

Service quality is becoming more important, and it is known that service users quickly leave the institution whose services do not meet expectations. Quality is the factor that should interest users, facilitate the sale of services, affects the achievement of customer satisfaction with the service provided and to develop and maintain loylity of users. Quality is the degree to which a set of inherent characteristics fulfills requirements. The quality of a product or service determines the relationship between the needs of users and their implementation by the manufacturer.

Quality control refers to the control of the production process during the process. Monitoring quality is carried out in two parts. The first is carried out internal quality control by the producers themselves. Then applied external quality control carried out by conformity assessment bodies, customers, competitors and the market itself. Quality control consists of monitoring the actual fulfillment functions, comparisons of fulfilling these functions and effects if the function is different from the norm. An important role in achieving quality has quality assurance. Quality assurance is part of the quality management system focused on providing confidence in meeting the essential requirements related to quality.

The relationship between students' expectations and their satisfaction with teaching quality and success in overcoming some courses have an important role in shaping the reputation of academic institutions. At the same time it affects the choice of first-year students and students of last year of study when the transition from one institution to another can happen. Recognizing the importance of these issues, many universities attach great attention when creating guidelines to improve the quality of existing courses. Traditionally, it is believed that mastering the material contained in the theoretical courses of the first year of undergraduate studies and business economics requires students invest extra effort. At the same time, is the basis for the study of courses in higher years of study to successfully overcome these courses. For the development of an effective system of performance measurement of the public sector in Bosnia and Herzegovina, it is necessary to achieve certain assumptions: the introduction of program planning, definition of strategic and budgetary objectives, reporting system tailored to the requirements of measuring performance indicators, and the definition of quality set of performance indicators for each sector.

Taking into account the fundamental characteristics of each sector, strategic and budgetary objectives and desired outcomes and outputs to be measured, it is necessary that the central government defines a set of performance indicators as instruments to evaluate the quality and efficiency of each sector.

Measuring and reporting on performance, it is important for the control and management of institutions of higher education. The audit assessed the success of the economy, efficiency and effectiveness of the use of human, financial and other resources. One of the criteria for the implementation of this audit could be indicators of success.

Performance indicators are important for successful management in higher education because they allow achieving cost savings, increased transparency, reliability and efficiency. Performance indicators improve decision making in the planning and management, but also allow to establish the measures to be successful.

The quality of higher education remains an important concern in both research and practice. As the international competition intensifies, which is particularly the case with business schools across the globe, the quality of the offering and guarantees of that quality become a substantial concern for the schools themselves. On the other hand, finding the "right" way to measure service quality in general has been a subject of academic debate for a long time.

Higher education institutions are under pressure from government and society to realize what is possible to do in order to achieve better relationship between the services provided and students' satisfaction. According to the law on higher education in Bosna and Herzegovina every higher education institution is required to conduct the evaluation of the personnel, or the success of the implementation of curricula after the end of each year of study. During the evaluation higher education institutions are required to evaluate: quality of teaching, correctness in communication, relationship of teachers and students in the classroom, availability of literature to which teaching staff indicates the student, the presence of the teacher in the classroom, as well as other elements that higher education institution established in its statute. According to the law on higher education in Bosnia and Herzegovina higher education institutions are required to analyze the results of the evaluation. However, none of these results are published on the websites of faculties.

The objective of this master's thesis was to analyze and evaluate perception of service quality provided by the School of Economics and Business Sarajevo. For the purpose of measurement of service quality at School of Economics and Business Sarajevo, students of all three cycles participated in online questionnaire. The methodology of measuring service quality was done through SERVQUAL model.

The results showed that students overall expectations were higher than the percieved service at School of Economics and Business Sarajevo. Students of bachelor studies had highest expectations in the dimension of tangibles, as well as students of master studies and of PhD studies. Bachelor students had the lowest expectation in the dimension of emphaty, while master and PhD students had lowest expectations in the dimension of reliability. Bachelor students had the highest perception in the dimension of responsiveness, while master and PhD students in the dimension of reliability. Their lowest perception was in the dimension of tangibles and emphaty. If we compare all three cycles, we can see that students of higher cycles of studies have lower expectations. The reason for this may lie in their changes in life, such as employment, so their primary obligation is no longer only university, as it was in the first cycle of studies, and they are oriented towards other obligations.

The highest overall gap appears among PhD students. The highest gap appeard in the dimension of tangibles, -4.07, while the lowest gap apeared in the field of reliability which means that School of Economics and Business Sarajevo has to do improvements in the

field of tangibles: up-to-date equipment, facilities visual appealing, well dressed and neat employees and appearance should correspond to the services provided. The next highest gap was in the dimension of emphaty, which means that School of Economics and Business Sarajevo has to do improvements in this field, since the gap is very high - 3.71.Emphaty dimensions are as follows: School of Economics and Business Sarajevo gives students individual attention; employees of School of Economics and Business Sarajevo give individual attention to students; employees of School of Economics and Business Sarajevo know studentsneeds; School of Economics and Business Sarajevo does not take thoughtful care of you; School of Economics and Business Sarajevo informs students about the time of a service to be provided.

The lowest negative gap appeared in the dimension of reliability, -1.80, but however there is a place for improvement. The attribute that had the lowest mean expectation score should not be ignored; because it does not mean that it is not important, only that among all the attributes the students found that it was less important in comparison to other attributes.

There is always room for future improvement in any type of service, including the case of the examined School of Economics and Business Sarajevo. In order to make an improvement in service quality at School of Economics and Business Sarajevo few things should be brought to attention. One of the most important prerequisites for all of the other dimensions is emphaty.Emphaty dimension is fundamental for high-contactservices and that is why a lot of attention has to be given to it. In the research analysis this dimension showed negative gap between expectations and perceptions, so a high standard should be set for this dimension and maintained. The employees of Schools of Economics and Business have to give students individual attention, they have to know the students' needs, to take thoughtful care of the students and to inform students about the time of a service to be provided.

Reliability is an important aspect in which service quality improvement should be made, especially through the example of School of Business and Economics Sarajevo. When promises are made to students, and especially when these promises are related to service delivery, including a certain time, these services have to be performed by that time. Time is an important aspect for students, especially to students who are employed, and they want to know and plan how long certain things will take. This should change and students should be informed roughly on how long a procedure should take, in condition that these are students who are active and responsible, and who did everything they needed from their side. By improving ways of informing the students, potential misunderstandings can be avoided.

Once School of Economics and Business Sarajevo services move to the next level and provide better interaction with students, the biggest change will be that students will have a more personalized service approach, which means more interaction with professors,

assistants, faculty board, etc. By knowing what the students needs are School of Economics and Business Sarajevo can have a better understanding of students' personal needs. Teachers are required to be excellent teachers with the adoption of new teaching methods, new technologies delivery of knowledge, innovation of the syllabus and curriculum within the department, and perform all administrative tasks.

One of the primary activities of all employees is to design programs of study attractive to prospective students, as well as for the labor market, of course, using the relevant input indicators. The focus is on the creation of flexible programs, multidisciplinary and interdisciplinary, as well as the planning and execution of programs or only certain subjects in English. Increasing the quality of teaching that is done in a foreign language is promoted through continuous training of teachers and assistants through mobility programs. In addition to the activities of teachers are regularly monitored, reviewed and improves the effectiveness of the support services that are available to students.

In the end School of Economics and Business Sarajevo should try to focus on promoting their educational programs and to make them available as much as possible to students, by educating students about School of Economics and Business Sarajevo. The website of School of Business and Economics should definitely have more language options on the site such as: German and Turkish, and in future the School of Economics and Business Sarajevo should consider moving their web page to the next level so that students can complete entire transactions online and make online payments and online applications possible. School of Economics and Business Sarajevo should also promote interaction with students in such a way that students do not hesitate to contact them and insist on interaction students service, teachers, management, etc.

The main difficulty with educational services is that students are not customers and School of Economics and Business Sarajevo is not a business. The success of an educational institution is not measured in terms of profits, and students do not actually buy any products/services from the educational institution. This makes it harder to understand the motivation that should exist between both parties to make this work and function well. Students and School of Business and Economics Sarajevo need to have a mutual interest in their relations. This means that as much as School of Business and Economics Sarajevo needs to provide something to students, students need to be willing to provide feedback and interact.

Considering what has been mentioned above, the contribution of this thesis is to create awareness at School of Economics and Business Sarajevo to give more attention to service quality.

A major limitation in this research is that the questionnaire respondents were mainly local students, and none of the respondents was international student. Another limitation of this

research was sample size, lack of available data and lack of prior research studies on the topic. Also, one of the limitations was SERVQUAL model itself, since this model examines only service qulity, but not education curricula, so we do have results about service quality, but we do not know are the students satisfied with learning outcomes. So therefore, this can be an opportunity for expansion of this study. In the future, authors can add to the SERVQUAL model few questions that are of interest for higher education institutions, and in that way one can research students satisfaction in the field of education at the institution. One can add questions about specific program, academic curricula, course, or learning outcomes, and those results would imply should higher eduction institutions put more effort in teaching process.

There are many opportunities to extend this study. For example, further studies on service quality measurements in higher education can focus on issues such as the impact of sociodemographic variables on service quality in higher education. Another opportunity may also look out whether the perceived quality levels differ by private and public universities in Bosnia and Herzegovina. This research can be also expanded in the direction researching higher cycle studies based on previously completed bachelor studies. It is possible to make comparisons between the satisfaction of students who have completed their bachelor studies at School of Economics and Business Sarajevo and students who are graduates of some other faculties.This research has treated perceived service quality from the students' perspective. Future research could be directed at investigating perceived service quality from a perspective of the business environment or other stakeholders. Additionally, it would be advisable to expand the present study involving international students.

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**APPENDIX**

**PERCEPTION OF SERVICE QUALITY IN HIGHER EDUCATION: THE CASE OF SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO**

* Required

**Age ***

**Gender ***

**Level of study ***

**Year of study ***

Below you are asked to give answers according to your expectations.

Circle the appropriate number from 1 to 7, please use the following scale: 1 – Completely disagree, 2 - I don't agree. 3 – Mostly I don't agree, 4 – I have no opinion, 5 – Mostly I agree, 6 – I agree, 7 - Completely agree

Thank you.

**School of Economics and Business Sarajevo should have up-to-date equipment ***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**The facilities should be visually appealing ***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**The employees of School of Economics and Business Sarajevo should be well dressed and appear neat. ***

1   2   3   4   5   6   7

| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**The appearance of School of Economics and Business Sarajevo facilities should correspond to the services provided. \***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**When School of Economics and Business Sarajevo makes a commitment to provide a service at the scheduled time, they should do so. \***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**School of Economics and Business Sarajevo should show consideration for students' problems \***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**School of Economics and Business Sarajevo should be reliable \***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**Services should be provided at the scheduled time \***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**School of Economics and Business Sarajevo should keep their records accurately. \***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**Working hours of School of Economics and Business Sarajevo should be expected to be adjusted to all students \***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**It is not realistic to expect prompt service from School of Economics and Business Sarajevo employees \***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**School of Economics and Business Sarajevo employees are not obliged to help students at all times \***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**It is acceptable that School of Economics and Business Sarajevo employees are too busy to answer students' requests \***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**Students should have confidence in School of Economics and Business Sarajevo employees\***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**Students should feel confident while performing transactions with School of Economics and Business Sarajevo employees \***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**School of Economics and Business Sarajevo employees should be polite \***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**School of Economics and Business Sarajevo employees should be provided adequate support by School of Economics and Business Sarajevo in order to perform their jobs successfully \***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**School of Economics and Business Sarajevo is not expected to give students individual attention \***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**School of Economics and Business Sarajevo employees are not expected to give each student individual attention ***

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
|---|---|---|---|---|---|---|---|---|
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**It is not realistic to expect from School of Economics and Business Sarajevo to know the students' needs ***

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
|---|---|---|---|---|---|---|---|---|
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**It is not realistic to expect from School of Economics and Business Sarajevo to take thoughtful care of the students ***

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
|---|---|---|---|---|---|---|---|---|
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**School of Economics and Business Sarajevo should not be expected to inform students about the time of a service to be provided ***

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
|---|---|---|---|---|---|---|---|---|
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

Below you are asked to give answers according to your perception.
Circle the appropriate number from 1 to 7, please use the following scale: 1 – Completely disagree, 2 - I don't agree. 3 – Mostly I don't agree, 4 – I have no opinion, 5 – Mostly I agree, 6 – I agree, 7 - Completely agree

Thank you.

**SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO has up-to-date equipment ***

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
|---|---|---|---|---|---|---|---|---|
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**The facilities of SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO are visually appealing***

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
|---|---|---|---|---|---|---|---|---|
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**The employees of SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO are well dressed and appear neat ***

|     | 1 | 2 | 3 | 4 | 5 | 6 | 7 |     |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**The appearance of SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO facilities correspond to the services provided \***

|     | 1 | 2 | 3 | 4 | 5 | 6 | 7 |     |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**When SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO makes a commitment to provide a service at the scheduled time, it does so \***

|     | 1 | 2 | 3 | 4 | 5 | 6 | 7 |     |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO shows consideration for students' problems \***

|     | 1 | 2 | 3 | 4 | 5 | 6 | 7 |     |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO is reliable \***

|     | 1 | 2 | 3 | 4 | 5 | 6 | 7 |     |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO provides services at the scheduled time \***

|     | 1 | 2 | 3 | 4 | 5 | 6 | 7 |     |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO keeps its records accurately \***

|     | 1 | 2 | 3 | 4 | 5 | 6 | 7 |     |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**Working hours of SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO are adjusted to all students \***

|     | 1 | 2 | 3 | 4 | 5 | 6 | 7 |     |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**The employees of SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO do  provide prompt service** *

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
|---|---|---|---|---|---|---|---|---|
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**The employees of SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO are  always willing to help students** *

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
|---|---|---|---|---|---|---|---|---|
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**The employees of SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO are never too busy to answer students' requests** *

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
|---|---|---|---|---|---|---|---|---|
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**Students can have confidence in employees at SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO** *

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
|---|---|---|---|---|---|---|---|---|
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**While performing transactions with employees at SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO you feel confident** *

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
|---|---|---|---|---|---|---|---|---|
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**Employees of SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO are polite.** *

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
|---|---|---|---|---|---|---|---|---|
| Completely disagree | ◉ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**Employees are provided adequate support by SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO in order to perform their jobs successfully** *

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
|---|---|---|---|---|---|---|---|---|
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO does give students individual attention** *

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
|---|---|---|---|---|---|---|---|---|
| Completely disagree | ○ | ○ | ○ | ○ | ○ | ○ | ○ | Completely agree |

**Employees of SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO gives you individual attention ***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
|---|---|---|---|---|---|---|---|---|

Completely disagree ○ ○ ○ ○ ○ ○ ○ Completely agree

**Employees of SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO know your needs***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
|---|---|---|---|---|---|---|---|---|

Completely disagree ○ ○ ○ ○ ○ ○ ○ Completely agree

**SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO takes thoughtful care of you ***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
|---|---|---|---|---|---|---|---|---|

Completely disagree ○ ○ ○ ○ ○ ○ ○ Completely agree

**SCHOOL OF ECONOMICS AND BUSINESS SARAJEVO informs students about the time of a service to be provided ***

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
|---|---|---|---|---|---|---|---|---|

Completely disagree ○ ○ ○ ○ ○ ○ ○ Completely agree