



# The impact of service quality on parental satisfaction: evidence from private schools in Selangor

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## Abstract

This study analyses the features of Service Quality that could impact the satisfaction of parents whose children patronize private schools in the state of Selangor, Malaysia. This study adapts the SERVQUAL model to measure service quality evident in private schools, and uses Structural Equation Modelling (SEM) to evaluate the relationship between Service Quality and Parental Satisfaction. This research utilizes a quantitative technique, with a Likert scale questionnaire, that was created by adapting the SERVQUAL measurement tool, as well as by reviewing past literature. Data was collected from selected private schools in Selangor, and further analysed using SPSS and AMOS software. This study had a total of 411 respondents, from 8 varying private schools. During data analysis, reliability tests were conducted followed by factor analysis and then structural equation modelling in order to test the hypotheses. The results indicated that two aspects of Service Quality, namely Tangibility and Responsiveness seem to effect the satisfaction of parents in private schools. This study implies that private school administrators should focus on aspects of Tangibility and Responsiveness, in order to have a larger impact on parental satisfaction.

**Keywords:** Service Quality; Seroquel; Private Schools; Customer Satisfaction; Parent Satisfaction.

## 1. Introduction

## 2. Background of study

This research recognizes service quality issues in a private school that is seen to be impacting Malaysian parent's satisfaction. Past literature indicates that the satisfaction of parents is a pivotal element that leads to a school's success (Bauch & Goa, 2000; Poterfield, 2003). This study is conducted amongst private schools in the state of Selangor, Malaysia. Selangor is a vibrant state, being the most developed state in Malaysia, while commanding the country's largest economic potential and housing more than a hundred educational institutions (Ministry of Tourism Malaysia, 2015; "Why Selangor?", 2017; IPS Malaysia, Kementerian Pendidikan Malaysia). Recent years saw an elevated scrutiny towards the Malaysian educational stratum, causing parents to be having higher expectation levels for their child's education (Malaysia Education Blueprint, 2013 - 2025). It is seen that parental satisfaction with aspects of their child's school is a significant decree in evaluating the school success, while gauging sections that may acquire enhancement (Friedman et al., 2006). Evaluating the satisfaction of parents with their child's school is important as parents that seem to be less satisfied with the school will choose to go to another institution for their child (Falbo et al., 2003). The service quality aspects in a school is important as the satisfaction of parents with the service quality of a school often is seen to impact the parental school choice when choosing a school for their child (Ham et al., 2003). Customer satisfaction is important as a customer that is not satisfied will tend to belittle a company, and may cause other customers to be influenced, as contrasted to a satisfied customer (Angelova & Zekiri, 2011). This is crucial as it is seen that parents

whom enrol their child in a private school seem to have a distinctive social network to communicate with other parents and information about the school is disseminated via "word-of-mouth" (Goldring & Rowley, 2008). It is hence important to fathom the aspects of service quality that effect private schools in Malaysia. Significant school affairs such as curriculum improvements are implemented by taking into account a myriad of influences, such as responses from public and the social demographic, suggesting that these influences are critical elements (Malaysia Education Blueprint, 2013 - 2025). Service quality is an important element that often has been gauged in the higher education environment (Chahal & Devi, 2013), but little prominence is given to evaluating the service aspect of schools, and how it may affect parent satisfaction. It is of utmost importance that parents are satisfied with school services as parents are the customers of a school, as they tend to be the legal surrogate of the students (Demirkol, 2013). Many assert that parents seem to be having a higher satisfaction with their chosen private schools, but yet there is only minor clarification on the facets of private schools that may cause parents to be pleased (Rhinesmith et al., 2016). This further signifies the importance that parent satisfaction has when concerning private schools.

## 3. Objectives

This study examines the effect of Service Quality on Parental Satisfaction with private schools in the district of Selangor. The determinants that encompass service quality are as suggested by Parasuraman et al. (1988), which are: Tangibility, Reliability, Assurance, Empathy and Responsiveness. The specific objectives are as follows:



- 1) To examine the impact of Tangibility on parental satisfaction with private schools in Selangor
- 2) To examine the impact of Reliability on parental satisfaction with private schools in Selangor
- 3) To examine the impact of Assurance on parental satisfaction with private schools in Selangor
- 4) To examine the impact of Empathy on parental satisfaction with private schools in Selangor
- 5) To examine the impact of Responsiveness on parental satisfaction with private schools in Selangor

## 4. Literature review

### 4.1. Customer satisfaction

Customer satisfaction is an activity of the perceived quality along with its disconfirmation, denoted to be when the perceived quality is not comparable to the expectations of a subsequent product or service (Kärnä, 2014). The satisfaction of a consumer is stated to be a perception by the consumer that is created after a prominent service encounter (Park et al., 2004). It is also noticed that customer satisfaction is an important element that leads to the customer repurchase, thus effecting a company's potential profit (Qin & Prybutok, 2009). It is of utmost priority that a firm deliver an array of product and service that is of exceptional quality as it is seen that firms that are weak often fail to satisfy customers, while a superior product and service by a firm often leads to producing a high calibre firm (Mill, 2011). There have been various theories created to describe the act of customer satisfaction. However, one of the most popular theory that seems to explain the satisfaction process is known as the Expectation Disconfirmation Theory by Oliver (1980). This theory is stated to be one of the best theories to describe customer satisfaction, as its used as the theoretical foundation of this research (McQuitty, Finn & Wiley, 2000). This theory asserts that customer satisfaction is an activity that is guided from the customer's prior expectation of a product or service, along with the disconfirmation of the product or service (Oliver, 1980).

### 4.2. Service quality

The phrase "service" embodies a myriad of benefits that could satisfy a customer in a way that the customer does not actually utilize any physical means (Marshall & Johnston, 2010). "Service Quality" is a term coined to denote the judgment done by the consumer when a service is being supplied via a service provider, and the service provided may or may not lead towards the satisfaction of the consumer (Romle et al., 2015; Shahin & Janatyan, 2011). With service quality being a major importance in a firm, it is thus important for firm management to often assess the quality of service provided by the company. A measurement tool that is often cited as an outstanding tool to measure service quality (Marshall & Johnston, 2010) is called SERVQUAL by Parasuraman et al. (1988).

## 5. SERVQUAL

The SERVQUAL measurement tool was created by Parasuraman et al. (1988), consisting of 22 items denoting the expectations of a service, and 22 items for the perceptions of the equivalent service. Parasuraman et al. (1988) also deduced that service quality consist of five elements, mainly Tangibility, Responsiveness, Empathy, Assurance and Reliability. The SERVQUAL measurement tool can be applied across a vast selection of industries and could assess service shortcomings that are plaguing a company (Parasuraman et al., 1988). It is also noted that the SERVQUAL is created with the authors acknowledging features that were from the Expectation Disconfirmation Theory, while creating a tool for customers to gauge service quality (Parasuraman, Zeithaml, & Berry, 1985, 1988). This measurement tool has been tested on numerous

businesses (Adil et al., 2013; Nowacki, 2005; Pakdil & Aydın, 2007), and is appreciated for its ability to reveal service quality defects within a company (Angur et al., 1999).

### 5.1. Parent satisfaction in schools

Parents are regarded as the consumers of education with a school, while being the main party that makes the decision when it dawns the choice of selecting a school for the student (Bukhari & Randall, 2009). It is of utmost importance that a parent is satisfied with a school, as parents, while being customers of a school, when satisfied will undoubtedly compliment a school reputation, further enhancing their loyalty to the institution (A. Badri et al., 2014). It is seen that parents are satisfied by a myriad of features in a school. The infrastructures and physical equipment's in a school is seen to positively affect the satisfaction of a parent (Friedman et al., 2007). Parents are also concerned about security features in a school, as school safety is seen to be a pivotal aspect of a school (Friedman et al., 2006). Reliability of school service personnel are of utmost importance, as intercommunication and subsequent staff interactions with the customer is often perceived to be the "real service" from a service provider, with customers judging the service of the company based on these interactions (Bitner, Booms & Tetreault, 1990). The institution must be attentive to parents distinct needs, as the absence of individualized attention on parents, whom act as customers in a school, may lead to incompetent service delivery, inducing a decline in the consumer relationship (Lovelock & Wirtz, 2011). This is as the parental unit act as customers of the school, and often yearning for a much more individualized consideration to their child's requirements, as well as being very firm in their wants (Sreekanth, 2010). It is also noticed that communication of the staff from an educational entity is of high importance, as sluggish communication amongst the company personnel is seen to impact the satisfaction process of customers in an educational environment negatively (Douglas et al., 2015). It is seen that parents are contented and often satisfied with the school when the staff are seen to be efficient, while being easily assessable and proficient in communicating with them (Malik et al., 2015). Teachers and school personnel are required to be proficient in their jobs, as parents are satisfied with staff that are contributing positively to the academic prowess of the school (Friedman et al., 2006). It is also to be noted that a parental unit often regard their child's school reputation and its values to be positively effecting the satisfaction of parents, as it is seen that a firm reputation often impacts the satisfaction of its customers (Goldring & Rowley, 2008). This is evidently important as an admirable school image often leads to parents feeling fulfilled as it implies a certain feeling of prestige and accomplishment as it is seen as the parents have succeeded in gaining a popular school that other parents may desire (Gibbons & Silva, 2011). In an institution, the consumers often feel satisfied if the service personnel is administering a service that is pleasant and polite (Ellett et al., 2010). The consumers are unsurprisingly seen to be disloyal, often no longer patronizing a firm, when the staff of the firm is seen to be rude and unresponsive to their needs (Marshall & Johnston, 2010). This is important as parents are known to select a specific school based on the schools responsive capabilities (Qin & Prybutok, 2009).

### 5.2. The effect of service quality on customer satisfaction

An inferior level of quality given by the service provider may cause complications in a company, often tarnishing the company's competitive standing and leading to a lack of satisfaction between customers (Lovelock & Wirtz, 2011). Excellent service quality that is administered timely is highly desired, often causing for an increase in customer satisfaction, while improving consumer relationship (Secchi et al., 2016). Service quality is of major importance as it is seen that the satisfaction of a consumer is elevated when a firm enhances its company service quality (Cho et al., 2013). It is noticed that service quality in a firm causes a positive

customer satisfaction, while being a valuable feature as it encourages customer retention (Shi, Prentice & He, 2014) A private school, being a service industry, ought to personalize its various services to suit its consumers which are parents, as a consumer has an elevated satisfaction if the company increases its service quality while catering to the consumers individualized demands (Saleem & Raja, 2014). Service quality is an important aspect of a company and managers of an institutions have to routinely evaluate the service provided, as service features in a firm is often seen to impact customer satisfaction (Salleh & Mahmood Gelaidan, 2012; Sureshchandar et al., 2002).

Based on the review of the literature, the proposed framework is showcased as in Figure 1.

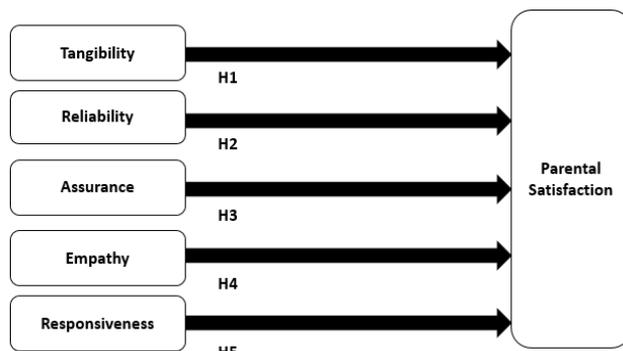


Fig. 1: Research Framework.

As depicted in Figure 1, the following hypotheses would be empirically investigated:

Hypothesis 1 (H1): Tangibility has a positive impact on parental satisfaction

Hypothesis 2 (H2): Reliability has a positive impact on parental satisfaction

Hypothesis 3 (H3): Assurance has a positive impact on parental satisfaction

Hypothesis 4 (H4): Empathy has a positive impact on parental satisfaction

Hypothesis 5 (H5): Responsiveness has a positive impact on parental satisfaction

## 6. Methodology

A quantitative approach is undertaken in the present study that started with a pilot study in order to refine the instrument. Based on the pilot test, the instrument was further refined as the reliability of some items were not acceptable. Once the items were removed, the finalized questionnaire was used for the actual data collection.

### Sampling Method

Eight schools were selected to conduct this study, and parents from the schools were chosen based on the purposive sampling method. Parents were chosen based on their educational background and gender. Data was collected on certain occasions in the schools, whereby parents would have a chance to gather in the school. These events are such as the Parent Teacher Conferences (PTC) and the school prize giving days.

## 7. Data analysis

A total of 479 respondents answered the questionnaire, and once refined, an amount of 411 questionnaires were collected as to be error free. The researcher utilized SPSS (Version 21) to analyse the data initially, and proceeded to utilize using the AMOS software (AMOS Graphics Version 21) to perform the structural equation modelling. Data screening was done to the initial data, via using the statistical software SPSS, as well as manually examining each questionnaire for errors. Using SPSS, univariate and multivariate outliers were detected and removed, further refining the

questionnaires to its final usable amount. Kurtosis and skewness of the data was further examined to assess the normality of the data. Analysing the finalized data, the demographic analysis denoted the attributes of the respondents. Majority of the respondents were females with 50.6% contributions. Most of the respondents (189) had a bachelor's degree. With regard to race group, majority (185) were Chinese followed by Malays (153).

### 7.1. Exploratory factor analysis

The data is further analysed using Exploratory Factor Analysis (EFA) to refine the measurement scale created. The researcher utilized the Varimax rotation via the Principal Component Analysis method to perform the EFA on the data, while the Kaiser Meyer Olken(KMO) method is used to assess sampling adequacy. In this study, the KMO readings were 0.809, which is higher than the required value of 0.50(Adikari, & Dutta, 2014). The EFA is conducted on the service quality data and it is seen that the service quality items had a good factor loading score. Items loaded well into the five dimensions, namely Tangibility, Responsiveness, Reliability, Assurance and Empathy. However, the parent satisfaction items did not have acceptable factor loading scores for all the items predicted to capture the construct. Thus, after further refining of the parent satisfaction items, only seven items are seen to have a factor loading of above the acceptable value of 0.32(Osborne et al.,2009). Thus, the refined items are further tested with the Confirmatory Factor Analysis method, as seen in the next section.

### 7.2. Confirmatory factor analysis

The data is then analysed using the AMOS software to conduct the Confirmatory Factor Analysis (CFA). To assess the model on which items can be maintained, it is needed that the factor loading scores have a value of more than 0.4(Hair et al, 2010). In this study, it is seen that the factor loadings for both the service quality and parental satisfaction models showcased values that were more than 0.4, and thus was deemed acceptable. The research data then is assessed through a number of fit indices to state the appropriateness of the goodness-of-fit of the data. Common fit indices are such as Normed Chi-Square (CMIN/DF), RMSEA and the Bentler Comparative Fit Index (CFI). It is preferred that the values of the CFI should be larger than 0.95, an RMSEA value of closest to 0, and a Normed Chi-Square of close to 2 (Kline, 2011). The model fit indices of the items in the service quality construct and the parental satisfaction construct were tabulated with all the fit indices in acceptable ranges, thus indicating a good fit of the model.

### 7.3. Structural equation modelling

The full-hypothesized model is analysed with AMOS Graphics and the path coefficients are as seen in Table 1, and not all the hypothesized service quality elements affected the Parental Satisfaction construct. Only the determinants Tangibility and Responsiveness had seemed to impact the satisfaction of parents. As seen in Figure 2, the fit indices indicated an acceptable model fit. Based on the results achieved, it is seen that the Service Quality determinant of Tangibility and Responsiveness seemed to effect the satisfaction of parents in private schools. Tangibility had a path coefficient of 0.52, implying that the satisfaction of parents was affected by the tangible aspects in private schools, while Responsiveness had a path coefficient of 0.20, further linking parent satisfaction to the responsiveness of service providers.

Table 1: The Regression Weights Denoting the Proposed Model

Hypotheses		Estimate	S.E.	C.R.
Tangibility	→	Parent Sat .519	.07	6.6
Reliability	→	Parent Sat .009	.02	.17
Responsiveness	→	Parent Sat .199	.02	3.3
Assurance	→	Parent Sat -.073	.02	-1.3
Empathy	→	Parent Sat -.020	.02	-.38

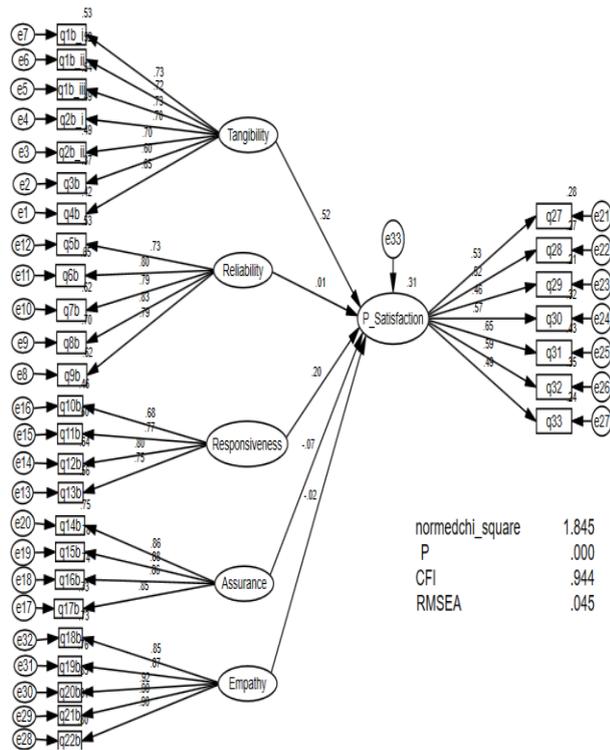


Fig. 2: The Structural Model.

## 8. Conclusion and discussion

Based on the results obtained, it is suggested that parents are affected by two components of service quality, Tangibility and Responsiveness. The service atmosphere is distinct as contrasted with the goods environment, as most aspects in the service atmosphere is intangible and necessitates a physical confrontation when the consumer acquires the service from the service source (Nair et al., 2010). Tangible elements in the service for a school may encompass aspects such as the school field, school buildings as well as the various physical traits of the service provider such as neatness of their attire. In a private school, the parents may prefer an enhanced school physical infrastructure as parents perceive an inferior physical capacity of a school to cause student crowding thus leading to a weak learning atmosphere for their child (Ibrahim et al., 2016). The Responsiveness of the school is also pivotal to parents as it has been seen to induce parent satisfaction with a school (Friedman et al., 2007; Gartmeier et al., 2016). The parental unit will favour the elevated responsiveness of a school as a school that is seen to be strongly responsive to parents is seen to have better student accomplishments (Pieretti, 2010). This research implies that school leaders should emphasize their resources on managing the Tangible aspects of a school, as well as enhancing the staff responsiveness. This study insinuates that administrators of private schools may now comprehend some knowledge on what aspects of a school that may be desired by parents, and may strive to enhance these aspects to increase customer satisfaction.

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