THE INFLUENCE OF SERVICE PERFORMANCE MEASUREMENT ON SERVICE DELIVERY: EXPECTATIONS OF UNIVERSITY STUDENTS IN KENYA

By

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Finally, I wish to thank my God, for making it possible for me to complete this study. He is a faithful God, indeed.
DECLARATION

I, Lydia Muthoni Mbuthia, hereby declare that this thesis entitled: 'The influence of service performance measurement on service delivery: expectations of university students in Kenya', is my own research work, which has not been previously submitted for a degree at any university. I also declare that all authors, whose studies have been cited and reported here, have been acknowledged by means of complete references.

Signature:.................................................................

Date: ................................6th Dec 2013..............................
DEDICATION

This thesis is dedicated to my family:

- My late father, Mr Solomon Mwenje Muriuki. He must be watching with pride from heaven. He always encouraged me to reach the highest level of education;

- My mother, Mrs Teresia Wanjiku Mwenje – she is the rock of the family;

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ABSTRACT

The demand for university education has increased at a higher rate than the resources available for universities to offer the required services. In Kenya, the demand for university education has continued to rise with university enrolment increasing tremendously over the last four decades. This growth calls for an investigation to find out the impact of this expansion on service delivery in universities. Kenya has thirty-nine fully-fledged universities that have been accredited by the Commission for University Education (as at 31st March 2013). Twelve others are operating with interim letters of authority (ILO). This development has created competition amongst universities and, as a result, necessitated the development of strategies to ensure survival in this changing environment. The review of existing literature on this subject has established that service delivery is a service differentiator and therefore could be utilised by universities to gain a competitive advantage and therefore enhance their overall performances. Based on this background, this study sought to establish the influence of service performance measurement on service delivery in relation to the expectations of university students in Kenya.

Secondary sources were used to formulate a theoretical model of the influence of service performance measurement on service delivery that guided this study. The theoretical model indicates that non-academic aspects, academic aspects, reputation, programme issues and access factors may influence service delivery at the university. These five dimensions were used in the study as the independent variables of service delivery at the university. The outcomes of service delivery at the university were identified as student expectations, student satisfaction, student loyalty and student retention in the theoretical model; these were treated as dependent variables. Hypotheses were formulated that proposed relationships between the independent variables and service delivery. Hypotheses in respect of relationships between service delivery and the outcomes were also developed.

A quantitative research approach was adopted to empirically evaluate the relationships between service delivery and the variables in this study. Data for the study was collected through the use of a structured self-administered questionnaire.
that was distributed to 720 university students in Kenya. Six hundred and thirty useful survey responses were received from fifteen universities. The data collected was subjected to factor analysis and multiple regression analysis to test the hypothesised relationships between the variables and service delivery. Descriptive statistics were also obtained from the raw data.

The findings of this study indicate that non-academic aspects, academic aspects and access factors have positive and significant influence on service delivery in Kenyan universities. The quality and adequacy of academic, entertainment and sports facilities together with increased accessibility to services by students are important factors that influence service delivery at a university. The university students would like to be treated with respect and courtesy by academic and administrative staff during these service encounters.

The empirical results of the study also reveal that student perceptions of service delivery impacts positively on student expectations, student loyalty and student retention related to convenience as well as student retention related to quality assurance.

The study recommends that the management of universities in Kenya should put more focus on non-academic aspects, academic aspects and the access factor for improved service delivery. Investing more resources in staff training and development, the provision of adequate and up-to-date facilities at the university in addition to improved accessibility are some of the strategies that a university may adopt to improve service delivery. By formulating strategies that would ensure student loyalty and student retention, universities would benefit from improved profitability and overall performance. This study revealed that students expect more from universities today than ever before, particularly when it comes to offering convenience and quality assurance, thus making convenience and quality assurance aspects key parts of developing an innovative business strategy. The future lies in providing students with convenience of easy access to the services a university has to offer, as more and more students are going to attend classes on line, study part-time, take courses from multiple universities and move in and out of tertiary institutions. The study set forth that quality assurance aspect must be ensured in
universities through establishing a quality development process that is focussed on continuous training of academic staff and quality assessors. Quality assurance can also be assured in a university through the provision of adequate facilities.

The study also suggests that universities should carry out regular surveys to establish the expectations of their students in order to align their service delivery strategies appropriately. This study provides the advantage of cost effectiveness for both students as customers and universities. Students would gain from improved service delivery and universities gain from the increased revenue from student loyalty and retention.

**KEY WORDS:**
Service performance measurement, service delivery, student expectations, student loyalty, student retention.
CHAPTER ONE
INTRODUCTION AND SCOPE OF THE STUDY

1.1 INTRODUCTION AND BACKGROUND OF THE STUDY

Performance measurement is crucial for any organisation whether it is a non-profit or profit-making establishment. Effective performance measurement is important to an organisation as it provides the organisation with information on how well the organisation is performing considering different aspects of the business at a particular point in time. This information enables the organisation to plan in order to achieve its objectives (Howell, 2006:19).

Universities are known to teach and advise on the performance measurement of organisations in general and it is important to pay attention to their own performance measures and suitability. Universities, most of which are non-profit organisations, need to evaluate themselves accurately in order to attract quality students and staff members.

Public universities in Kenya were the sole providers of university education in the country until the late 1980s. As such, there was little or no competition amongst these public universities which were primarily funded by the government. Until 2012, these public universities operated under individual Acts, which meant that they were operating under their own authority (Commission for University Education, 2013:1). The scene has since changed with the enactment of the Universities Act no. 42, in December 2012, by which the administration and governance of all universities was brought under the same legal framework.

Another major development in public universities in Kenya was the introduction of ‘cost sharing’ in 1994 by the government in financing university education (Kiamba, 2003:5). Public universities were forced to look for other ways to subsidise their income, as the government was no longer going to finance their operations in full. Among the modes of generating additional income was the introduction of Module II Programmes (MIIP), popularly known as ‘parallel programmes’ (Kiamba, 2003:8). These programmes would then admit self-sponsored university students who were
supposed to meet, the costs of their education in full, into the university. Prior to this, public universities would only admit students who were sponsored by the Government of Kenya. Admission of self-sponsored students into public universities implied that the private and public universities were now competing for the same pool of students; that is, the self-sponsored students.

As noted by the Commission for University Education (2013), the total number of universities that have been awarded charter in Kenya are thirty-nine, comprised of twenty-two public and seventeen private universities. Twelve other private universities have letters of interim authority (LIA) from the Commission as they continue receiving advice and guidance from the Commission for University Education towards their accreditation. Competition for students is rife among universities in Kenya and this makes it paramount for universities to accurately assess their levels of performance and service delivery.

The demand for university education has continued to rise in Kenya with university enrolment increasing tremendously. The university student population has grown from a mere 1000 students in 1970 to 140,000 students in 2009, according to government statistics (Nganga, 2010:1). The demand for university education has increased at a higher rate than the resources available to offer the required services (Bunoti, 2011:1). This scenario calls for an investigation to find out the impact of this expansion on the service delivery in the universities.

In academic rankings of world universities, Kenya’s universities did not feature in the top 500 hundred universities in the world (Academic Rankings of World Universities, 2012). These rankings give an indication of the service performance of individual universities.

It is against this background that this study has been carried out in order to assess the influence of service performance measurement on service delivery, with a focus on the expectations of university students. The aim of this study is to determine the influence of service performance measurement on service delivery and hopefully draw strategies that could be used to improve the performance of universities in Kenya.
1.2 PROBLEM STATEMENT

The main purpose behind performance measures is to improve performance in organisations (Behn, 2003:586. The current study investigates the appropriate performance measures that influence service delivery in universities and whose management would improve service delivery in these institutions. There is considerable support from research, for a link between improvements in service quality and improvements in financial performance. Palmer (2005:265) maintains that the idea of improvements in service quality leading to increased profitability is best portrayed through the concept of a service-profit chain. In the case of a university, the service-profit chain would link profitability, student loyalty, lecturer satisfaction, loyalty and productivity. According to the service–profit chain, profit and growth would, primarily, be stimulated by student loyalty. Student loyalty would then lead to student satisfaction; student satisfaction would result when the university meets the student’s expectations. Lovelock and Wirtz (2011:351) assert that customer satisfaction is a prerequisite for loyalty. A customer who is highly satisfied with service received from an organisation is more likely to become loyal to the said organisation (Keiningham, Perkins-Munn & Evans, 2003:37).

Bates, Bates and Johnston (2003:173) postulate that better service providers were found to have better returns on equity than poorer providers; this was found to hold true for both small and large organisations. Customers are willing to pay premium for a service and stay with an organisation rather than risk moving to a lower service-offering organisation (Douglas, Batesson, Wood & Kenyon, 2009:371). A study carried out by Yoo and Park (2007:908) also found that customer satisfaction mediates between service quality and financial performance. Palmer (2005:267) notes that developments in information technology are offering new insights into the link between quality and financial performance.

Since students are the primary customers of universities, the study focuses on service performance from the student’s point of view. Heskett, Jones, Loveman, Sasser and Schlesinger (2008:166) note that the top tier of management of exemplary service companies emphasise the importance of each employee and customer. Since the student is the primary customer in a university, it can be
concluded that there exists a link between service added value and student satisfaction. In that case, then, student satisfaction would lead to high enrolment of courses and in turn lead to increased profit and growth. The present study investigates whether the students in universities in Kenya are satisfied with the service delivery in their institutions.

Russell (2005:65) suggests that universities need to assess their service quality regularly in order to keep a competitive market position. Universities in Kenya are facing a lot of competition as many public and private universities have been established. Traditionally, private universities have been recruiting students who were not admitted by public universities through the JAB (Joint Academic Board) of Kenya. Currently, public universities are also recruiting private students under module II, which is popularly known as the ‘parallel programme’. This programme is meant to provide public universities with the much-needed funds, as the government no longer supports them in full (Kiamba, 2003:5). The establishment of the module II programme in public universities causes them to compete for the self-sponsored group of students, with private universities. The self-sponsored students in Kenya now have a wider choice when choosing between private and public universities. The universities must find ways to differentiate themselves in order to attract students. One way of attracting students is through offering excellent service delivery as a service differentiator that could be used to gain a competitive advantage for the universities (Kotler & Keller, 2009:366).

In summary this study seeks:

- to investigate the influence of performance measurement on service delivery. It is apparent that there is a gap in Kenyan literature on appropriate performance measures for service delivery;
- to investigate whether universities in Kenya could use service delivery as a service differentiator for competitive advantage; and
- to assess the effects of service delivery on students’ expectations.
1.3 RESEARCH OBJECTIVES

1.3.1 Primary research objective

The primary research objective of this study is to empirically assess the influence of service performance measurement on service delivery with regard to the expectations of university students in Kenya.

1.3.2 Secondary research objectives

The following secondary research objectives were identified, namely:

- to establish effective performance measures that influence service delivery in universities;
- to determine the expectations of university students in Kenya,
- to assess whether university students in Kenya are satisfied with the service delivery offered at their universities,
- to establish the effects of service delivery on student loyalty and retention,
- to determine the nature of relationship between service delivery and university students’ expectations in Kenya,
- to make recommendations and suggestions on appropriate performance measures of service delivery in universities in Kenya.

1.3.3 Research questions

This study sought answers to the following research questions, namely:

- what service performance measures influence service delivery in universities in Kenya?
- what are the expectations of university students in Kenya?
• are students in Kenya satisfied with the service delivery at their universities?
• what are the effects of service delivery on student loyalty and retention?
• what is the relationship between service delivery and university students’ expectations in Kenya?

Students have reasons as to why they prefer one university over another. Their decisions to remain in their universities of choice and not transfer may be determined by the university’s ability to meet the expectations of the students. The current study evaluates factors, or performance measures, that influence service delivery to students in a university in Kenya. The study also explores the outcomes of service delivery within a university. Student expectations, satisfaction, loyalty and retention are evaluated in relation to service delivery.

1.4. THEORETICAL MODELS UNDERLYING THE RESEARCH

1.4.1 Service evaluation models

The following are some of the evaluation models developed for measuring service performance, namely:

• EP – This is the Evaluated Performance Model that measures the gap between perceived performance and the ideal amount of a feature rather than the customer’s expectations (Teas, 1993b:44 & 45);

• HEdPERF (Higher Education Performance - only) is a new and more comprehensive performance-based measuring scale that attempts to capture the authentic determinants of service quality within the higher education sector (Firdaus, 2006a:575); and

• The Modified HEdPERF scale has the relevant attributes for service in higher education. An empirical analysis was carried out which found this model to be a better fit for performance measurement in higher education (Firdaus, 2006b:43; Firdaus, 2005:319 ).
The theoretical model of this study borrows heavily from the modified HEdPERF model, which is further discussed in the next section.

1.4.2 The modified HEdPERF model

The modified HEdPERF conceptual model was used, in this study, as the basis for measuring performance with five dimensions that are specific to higher education, that is: non-academic factors; academic factors; and reputation, access and programme issues. These dimensions were found to be more effective in measuring higher education performance, through a study carried out by Firdaus (2006b:43).

Firdaus (2006b:33) noted that students are the primary customers of higher education and it was essential to identify determinants or critical factors of service quality in institutions of higher learning. These five dimensions were adapted by this study as the independent variables that influence service delivery in universities.

1.4.3 Non-academic aspects

According to Firdaus (2006a:575), non-academic aspects consist of those items that are essential to students and which enable them to fulfil their study obligations. They relate to the duties that are carried out by non-academic staff. Among the positive attributes of this factor are the ability and willingness of administrative or support staff to show respect to students. Being approachable, having a positive attitude, good communication skills, efficient and prompt dealing with complaints or even allowing a fair amount of freedom to students are some of the attributes that students consider important.

Administrative staff members play a very important role in the life of a student at university. Students notice when staff members are caring and take genuine interest in any problem that students may present to them. Students also are very keen that any confidential information they disclose to staff members is kept confidential. It matters to students that their records are well kept and easily retrievable by
administrative staff. Overall, the work attitude projected by these staff members towards students ought to be positive so as to elicit student satisfaction with the university service performance (Firdaus, 2006a:576).

It is important for any institution of higher learning that wishes to retain or attract new students, to improve those non-academic services that may influence students’ satisfaction and, consequently, their perceived levels of service performance.

1.4.4 Academic aspects

The items that describe academic aspects are solely the responsibilities of academics (Firdaus, 2006a:575). The core attributes of this factor include having a highly educated and experienced body of academic staff members; in this sense, the number of Professors in a university contributes greatly to this factor. Also, the academic reputation of an institution plays an important role; that is, the ability of a university to offer prestigious and wide ranging programmes within a flexible structure.

Authority over the subject area and the ability to answer questions well are very important aspects, from the student’s perspective. The behaviour of academic staff members, towards students, also has an impact on satisfaction. Instructors need to demonstrate to students that they have a sincere interest in solving any problem that students may present to them and they need to provide timely feedback on students’ progress. The students also expect good communication in and out of the classroom (Firdaus, 2006a:576).

Kyoshaba (2009:12), in her study on factors affecting academic performance of undergraduate students at the Uganda Christian University, noted that the selection criteria into the university was a key issue as there existed a relationship between the ‘A’ level and diploma admission points and academic performance. The normal practice at universities in Kenya is that a student must pass all the courses in an academic year before proceeding to the next. Academic performance per academic year therefore has a direct relationship with student retention.
In another study carried out at an Italian university, by Petruzellis and Romanazzi (2010:140), the students listed academic staff members among the academic attributes that they considered while selecting a university to join. The students indicated, in the study, that they expected to be treated with respect by academic staff members.

Utilisation of technology by lecturers in a classroom was also highlighted by the students, who took part in the study carried out by Petruzellis and Romanazzi (2010:147) as a factor that they were concerned about. Failure to incorporate technology in their teaching areas caused dissatisfaction among students.

Good faculty interaction is a strong component of student satisfaction and an overall positive experience for students (Kuh and Hu, 2001 as stated by Nasser, Khoury and Abouchedid, 2008:8). The quality of the relationship developed between a lecturer and his/her students dictate the academic experience of the students, which will eventually affect student satisfaction.

Offering credible academic programmes and services remain the core business of a university. Effectiveness in academic advising and instruction are also very important to students (Nadiri, 2006:125). If the academic aspects of a university are not handled well, the university is likely to lose its attraction to students since these aspects touch on the core business of a university and, hence, form a major determinant of student satisfaction.

1.4.5 Reputation of a university

According to Firdaus (2006a:575), reputation suggests the importance of the projection of a professional image, on the part of universities. This factor encompasses the location of the campus, hostel facilities and equipment, academic facilities, quality programmes, recreational facilities and even whether a university’s graduates are easily employable. This is also echoed by Kyoshaba (2009:12) who identifies location, ownership, and the academic and financial status of an education institution as some of those factors that influence the performance of students.

The importance of reputation on a university’s performance cannot be overemphasised. In the study carried out by Gamage, Suwanabroma, Ueyama, Hada
and Sekikawa (2008:182) students highlighted reputation as an important factor that they consider when selecting a university to join. It was noted by Petruzzellis and Romanazzi (2010:148) that student loyalty increased when the students’ perception of reputation of an institution increased. A loyal customer is a satisfied customer and this reflects positively on the performance of the institution that the customer interacts with.

Managing the reputation of an institution has been identified as a priority for any educational institution (Beneke, 2011:37). It is important for universities to manage their brand reputation well since an organisation’s brand normally accrues stability and financial benefits to the institution as noted by Beneke (2011:37).

1.4.6 Access factor

The access factor relates to availability, approachability, ease of contact and convenience (Firdaus, 2006a:575). The access factor is also about reaching the services offered by the university, with ease. The delivery of the service that the students experience, its bureaucracy and level of complexity, strongly affects students’ first impression of the service and initial decision to apply at the university as well as the students’ levels of satisfaction (Petruzzellis & Romanazzi, 2010:147). Universities should aim to ease the process of service delivery by removing unnecessary ‘red tape’ in order to improve the student experience of these services.

Access to information pertaining to the students or their university is also very important. In fact, within the scope of a quality assurance perspective, it is important that university services, rules, regulations and procedures are made available online for students (Nasser et al., 2008:87). Information communication technology can be exploited to ease access to information.
1.4.7 Programme issues

Programme issues are closely related to academic issues as they deal with the academic programmes offered. The quality of these programmes is an important attribute and is one of the students’ considerations during their selection of universities (Gamage et al., 2008:187).

According to Firdaus (2006a:575), this factor emphasises the importance of offering wide ranging and reputable academic programmes or specialisations within flexible structures and syllabi. Flexibility, in this context, refers to freedom for students to move within the school of study as well as flexibility in entry requirements and allowance to change degree programmes. It is common practice for universities to allow undergraduate students to change their courses or degree programmes earlier in their studies.

Programmes offered by a university and issues related to them affect students and they recognise this area as important to their satisfaction, as consumers of these programmes. The calibre of academic staff members (in terms of qualifications and competence) handling these programmes is also crucial to students’ appeal.

1.5 THEORETICAL MODEL REGARDING THE INFLUENCE OF SERVICE PERFORMANCE MEASUREMENT ON SERVICE DELIVERY

A theoretical model was constructed, as depicted in Figure 1.1 below, based on the analysis the literature reviewed.
Figure 1.1: Theoretical model of service delivery in the university

Source: Researcher’s own model adapted from the modified HEdPERF model (Firdaus, 2006b:43)
The next section discusses the core attributes of the independent and dependent variables that are shown in the conceptual model in Figure 1.1.

### 1.5.1 Variables and their attributes

Table 1.1 outlines the attributes of the independent variables.

**Table 1.1 Independent variables and their attributes**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Core attributes of the independent variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Academic Aspects</td>
<td>These are items that are essential to enable students to fulfil their study obligations. They relate to duties that are carried out by non-academic staff. The attributes of non-academic aspects are the ability and willingness of administrative or support staff to show respect, whether the staff safeguard confidentiality of information, staff approachability and have a positive attitude when dealing with the students. The administrative staff members’ communication skills ought to be good and they must allow a fair amount of freedom to students. Timeliness in providing services and dealing with complaints are also important attributes of this aspect.</td>
</tr>
<tr>
<td>Academic Aspects</td>
<td>This aspect deals with the interactions of students with the academic staff. The behaviour of academic staff members towards students contributes to their expectations of service delivery and, hence, their levels of satisfaction. Among the attributes of this variable are: having a positive attitude, good communication skills, allowing sufficient consultation, providing regular feedback to students, having highly educated and experienced academic staff. The academic reputation of the institution is also important; that is, its ability to offer prestigious and wide-ranging programmes with flexible structure.</td>
</tr>
<tr>
<td>Variables</td>
<td>Core attributes of the independent variables</td>
</tr>
<tr>
<td>----------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Reputation</td>
<td>The image or brand of a university is very important and it contributes to students’ expectations regarding service delivery. The attributes of this variable include the university’s location and general layout, employability of their graduates, as well as the condition and adequacy of their academic, hostel and recreational facilities. The quality of internal programmes also contributes to the overall image of the university.</td>
</tr>
<tr>
<td>Programme Issues</td>
<td>This factor deals with all aspects of the programmes offered: their areas of specialisation, the range or variety offered, as well as the flexibility of the syllabus and structure. The qualifications and experience of the academicians who handle these programmes also matter in this regard. The process of communicating feedback and progress, on a specific programme for the student, is also covered here.</td>
</tr>
<tr>
<td>Access Factor</td>
<td>The access factor refers to whether the student can easily access the services of the university. Some of the access issues relate to how easily the university can be contacted by telephone, or whether the staff who work there are approachable or whether students get feedback on improvements. The question as to whether the service is given within reasonable time is considered under this factor.</td>
</tr>
</tbody>
</table>

Source: Adapted from Firdaus (2006a:575) as quoted in Brochado (2009:177)

Table 1.2 shows the attributes of the dependent variables indicated in the conceptual framework.
Table 1.2 The dependent variables and their attributes

<table>
<thead>
<tr>
<th>Variables</th>
<th>Core attributes of the dependent variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Expectations</td>
<td>Student (customer) expectations are beliefs about service delivery that serve as standards or reference points against which performance is judged (Wilson, Zeithaml, Bitner &amp; Gremler, 2008:55). Students form expectations either through ‘word of mouth’, past experience or external communication. Students expect a safe and clean environment, relevant and up-to-date literature and learning material to support the learning process, ease of administration related to curricula, facilities that can be used to develop their interests and talents, among other expectations.</td>
</tr>
<tr>
<td>Student Satisfaction</td>
<td>Student (customer) satisfaction refers to a student’s belief in the probability of a university service leading to a positive feeling (Udo, Bagachi &amp; Kirs, 2010:485). Customer satisfaction is an individual customer’s perceptions of the performance of the service or product in relation to their expectations (Schiffman &amp; Kanuk, 2010:29). Student satisfaction is an evaluation of the university's service delivery against their expectations. Some of the factors that contribute to student satisfaction include the teaching ability of lecturers, flexible curriculum, university status and prestige, as well as growth and development. Student satisfaction with the university, in general, is a good indicator. The students can voice their feelings regarding their expectations on the different services offered by their universities and make their contributions regarding what would be ideal for them in the university. An evaluation of service quality and high retention rates are good indicators of student satisfaction.</td>
</tr>
<tr>
<td>Variables</td>
<td>Core attributes of the dependent variables</td>
</tr>
<tr>
<td>---------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Student Loyalty</td>
<td>This is concerned with building long term relationships between the student and the university supplying services (Brandi, 2001:12). Student loyalty leads to the students’ attachment to the university. Attributes of student loyalty include the probability of students recommending the university to friends or acquaintances. Another attribute is the probability of the students attending other courses offered at the university or for the student to return to the university for further education to the same university. Intentions to visit the university in future are also good indications of student loyalty.</td>
</tr>
<tr>
<td>Student Retention</td>
<td>Student retention may be defined as the maintenance of continuous trading relationships of universities with their students over a long period of time (Buttle, 2009:258). It is concerned with the ability of a university to keep the students that they recruit till completion of their studies. Measures of student loyalty may be indicated by the intention of students to stay with their university and not drop out due to the university providing a good quality of life, acceptable lecturer/student ratio, high quality campus facilities and good academic staff. Universities may also make efforts to retain their staff through providing high quality teaching materials and making efforts to prepare students for employment.</td>
</tr>
</tbody>
</table>
1.6 RESEARCH HYPOTHESES

Alternative hypotheses are formulated, based on the hypothetical modified conceptual model (see Figure 1.2), stating that there is a relationship between the independent and dependent variables. These hypotheses are stated below.

H\textsuperscript{1.1}: There is a relationship between non-academic aspects and service delivery at the university.

H\textsuperscript{1.2}: There is a relationship between academic aspects and service delivery at a university.

H\textsuperscript{1.3}: There is a relationship between reputation and service delivery at a university.

H\textsuperscript{1.4}: There is a relationship between access factor and service delivery at a university.

H\textsuperscript{1.5}: There is a relationship between programme issues and service delivery at a university.

H\textsuperscript{1.6}: There is a relationship between service delivery and student expectations at a university.

H\textsuperscript{1.7}: There is a relationship between service delivery and student satisfaction at a university.

H\textsuperscript{1.8}: There is a relationship between service delivery and student loyalty at a university.

H\textsuperscript{1.9}: There is a relationship between service delivery and student retention at a university.
1.7 RESEARCH DESIGN AND METHODOLOGY

The study used survey design to establish the opinions of students with regard to service delivery in universities in Kenya. The students are considered to be the primary clients of universities and their levels of satisfaction is an important performance measurement.

A structured questionnaire was used to collect data from undergraduate students studying in universities in Kenya. The draft questionnaire was pilot tested to ensure reliability. Thirty undergraduate students were involved in the pilot study. The findings of the pilot study were used to revise the draft questionnaire. The revised questionnaire was also subjected to expert evaluation before being administered for a full-scale survey.

Comprehensive coverage of the methodology adopted in the study is provided in Chapter six.

1.8 DATA COLLECTION

The population of the study was made up of all undergraduate students in selected public and private universities in Kenya. 750 undergraduate students were drawn from fifteen selected universities to take part in the study. At the time of the study, Kenya had a total of 39 universities fully accredited by the Commission for University Education in the country. 22 of these universities are classified as Public universities and the rest private. A sample of 15 universities, out of 39 universities, represents 38% of the population of universities. 50 questionnaires were distributed in each of the 15 selected universities to ensure equal representation.

The questionnaire that was used had two sections. The first section (A) comprised of 75 items derived from the variables identified in the theoretical model that underlies the study. The attributes were drawn from academic aspects, non-academic aspects, reputation, programme issues and access factor - which constitute the independent variables. For the dependent variables, statements regarding student retention,
student loyalty and student satisfaction were drawn from participants. There were also questions concerning student expectations and service delivery. Student responses were obtained on a seven-point Likert scale. Section (B) collected information about the student’s profile.

1.9 DATA ANALYSIS

Firstly, exploratory factor analysis was conducted to validate the measuring instrument by assessing the construct, and convergent validity of the pre-specified (predicted) factors. Secondly, the reliability (internal consistency) of the research instrument was assessed by means of Cronbach alpha reliability coefficients.

Multiple linear regression analysis was carried out to test the hypotheses. Descriptive statistics were derived to determine mean scores. Percentages on students’ expectations were also calculated and interpreted.

1.10 SCOPE AND DELIMITATION OF THE STUDY

The research is a study of the influence of service performance measurement on service delivery, with a specific focus on the expectations of students in Kenya. The study covered fifteen universities comprising of ten public universities and five private universities. The study investigated the five dimensions of service performance measurement in higher education, as stipulated in the HEdPERF scale against service delivery. These dimensions are non-academic issues, academic issues, and reputation, as well as access and programme issues. The impact of service delivery on student expectations, student satisfaction, loyalty and retention was evaluated.

1.11 PRIOR RESEARCH

The researcher carried out a comprehensive literature review on performance measurement in an organisation. An extensive literature review was also done on service evaluation and the models associated with it, from recent studies. The
Evaluated Performance Model (EP) and the HEdPERF were considered and found relevant to service performance measurement in higher education. The modified HEdPERF, according to a comparative study carried out by Firdaus (2006b:43), was found to be more appropriate for measuring performance measurement in higher education.

Several studies have been carried out on performance measurement in organisations. Service quality studies have also been done, extensively, but none has explored service performance measurement on service delivery in universities in Kenya.

1.12 STRUCTURE OF THE STUDY

The current study is structured in the format indicated below.

Chapter One lays out the background of the study. It discusses the problem statement and introduces service performance measurement tools. The chapter also outlines the research objectives, research questions, hypothetical models underlying the research and hypotheses generated for the study.

In Chapter Two, the various models or tools used to measure and evaluate service performance are discussed. Different approaches to performance measurement and key performance indicators are also discussed in this chapter.

Chapter Three explains the concepts of service delivery, customer service and customer expectations. Special attention is given to the application of these concepts in universities.

In Chapter Four, customer satisfaction and customer loyalty are discussed.

Chapter Five focuses on the theoretical model for the current study. The factors that affect university students’ expectations are covered in this chapter. These factors include academic and non-academic aspects, university reputation, access factor
and programme issues that impact on the students’ perceived quality of service delivery. Student satisfaction, loyalty and retention are also discussed herein.

Chapter Six describes the research methodology. The research design, target population, method of sampling and data collection methods are outlined in this chapter.

In Chapter Seven, the data analysis of the primary data is provided and the empirical findings of the study are discussed.

Chapter Eight outlines the summary of the findings, conclusion and any recommendations drawn from the current study. Recommendations for further research have also been included in this chapter.
CHAPTER TWO

OVERVIEW OF DIFFERENT APPROACHES TO PERFORMANCE MEASUREMENT AND KEY PERFORMANCE INDICATORS

2.1 INTRODUCTION

The purpose of the current study is to evaluate service performance measurement and its influence on service delivery in universities. This chapter focuses primarily on the concept of service performance measurement and related concepts. Performance models and service evaluation methodologies applicable to performance measurement in organisations are also covered in this chapter.

Performance measurement of a service organisation is not easy due to the nature of the service itself. The fact that service is an intangible product and is interactive in nature makes it difficult for an organisation to assure a customer of its quality each time the customer experiences their service. Many factors come into play during the delivery of the service and the selection of an appropriate tool or model to use while measuring its performance is crucial.

This chapter begins by discussing performance measurement in general and outlines the various approaches used to measure performance. Key performance indicators are explained and special emphasis is given to service performance measures. The chapter also presents a review of literature that supports the link between service performance and profitability.

2.2 SERVICE PERFORMANCE MEASUREMENT

‘Services are economic activities offered by one party to another’ (Lovelock & Wirtz, 2011:37). Services can be described as performances that are time based, by which customers expect value from the service that they purchase in exchange for money, time and effort (Lovelock & Wirtz, 2011:37). Universities are service institutions that offer various services to students.
Performance may be defined as the organisation’s ability to attain its goals by using resources in an efficient and effective manner (Daft, 2010:8). Neely (2001:77) notes that performance is a relative concept defined in terms of some referent employing a complex set of time-based and causality-based indicators bearing on future realisation. According to Samanta (2006:11), measurements are the raw data or observations collected during a process or certain set of processes. Performance measurement itself may be defined as the process of quantifying the efficiency and effectiveness of past action (Neely, Adams & Kennerley, 2002:8).

According to Gupta (2012:3), performance measurement is the process whereby an organisation establishes the parameters within which programs, investments, and acquisitions are able to reach the desired results. An organisation may carry out performance measurement for various reasons, as noted by Gupta (2012:3), namely:

- to improve processes through continuous monitoring, to plan and forecast by serving as a progress check;
- to gain competitive advantage by improving on the weak areas;
- to reward and motivate employees who excel; and
- to help the organisation in complying with government regulations and standards, such as the ISO 9000.

The importance of performance measurement in an organisation cannot be overemphasised. Performance is at the centre of every organisation’s management concerns; regardless of the strategies or management skills an organisation has (Lee & Lai, 2008:158). Performance measurement provides an indication on where the organisation is positioned at a given point in time in relation to the goals and overall vision of the organisation. Barnes and Hinton (2012:503), also consider performance measurement as a tool that aids in decision-making. It is therefore important for an organisation to have a performance management system that would translate organisational strategy and goals into reality (Preeti & Bhimaraya, 2008:48).
Performance measurement may be used as a tool for control in an organisation. In the case of a budget, for example, the targets are expressed as measures that guide employees towards the organisational goals. When the actual measures are compared against their targets, deviations are noted and solutions are sought. Performance measurement enables managers to ensure that their subordinates are doing the right thing. Behn (2003:586) argues that performance measures are required to facilitate planning which improves performance; they also serve to communicate expectations to everyone in the organisation as these plans are prepared in line with the organisational goals.

Measuring service performance can be done effectively through the use of the principles outlined by Harmon, Hensel and Lukes (2006:34-37). The first principle is the use of internal benchmarks as opposed to external benchmarks. Harmon et al. (2006:35) propose that internal benchmarks deliver more detailed measurement, allowing a company to find its own best practices and see where and how they are achieved.

Measuring cost drivers is the second principle that emphasises the need to measure the items and events that drive costs, such as people, machines, incidents, service calls and change orders (Harmon et al., 2006:36). The third principle is to ‘measure deep and broad’ which encourages companies to carry out a comprehensive performance measurement throughout the organisation.

Universities aim to meet or even exceed student expectations. In order to achieve this, performance measurement is crucial. Information must be sought that can enable an organisation to measure two aspects of performance, efficiency and effectiveness (Palmer, 2005:213). Efficiency can be defined in terms of an organisation’s success in turning inputs into outputs, while effectiveness is the level of success in producing a desired result (Palmer, 2005:213).

The next section explains the different approaches that may be used when carrying out the performance measurement of an organisation.
2.2.1 Approaches to performance measurement

The financial approach is the traditional way that performance has been measured; in this sense, organisations measured their performance almost completely on the basis of financial indicators such as profit, sales and return on investment (Zeithaml & Bitner, 2003:520). There has, however, been growing dissatisfaction with traditional financial performance measures, which were criticised for being backward-looking and internally focussed (Barnes & Hinton, 2012:510). This meant that an alternative approach was needed in order to take into consideration other aspects that had been ignored by the financial approach.

The balanced performance measurement approach looks at performance measurement from a broader view than the financial approach. It emphasises the importance of evaluating the effectiveness of an organisation’s operations from four different perspectives, namely: the financial, client or customer satisfaction, quality of service and innovation/learning perspectives (Barnes & Hinton, 2012:503). This approach provides feedback at all levels necessary for enhanced decision making for continuous improvement.

Noe, Hollenbeck, Gerhart and Wright (2008:355-375) identify five performance measurement approaches from the human resources perspective, namely:

- Attribute approach;
- Behavioural approach;
- Results approach;
- Comparative approach; and
- Quality approach.

The attribute approach focuses on the extent to which individuals have certain characteristics or traits believed to be desirable for the organisation’s success. These traits include initiative, leadership, and competitiveness. The users, however, have accused this method of being very vague on performance standards since they
remain open to different interpretations. It also fails to show any congruence with the overall strategic goals of a company.

The behavioural approach attempts to define the behaviours an employee must exhibit to be effective in the job. This approach has the ability to link the organisation’s strategy to the specific behaviour necessary for implementing that strategy. This approach works best for simple jobs, where the best way to achieve results is clear. It is not recommended for complex jobs.

The results approach (focuses on managing the objective, measurable results of a job or work group. This approach is assumed to be more objective when assessing one’s contribution to an organisation’s effectiveness. Examples of performance management systems that apply this approach are management by objectives, productivity measurement and evaluation systems.

The comparative approach entails an individual’s performance being compared against that of other employees. This approach usually uses some overall assessment of an individual’s performance and seeks to rank individuals within a work group. This approach is an effective tool in differentiating employee performance. Among its setbacks is the inability to be linked to the strategic goals of an organisation.

The quality approach has as its primary goal the improvement of customer satisfaction. Two fundamental characteristics of this approach are its customer orientation and preventative approach to errors. This approach relies on a combination of the attribute and results approaches to performance measurement. Unlike the other approaches that dwell on individual performance, the quality approach adopts a system-oriented focus. The quality approach advocates for an evaluation of personal traits, like cooperation, which are difficult to relate to job performance.

Each of these approaches has its strengths and weaknesses. In this regard, the idea is to use a combination of two or more approaches for effective performance measurement. A broader approach is suggested by Hass, Burnaby and Bierstaker
Performance measurement should consist of strategic planning, evaluation and monitoring processes. Strategic planning is where performance measurement is regarded as one of the four key factors which enable effective management. Evaluation is related to the comparison of an organisation’s performance against its competitors or the assessment of its internal processes and employees’ control. Monitoring enables the review of an organisation’s day-to-day operations, in order to identify where shortfalls exist.

Based on one, or a combination, of these approaches various performance models or frameworks have been fronted as useful tools for measuring performance effectively in an organisation. These models are covered in section 2.3 later in this chapter. The section below looks at the performance measures that are used to indicate the level of performance in an organisation.

2.2.2 Performance measures

Behn (2003:586) observes that the main purpose behind performance measures is to improve performance. Wade and Recardo (2001:14) as quoted in Lai (2010:694), explain that performance measures act as a compass by showing the direction, focusing efforts on critical activities, and providing the necessary data needed for successfully directing an organisation towards its goals. Pollock (2007:1) emphasises that key performance indicators must reflect and relate directly to the organisation’s goals; in addition, they must be quantitative, quantifiable and be linked directly to the measurement of the organisation’s success.

Standards have also been used to indicate performance. A standard may be defined as a specific goal that a product, service, machine, an individual or organisation is expected to meet (Bittel, 1980:196). When standards are used, the data collected for a given process, product or machine is compared against the set standards. The results are good if the deviation from the set standards is minimal. If the results are not within the tolerance limits, then corrective action may be required.
Gross, Banting, Meredith and Ford (2000:256) identify three sets of performance measures: financial numbers, market indicators and market measures. Financial numbers are obtained from the financial statements that are released half yearly or on a yearly basis. They provide information that is used to calculate financial ratios such as return on sales and return on investment. The financial analysis obtained is then used for decision-making. Market indicators consider the growth of sales and the market share of an organisation. Marketing measures include the quality of the service delivered, customer service as well as corporate image ranking.

2.2.3 Service performance measures

Saravan and Rao (2007:440) identified critical factors that influence service performance in an organisation. These factors contribute significantly to service quality, customer satisfaction and customer loyalty, which eventually lead to service performance. These critical factors are listed below:

- core service or service product;
- human aspects of service delivery;
- social responsibility;
- systematisation of service delivery;
- servicescapes; and
- service marketing.

The core service of an organisation refers to the features of the particular product or service offered (Sureshandar et al., 2002:365). The core service of a university would be the issuance of degrees in various disciplines, as well as the nature of the programmes and the content of the courses offered. The academic element in a university is very important.

The human element of service delivery is also very important. This factor captures those attributes that are dependent on human input into a service. The behaviour of staff members towards students during the delivery of service is critical. The
attributes that are implied by this factor include reliability, responsiveness, assurance, empathy, moments of truth, critical incident and recovery.

Systematisation of service delivery, that is, the non-human element, is listed as another factor of service performance. This refers to the systems or structures put in place in order to ensure service delivery (Sureshchandar et al., 2002:365). This factor also includes processes and procedures as well as technology applied in service delivery. In the case of a university, this would refer to the procedures and processes ranging from the admission and registration of students, the course and examination administration, through to graduation.

Servicescapes, or the tangibles of service, include the equipment, machinery and even appearance of employees. For a university, this is a very important element. The availability of well-equipped lecture halls and laboratories and general infrastructure is very important to the delivery of service at the university. It affects the learning (product) both directly and indirectly. These tangibles would impact on the image of an organisation.

Social responsibility is another important factor as the university impacts on the community in many ways. The graduates it releases to the community need to have gained enough skills to contribute positively to the development of their community. The university should produce corporate citizens who are ethical in everything they do. A CSR (corporate social responsibility) policy is part and parcel of any forward-looking institution (Sureshandar et al., 2002:365). Ethical behaviour is to be encouraged in everything that the institution does.

In addition to the factors mentioned above, service marketing is critical to service performance. Saravan and Rao (2007:440) note, in their study, that organisations that are market oriented perform better than those that are not.
2.2.4 University performance indicators

The Council of University Presidents, New Mexican Universities (2002:1), released a performance effectiveness report on New Mexico’s universities that highlighted the following as indicators of university quality:

- accessible and affordable university education;
- student progress and success in universities;
- academic quality and a quality learning environment;
- effective and efficient use of resources; and
- discovery and sharing of knowledge, research and innovation.

Each of these indicators would have a set of measures identified to demonstrate their performance levels. Tuition fees charged per year would be a good measure for the accessibility and affordability of university education. The rate of degree completion and the average time taken for a student to complete a degree programme would be good indicators of student progress and success in universities. For academic quality and the quality of the learning environment, the qualifications and competence of academic staff as well as the adequacy of the learning facilities are some of the measures that are implied. The number of research publications in renowned international journals, as well as collaboration in research with other reputable universities, gives an indication as to the performance of the university.

A study carried out in 185 universities by the Education and Innovation Research Centre on the use of performance indicators in higher education in 15 member states of OCDE, identified four categories of performance indicators (Hufner, 1991, as quoted by (Marques, 2001:4). These categories are:

- Internal performance indicators. These include pass rate, graduate rate, number of dissertations accepted and the average duration of the course and the assessment of professors by students.

- Indicators of operational performance. Examples of these are the ratio of number of students in a university to the number professors, student/staff
ratio, unit costs, size of classes, ratio of employees numbers to the number of students and student/computer ratio.

- External performance indicators. Employability of the graduates and reputation of the university in the work market are good examples of these.

- Research performance indicators. Examples of these are: number of publications, percentages in research contracts, number of dissertations accepted, consultations provided, inventions and/or patents, invitations to relevant scientific conferences, awards and distinctions.

In their strategy and vision, the University of Essex (2013) identifies the following indicators as the top five indicators of service performance in their university; research, student experience, knowledge exchange, global and finance. It also identifies the following under supplementary Key performance indicators: facilities, expanding opportunities, staff, management and governance.

Good performance measures are valuable to management as they support a variety of management functions (Ammons, 2007:3). According to Ammons (2007:3), good measures enable a manager to identify operating strengths and weaknesses, target areas for improvement and to recognize improvements when they occur. Universities must identify the key performance indicators or measures that will guide their institutions towards their goals and objectives.

**2.2.5 Relationship between service performance and customer satisfaction**

According to Zeithaml and Bitner (2003:91), there are clear links between customer satisfaction, loyalty and the profitability of an organisation. This position is supported by Hackl and Westlund (2000:820) who explain that customer satisfaction is an important component of improving organisational performance.

Sureshchandar, Rajendran and Anantharaman (2002:362) suggest that in the modern highly competitive business world, the key to sustainable competitive advantage lies in delivering high quality service that will in turn lead to satisfied
customers. Students’ satisfaction and the quality of service they receive are closely related as an increase in service performance is likely to lead to an increase in students’ satisfaction. Furthermore, Sureshchandar et al. (2002:362) note that the true gains of a quality revolution come only from delighting the students which, to a significant extent, depends on their perceptions of overall service quality.

It is therefore important for a university to be enthusiastic about service performance during the time that the student is at the university, at any stage of their education. The cumulative experience of a student during their period of study affects their level of satisfaction. Wang and Lo (2002:57) believes that it is cumulative student satisfaction that motivates a university’s investment in student satisfaction.

If the university raises expectations too high through its advertising or public relations office, students are likely to be disappointed. When the institution sets the expectations too low, it will not attract sufficient student numbers and, as a result, its financial performance will be low.

According to Seiders, Voss, Grewal and Godfrey (2005:39), a university would be wise to measure student satisfaction regularly because one key to customer retention is customer satisfaction. A highly satisfied student would talk favourably to others about the university and its programmes, take additional courses as new ones are introduced and may enrol for postgraduate courses at the same university. Furthermore, Homburg and Hoyer (2005:84) suggest that such a student would not pay a lot of attention to other competing universities and would be less sensitive to fee increases; moreover, this student would offer service ideas to the university and cost less to serve than new students because translations can become routine.

The next section evaluates the models or tools used in service performance measurement.
2.3 SERVICE PERFORMANCE MEASUREMENT MODELS

This section explores the various methods, models or tools used to measure service performance in an organisation. Among the performance models considered under this section are the Fitzgerald and Moon Theory, the Balanced Scorecard, Pyramid Prism, Activity Based Costing (ABC) and Business Excellence models.

For the purpose of this study, selected service evaluation methodologies are also discussed due to their relevance to the current study. These methods, or models, are: SERFPERF (performance-only model), HEdPERF (higher education performance model) and the modified HEdPERF model.

2.3.1 Fitzgerald and Moon theory

Fitzgerald and Moon (1996) came up with a theory that established some effective ways of measuring the performance of a service industry. Fitzgerald and Moon (1996) identified six dimensions of performance, namely competitiveness, financial performance, quality of service, flexibility, resource utilisation and innovation. For each of the dimensions, appropriate performance measures were identified.

Each of the six dimensions, with their corresponding performance measures as indicated by Fitzgerald (2004:7), is discussed below.

- **Competitiveness**
  Among the measures employed to measure competitiveness is relative market share. Relative market share considers the student population in a university compared to the total number of students enrolled in a country or a region. The higher the market share relative to the other players in the industry, the better the performance.

  In Kenya, public universities get the bulk of the students. These public universities get to select the best students but they do not have the capacity to admit all the students who meet the minimum mark. Education in public universities is subsidized heavily by the government, which contributes to
students preferring to join public universities instead of joining private universities. For private universities, competition for student numbers is experienced for those students who qualify for university education but are not admitted into public universities.

Another aspect of competitiveness would be sales growth. The number of students enrolled every year would be considered and then a trend established. If the trend shows that student numbers are increasing every year, then the performance would be deemed good.

- **Financial performance**
  Measures of financial performance include profitability, liquidity and capital structure. Accounting ratios are usually applied to measure these aspects. Profitability ratios, liquidity ratios, efficiency/activity ratios and even debt ratios are utilized. The figures obtained are compared against others from different departments and/or organisations in the industry and performance is deduced.

- **Quality of service**
  The measures used to assess quality include reliability, responsiveness, appearance, cleanliness, comfort, friendliness, communication, courtesy, competence, access, availability, security, and others. SERVQUAL is one of the models used to measure quality.

- **Flexibility**
  Flexibility can be measured using volume flexibility, specification and speed of delivery. High flexibility is associated with better performance. In the context of a university, flexibility may apply to the ease of change of academic programmes to meet the needs of students and the market at large. Crafting procedures that can be changed easily, as required, is also a good way to maintain flexibility.

- **Resource utilisation**
  For resource utilisation, the measures used are productivity and efficiency. Resource utilisation looks at the efficiency with which the institution's assets are employed. If the resources are underutilised, then the performance of the
institution is deemed low. The facilities of the university need to be optimally used to ensure high performance.

- **Innovation**
  The measures used for innovation are the performance of the innovation process and the performance of individual innovations. It is important for an institution to remain creative and show the ability to come up with new products, services and/or processes. Embracing new technology and research in the university is a definite way of coming up with new knowledge. When a university regularly comes up with new programmes that are marketable, relevant to the industry and community, it demonstrates innovation.

### 2.3.2 Balanced scorecard

The balanced scorecard is a concept that was first introduced by Kaplan and Norton (1992:72). The balanced score card aimed to achieve a more holistic approach to performance measurement by the addition of non-financial, external and forward-looking measures to form a multi-dimensional performance measurement framework based on four key perspectives that encompass both operational and strategic measures (Barnes & Hinton, 2012:503).

The balanced scorecard is one of the powerful models for strategic positioning and it analyses all aspects of the organisation evenly (Nayeri, Mashhadi & Mohajeri, 2008:333). Rador and Lovell (2003:99) note that the balanced scorecard has become extremely popular with organisations in the public and private sector. According to Neely (2005:1267), the balanced scorecard has come to dominate not only performance measurement research but also practice; where anything between 30 and 60 per cent of organisations have adopted it.

The balanced scorecard looks at four perspectives, namely financial, customer, learning and growth, as well as the internal business perspective (Kaplan and Norton, 1996). By developing the discipline in the measurement of customer, operational, learning and financial perspectives, an organisation can improve its performance greatly (Zeithaml & Bitner, 2003:523).
The four perspectives of the balanced scorecard have been expounded on in the ensuing subsections.

- **Financial perspective**

  The financial perspective focuses on the ability of an organisation to meet the expectations of its shareholders. The financial performance measures give an indication as to whether the organisation’s strategy, implementation and execution are contributing to the profitability, growth and shareholder value (Thakkar, Deshmukh, Gupta & Shankar, 2006:31).

  In addition to traditional financial indicators, service leaders are changing financial measurement to involve calibration of the defensive effects of retaining and losing customers (Zeithaml & Bitner 2003:524). Other possible financial measures include the value of price premiums, volume increases, value of customer referrals, cross sales and the long-term value of customers.

  For universities, the value of student retention on profitability should be determined and considered during performance measurement. Although most universities are non-profit making, it is important that they manage their finances well in order for them to support their key functions.

- **Customer perspective**

  This perspective deals with the customers’ concerns, which fall into four categories; that is, the lead time, quality, service performance and cost (Thakkar et al., 2006:31). All these aspects contribute to an organisation’s effort to create value for the customer. The customer perspective assesses whether the organisation is delighting, or at least satisfying, its customers.

  Customers’ perceptions are leading indicators of financial performance because customers who are not happy will defect and tell others about their dissatisfaction. Customer defections obviously lead to loss of sales and,
consequently, reduction in profit. It is important for an organisation to track the overall service perceptions and expectations, customer satisfaction, behavioural intentions such as loyalty, intent to switch, number of customer referrals, number of cross sales and number of defections.

For universities, the primary customer is the student and the institution needs to assess itself regularly regarding meeting students’ needs (Firdaus, 2005:575). Service delivery in universities needs not only to be aimed at meeting the needs of the students, but also delighting them.

- **Learning and growth perspective**

  In regards to the learning and growth perspective, the organisation has to consider its preparedness for the future. Intense global competition dictates that organisations make continual improvements to their products and processes, and have the ability to introduce entirely new products with expanded capabilities (Thakkar et al., 2006:31).

  According to Zeithaml & Bitner (2003:526), this perspective involves an organisation’s ability to innovate, improve and learn by launching new products, creating more value for customers and improving operating efficiencies. Important performance indicators include the number of new products, return on innovation, employee skills, time to market the products and the value of time spent talking to customers.

  Under the learning and growth perspective, universities must keep abreast with new inventions and developments in terms of the information passed to students and the tools/equipment provided at the universities, such as computers. The number of new degree programmes, research articles and projects that are in line with the new developments in a country and the world at large would indicate the level of innovation and growth in a university.
• **Internal business process perspective**

The internal business process perspective focuses on the organisational processes and checks whether the organisation is doing the right things. This perspective is concerned with what the organisation must do internally to meet customers’ expectations (Thakkar *et al.*, 2006:31).

The balanced scorecard requires that the measures stem from the processes that have the greatest effect on customer satisfaction. In terms of processes, the measures could be the responsiveness, transaction time, throughput time, reduction in waste and process quality (Zeithaml & Bitner, 2003:524). It is important that these standards be defined from the customers’ perspectives (Zeithaml & Bitner, 2003:526).

Every university has its procedures and processes, which need to be reviewed regularly to ensure that the right outcomes are realized. The whole process of recruitment, application, admission and registration, for example, could be made student friendly in order to make the student’s first service encounter with the university stress free and enjoyable.

### 2.3.3 Performance prism

Lynch and Cross (1991), developed the performance pyramid, or prism, as a model to understand and define the links between objectives and performance measures at different levels in the organisation. In the performance pyramid, all activities of every department, system and business unit support the overall vision of the organisation. The performance measurement by performance pyramid tends to concentrate on two groups of stakeholders, that is, shareholders and customers (Neely *et al.*, 2002:4). According to the performance prism, an organisation must consider what the stakeholders want from the organisation and lay out appropriate strategies, processes and the necessary capabilities to meet those needs (Neely, Adams & Crowe, 2001:7).
The performance prism is an aid that enables executives to tackle the following areas: stakeholder satisfaction, stakeholder contribution, strategies to satisfy stakeholders’ wants, processes involved and capabilities necessary to operate the processes more effectively and efficiently (Neely et al., 2001:6 - 7).

In the university context, university management must understand what their stakeholders want from the university and what the university needs from these stakeholders. For a university, stakeholders include governing entities, administration, employees, students, suppliers, competitors, donors, the community, financial intermediaries and joint venture partners (Benneworth & Jongbloed, 2010:570). The university must link and align the institution’s strategies, processes and capabilities in order to deliver value to these stakeholders. This is important for the survival and prosperity of an organisation (Neely et al., 2002:5).

2.3.4 Activity based costing (ABC)

Performance can be measured through costing. The efficient allocation of costs will mean that the performance of a system, process, department and, ultimately, an organisation will be good. Cost systems can be classified under direct costing systems, traditional absorption costing systems and activity-based costing systems (Drury, 2008:223). The direct costing system only allocates direct costs whereas both the traditional and ABC systems allocate both direct and indirect costs. The traditional costing system allocates the indirect costs to departments but the ABC does it to activities. Examples of such activities are an aggregation of many different tasks, which include schedule production, set-up machines, move materials, purchase materials, inspect items, expedite and process customer orders (Drury, 2008:223).

ABC can be used for a range of cost management applications, among which are cost reduction, activity-based budgeting, performance measurement, benchmarking of activities, process management and business process re-engineering (Drury, 2008:238).
Service organisations are good candidates for ABC (Drury, 2008:236). This is because their costs are mainly indirect costs. Universities, which are service organisations, can therefore benefit significantly from ABC.

2.3.5 Business excellence models

Business excellence models are generally used as a basis for giving awards. The models that exist include the Baldrige criteria (MBNQA - Malcolm Baldridge National Quality Award) used in over 25 countries and the EFQM (European Foundation for Quality Management (EFQM) used throughout Europe.

The MBNQA framework and European Foundation for Quality Management (EFQM) model are widely adopted by organisations as a means of self-assessment to enhance performance (Badri, Selim, Alshare, Grandon, Younis & Abdallah, 2006:1122).

Others include the Singapore Quality Award Model used in Singapore, the Japan Quality Award Model applied in Japan, the Canadian Business Excellence Model for Canada and the Australian Business Excellence Framework (ABEF) used in Australia.

In Kenya, such awards include the COYA (Company of the Year Award) issued by the Kenya Institute of Management and Most Respected Company Award in East Africa by PriceWaterhouseCoopers (PWC). These models have a lot in common and are intended to reward and promote continuous improvement in an organisation.

There are various bodies that are involved in the ranking of universities in the world. Examples of such bodies are: Times Higher Education Survey, Shanghai Jiao Tong World University Ranking, Australian University Ranking and the OIC (Organisation of Islamic Cooperation) Ranking.
Among the things considered when ranking universities according to (Nakomuri, 2009): research, teaching, infrastructure, human resources, consultancy, internationalisation, students and service delivery.

### 2.3.6 Performance dashboards

Eckerson (2010: xvi) explains that performance dashboards enable organisations to measure, monitor, and manage business performance more effectively. Performance dashboards are a management tool used to gauge performance and progress towards organisational goals (Kawamoto, 2007:20).

Organisations began using business performance dashboards as a way for executives to keep track of key performance metrics, such as sales in relation to targets, number of products on back order, or the percentage of customer service calls resolved within specified time periods (Daft, 2010:176). People need a way to see how plans are progressing and gauge their progress towards achieving goals.

The performance dashboard can be said to act as a reference board where the workers can glance occasionally and check if they are working towards the organisational goals or not. Daft (2010:176) notes that the true power of dashboards comes from applying them throughout the organisation, so that the entire process is inclusive. These dashboards could be made available even to the frontline workers to ensure that everybody is on the same page as management.

According to a survey carried out by Kawamoto and Mathers (2007:20), the key success factors of a performance dashboard include ease and speed of implementation; defining metrics in relevant business terms that are meaningful to the shareholders; its use as a facilitative tool rather than just a performance report card and ensuring that the performance dashboard is interactive enough in order that it accommodates changes in business conditions. However, Eckerson (2010:xvi) notes that, at the macro level, it is important to design a compelling user interface to ensure the success of a performance dashboard. Designing the performance dashboard can be difficult, as well as its implementation, as noted by Kawamoto and
Mathers (2007:20). When the design is not correct, the dashboard is bound to fail to achieve its objectives.

Some dashboard systems also incorporate software that allows users to perform what-if scenarios so as to evaluate the impact of various alternatives for meeting their goals (Daft, 2010:176). This would enable workers to speculate on the best way forward and therefore aid in their decision-making.

2.4 SERVICE EVALUATION METHODOLOGIES

In the last decade, a number of service evaluation instruments have been developed (Firdaus, 2006a:569). For the purposes of the current study, SERVPERF, HEdPERF and modified HEdPERF models are discussed in this chapter.

2.4.1 SERVPERF model

Service quality has been linked to increased profitability since the 1980s and it is seen to provide an important competitive advantage by providing repeat sales, positive word of mouth feedback, customer loyalty and competitive product differentiation (Firdaus, 2005:305). Among the service quality models developed in the mid-1980s is SERVQUAL. This is a ‘perception-expectation’ gap model that is based on the proposition that service quality can be measured as the gap between the service that customers expect and the performance they perceive to have received (Landrum, Prybutok, Zhang & Peak, 2009:17).

The SERVQUAL model has received its share of criticisms over the years. Among its first critics were Cronin and Taylor (1992) who questioned the conceptual basis of SERVQUAL and claimed that the model was confusing service quality with service satisfaction (Jain & Gupta, 2004:28). Following this criticism levelled against the SERVQUAL model, Cronin and Taylor developed a new performance–only model in 1992: the SERVPERF model.

Cronin and Taylor (1992) argued that is it only performance and not “Performance-
Expectation” which determines service quality. The SERVPERF model maintains perceptions only for the evaluation of service quality and not expectations. Firdaus (2005:307) notes that the SERVPERF scale comprises the unweighted perception components of SERVQUAL. This unweighted SERVPERF measure was found by Cronin and Taylor (1992, as quoted in Firdaus, 2005:307) to perform better than any other measure of service quality and it has better predictive power than SERVQUAL.

The SERVPERF model is based on the five dimensions similar to those used in the SERVQUAL model. These five dimensions are reliability, responsiveness, assurance, empathy and tangibles (Kotler & Keller, 2009:400). In its calculations, the SERVPERF model only considers the performance component and not the expectations component (Jain & Gupta, 2004:28).

Although the impact of the SERVPERF model in the service quality domain is undeniable, Firdaus (2006a:32) notes that the SERVPERF - being a generic measure of service quality - may not be an entirely adequate instrument by which to assess perceived quality in higher education. Following this observation, developing an instrument specifically for measuring performance in higher education was necessary.

2.4.2 HEdPERF model

The HEdPERF model is a comprehensive performance-based measuring scale that attempts to capture the authentic determinants of service quality within the higher education sector (Firdaus, 2006a:569). This model consists of six dimensions, which are non-academic aspects, academic aspects, reputation, access, programme issues and understanding (Firdaus, 2006a:575). According to this model, non-academic aspects consist of those variables that enable students to fulfil their obligations. This factor relates to the duties and responsibilities of administrative and support staff members in a university. Academic aspects represent the responsibilities of academic staff members. It also entails the qualifications and competencies of the academic staff as well as the academic reputation of the institution.
Reputation consists of items that emanate from the importance of projecting a professional image as an institution of higher learning. This image could relate to the location of the institution as well as the adequacy or quality of its students and academic staff members. Access refers to issues such as ease of contact, approachability, availability and convenience of service, facilities and/or staff members who deliver the service.

Programme issues highlight the importance of offering wide ranging and reputable academic programmes or specializations with a flexible structure and syllabus. The last factor is: understanding. This aspect is considered in terms of the availability and quality of counselling and health services in an institution of higher learning.

A comparative study, by Firdaus (2006b), of HEdPERF against SERVPERF and the merged HEdPERF-SERVPERF model was conducted and the results were used to refine the HEdPERF model. This was done with the intention of transforming it into an ideal measuring instrument of service quality for the higher education sector. The next section explores the modified HEdPERF model that resulted from this comparative study. It is an improvement of the earlier model developed by the same author.

### 2.4.3 The Modified HEdPERF model

A comparative study of HEdPERF against SERVPERF and the merged HEdPERF-SERVPERF was carried out by Firdaus (2006b) and the objective was to establish which instrument had the superior measuring capability. The merged HEdPERF–SERVPERF acted as a moderating scale for the study. In the process, the study yielded a modified five-factor structure of HEdPERF as the most appropriate scale for the higher education sector.

The empirical analysis of the comparative study indicated that the modified HEdPERF scale yielded better results than the other two models. It had more reliable estimations, greater criterion and constructs, greater explained variance and a better fit. Following this, Firdaus (2006b:43) concluded that service quality in higher
education could be considered a five-factor structure with conceptually clear distinct dimensions. The five dimensions are non–academic aspects, academic aspects, reputation, access and programme issues.

The modified HEdPERF model is used as a basis for the current study. Brochado (2009:174) identifies the HEdPERF model as one of the two models (the other being SERVPERF) to present the best measurement capability for service quality in higher education. It is a valid and reliable measuring tool that tertiary institutions could use to improve service performance in the face of increased competition, with the development of global education markets (Firdaus, 2006b:45).

2.5 SERVICE PERFORMANCE AND PROFITABILITY

It is important to establish the nature of the relationship that may exist between service performance and profitability. Zeithaml & Bitner (2003:510) describe the relationship between service and profitability as direct, with improved service performance resulting in improved profitability.

Through the exploitation of offensive and defensive marketing, organisations can realise improved profitability over time. Offensive marketing effects involve market capture, market share, reputation and price premiums (Zeithaml & Bitner, 2003:511). When service is good, a company gains a positive reputation and, as a result of that reputation, a higher market share and the ability to charge more than its competitors for services.

The benefits of service performance measurement have been documented (GAP, 1992 as quoted in Zeithaml & Bitner, 2003:511) in a multiyear, multi company study called PIMS (profit impact of marketing strategy). According to the PIMS study, organisations that offer a superior service achieve higher-than-normal market share growth and the mechanisms by which service quality influences profits include increased market share and premium prices as well as lowered costs and less work. One of the findings of the same study is that those organisations that ranked in the
top fifth of competitors on relative service quality average an 8% price premium in comparison to their competitors.

Defensive marketing works to retain the customers that an organisation already has. Defensive marketing will lead to customer retention that will, in turn, lead to reduced costs since selling costs for existing customers are much lower than selling costs for new ones (Knoff, 1988, as quoted in Zeithaml & Bitner, 2003:514). Customer retention may also lead to increased purchases from repeat buys and the organisation will be able to charge the premium price. Moreover, through word of mouth by existing customers, the organisation is likely to gain additional customers.

It is very important for managers to identify the key drivers of service quality, customer retention and profits. Service encounters in the first few minutes of service delivery are very important in determining customer loyalty. Mistakes in early service encounters result in greater risk of dissatisfaction in each ensuing encounter (Zeithaml & Bitner, 2003:519). At the end of the day, the customer experience of service encounter will impact on the organisation’s bottom line: profitability.

The idea of improvements in service quality feeding through to increased profitability is best portrayed through the concept of a service-profit chain (Palmer, 2005:265). The service-profit chain establishes relationships between profitability, customer loyalty, and employee satisfaction, loyalty, and productivity (Heskett et al., 2008:166).

According to the service-profit chain, profit and growth are primarily stimulated by customer loyalty, which is a direct result of customer satisfaction. Satisfied, loyal, and productive employees create value. Heskett et al. (2008:166) emphasise that key results largely emanate from high-quality support services and policies that enable employees to deliver results to customers.

A service-profit chain in the context of a university is illustrated in Figure 2.1 below.
Profit and growth are stimulated primarily by student loyalty. Loyalty is a direct result of student satisfaction; satisfaction is largely influenced by the value of services provided to students. In addition, satisfied, loyal, and productive lecturers create...
value. Lecturer satisfaction, in turn, results primarily from high quality support services and policies that enable lecturers to deliver results to customers.

Better service providers were found to have better returns on equity than the poorer providers, as determined in a study carried out in the United Kingdom (Bates et al., 2003). This was found to hold true for both small and large organisations. Return on equity is a performance indicator used by the shareholders to gauge the performance of an organisation and therefore help them make decisions about their investment.

Service quality has been linked to increased profitability since the 1980s and it is seen to provide an important competitive advantage by providing repeat sales, positive word of mouth feedback, customer loyalty and competitive product differentiation (Firdaus, 2005:305). The profitability of an organisation depends on the generic performance criteria of effectiveness, efficiency, productivity, flexibility and creativity in the delivery of a service or product (Ree, 2009:24). Universities, as service organisations, must aim for high quality service performance in order to keep a competitive market position (Russell, 2005:65).

2.6 SUMMARY

This chapter has comprehensively, explored the concept of service performance measurement and its related concepts. It is clear from the literature reviewed in this chapter, that the importance of performance measurement cannot be overemphasised. Performance measurement not only acts as a tool for control but it also provides an indication of where an organisation is positioned at a given point in time. It also aids in decision making.

This chapter has revealed the different performance measures that could be used to measure performance. The main purpose of performance measures is to improve performance and therefore, it is important for appropriate measures to be identified for a specific sector. For universities, among the performance measures that could be used are five dimensions highlighted by the HEdPERF model namely; non-academic aspects, academic aspects, reputation, programme issues and access.
factor. Several tools have already been developed for measuring the performance of organisations.

It can be concluded, from the discussion in this chapter, that when performance measurement is done properly, it gives an organisation a competitive advantage. It is also evident from the discussion of business excellence models, that performance measurement is used by organisations to ensure continuous improvement. Universities have not been left behind in this regard as various ranking bodies are keeping them on their toes.

In this chapter, it was established that there exists a direct relationship between service and profitability. The service-profit chain described in the chapter illustrates this link very clearly. Service performance measurement therefore would indicate the level of profitability in any organisation.

The ensuing chapter discusses the concepts of service delivery and customer satisfaction.
CHAPTER THREE

SERVICE DELIVERY AND CUSTOMER EXPECTATIONS

3.1 INTRODUCTION

The previous chapter discussed service performance measurement and its related concepts. This chapter focuses on service delivery and customer expectations. Service delivery and customer expectations are two key attributes of service performance.

The chapter begins with a discussion of service delivery and, later, customer expectations. In terms of service delivery, the players in the process of service delivery are identified and their roles explained. The strategies for ensuring effective and efficient service delivery, through each category of participants, are also outlined herein. The importance of service encounters and their place in service delivery are then explained. A customer-focused organisational structure is suggested; this structure places the customer at the top and management at the bottom.

The section of this discussion which explores customer expectations, considers types of service expectations, based on the existing literature. The levels of customer expectations are also explained and the factors that influence customer expectations of a service are described. University students’ expectations are given special emphasis in this chapter, so as to bring relevance to the current study.

3.2 SERVICE DELIVERY

A service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything (Kotler & Keller, 2009:386). Services can also be described as deeds, processes and performances, in simple terms (Zeithaml & Bitner, 2003:3). According to Palmer (2005:63), services are intangible and can only be defined in the minds of the consumers in terms of the basic benefits received. A service may or may not be tied
to a physical product. Services can be distinguished from products by their characteristics, as they are intangible, inseparable, variable and perishable.

Delivery refers to how well the product or service is brought to the customer and it involves issues of speed, accuracy and care throughout the process (Kotler & Keller, 2009:366). Variation in speed, accuracy or care may attract customers or cause them to transfer to another service provider all together. The mix of attributes emphasised by a service provider can therefore attract or repel customers.

A service may be supplied or delivered on a continuous basis or in a series of separate transactions (Palmer, 2005:56). It may also be supplied on a more casual basis or within an on-going relationship between the buyer and seller. The mode of service delivery will determine the kind of relationship that develops between the consumer and service provider.

Continuous service is associated with a formal or informal relationship that can be very beneficial to the buyer as well as the seller (Palmer, 2005:57). Among the benefits are low transaction costs, like medical treatment that happens over a long period of time. Using the same provider for such treatment over an extended period would record lower costs for both the provider and the recipient of the service. A continuous supply relationship is also beneficial where there is high-perceived risk for the buyer.

Kotler and Keller (2009:366) describe service delivery as the process in which a service or product is brought to the customer; it involves issues of speed, accuracy and care throughout the process. Ho and Zheng (2004:479) note that service organisations have increasingly been competing for market share on the basis of delivery times. Speed of service delivery, waiting times or lengths of queues are of essence, in this regard, and improvement in these areas can give an organisation a competitive advantage.

Service differentiators are the key to competitive success, especially in instances in which the physical product cannot be easily differentiated (Kotler & Keller, 2009:366). Service delivery is identified as an important service differentiator. Speed of delivery and accuracy of service delivery matter a lot to the consumer. Service organisations
have increasingly been competing for market share on the basis of delivery time (Ho & Zheng, 2004:479). Customers are likely to be satisfied if their perceived delivery times are shorter than their expectations.

The accessibility of a service is also very important for service delivery. Palmer (2005:47) acknowledges that accessibility of service can be enhanced by an organisation through availing the requisite resources needed to make the delivery a reality. The customers should be able to access the service easily.

Service has several attributes that are important to the customers. Sasser, Olsen and Wyckoff (1978, as quoted by Palmer 2005:50) highlight security, consistency, attitude, completeness, conditions in which the service is provided and timing as the main attributes of a service according to customers’ perceptions. Service providers compete by producing service offerings that contain a permutation of these attributes which meet customers’ secondary needs better than their competitors (Palmer, 2005:51).

Organisations are differentiating themselves from the competition by offering value-laden services or excellent service (Kotler & Keller, 2009:386). This would not happen without the parties concerned playing their role well. The process of service delivery requires the active participation of all the people involved for the process to be successful.

For universities, the service encounter is crucial as, most of the time, students come to the university for a specific service and to meet with the service providers. The experiences of students during these encounters either meet or fall short of their expectations. In terms of the latter, dissatisfaction is likely to develop among students.

Service delivery is about customer service; an aspect that is best defined by the customer himself or herself. Fogli (2006:4) explains that customer service is about those transactions that are aimed at meeting the needs and expectations of the customer, as defined by the customer. In the case of students, the university would need to meet the expectations of students who already have ideas on how best they
want to be served. The student would judge the quality of the service he or she receives based on the expectations that he or she has for the given service.

Students, like other customers, want convenience. Customers not only want to access core products at their convenience but they also want easy access to supplementary services (Lovelock & Wright, 1999:209). These complementary services for students include information about their programmes, term dates, feedback on their queries and prompt responses to their complaints.

The sections that follow offer an outline of the different participants in the process of service delivery and discusses the role that each of these plays.

3.2.1 Participants in service delivery process

The process of service delivery involves several players. These players are employees through whom the organisation provides the service, customers who must do their part in order to get the service that they want and intermediaries who are sometimes used by service organisations to supply the service on their behalf.

(a) The role of employees in service delivery

Many organisations have two sets of customers external and internal customers (Zeithaml & Bitner, 2003:314). Internal customers are made up of employees and departments that directly interact with external customers. These internal customers sell, advertise, maintain or troubleshoot for other departments in the organisation.

For a service organisation, employees play a crucial role in the performance of the organisation. Not only do they deliver the service, but also the employee is the face of that organisation. Zeithaml and Bitner (2003:318), note that in a service organisation, an employee is considered the service itself, the brand, the marketer and he/she represents the organisation in the eyes of the customers. The role of service employees, in creating satisfied customers and building customer relationships, cannot be overemphasised.
The people and performance model suggests a link between people and the performance of an organisation (Torrington, Hall & Taylor, 2008:260). A study carried out in the banking sector in Pakistan, found that the level of satisfaction of employees had a positive impact on the measure of actual organisational performance (Khilji & Wang, 2006, as quoted in Torrington et al., 2008:260).

Job satisfaction is predictive of service performance, especially for professional jobs like teaching at a university (Saari & Judge, 2004: 398). In fact, the high level of motivation of staff at a university was found to be directly associated with student achievement (Malik, 2011:268). Student achievement naturally affects student satisfaction and, as a result, the perceived service performance of the institution.

The job satisfaction of lecturers contributes to the turnover rates observed in universities. Those academics who found their work less intrinsically satisfying than others, more commonly intended to leave (Malik, 2011:268). When the turnover of staff is high, the performance of the institution will be affected.

The nature of the work of faculty members is such that they interact with students directly. Lecturers can be considered as boundary spanners or front line employees, as categorised by Zeithaml and Bitner (2003:321). They provide a link between students and the internal operations of the university. They serve a critical function in understanding, filtering, and interpreting information and resources to and from the university and its students.

Boundary spanning positions are high stress jobs, which often require mental and physical skills, extraordinary levels of emotional labour, an ability to handle interpersonal and inter-organisational conflict and call on employees to make real-time trade-offs between quality and productivity on the job. Zeithaml and Bitner (2003:322) also note that the stresses and trade-offs can result in failure to deliver services, as specified.

Considering the importance of university lecturers’ organisational commitment and their effects on effectiveness of the universities, policy makers and academic administrators should take necessary measures for the optimal provision of intrinsic
and extrinsic job rewards in order to make their core workforce highly satisfied and committed (Malik, Nawab, Naeem & Danish, 2010:17&18).

Policymakers and academic administrators should take the necessary measures for the optimal provision of intrinsic and extrinsic job rewards to make their core workforce highly satisfied and committed so as to reap the benefits of improved performance and organisational citizenship behaviour.

The primary goal of human resource decisions and strategies in institutions of higher learning should be to motivate and enable lecturers to deliver student-oriented promises successfully. To build a student oriented service-minded workforce, a university must hire the right lecturers, develop them to deliver quality service, provide the needed support systems and recruit highly qualified academic staff (Zeithaml & Bitner, 2003:325).

An organisation can apply various strategies to ensure that service delivery is done well through its employees. Wilson et al. (2008:280-287) suggest the following strategies for delivering service quality through people:

- hiring the right people through competing for the best and hiring employees with the appropriate service competencies and service inclinations are examples of such strategies. An organisation should work towards becoming the preferred employer.

- providing the necessary support systems so that employees are able to deliver the required services can be done through measuring internal service quality regularly and developing service-oriented internal processes

- once an organisation has recruited the right people and developed them, it ought to come up with ways to retain the best people. Employee turnover usually affects the quality of service delivered. Retention of employees can be achieved through the inclusion of employees in the organisation’s vision and treating employees as customers. The organisation should also measure performance and reward the strong service performers.
There are key categories of human capital management factors that provide a core set of measures that top management could use to increase the effectiveness of their investment in people and improve their overall organisational performance (Pickett, 2005:302). These categories are: leadership practices, employee engagement, knowledge accessibility, work optimisation and the learning capacity of the organisation. Pickett (2005) explains that by focusing on these factors and measuring their key attributes, organisations are able to link human capital to their organisational results and become stronger organisations, and better places to work.

It is clear that a service organisation cannot afford to ignore its employees because they directly impact on the performance of service delivery and overall organisational performance. Swar and Sahoo (2012:47) conclude, in their study, that it is necessary for the management of organisations to contact employees frequently and evaluate their service experiences in order to provide an effective service delivery to their customers.

(b) Role of the customer in service delivery

The customer is the ultimate recipient of service delivery, but for him or her to fully enjoy the benefits of the service, he/she needs to play his/her role well. The customer may contribute towards the production process of service delivery, service quality and his/her own satisfaction of the service and may even act as a competitor to the service provider (Tripp, 2001:1).

For the production role, the customer may play the role of consumer, co-performer, co-creator and/or co-designer (Kuusisto, 2008:13). As a consumer, value is created for the customer but the customer plays a role in value creation by interacting with the service providers. The customer co-performs the service through performing mentally, physically or with technological resources that are essential for service delivery.

With some services, the customer actually co-creates the service. This is the case with most consultancy services where the customer genuinely co-develops the
solution(s) to the problem or situation that needs to be solved (Kuusisto, 2008:13). As co-designers, the customer and service provider may jointly decide on the division of labour and the services that each shall provide. As a contributor to service quality and his own satisfaction, the customer could work closely with the service provider and perform his/her role effectively. The customer could ask questions to influence the quality of service that he/her gets. She/he could also be encouraged to take responsibility for his/her own satisfaction.

Tripp (2001:1) acknowledges that it is possible for the customer to compete with the service provider. This happens in cases in which there are several alternatives that are available to the customer. For example, in the case of a travel service, the customer may consider using his own car, instead of a train or bus company, to meet his transport needs. In this case, the customer is competing with the train or bus company for transport services.

The role of the customer cannot be ignored in the process and quality of service delivery. Proper adherence to the instructions on the label, for example, is required for the customer to realise the full value of a service (Zeithaml & Bitner, 2003:314). It is also beneficial to the service provider, and the customer, that the customer provides timely feedback in order to develop current and/or future services (Kuusisto, 2008:14).

Customer participation in service delivery could be enhanced through the application of strategies. Wilson et al. (2008:299) suggest the following strategies for enhancing customers’ profiles participation: defining customer roles and jobs; recruiting customers who match the customer profile in terms of desired levels of participation; educating customers so that they can perform their roles effectively; managing customers’ mix in order to enhance the experiences of all segments; and rewarding customers.

The service supplier must define and clarify the jobs that the customer needs to do to access and enjoy the service. For a university, the procedures on registration and what the students need to do in order to successfully complete the study programmes need to be clearly communicated to them in order to enable them to
play their roles well. It is also important for the service organisation to realise that not all customers want to participate in the service delivery and it is therefore crucial for the organisation to manage the customer mix well.

Tripp (2001) notes that it is not only important to recruit the right customer but also to educate and train them to perform their roles effectively. This is possible through holding orientation programmes and the use of written literature, like pamphlets, among other channels. If organisations apply these strategies, they are likely to see a reduction in the expectation gap due to effective, efficient customer contributions to service delivery (Wilson et al., 2008:299).

(c) Role of intermediaries in service delivery

An intermediary is a channel or conduit through which an organisation delivers its services. Organisations often gain efficiency and effectiveness by delegating services to intermediaries (Kotler & Keller, 2009:454). Intermediaries perform the service on behalf of the service organisations; examples of intermediaries are retailers, franchisees, agents or brokers.

Intermediaries can be employed to reduce costs and improve the information quality of an organisation (Janssen & Klievink, 2009:2). However, there is danger of involving intermediaries in that they may pursue goals and values that do not directly align with those of the service organisation (Zeithaml & Bitner, 2003:315). It is therefore imperative for organisations to develop ways to either control or motivate the organisational goals of their intermediaries.

The strategies that a service organisation may apply for effective service delivery through intermediaries include the following (McGraw-Hill, 2000:10):

- the control strategies may involve regular measurement and reviews to ensure that the services are delivered as they should be.
• with partnering strategies, the service organization could ensure that the intermediary goals are aligned with its own goals. For this to happen, a lot of consultation and cooperation between the service organization and the intermediary is necessary.
• in order to empower the intermediary, the service organization can help the intermediary to develop customer–based service processes, provide any necessary support and develop the intermediary to deliver service quality (McGraw-Hill, 2000:10).

3.2.2 Service encounter

Service encounters or ‘moments of truth’ happen when the customer interacts with the service organisation (Zeithmal & Bitner, 2003:99). They occur where it is necessary for the customer and the service organisation to meet physically in order for the customer to receive the benefits of the service (Palmer, 2005:68).

In the education sector, a service encounter occurs when the student meets the administration staff during registration and, ultimately, in the class when she/he interacts with the academic staff members during learning sessions. Service encounters are very important as they give the customer a snapshot of the organisation’s service quality and the organisation should treat such moments as opportunities to prove its potential as a quality service provider and aim to increase customer loyalty (Zeithmal & Bitner, 2003:100). It is critical for organisations to manage service quality by understanding the effects of each service encounter (Kotler & Keller, 2009:413).

Service encounters may be classified as ‘high contact’ services or ‘low contact’ services (Palmer, 2005:68). ‘High contact’ services are those which require that the entire service is produced and consumed during the course of the encounter. In this case, the encounter becomes the dominant way by which the customer assesses the service quality. In ‘low contact’ service, the encounter forms only a part of the total production and consumption process.
(a) Types of service encounter

The section below expounds further on the different types of service encounters, as described by Palmer (2005:69-70):

- High involvement personal services
  High-involvement personal services occur when the customer is a direct recipient of a service and the service organisation provides a high level of physical contact. Examples of such services include healthcare services, hairdressing, and public transport. These services represent the most intense types of service encounters. The implication of such a high contact service is that quality control becomes a major issue. The process of service delivery, location, the end result and the problem of demand must be handled well because any delays may have adverse consequences.

- Goods maintenance services
  For goods maintenance services, services are performed on customers' assets rather than their person. Examples of these services are repair of electrical appliances, car servicing, building renovation, road haulage, transport of goods, and the others.

  For these kinds of services, a large part of the production process can go unseen with the customer just initiating it and waiting to collect the results. The substantive service may be of little concern to the consumer as long as he is happy with the end result. Because the customer is not present during the substantive service production process, the timing and location of this part of the process allows the service organisation a much greater degree of flexibility. As long as the service job is completed on time, delays during the substantive process are of less importance to the customer than would be the case if the customer was personally delayed during the production of the service.

- Services for the mind
  The consumer is the direct recipient of a service but does not need to be physically present in order to receive an essentially intangible benefit. The
intangibility of the benefit means that the service production process can, in many cases, be separated spatially from the consumption of the service. Recipients of educational services often do not need to be physically present during an encounter with the education provider. Open University courses and other internet-based distance learning programmes can include little direct contact. Examples of these include education, television programmes, and radio programmes.

- Intangible asset maintenance services
  Examples of intangible asset maintenance services include litigation, accountancy and fund management. These service encounters are made up of intangible services performed on a customer’s assets. A large part of the substantive service production process can be undertaken with very little direct contact between customer and organisation. The service encounter becomes less critical to the customer and can take place without the service provider and customer physically meeting. Customers judge transactions not just by the quality of their encounter, but also to a much greater extent on outcomes; for example, the performance of a financial portfolio for a financial service provider.

Service encounters may also be classified into three general types namely remote encounters, phone encounters and face-to-face encounters (Zeithaml & Bitner, 2003:102). Remote encounters normally take place when technology is used as the mode of service delivery. An example of a remote service encounter is when a bank customer carries out transactions at the ATM, like withdrawing or depositing money. For the university, a remote service encounter occurs when university students register online or check their results online.

Many transactions can also take place over the telephone, hence, the phone encounters. Face-to-face encounters occur when an employee of the service organisation physically meets with the customer. In the case of university students, the face-to-face interaction of the lecturer with the student in the class setting is crucial to the process of service delivery at the university.
(b) Critical incidents during service encounters

During a service encounter, an incident may occur that will affect the customer positively or negatively; critical incidents. Critical incidents are specific interactions between customers and service employees that are especially satisfying or especially dissatisfying (Bitner, Booms & Tetreault, 1990, as quoted by Palmer, 2005:71). Identifying particularly positive and negative customer service experiences can provide direction for management in allocating resources specifically to those areas that maximise customer satisfaction and correct those that cause customer dissatisfaction (Johnson, 2012:1).

The successful accomplishments of many of the critical incidents can be dependent upon satisfactory performance by support staff members that do not directly interact with customers (Palmer, 2005:72). The critical incidents may be managed through encouraging customers to report complaints to the service organisation. This can be achieved through the use of telephone helplines and customer comment cards. Providing the opportunity to express feelings about a service can prove beneficial to satisfaction levels but must be seen in the context of the service organisation’s willingness to correct errors or offences (Palmer, 2005:72).

3.2.3 Customer–focused service delivery

From the discussions thus far, it is clear that the customer plays an important role in service delivery. During the process of service delivery, service encounters may occur that are so critical in nature that they could ruin the relationship of the customer with the service organisation entirely or may bind a customer to an organisation for life (Zeithaml & Bitner: 2003:102).

This explains the importance of the customer’s experience during service delivery. The importance of a customer experience during service delivery is what drives those organisations that have a strong service culture to clearly place an emphasis on the customer’s experience (Wilson et al., 2008:289). Organisations prioritise the customer’s experience through creating an environment that staunchly supports the
customer-contact employee because this person in the organisation is frequently most responsible for ensuring that the customer experience is delivered as designed (Wilson et al., 2008:289).

A typical organisational structure will have top management at the top of the hierarchy, followed by middle management, frontline employees and customers at the bottom. However, for great customer experiences, the preferred organisational structure is one which situates the customer at the top, followed by frontline employees, with supervisors and management at the bottom (Wilson et al., 2008:290).

According to the organisational structure proposed by Wilson et al. (2008:290), the customer is prioritised at the top and is to be considered before decisions regarding service delivery are made. The student needs to be listened to and his/her suggestions and opinions valued. Frontline employees, who are the academic and administrative staff members, follow in this structure. These are the primary service providers and they need to be supported by top management. A student-focused structure in a university would ensure high performance in service delivery.

### 3.3 CUSTOMER EXPECTATIONS

Customer expectations are beliefs about service delivery that serve as standards or reference points against which performance is judged (Wilson et al., 2008:55). Customers form service expectations during the search and decision-making process where an information search and evaluation of attributes contribute greatly to shaping these expectations (Lovelock & Wirtz, 2011:64). Through ‘word of mouth’, past experiences and advertising, a customer develops certain expectations about a service or product offered by an organization (Kotler & Keller, 2009:399).

University students, for example, may develop expectations from what they hear from the current students of the university, former students and/or staff members of a university. The students may also have interacted with the university through attending community service days, workshops or seminars organised at the
university. When students eventually join the university of their choice, they look forward to their needs being met by the university. Depending on their experiences at the university, feelings of satisfaction or dissatisfaction may develop.

There is bound to be some difference when customers compare the service performance, during a service encounter, against the expected service. When the service performance measures are lower than the service expectations, then the customer is disappointed. The converse is true when service performance is higher than expected as the customer then feels delighted. The idea, then, is to exceed customer expectations through adding benefits to an organisation’s service or product, hence delighting the customer (Kotler & Keller, 2009:399).

Organisations aim to meet customers’ expectations or exceed them, in order to satisfy their customers. ‘Knowing what a customer expects is the first and possibly most critical step in delivering quality service’ (Wilson et al., 2008:55). Failure to discern correctly what the customer wants could result in the loss of the customer and the organisation may end up spending resources on things that do not matter to the customer.

The next section explores the types of customer expectations, as revealed in the existing literature.

3.3.1 Types of customer expectations

Customer expectations may be classified into several categories. Smith (2012a) identifies seven types of customer expectations and describes them as follows:

- **Explicit expectations.** These are mental targets for product or service performance. An example of these is a set of well-defined performance standards.
• **Implicit expectations.** These are the established norms of performance. They are established by the business in general, other organisations, industries and even cultures.

• **Static performance expectations.** These expectations address how performance and quality are defined for specific application. Performance measures related to the quality of an outcome may include the evaluation of accessibility, customisation, dependability, timeliness, accuracy and user friendly interfaces.

• **Dynamic performance expectations.** These expectations are about how the product or service is expected to evolve over time. It may be about the changes in support, product, or services needed to meet future business needs.

• **Technological expectations.** The nature of the technology industry is such that products and services are continually evolving. These highly evolving products raise expectations that enhance perceptions of status, ego, self-image and can even evoke emotions of isolation and fear when the product is not available.

• **Interpersonal expectations.** Interpersonal expectations reflect the relationship between the customer and the product or service. Customer-employee relationships are becoming increasingly important, especially where products require support for their proper use and functioning. Support expectations include the interpersonal sharing of technical knowledge and the ability to solve a problem.

• **Situational expectations.** Situations define the configuration of the customer’s disposition and power that he/she projects onto reality (Rummel, 2002:2). Making situational inferences is easier than making dispositional inferences when one has situational expectations (Fiona & Mark, 2001:545).
Another way of grouping customer expectations was suggested by Teas (1993, as quoted by Wilson et al., 2008:34) who identified five possible levels of customer expectations, namely; ideal expectations or desires, normative ‘should’ expectations, experience-based norms, acceptable expectations and minimum tolerable expectations.

The ideal expectations level is the desirable level of expectations and it represents the highest level of performance (Zeithaml & Bitner, 2003:62). The desired level reflects what the customer wants. The normative level indicates the level of service that the customer believes should be offered by the given organisation. Experience-based level is formed by the past experiences of the customer and the acceptable expectations level is the expectation that the customer will receive adequate service. The minimum tolerable level of expectations is the threshold of acceptable service. It is that level of service below which the customer would not accept the service at all.

There exists a zone of tolerance between desired service and adequate service (Wilson et al., 2008: 58). The zone of tolerance is the extent to which customers recognize service performance and are willing to accept it (Zeithmal & Bitner, 2003:63). The zone of tolerance may be considered as the range within which the customer does not particularly notice service performance. If the service performance went below the adequate level, the customer gets frustrated and their level of satisfaction with the organisation may be negatively affected. Beyond the desired service level, the customer will be pleased and may even be surprised.

The zone of tolerance may expand or contract within a customer (Zeithaml & Bitner, 2003:64). For a university student, for example, the zone of tolerance for services may contract during examination times but expand immediately after the examination period. It is therefore important for staff members to not only understand the size and boundary levels of zone of tolerance but also to determine when and how the tolerance zone changes for a given customer.

Ojasalo (2001:203-204) designed a framework for managing customer expectations, especially for professional services. He grouped the expectations into three categories:
• fuzzy vs. precise;
• implicit vs. explicit; and
• unrealistic vs. realistic.

Fuzzy expectation occurs when the customer feels that there is a need for change in the service, but is not very clear as to what change he/she wants. If the organisation does not meet these fuzzy expectations, the customer feels that something is missing. Focusing on fuzzy expectations is encouraged by Ojasalo (2001:204) through dialogue between the service provider and the customer in order to make the customers’ needs clearer.

Ojasalo (2001:204) also discusses the importance of revealing implicit expectations in order to make them explicit. Smith (2012a) describes implicit expectations as the established norms of performance. The customer assumes that the expectations will be met; unfortunately, it is only made obvious that such expectations exist when they have not been met.

Realistic expectations are those expectations that the service organisation is likely to fulfil. Alternatively, unrealistic expectations may not be within the means of the organisation to fulfil. Unrealistic expectations normally lead to reduced customer satisfaction even though the organisation may have performed very well any way. Through calibration, as suggested by Ojasalo (2001:205), the service provider can transform unrealistic expectations into realistic ones. This means changing the customers’ expectations either downward or upward in order to arrive at some realistic level. This could happen through timely communication of what the organisation shall offer, without exaggerating. Putting the service expectations too low may make the customer lose interest and, therefore, communicating a more realistic level of expectations is advised.

There is no doubt that it is important to engage and interact with the customer in order to understand his or her expectations. This way, the organisation can take part in creating expectations that it can meet or even exceed, which would gain a competitive advantage for the organisation.
3.3.2 Factors that influence customer expectations of service performance

It is evident that customer expectations play a major role in the evaluation of service by a customer (Zeithmal & Bitner, 2003:66). It is therefore imperative that an organisation understands the factors that influence customer expectations. The factors that influence the customer's expectations depend on the level of expectations involved. For the desired level, personal needs and philosophies about the service are the largest influencers.

Personal needs are states or conditions essential to the physical or psychological wellbeing of the customer. The personal needs could be physical, social, psychological or functional. For the student who plans to reside in the university, he/she hopes and desires that his/her university of choice will offer excellent residential facilities. The part time mature student who will be commuting from home is likely to have low or zero levels of desired service from the university residential management.

Personal philosophies about service provision also influence the customer's expectations at the desired level of service. Personal philosophy of service is the customer's underlying generic attitude about the meaning of service and proper conduct of service providers. Customers who work for service organisations, or have worked for service organisations in the past, tend to have strong service philosophies. In the university context, those students who are members of staff in other universities already have their minds set on how certain services should be conducted, unlike those who have never worked in a university before.

Enduring service intensifiers are important to the service expectations of a customer at the desired level. These are individual, stable factors that lead the customer to a heightened sensitivity to service. An example of these is the derived service expectations that occur when customer expectations are driven by another person or a group of people. For example, a class representative in a university is driven by the needs of all her/his classmates when it comes to demanding for a change of lecturer. The individual expectations are intensified because the individual represents and must answer to other parties who will receive the service.
At the adequate level of service expectations, five factors can be identified, namely transitory service intensifiers, perceived service alternatives, customer self-perceived service role, situational factors and predicted service. Transitory service intensifiers consist of temporary, short term, individual factors that make a customer more aware of the need for service. For example, the need for emergency services raises the level of adequate service expectations.

Perceived service alternatives are other service providers from which the customer can obtain the required service. If customers have multiple alternatives from which to choose, or can even provide the service themselves, they will have higher levels of adequate service expectations than those who do not believe that they can get better services.

The customer’s self-perceived role is defined as ‘customer perceptions of the degree to which customers exert influence on the level of service they receive’ (Zeithaml & Bitner, 2003:69). The customer may play this role through specifying what expectations he/she has regarding a particular service. The way the customer plays this role also influences his/her level of service. If the customer does not play his/her role very well, then his/her level of expectations are lowered. In the case of a university student, if they did not study hard for an exam, they will not be expecting high grades unlike those who worked hard.

Situational factors also affect adequate service expectations. These are the service performance conditions that the customer may view as beyond the control of the service providers. This is true when organisations are hit by catastrophes like earthquakes and are not in a position to offer the services as expected by the customer.

Predicted service is the level of service that the customers believe they are going to get. It is a result of past experience, word of mouth, implicit service promises or explicit service promises. Explicit service promises are personal and non-personal statements about the service, made by the organisation to customers. Implicit service promises are service related cues other than explicit promises that lead to inferences about what the service should and will be like (Wilson et al., 2008:65). If customers
predict good service, their levels of adequate service are likely to be higher than if they predict poor service.

Service organisations can stay ahead of their competition by meeting their customers’ expectations better than their competitors do. Wilson et al. (2008:72) note that offering exceptional service can intensify customers’ loyalty to a point at which they are impervious to competitive forces.

### 3.3.3 University student expectations

Students’ perceptions of service performance are shaped by ‘word of mouth’ from current university students, former students or staff members of the university. Past experience also contributes to the expectations that students have regarding the service performance of a particular university. The students will, in their later years of study, most likely have developed expectations from the experiences that they had in their earlier years of study at the same university. Some of the students may also have interacted with the university previously, in another capacity.

Universities involve the community in their vicinity in their community development activities. In Kenya, universities engage the community through community development activities. The universities take part in community service days, communal church activities, as well as HIV and AIDS awareness campaigns, amongst other joint activities. Through these interactions, potential students may collect information and form expectations about a given university.

External communication includes advertising through media, university exhibitions held around the country, personal selling and representative communications through the public relations office which also contribute to the students’ expectations.

Students have various needs that they would like met by the university. It is important to tailor the service offered to students’ needs. The needs of the daytime (regular) students may be different from those of students who attend classes in the evening. If the university assumes that all students’ needs are the same, then the likelihood
that some of the students’ expectations will not be met leads to frustration among the affected group.

Students’ expectations have been changing since the 1970s and they are now quite high (Tricker, 2003:6). According to Davies (2002:110), student expectations include:

- flexibility and choice in the delivery of education;
- access to cutting edge technology;
- a two-way communication process between themselves and the university;
- consultation about the learning experience;
- accurate information about their courses, assessment procedures and complaints process; and
- honesty with respect to whether their needs can be met or not.

Other university students’ expectations include (Tricker, 2003:2):

- quality and professionalism in the provision of services;
- access to suitably qualified teachers and appropriate learning support; and
- value of study to career prospects.

It is paramount for educational providers in higher education to devote more attention to ascertaining the expectations and experiences of students in order to find ways of meeting these expectations (Tricker, 2003:6.). Significant effort ought to be made by universities to bridge the gap between students’ expectations and students’ experiences.

Some of the strategies employed include changing curriculum design to enhance employability, offering more flexible programmes, improved teaching quality, improved student support and greater transparency.

The 1994 Group Student Experience Policy Report (Dunbar, 2010:40) emphasises the importance of providing transparent and accurate information about universities and the nature of what these universities offer should be a priority in delivering excellent student experience and managing student expectations.
3.4 SUMMARY

This chapter used as its point of departure an extensive discussion of the concept of service delivery. Service delivery is acknowledged as a service differentiator in this chapter where various aspects of it, such as speed of delivery, could be used by an organisation for competitive advantage.

The different participants in the service delivery process were identified and their specific roles explained in the current chapter. The employees play a very important role in service delivery as they interact directly with the customer. The customers must also play their role adequately for a good outcome of service delivery. It is the duty of the organisation to select appropriate intermediaries to ensure that quality service is delivered.

The process of service delivery involves the interaction of the service organisation with a customer and, as such, the importance of the service encounter was also explicated. This chapter highlights the fact that identifying particularly positive and negative customer service experiences can provide direction for management in allocating resources specifically to those areas that maximise customer satisfaction and correct those that cause customer dissatisfaction. These critical incidents may be managed through encouraging customers to report complaints to the service organisation.

It is important for organisations to understand the expectations of their customers. Meeting customer expectations or exceeding them, delights the customer. The concept of customer expectations was defined and explored in the current chapter. The different types and levels of customer expectations were considered and the zone of tolerance explained.

The chapter concludes by looking at university students' expectations from the existing literature and emphasises the need for university management to understand these expectations with the intention of meeting them or even exceeding them. The next chapter will explore customer satisfaction and loyalty.
CHAPTER FOUR
CUSTOMER SATISFACTION AND CUSTOMER LOYALTY

4.1 INTRODUCTION

Chapter Three provided a comprehensive exposition of service delivery and customer expectations. The chapter identified the participants of service delivery and their specific roles. The types of service expectations and the factors influencing customer expectations were explored in this regard.

This chapter considers, in detail, customer satisfaction and customer loyalty. The chapter highlights the determinants of customer satisfaction and customer loyalty. The methods used to evaluate the two concepts in an organisation are also covered. The strategies that an organisation can use to ensure customer satisfaction and loyalty are well outlined in this chapter.

The chapter establishes a relationship between customer satisfaction, loyalty and profitability, based on the existing literature, in order to emphasise the organisation’s need to pursue customer satisfaction and customer loyalty.

The chapter starts with a discussion of customer satisfaction, its determinants and its evaluation methods. Customer loyalty is then elaborated upon, before relating the two concepts to profitability.

4.2 CUSTOMER SATISFACTION

Several definitions exist regarding customer satisfaction. Zeithaml, Bitner and Gremler (2006:110) describe customer satisfaction as the customer’s evaluation of a product or service in terms of whether that product or service meets the customer’s needs and expectations. Schiffman and Kanuk (2010:29) define customer satisfaction as the individual customer’s perception of the performance of the product or service in relation to his/her expectations. Customer satisfaction (or dissatisfaction) is a comparison of customer expectations to perceptions, regarding
the actual service encounter (Douglas et al., 2009:368). The customer evaluates a service or a product according to their needs and expectations, and depending on the performance of the service, they may become satisfied or dissatisfied. As noted in Chapter Three of the current study, customers may form expectations from past experience, word of mouth or advertising by the organisation supplying the product or service.

Satisfaction is concerned with the feelings elicited during or after a service encounter. Customer satisfaction provides an indication of the customer’s belief of the probability of a service leading to a positive feeling (Udo et al., 2010:481). Satisfaction is associated with feelings such as contentment, pleasure, delight or relief where the removal of a negative emotion leads to satisfaction (Zeithaml et al., 2006:110). It may also be associated with feelings of ambivalence, where there is a mix of positive and negative experiences associated with the product or service.

Satisfaction comprises of the following three essential elements (Giese & Cote, 2000:15):

- a general affective response that varies in its intensity;
- focus on the choice of product, purchase and/or consumption; and
- the moment of determination which varies according to each individual situation and its duration in time, which is generally limited.

According to Giese and Cote (2000:15), the affective response refers to the holistic nature of a customer’s state of satisfaction and the focus as the object(s) of the customer’s state. The moment of determination is about timing, which explains the temporal existence of satisfaction.

The customer evaluates a service or product according to his/her needs and expectations and, depending on the performance of the service, his/her may become satisfied or dissatisfied. Zeithaml et al. (2006:110) describe customer satisfaction as the customer’s evaluation of a product or service in terms of whether that product or service has met the customer’s needs and expectations. The customer’s emotions, which could be pre-existing or induced by the consumption of the product, inevitably
affect the level of satisfaction of a customer. Folkes (1988), as quoted by (Zeithmal & Bitner, 2003:87) explain that attributions or the perceived causes of events influence customer perceptions of satisfaction. Customers compare themselves to others and gauge whether they have been treated fairly or not; this is an element that is bound to affect their levels of satisfaction.

A study carried out by Brady and Roberson (2001:53) suggests that the overriding goal of service organisation management should be to ensure the satisfaction of their customers. Customer satisfaction plays a major role in an organisation as it helps build customer trust (Flavian et al., 2006:1). Customer trust is an antecedent of customer loyalty. Customer satisfaction as observed by Bhattacherjee (2001:201), enhances the spread of favourable ‘word of mouth’ that works positively in attracting new customers). Customer satisfaction also leads to repeat purchases (Kim, 2005:49) and this generates increased revenue.

Customer satisfaction also leads to repeat purchases (Kim, 2005:49) and this generates increased revenue. According to McQuitty, Finn and Wiley (2000:1), customer satisfaction enables an organisation to predict purchase behaviour that makes it easy to plan. In a study carried out by Evanschitzky, Lyer, Hesse and Ahlert (2004:239), customer satisfaction was also found to predict retail endurance and success.

A satisfied customer brings economic benefits to an organisation. Homburg et al., (2005:84) observe that a highly satisfied customer generally stays longer and buys more as the organisation introduces new products and upgrades existing products. Usually, a satisfied customer will pay less attention to competing brands and is generally less sensitive to price. Satisfied customers are also likely to participate, to a greater extent, in the service delivery and will offer a greater contribution to the organisation in terms of product or service ideas. The cost of a satisfied customer is lower than that of a new customer, in the long run, because transactions can become routine for an existing satisfied customer. Fornell, Mithas, Morgeson III and Krishnan, (2006:3); Gruca and Rego (2005:115); Anderson, Fornell and Mazvancheryl (2004:172), observe that high levels of customer satisfaction have also been linked to higher returns and lower risk in the stock market.
4.2.1 Determinants of customer satisfaction

Customer satisfaction is influenced by a number of factors. Zeithmal et al. (2006:110-112) outline these factors as follows:

- Product and service features. The product or service ought to have attributes and features that are important to a customer. These include price, quality, and friendliness of personnel.

- Customer emotions. Customers harbour emotions that could determine whether they are satisfied with a service or not. These could be stable, pre-existing emotions. According to Zeithaml et al. (2006:111) positive emotions have a stronger effect on customer satisfaction than negative ones.

- Attributions for service success or failure. When the outcome of a service is either much better or much worse than expected, customers look for reasons to justify the difference in performance; this may affect customer satisfaction.

- Perceptions of equity or fairness. Notions of fairness are central to customers’ perceptions of satisfaction with products or services. If they perceive that they were treated fairly during a service encounter, their levels of satisfaction are enhanced. The converse of this is also true.

- The influence of others. Comments, views or opinions by other customers, family members or co-workers about a service or product will influence customer satisfaction.

There are other determinants of customer satisfaction revealed in the existing literature. Service performance, for example, has a direct impact on customer satisfaction, particularly in high-involvement situations (Patterson, 1993 as quoted by Lapsiri & Speece, 2004:15). The experience of the customer during a service encounter plays a role in determining the level of satisfaction or dissatisfaction of a customer (Lapsiri & Speece, 2004:15). It is during a service encounter that the emotions of the customer may be provoked, either positively or negatively depending on his or her interaction with the service organisation.
The role of service employees in determining the level of satisfaction of a customer cannot be ignored. An organisation will usually have internal and external customers. Internal customers are the employees (individual sales people) whose satisfaction is very important to the organisation. The job satisfaction of service employees plays a vital role in customer evaluation of service results. A study conducted by Gil, Berenguer and Cervera (2008:935) suggests that a way of adding service value and increasing customer satisfaction is through job satisfaction.

The attitude of the employee is a crucial factor in the performance of the customer-oriented company, not only in offering the basic product but also in offering extra services (Vranesevic, Vignali & Vignali, 2002:365). Understanding the performance of frontline employees is a key component of organisational success or failure (Shultz & Good, 2000:209). The role of the sales personnel, especially, cannot be overemphasized in influencing the satisfaction of a customer with the product or service. The customer’s encounter with a salesperson is a complex and important process and the outcome can be affected by factors such as the salesperson’s similarity to the customer and the customer’s perceptions of the credibility of the sales personnel (Solomon, 2011:374).

It would be prudent for successful organisation to focus their attention on both their customers and employees, since employees are the people who interact with customers and enhance customer satisfaction. A study by Lapsiri & Speece (2004:15) concluded that the satisfaction of sales people has a direct impact on customer satisfaction. The personalised attention and politeness of the employee, towards customers, is an important contribution to customer satisfaction (Kaura, 2013:180). The employees’ ability to communicate key information that would enable the customer to make decisions is paramount. When employees provide all the information that is required for the customer to make correct decisions regarding their purchases, then the customer has a sure reason to be satisfied (Aagja, Mammen & Saraswat, 2011:30; Colwell, Aung, Kanetkar & Holden, 2008:161).

Price is another important determinant of customer satisfaction. As established by a study conducted by Cater and Cater (2009:585), satisfaction is negatively affected by the price of a service or product. However, the same study concluded that delivery
performance, supplier know-how and personal interaction have a positive relationship with customer satisfaction.

Information technology is another aspect that may affect customer satisfaction. Kaura (2013:180) has established that the use of information technology increased customer satisfaction in the banking industry. Technological innovation, such as ATM facilities and core banking, was seen to contribute to significant levels of customer satisfaction in the banking industry in India.

Hawkins and Mothersbaugh (2010:634-635) summarise the determinants of satisfaction and dissatisfaction as follows: core service failure, service encounter failures, price increases, inconvenience, response to service failures, attraction by competitors, ethical problems and involuntary switching.

### 4.2.2 Implications of customer dissatisfaction to an organisation

When the expectations of a customer are not met, the customer may become dissatisfied. A customer who is not happy with a service or product may complain to the service organisation about the inadequacy of the service, discontinue the service, spread negative word of mouth, complain to private or government agencies or even initiate legal action (Hawkins & Mothersbaugh, 2010:637).

The implications of the actions taken by a dissatisfied customer may have adverse effects on an organisation. It is therefore important for organisations to strive to minimize dissatisfaction and to effectively resolve dissatisfaction when it occurs. They also need to maximize the chances that the customer will complain to the organisation instead of engaging in negative word of mouth. If a company resolves the problem, a customer feels even better about it than if he/she had not complained in the first place (Speer, 1996, as quoted in Solomon, 2011:370).
Customer complaints about a service or product need to be encouraged for the following reasons (Biemans, 2010:76):

- Complaints enable an organisation to identify problem areas in the service. Systematic complaint analysis uncovers the root causes of problems and results in improved communication about product use, product modifications, product elimination, new product development, changed delivery procedures, improved customer services and a changed sales approach.

- Complaints provide an avenue for the organisation to repair the relationship with the complaining customer.

- Complaints offer the organisation an opportunity to enhance its level of customer satisfaction. As previously noted, when a complaint is resolved, the customer feels much better than a customer who never complained.

Kotler and Keller (2009:169) note that it is very important for an organisation to make it easy for customers to complain. A good complaints analysis system should encourage customers to complain about an unsatisfactory product or service, provide suggestions for improvements by completing forms asking specific questions and/or establishing ‘listening posts’ such as hotlines where designated employees either listen to customers’ comments or actively solicit inputs from them (Schiffman & Kanuk, 2010:63).

A good complaints management system needs to be in place so that an organisation is able to handle complaints effectively. Complaint-handling procedures have to be clear to both the customer and employees who handle the complaints (Biemans, 2010:77-78). Top management may even get involved in resolving complaints, especially where there is a risk of losing an important customer.

Kotler and Keller (2009:169) suggest some procedures that could assist with the recovery of customer goodwill. These include:
• setting up a 7-day, 24 hour toll-free ‘hotline’ to receive and act on customer complaints;

• contacting the complaining customer as quickly as possible. The slower the company is to respond, the more dissatisfaction may grow and lead to negative word of mouth;

• accepting responsibility for the customers’ disappointment and avoid blaming the customer;

• using customer-service people who are empathic; and

• resolving the complaint swiftly and to the customers’ satisfaction.

Homburg and Fürst (2005:95) explain that the potential downside of an unhappy customer is too important to ignore and it is therefore critical for organisations to deal with negative experiences properly. People are more likely to spread the word about unresolved negative experiences to their friends than they are to boast about positive occurrences (Voorhees, Brady & Horowitz, 2006:365).

4.2.3 Evaluation of customer satisfaction

Many organisations are systematically measuring how well they treat their customers, identifying the factors shaping satisfaction as well as making changes in their operations and marketing results (Morgan, Anderson & Mittal, 2005:131). An organisation would be wise to measure customer satisfaction regularly because one key to customer retention is customer satisfaction (Seiders et al., 2005:39).

A study by Sureshandar et al. (2002:363) suggests that customer satisfaction could be measured in the same way as service quality. According to Sureshandar et al. (2002:365) the critical factors of service quality, namely core service or service product, human element of service delivery, non-human element, tangibles of service and social responsibility, have an effect on customer satisfaction. The service features ought to be appealing to the customer and should meet the customers’ needs and expectations. The human element of service delivery is concerned with
the attributes that are dependent on the employee or human input into the service. These attributes include reliability, responsiveness, assurance, empathy as well as critical incident and recovery. The non-human element refers to the structures or systems put in place to ensure service delivery, while the servicescapes are the tangible services or facilities available. In addition to meeting customer expectations in the areas outlined above, a customer’s satisfaction is influenced by an organisation’s social responsibility activities. An organisation is seen in a good light if it acts as a ‘good citizen’.

There are several methods of measuring customer satisfaction. These methods are outlined by Kotler and Keller (2009:166) as:

- periodic surveys. Regular customer surveys provide information about customers’ behaviour, attitudes, perceptions and expectations (Palmer, 2005:199). Surveys track customer satisfaction directly and ask additional questions to measure repurchase intentions and respondents’ likelihood or willingness to recommend the company and brand to others.

- measuring customer loss rate and contact customers who have switched to another supplier to find out why they left. Exit interviews would shed some light on what the organisation may not be doing right.

- hiring mystery shoppers to pose as potential buyers and report on strong and weak points experienced in buying from the company’s and competitors’ sales situations where they are unknown, and experience first-hand the treatment they receive. Alternatively, they can phone their own company with questions and complaints to see how employees handle the calls.

Customer satisfaction surveys measure how satisfied customers are with relevant attributes of the product or service and the relative importance of these attributes. The use of mystery shoppers is also suggested; this is when professional observers pose as customers and interact with staff and provide unbiased evaluations of the company’s service personnel in order to identify opportunities for improving productivity and efficiency (Schiffman & Kanuk, 2010:61).
Companies also need to monitor the customer satisfaction of their competition. In this sense, they can compare themselves to their competitors and discover areas of improvement.

4.3 CUSTOMER LOYALTY

Customer loyalty can be defined as the ‘regular repurchase of a brand or from a store, based on a commitment towards the specific brand or store’ (Neal, Quester & Hawkins, 2002, as quoted by Hurth, 2006:3). It is concerned with building long term relationships between the customer and the organisation supplying services or products (Brandi, 2001:12).

In almost all business situations, it is more expensive to secure new customers than to serve existing ones. Studies have shown that small reductions in customer defections produce significant increases in profits because loyal customers buy more products, are less price sensitive and loyal customers spread ‘positive word of mouth’ (Schiffman & Kanuk, 2010:30).

Strategies such as loyalty programs have been adopted by organisations due to the benefits associated with these, such as growth in incremental sales, increased in-store traffic, higher impact from promotions and a boost to overall revenues (Kerr, 2009:49). An important aim of loyalty programmes is to extend a customer’s life with a company so that lifetime profitability is increased (Palmer, 2005:162). The link between customer loyalty and profitability explains why it is important for organisations to pursue customer loyalty.

There are two major approaches to customer loyalty namely behavioural and attitudinal (Buttle, 2009:44). The behavioural approach is concerned with customer purchasing behaviour. Behavioural loyalty is expressed through continued patronage, frequency of purchases and the monetary value of the purchases. Attitudinal loyalty measures components of attitude such as the beliefs, feelings and purchasing intention of customers (Buttle, 2009:44).
Kotler and Keller (2009:178) suggest strategies for building customer loyalty and retention in an organisation. These strategies include:

- interacting with customers. In this regard, an organisation looks for opportunities to meet and get to understand the customer’s needs and expectations. It is through such interactions that an organisation seeks customer commitments. The commitments could be structural, relational or value-based (Buttle, 2009:277). Instrumental commitment happens when customers are convinced that no other offer or organisation could do a better job of meeting their needs and the customer is very satisfied. In relational commitment, customers can become highly attached to an organisation’s members of staff where an emotional tie may be formed with an individual person, work group or the organisation as a whole. Value-based commitment takes place when the customer’s values are aligned with those of the company. Customers have many and varied core beliefs, such as environmental consciousness, honesty, child protection, independence and family centeredness, among others.

- developing loyalty programs. Frequency programs are designed to provide rewards to customers who buy frequently and in substantial amounts (Lee, 2004). Buttle (2009:271) also suggests the formation of customer clubs that render the customers some benefits. The organisation can then engage them more closely through these clubs.

- personalised marketing. Thoughtful companies turn their customers into clients (Kotler & Keller, 2009:179). The right technology can be exploited in enhancing relationships with customers.

- creating institutional ties. An organisation may supply customers with special equipment or computer links that help customers manage orders, payroll, and inventory. Customers are less inclined to switch to another supplier when this would involve high capital costs, or the loss of loyal-customer discounts (Kotler & Keller, 2009:182)
• win-backs. It is often easier to re-attract customers (because the organisation knows their names and histories) than to find new ones. The key to this strategy is to analyse the causes of customer defection through exit interviews and lost-customer surveys and, consequently, win back only those who have strong profit potential (Kotler & Keller, 2009:182).

In almost all business situations, it is more expensive to secure new customers than to serve existing ones. Schiffman and Kanuk (2010:30) make it clear that small reductions in customer defections produce significant increases in profits because:

• loyal customers buy more products;
• loyal customers are less price sensitive and pay less attention to competitors’ advertising;
• servicing existing customers, who are familiar with the company’s offerings and processes is cheaper; and
• loyal customers spread positive word of mouth and refer other customers.

Attracting new customers may prove to be very expensive and in some cases, impossible especially in a market that is already saturated. Making efforts to retain the customers already acquired is encouraged as it leads to cost savings, amongst other benefits (Donio, Massari & Passiante, 2006:453). The cost savings observed include reduced marketing costs, lower transaction costs and reduced customer turnover expenses. Customer loyalty may also lead to increased cross-selling success, which will in turn lead to larger share of the market, more positive word of mouth and reduced failure costs.

The internet and cell phones are extremely important ‘tools of interaction’ for both the organisation and customers to communicate with each other (Schiffman & Kanuk, 2010:30). Through regular communication with its customers, an organisation can make products or services that are tailored to meet the needs of its customers. Likewise, customers can use the same media tools to express their feelings and provide invaluable feedback to the organisation (Schiffman & Kanuk, 2010:31).
A customer retention-savvy company closely monitors its customers’ consumption volume and patterns, establishes tiers of customers according to their profitability levels, and develops distinct strategies for each group of customers (Schiffman & Kanuk, 2010:31). An example of such strategies is the development of loyalty programs.

Loyalty programs have become quite popular with organisations and they are associated with certain benefits. The benefits of loyalty programs as outlined by Kerr (2009:49) include: growth in incremental sales, increased in-store traffic, higher impact from promotions and they boost overall revenues. An important aim of loyalty programmes is to extend a customer’s life with a company so that, theory lifetime profitability is increased (Palmer, 2005:162).

The need to keep customers interested in the services or products that an organisation offers cannot be overemphasised. Studies indicate that customers are less loyal than in the past, due to six major forces (Schiffman & Kanuk, 2010:509):

- abundance of choice;
- availability of information;
- sense of entitlement;
- commoditisation;
- insecurity - customer financial problems; and
- time scarcity.

These six forces result in customer defections, complaints, cynicism, reduced affiliation, greater price sensitivity and litigiousness (Lacey, 2007:327). The result is that customers will inevitably resort to competition and an organisation would have to incur a lot of costs to recover its customers or its image.

Making the experiences of customers memorable during service encounters can keep the customers delighted and win their loyalty. A customer’s decision to be loyal to or to defect from an organisation is the sum of many small encounters with the company (Kotler & Keller, 2009:165). Many organisations now strive to create a
‘branded experience’. Delighting the customers by exceeding their expectations makes it easier for an organisation to build and maintain relationships with customers (Buttle, 2009:264). It is important to note that the most successful retention strategies are built on foundations of core service excellence (Zeithaml et al., 2006:197).

Sometimes an organisation may face challenges even as it aspires to build lasting relationships with its customers. The customer may not be profitable in the long run or may just be a ‘difficult’ or dysfunctional (Zeithaml et al., 2006:203). Alternatively, the customer may be reluctant to build a relationship with an organisation because of fear of dependency or lack of confidence in the supplier, among other reasons (Buttle, 2009:42).

Building relationships with customers is quite complex and a number of factors determine or influence these relationships. The next section identifies the important determinants of customer loyalty.

4.3.1 Determinants of customer loyalty

As indicated by Brandi (2001:12), customer loyalty is about developing relationships with customers and, as is the case with many relationships, it is based on trust, respect, understanding, and appreciation, as well as open and honest communication, amongst other qualities.

The following determinants of customer loyalty can be identified, from the existing literature:

- customer satisfaction;
- service quality;
- trustworthiness;
- corporate image;
- price fairness;
- switching costs; and
- importance of relationship.
Customer satisfaction is an important driver of customer loyalty and many organisations invest in programmes to enhance customer satisfaction (Hawkins & Mothersbaugh, 2010:640). There exists a non-linear and asymmetric relationship between customer satisfaction and customer loyalty. Bowen and Chen (2001:215) observed that a small increase in customer satisfaction boosted customer loyalty dramatically. The same was echoed by Eid (2011:89) who noted that higher levels of customer satisfaction lead to greater customer loyalty. Customer satisfaction is actually identified as an antecedent of customer loyalty (Bei & Chiao, 2006:173; Eid, 2011:89). High satisfaction leads to high customer loyalty; this is driving many organisations to aim for ‘total customer satisfaction’ (Kotler and Keller, 2009:187). Satisfaction positively influences behavioural and attitudinal loyalty (Cater & Cater, 2009).

Kuusik and Varblane (2009:66) explain that the reliability of products or trustworthiness of the service organisation is most critical for behavioural loyalty. Service trust was found to be a determinant of customer loyalty in a study carried out by Eid (2011:89).

Organisations use their corporate image to attract committed customers (Kuusik & Varblane, 2009:66; Aydin & Özer, 2005:921). The empirical findings of a study carried out by Kim and Lee (2011:4035) show that corporate image plays the most important role in establishing and maintaining customer loyalty.

Perceived service quality has a direct and positive effect on customer loyalty (Bei & Chiao, 2006:174). It also has an indirect and positive effect on customer loyalty through customer satisfaction. For service industries, the level of service quality needs to be higher in order to enhance customer satisfaction and customer loyalty.

The contribution of pricing of commodities and services to customer loyalty cannot be ignored. The perceptions of customers regarding pricing, strongly affects their satisfaction with a product or service and it directly affects their purchasing behaviour (Bei & Chiao, 2006:174). Price is an indicator of quality and service prices must therefore be carefully selected (Zeithaml et al., 2006:519); they should neither be too
low nor too high. Bei and Chiao (2006:174) explain that it is not low prices that matter to customer loyalty but the fairness of these prices. It was observed that price fairness has a direct and positive effect on customer loyalty (Bei & Chiao, 2006:174).

Switching costs takes place when a customer hops from one organisation to another and the costs acts as a deterrent to the customer so that they do not move to a competitor easily (Aydin & Özer, 2005:921). These costs may include set-up costs, search costs, learning costs and/or contractual costs. Customers develop loyalty in part due to the costs involved in moving from one organisation to another (Zeithaml et al., 2006:195).

Customer loyalty is about the relationship that develops between the customer and an organisation through the interactions that take place during the repeated transactions between the two. Cater and Cater (2009:585) explain that attitudinal loyalty is positively affected by personal interaction.

Customer bonding may form between the organisation and the customer through personal interactions. These bonds may be social, structural, financial or customisation bonds (Buttle, 2009:275; Zeithaml et al., 2006:197-199). Social bonds are based on positive relationships which are based on high levels of trust and commitment. Structural bonds occur where the organisation and customers commit resources to a relationship. Financial bonds happen when a customer is tied to an organisation due to the financial incentives offered, for example, in terms of lower prices. Customisation bonds are based on the organisation’s intention to develop customer loyalty through intimate knowledge of the customer and therefore tailoring solutions that are more appropriate to their needs. These bonds render certain advantages or benefits to the customer, which the customer may not want to jeopardise by moving to another supplier.
4.3.2 Customer loyalty model

Customer loyalty develops over time. It is a relationship that evolves over time to become something of value to both the customer and the organisation. From a model suggested by Donio, Massari and Passiante (2006:447), the relationship between a customer and an organisation is triggered by an act of purchase. The experience of the service encounter during the act of purchase or service delivery may lead to customer satisfaction, trust, customer commitment and, eventually, customer loyalty.

Trust may be calculus-based, knowledge-based or identification-based (Buttle, 2009:29-30). Calculus-based trust is calculative in nature and is present in the early stages of a relationship. Knowledge–based trust relies on individual parties’ interactive history and knowledge of each other, so as to make accurate predictions about how the other will act. Identification-based trust happens when mutual understanding is so deep that each can act as a substitute for the other.

Commitment arises from trust, shared values, and beliefs that the other party will be difficult to replace (Buttle, 2009:30). In highly committed relationships, parties make investments in terms of time and money and the termination costs can be very high especially where the relationship is irretrievable.

The customer loyalty that develops between an organisation and its customers is bound to be beneficial to both parties. Organisations want the relationship with their customers for economic purposes (Buttle, 2009:31). Customer relationships improve customer retention and customer retention has the following benefits (Buttle, 2009:261):

- Increasing purchases as tenure grows. Customers commit more of their spending to those suppliers with whom they have a proven and satisfactory relationship. Also, because suppliers develop deeper customer intimacy over time, they can enjoy better yields from their cross-selling efforts.
- Lower customer management costs over time. The relationship start-up costs that are incurred when a customer is acquired can be quite high. There is a
high probability that the account will become more profitable on a period-by-period basis as the tenure lengthens. The relationship maintenance costs may eventually be significantly reduced or even eliminated as the parties become closer over time.

- Customer referrals. Customers who willingly commit more of their purchases to a preferred supplier are generally more satisfied than customers who do not. They are more likely to spread a positive word of mouth and influence the beliefs, feelings and behaviours of others. Research shows that customers who are frequent buyers are heavier referrers.

- Premium prices. Customers who are satisfied in their relationship may reward their suppliers by paying higher prices. This is because they get their sense of value from more than price alone. Customers in an established relationship are also likely to be less responsive to the price appeals offered by competitors.

It is obvious, from the foregoing discussion, that retained customers are generally more profitable than new customers.

Section 4.3.3 below explains the importance of monitoring customer loyalty.

### 4.3.3 Evaluation of customer loyalty

Customer loyalty, as previously mentioned, is about developing a long-term, even lifelong, relationship with a customer. Monitoring the interaction between the organisation and its customers during the stream of service encounters must be done to ascertain the degree of customer satisfaction, which may fluctuate from one encounter to another (Palmer, 2005:200). An organisation must seek ways to know when the customer is dissatisfied and his/her reasons for dissatisfaction.

Customer satisfaction usually leads to customer loyalty and, therefore, the methods used to evaluate customer satisfaction can also be applied to monitor customer loyalty. Periodic customer surveys with attributes to measure customer loyalty would
be a useful tool. On the survey instrument, the customer will be able to indicate whether he would recommend the organisation to friends and family members and whether they intend to continue doing business with the organisation in the near future.

Customer retention is a component of customer loyalty and the methods used to measure retention are also indicative of customer loyalty (Hayes, 2011:24). Some of these measures are (Buttle, 2009:259):

- **raw retention rate** - that measures the number of customers doing business with an organisation at the end of a trading period, expressed, as a percentage of those who were active customers at the beginning of the period is a good indicator.

- **sales-adjusted retention rate** - this is the value of sales achieved from retained customers, expressed as a percentage of sales achieved from all customers who were active at the beginning of the period.

- **profit-adjusted retention rate** - this is the profit earned from the retained customers, expressed as a percentage of the profit earned from all customers who were active at the beginning of the period.

For the purposes of this study, customer loyalty is evaluated through use of the survey instrument by this method, the responses of university students are recorded and later analysed.

### 4.4 CUSTOMER SATISFACTION, CUSTOMER LOYALTY AND PROFITABILITY

Zeithaml and Bitner (2003:91) explain that there is an important relationship between customer satisfaction and customer loyalty. This relationship is particularly strong when customers are very satisfied. There exists a strong link between dissatisfaction and disloyalty/defection. Clear linkages have been drawn between customer satisfaction, loyalty and an organisation’s profitability (Zeithaml & Bitner, 2003:91).
Customer satisfaction is an important component for customer retention and loyalty and for improving the organisation’s performance (Hackl and Westlund, 2000:820). From studies conducted by Harris and Mark (2004:139), trust is the key driver of loyalty. According to the customer loyalty model (Donio, Massari & Passiante, 2006:447), customer satisfaction leads to customer loyalty. It has also been explained earlier in this chapter that customer loyalty renders certain benefits to an organisation.

Customers are often willing to pay more and stay with an organisation that meets their needs rather than to take risks associated with moving to a lower service offering (Douglas et al., 2009:371). It has been noted that the cost of attracting a new customer is estimated to be five times the cost of keeping a current customer happy (Kotler & Keller, 2009:187). These benefits, which are derived from customer loyalty eventually, impact on the business performance of an organisation.

The satisfaction-profit chain (Buttle, 2009:43) best describes the process that starts with customer satisfaction, through customer loyalty, and results in increased business performance.

The satisfaction-profit chain suggests that satisfied customers are more likely to become loyal. Customer satisfaction emanates from understanding customer requirements and meeting customer expectations. Satisfied customers are likely to come back to buy more, spread positive word of mouth and are not sensitive to price increases. The result is increased organisation performance that is indicated by an organisation’s revenue growth and market share.

The process to profitability is also demonstrated by Wilson, Zeithaml, Bitner & Gremler (2008:458) when they described the defensive marketing effects of service on profits, customer retention eventually leads to profits being realised. Defensive marketing strategies are employed by organisations to keep the customers that an organisation has already acquired. The result of defensive marketing is customer retention, which eventually leads to profitability.
It has already been established in this chapter that the longer a customer remains with the organisation, the more profitable the relationship will be for the organisation. Lower costs are recorded when the cost of serving existing customers are compared to the costs of attracting new ones. For the volume of purchases, customers who are satisfied with an organisation’s services are likely to increase their expenditure with that organisation. It has also been observed that satisfied customers will pay premium for those services and a positive word of mouth is likely to attract new customers, hence, higher revenues are recorded.

4.5 SUMMARY

This chapter has offered a comprehensive discussion of customer satisfaction and loyalty. An evaluation of customer satisfaction is crucial to an organisation so that the organisation can strategize on how best to meet their customers’ expectations. A satisfied customer brings economic benefits to an organisation. Among other benefits that accrue is the fact that satisfied customers are likely to participate, to a greater extent, in the service delivery and will offer a greater contribution to the organisation in terms of product or service ideas.

This chapter highlights the importance of customer loyalty. The chapter has established that, in almost all business situations, it is more expensive to secure new customers than to serve existing ones. The literature reviewed in this chapter highlighted the connection between customer loyalty and customer retention. An evaluation of customer loyalty through periodic customer surveys by an organisation is recommended.

It was the intention of this chapter to outline the importance of pursuing customer satisfaction and loyalty for any organisation. It was established that customer satisfaction and loyalty actually lead to increased levels of business performance. The satisfaction-profit chain and the defensive marketing effects of service on profits were used to illustrate this process leading to profitability.
The next chapter presents the theoretical model relevant to this study. The model explains the variables used and the hypotheses developed for the study.
CHAPTER FIVE
THEORETICAL MODEL OF SERVICE DELIVERY AT A UNIVERSITY

5.1 INTRODUCTION

Chapter Four of the current study provided a detailed discussion of customer satisfaction and customer loyalty while Chapter Three dealt with service delivery and customer expectations. This chapter will focus on the theoretical model underlying the current study; in this model, the university student is treated as the primary customer.

This model adopts the five dimensions of service performance measurement in higher education (HEdPERF) as the independent variables influencing service delivery at a university. The independent variables identified are non-academic factors, academic factors, reputation, programme issues and access factor.

The chapter begins with a presentation of the conceptual framework of influence of service performance measurement on service delivery, showing all the variables involved. The service performance measurement dimensions are discussed and their hypothesised relationships with service delivery are described. The dependent variables, namely student satisfaction, student loyalty and student retention are also analysed and hypothetically related to service delivery.

5.2 MODELLED INFLUENCE OF SERVICE PERFORMANCE MEASUREMENT ON SERVICE DELIVERY AT A UNIVERSITY

A major contemporary challenge facing universities is keeping abreast of the shifting expectations of an increasingly diverse and informed student population and adjusting accordingly, in order to provide the best possible experience to each student (Kay, Marshall & Norton, 2007:4.). With the current era in higher education characterised by widening participation, varying fee and support structures, rapid globalisation, international competition and technological change, the experiences and expectations of students are changing continuously (Kay et al., 2007:4). It is
against these expectations that universities must evaluate their levels of service performance and seek ways to improve their service delivery. Universities must aim to meet the needs and wants of their major customers in order to maintain high performance (Archambault, 2008:42).

Through a review of the existing literature, a hypothesised model has been developed that shows the relationships between the various variables that are in play in the university context, with regard to service delivery. This study suggests that the main determinants of service performance measurement in a university are non-academic aspects, academic aspects, reputation, access to university services and programme issues. The influence on service delivery is then evaluated against student expectations, and the suggested outcomes are student satisfaction, student loyalty and student defection/retention.

The relationships between the various variables considered are shown in Figure 5.1 below.
Figure 5.1: Theoretical model of service delivery in a university

Source: Researcher’s own model
The items shown in the conceptual model are discussed and analysed in the sections that follow in order to establish the nature of relationships that exist between the independent and dependent variables.

5.2.1 Service delivery

As established in Chapter Three of this study, there are a number of participants in service delivery. These participants include employees, customers and intermediaries. For universities, they would comprise of academic members of staff, as well as the administrative and support staff members who contribute to the experiences of university students.

The service-marketing triangle described by Zeithaml, Bitner and Gremler (2006:356) shows the interlinked groups that work together to develop, promote and deliver services in an organisation. Management is at the top while employees and customers occupy the other two vertices at the bottom. The employees must be able and willing to deliver on the promises made to customers through external marketing, in order for the organisation to be successful and for the services triangle to hold.

The climate for service and the climate for employee wellbeing are significantly correlated with overall customer perceptions of service quality (Scheider & Bowen, 1993, as quoted in Zeithaml et al., 2006:383). The implication is that both the service climate and human resource management experiences that employees have within their organisations, are reflected in how customers experience the service (Zeithaml et al., 2006:357).

The importance of embracing human resource strategies that allow employees to effectively satisfy customers as well as be efficient and productive in their jobs cannot be over emphasised. Ensuring that the organisation hires the right people, develops them to deliver service quality, provides them with the necessary support systems and retains the best people in the organisation is paramount. According to the ‘people and performance model’, a link exists between people and the performance of an organisation (Torrington et al., 2008:260). Human resource policies and
practices influence employee commitment, individual motivation and job satisfaction; all of which have an impact on performance (Torrington et al., 2008:259).

In this regard, customer-oriented service delivery is suggested; this situates the customer at the top of the chart, followed by employees and top management at the bottom (Kotler & Keller, 2009:161). For universities, the students should be at the top followed by the institution’s employees. Satisfied employees make for satisfied students and satisfied students can, in turn, reinforce employees’ sense of satisfaction.

For the purposes of this study, non-academic aspects, academic aspects, reputation, programme issues and access influence service delivery in a university.

Sections 5.2.2 to 5.2.6, which follow, discuss the influence of each of these dimensions on service delivery. Section 5.3 will cover the model outcomes.

### 5.2.2 Non-academic aspects

In a university, there are certain services that are not academic in nature but facilitate the attainment of academic services. They can be described as those aspects that are essential to the students and that enable them to fulfil their academic obligations (Firdaus, 2006a:575). These aspects relate to the duties that are carried out by non-academic staff. The staff members who carry out these duties in a university include the administrative and support staff.

It is important for those members of staff who offer non-academic services to have the right attitude. They include the registry staff members who make first contact with students, during admission and registration. They are at the frontline of service employees in the university who get involved in those crucial first service encounters with students. Zeithaml and Bitner (2003:318) recognise that service employees are the service itself, represent the organisation in the customer’s eyes, and they are the brand and the organisation’s marketers. Non-academic staff members ought to have good knowledge of the university systems and procedures, as necessary for dealing with queries and complaints.
The ability and willingness of administrative or support staff members to show respect to students is very important to the students. Other positive attributes include being approachable, having a positive attitude, good communication skills, efficient and prompt dealing with complaints or allowing a fair amount of freedom to students.

Petruzzellis and Romanazzi (2010:140) conducted a study in an Italian university that indicated that financial assistance, tuition fees, counselling and support services, job placement and grievance procedures are important attributes of non-academic aspects. Other attributes that are considered non-academic include physical plants and facilities, library and computing facilities, and student organisations. Nasser et al. (2008:84) emphasise the importance of extending job-support services, continuing education services and alumni offices for students.

For universities in Kenya, administrative and registry services form the bulk of their non-academic aspects. The accuracy of students’ records and their confidentiality is an area of concern for most university students. The handling of student complaints and the social support systems which are in place contribute to the non-academic factors that affect student satisfaction. For example, the existence of a student union is a useful way of ensuring that the student voice is heard and considered during decision-making. Lotkowski, Robbins and Noeth (2004:6) highlight social support by the university and the level of social involvement of a student in campus activities as some of the factors that affect the student retention rate of a university.

The support by staff members and management in community service activities, like HIV and AIDS open days, show students that the university cares for those who are afflicted by the condition. HIV and AIDS in Kenya is most prevalent amongst the youth; that is, the 15-24 year age category into which most university students fall. Therefore, medical and counselling services are crucial to this group of students (Gakahu, 2011:171).

The importance of extracurricular activities such as games and entertainment to a university student cannot be overemphasized. It is therefore prudent for a university to ensure the availability of the appropriate facilities for students.
In order for a university to retain or attract new students, it needs to improve the non-academic services that may influence service delivery performance in the university. The following hypothesis was formulated based on the foregoing.

H¹.¹: There is a relationship between non-academic aspects and service delivery at a university.

5.2.3 Academic aspects

Academic aspects of a university refer to the responsibilities of academic members of staff (Firdaus, 2006a:575). The core attributes include having a highly educated and experienced body of academic staff. The number of Professors and academic staff with doctoral degrees is an important academic aspect. In addition, the academic reputation of an institution plays an important role in service delivery; this refers specifically to a university’s ability to offer prestigious and wide ranging programmes with flexible structures. Since the core service delivery in universities is still the lecture method, the quality of lecture delivery is still very important (Hill, Lomas & MacGregor, 2003:16; Banwet & Datta, 2003:235).

The high school grades that a student attains before joining university is an academic aspect that may affect the performance of a university student and may also contribute to the ability of the student to complete their studies in any university (Lotkowski et al., 2004:8). The implication is that universities should pay closer attention to the grades that students attain in high school while recruiting their students, as these grades have a relationship with the student’s ability to cope with the rigours of university education. Kyoshaba (2009:12), in her study of factors affecting the academic performance of undergraduate students at the Uganda Christian University, noted that the selection criteria for entry into the university played a key role in the students’ academic performances. The study established that there existed a relationship between the ‘A’ level and diploma admission points and the academic performance of the student. The normal practice in universities in Kenya is that a student must pass all the courses in one academic year before proceeding to the next. Academic performance, per academic year, therefore has a direct connection with the retention rate of a university.
In another study carried out in an Italian university, by Petruzellis and Romanazzi (2010:140), the students highlighted academic staff among the academic attributes that they considered while selecting a university to join. The way the lecturers treat the students was a strong determinant of how they felt about academics; that is, whether the lecturer treated them with respect and whether the lecturers were approachable. Failure to incorporate technology, by lecturers, in their teaching areas was also highlighted as a major concern for the students.

The lecturer-student relationship needs to be enhanced in higher education as noted by Chepchieng, Mbugua and Kariuki (2006:83). It is therefore imperative for lecturers to allow enough consultation time with students.

Offering credible academic programmes and services remain the core business of a university. The academic aspects of the university comprise of, among other services, the range of degree programmes offered, the curriculum, the quality of teaching and even the quality of academic staff members. The nature of seminars conducted and practical lessons taught also contribute to this important aspect. Academic advising and instruction effectiveness are also important attributes of the academic aspect of universities (Nadiri, 2006:88). If the academic aspect of a university is not handled well, then the university is likely to lose its attraction to students since this is a major determinant of student satisfaction.

A hypothesis was formulated based on the literature reviewed regarding academic aspects and performance of service delivery:

H$^{1,2}$: There is a relationship between academic aspects and service delivery at a university.

### 5.2.4 Reputation of a university

The Oxford English dictionary defines reputation as ‘the opinion that people have about what an organisation is like, based on what has happened in the past’. Corporate reputation, as explained by Dumke (2003:30), indicates a value judgement about a company’s attributes. Carpenter (2010:51) notes that reputation is not
something that is chosen by an organisation or its management, but it is shaped by an organisation’s audience, and less by authoritative members. This is also echoed by L’Eteng (2007:49), who explains that reputation is formed outside the organisation on the basis of subjective impression. The students, employees and the general public would be the people responsible for shaping the reputation of a university.

The reputation can be good or bad. Obviously, a good reputation is preferable to a bad reputation. Reputation conveys public esteem and attractiveness in competition and organisations with a good reputation can charge a higher price for what is objectively an equivalent or inferior product (Varey, 2001:205).

Reputation has four dimensions, according to Carpenter (2010:46-47), which are outlined as:

- **performative reputation**, where organisations are judged by their performance. This dimension expresses its audience’s varying judgements of the quality of the organisation’s decision-making and its capacity for effectively achieving its goals.

- **moral reputation**. This is concerned with whether the organisation protects the interests of its clients, constituencies and members. The audience considers issues of ethical behaviour, flexibility and empathy for those affected by an organisation’s decisions.

- **technical reputation**, which encompasses variables such as scientific accuracy, methodological prowess and analytic capacity. An organisation needs to, rightfully, deserve the authority, legal or cultural, granted to it.

- **legal-procedural reputation**. This relates to the fairness of the processes or procedures by which an organisation’s behaviour is generated. For example, an organisation needs to follow the laid down procedures in decision-making.

Griffin (2008:15) suggests that organisations need to look at reputation more holistically, considering customer choice as well as the key audience’s opinion in the reputation mix. When managing an issue or a crisis, it is important to note that reputation and customer loyalty can change very quickly. If the issue is poorly handled, the value of reputation lost will be significant.
According to Firdaus (2006a:575), reputation suggests the importance of universities in projecting a professional image. This factor encompasses the location of the campus, hostel facilities and equipment, academic facilities, internal quality of programmes, recreational facilities and even whether a university’s graduates are easily employable. This is also echoed by Kyoshaba (2009:12) who identifies location, ownership, as well as the academic and financial status of an education institution as factors that influence the performance of students. Since the university offers services and not products, the physical facilities of the service provider are what the student would consider; examples of these are the campus outlay, environmental design and reception area (Kotler & Keller, 2009:409).

The employability of graduates is a strong factor when it comes to the perceived service performance of a university. The world university rankings help to boost the image of a university and, consequently, its reputation. The top-tier universities continue to mention the fact that they are highly ranked when recruiting students from all over the world. Highly reputable universities continue to attract numbers of students.

The importance of reputation to a university’s performance cannot be overemphasised. In the study carried out by Petruzzellis and Romanazzi (2010:147), students highlighted reputation as an important factor that they consider when selecting a university to join.

Ford, Joseph and Joseph (1999:180) describe reputation as an important determinant of service quality in higher education. It has also been indicated that ‘the more favourable the students’ perception of the reputation, the higher the students’ loyalty’ (Petruzzellis & Romanazzi, 2010:147). A loyal customer is a satisfied customer and this has a positive effect on the performance of the institution.

The current study asserts that the reputation of a university affects the way students perceive service delivery. It is on this premise that the following hypothesis was formulated:

$H^{1.3}$: There is a relationship between reputation and service delivery at a university.
5.2.5 Access on service delivery

The access factor relates to the availability, approachability, ease of contact and convenience of both the service and information (Firdaus, 2006a:575). Access in general may be an issue of costs, location, infrastructure and availability. One of the major factors of customer satisfaction is access to a product or a service (West, 2013:1). Customers are satisfied when they can easily access a product or service. Organisations have been extending office hours in order to make it easy for customers to access their services. West (2013:1) observes that in the banking industry, for example, ‘banking hours’ are a thing of the past and competition has driven banks now to stay open even during weekends.

Technology continues to play a key role in enabling access to services. A university ought to have a website where it gives information about itself and its contacts, amongst other information. For academic institutions, technology has enabled distance learning, sophisticated learning management systems and availed universities with the opportunity to collaborate with research partners from around the world (Glenn, 2008:4). The same author concludes in his study that, over the next decade, advanced technologies will put education within the reach of many more individuals around the world and will also allow greater specialisation in curriculum and teaching methodologies than ever before. However, Glenn (2008:4) acknowledges that, for this to happen, the university infrastructure and operations must be in place to support the adoption of the necessary technology on campus.

Access to education, generally, in Africa is still a big challenge. In Kenya, in 2002, the President announced free education for primary school going children; this resulted in high enrolment numbers in primary schools. Unfortunately, there was no corresponding capacity increase in secondary school education and, therefore, access to secondary and higher education is still a big problem in Kenya (Kinyanjui, 2007). In 2005, only 4.2% of those who qualified to join university managed to get admission into university. This figure indicates a decline, since the proportion was higher (7.1%) in 1995.

A study by Ngware, Onsomu, Muthaka and Manda (2006:209) highlighted the main determinants to secondary education at household level in Kenya. These included
household income, availability of schools, education of household head and household residence (that is, urban or rural). Secondary education, in Kenya, is not free and neither is university education. Therefore, the same determinants of access to secondary education may also apply to university education. Although students seeking to get into university may apply for an education loan from the Higher Educations Loans Board (HELB), accessing this loan is not guaranteed. The existing number of universities in Kenya is still very low compared to the number of students who qualify every year for university education.

Among the solutions recommended for Kenya, by Kinyanjui (2007:9), are an increase in the number of both public and private universities and the establishment of an Open University in Kenya. Distance education, as a mode of teaching in universities, is also being encouraged. To increase access to university education, the government of Kenya introduced the parallel programme in public universities and opened new campuses across the country. There are currently 22 public universities, as opposed to 7 in 1994, and 19 private universities that have been awarded charter to operate in Kenya (Commission for University Education, 2012). Having multiple delivery points or distribution locations may also increase access to a service or product. Universities in Kenya have opened branches across the country in a bid to reach the students. The steps taken by the government and universities in Kenya have made it easier for a university student in Kenya to access university services.

The other attributes of access, like approachability, ease of contact and convenience are important to a student. University staff members need to make themselves available to students so that there is always an appropriate person to provide any information that the student may require. As much information as is possible should be made available online for easy access by students. In fact, within the scope of quality assurance, it is important that the facilitation of university services, rules, regulations and procedures be available online for students (Nasser et al., 2008:87).

Access is an important aspect of student satisfaction with a university’s service performance. This hypothesis regarding access as an independent variable was formulated for the current study:
There is a relationship between access factor and service delivery at a university.

5.2.6 Programmes offered by a university

The programmes offered by a university are the core product of the university. Three categories of qualities are considered when a consumer evaluates a product; search qualities, experience qualities and credence qualities (Zeithaml et al., 2006:52). Services are generally high in experience and credence qualities and, as such, the consumer relies heavily on price, personnel and physical cues to judge quality (Kotler & Keller, 2009:388). For a university, the search qualities would include the reputation, cost and flexibility of the given programme(s). The experience qualities would include the actual delivery or administration of the programmes. The qualifications of the staff, their ability to communicate well and their general attitude towards students during the delivery of the programme would also be considered. The totality of the whole experience while undertaking the programme would constitute the experience qualities.

According to Firdaus (2006a:575), this factor emphasises the importance of offering wide-ranging and reputable academic programmes or specialisations with a flexible structure and syllabus. Flexibility, in this context, refers to flexibility for students to move within the school of study, flexibility in entry requirements and even allowance for a student to change degree programmes. It is common practice for universities to allow university students to change their courses or even degree programmes in their earlier years of study. Kotler and Keller (2009:408) note that an organisation can achieve differentiation through the sheer range of its service offerings and the success of its cross-selling efforts. For a university, offering a wide range of programmes with different specialisations would achieve the differentiation needed to appeal to many university students.

Programme administration, as an aspect, is one of the most important determinants of service quality (Ford et al., 1999: 180). It is closely related to the academic aspect as it deals with the academic programmes offered. The quality of these programmes form an important attribute and is one of those factors considered by students when
selecting universities (Petruzelli & Romanazzi, 2010:140). The reputation of university programmes and education links are the most important considerations in student decision-making regarding their choice of programme and place of study (Russell, 2005:1).

The way an education programme is administered is very important to a student. The correct organisation of a course has an impact on the student satisfaction of that course and may encourage the student to participate in other courses offered by the same institution (Navarro, Iglesias & Torres, 2005:10). Good course administration has a positive effect when a student is deciding whether to take up other courses in the same university or not. For example, when students are considering doing a postgraduate course, they will consider favourably the university where they undertook their undergraduate degree if their undergraduate experience was positive.

The way in which information regarding the programmes that a university offers is passed to students needs to be done effectively. Students develop satisfaction from familiarising themselves with the rules, procedures and programmes offered (Nasser et al., 2008:87). Getting feedback from students to find out about their impressions of the existing programmes is good for the evaluation of these programmes (Gamage et al., 2008:191).

Having educated and experienced academicians to deliver the programmes effectively is crucial. The number of professors and lecturers with doctoral degrees offering a certain programme speaks volumes about the expertise available for that course; this is especially important, as students would like to be taught by highly educated personnel.

Many universities in Kenya are facing the challenge of recruiting and retaining academic members of staff with the necessary qualifications (Gudo, Olel & Oada, 2011:209). It is therefore imperative that universities allocate resources for staff training and the development of their lecturers in order to ensure a highly educated body of academic staff.

Issues pertaining to programmes offered in a university cannot be ignored if the expectations of students are to be met. The nature of these programmes and the way
in which they are delivered to the students clearly impacts on the overall service performance of any university.

In light of the above, the following hypothesis depicting the relationship between programme issues and service delivery was formulated.

\[ H^{1.5}: \text{There is a relationship between programme issues and service delivery at a university.} \]

### 5.3 Modeled Outcomes of Service Delivery

The current study suggests that the non-academic aspects, academic aspects, reputation, programme issues and access influence service delivery in a university. University students harbour certain expectations, regarding their institutions, against which they evaluate service delivery. This evaluation results in various outcomes, namely, student satisfaction, student loyalty and student retention.

The sections that follow expound on student expectations, student satisfaction, student loyalty and student retention and the hypothesised relationships between them and service delivery.

#### 5.3.1 Student expectations

Students have expectations when they join a university. These expectations may have been formed through word of mouth from other students or staff of the university, past experiences or through advertising by the university. The students use their expectations regarding service delivery in their university as reference points against which they judge university performance (Wilson et al., 2008).

When students compare their service experience during a service encounter against the expected service, they may become disappointed if the experience falls below their expectations, satisfied if their expectations are met or delighted in cases in which the performance exceeds what was expected. Universities need to satisfy or
exceed student expectations in order to delight their students. Kotler and Keller (2009:399) suggest that exceeding customer expectations is possible through adding benefits to the organisation’s service. In a university, for example, management could ensure that scholarships are available for students with good achievements and that the appropriate facilities are also available to the students in order to develop their talents. Such benefits coupled with high standards of service delivery, are likely to delight the students.

After considering the discussion above, the following hypothesis was developed:

$H^{1.6}$: There is a relationship between service delivery and students’ expectations at a university.

In the sections that follow, the outcomes of the students’ comparison of their expectations against the performance of service delivery will be discussed. The outcomes are student satisfaction, student loyalty and student retention.

### 5.3.2 Student satisfaction

Customer satisfaction is defined as the customer’s fulfilment response to a customer experience, or some part thereof (Buttle, 2009:44). Dissatisfaction is the opposite. When the students’ expectations are met, they become satisfied; the converse of this is also true.

Various factors determine whether or not a customer becomes satisfied with a service or product. Hawkins and Mothersbaugh (2010:634-635) list the following as some of the determinants of satisfaction and dissatisfaction:

- core service failure, for example, billing errors;
- service encounter failures where the service employees may be uncaring, impolite, unresponsive, or unknowledgeable;
• pricing where services are highly priced, price increases, unfair pricing practices and/or deceptive pricing;

• inconvenience which includes inconvenient location, few hours of operation, and lengthy waiting time for service or appointments;

• response to service failures, for example, the failure to respond to complaints or reluctance to respond;

• attraction by competitors where the customer becomes attracted to organisations where the service is more personal, more reliable, of a higher quality and better value;

• ethical problems, for example, where there are allegations of dishonest or intimidating behaviour, unsafe or unhealthy practices or conflicts of interest; and

• involuntary switching where the service provider or customer moves or third party payer, such as an insurance company, requires a charge.

Other determinants include waiting time, which has a major impact on evaluations of service. The nature and extent of personal contact with customers in service encounters has critical importance in determining customer satisfaction (Hawkins & Mothersbaugh, 2010:635). However, with developments in technology, most services have reduced encounters with the service personnel and technology has taken over. For example, in the banking industry, the use of ATMs and other online services have reduced the need for personal contact. In many universities, a number of services are delivered online.

These self-service technologies have their own limitations (Meuter, Ostrom, Roundtree & Bitner, 2000). These challenges may be technology failure, service design flaw, process failure, and technology design failure or customer failure. When there are problems with the technology system, such that the customer is not able to get access to the service, then the customer is bound to get frustrated. With universities, quite a number of services are now done online; examples of these are registration and the release of examination results. The mystery of ‘missing marks’
that has been reported in universities in Kenya is one example of the challenges of using technology in service delivery (Wanja, 2013:1).

Student dissatisfaction may lead to various responses including complaining to the relevant office, engaging in negative word of mouth or, as an extreme measure, transferring to a different university altogether (Hawkins & Mothersbaugh, 2010:637). Student satisfaction or dissatisfaction has an impact on student loyalty and it is important for universities to invest in programmes that will enhance student satisfaction. Student satisfaction is a direct antecedent of student loyalty, as evidenced by a study carried out by Eid (2011:89) where it was found that higher levels of customer satisfaction lead to greater customer loyalty.

According to this study, fulfilling the attributes of each of the five dimensions of service performance measurement, as highlighted in the model, would lead to student satisfaction. Archambault (2008:32) observed that there exists a significant relationship between service performance and student satisfaction. Service performance has been found to have a direct impact on customer satisfaction, particularly in high-involvement situations (Patterson, 1993, as quoted in Lapsiri & Speece, 2004:15). This has also been echoed by Buttle (2009:43) who asserts that customer satisfaction has an impact on the profitability of an organization.

The satisfaction-profit chain best demonstrates the relationship between customer satisfaction and the performance of an organisation. Figure 5.1, below, describes the satisfaction-profit chain in the context of a university.
According to the satisfaction-profit chain, students’ satisfaction is ensured through meeting students’ expectations; this leads to loyal students who would, in turn, lead to higher revenues for the university. Higher revenues from loyal students would be realised through enrolling for additional courses and attracting more students by spreading positive word of mouth.

The performance of service delivery at a university affects the level of satisfaction of students. A hypothesis showing this relationship was formulated, as shown below.

$H^{1.7}$. There is a relationship between service delivery and students’ satisfaction at a university.
5.3.3 Student loyalty

As is evident from the discussion on student satisfaction in the previous section, student satisfaction leads to student loyalty. Student loyalty results in the formation of long-term relationships between the university and its students. A long-term relationship between a customer and an organisation generates benefits for both the customer and the organisation (Zeithaml et al., 2006:183-187). The customer enjoys greater value relative to what they would receive from competing firms. Other benefits to the customer include confidence benefits, social benefits and special treatment benefits. Confidence benefits are generated when the customer develops trust in the provider with a sense of reduced anxiety and comfort. Students’ trust in their higher education institution has a positive impact on their commitment and loyalty (Perin, Sampalo, Simoes & Polvora, 2012). Social benefits accrue from the social relationships that may develop between the customer and the service provider over time. Loyal customers may, occasionally, receive discounts or special deals from the provider. In some cases, education institutions may extend a family discount when a sibling enrolls in the same institution.

Organisations also benefit from long-term relationships with customers (Zeithaml et al., 2006:185). Obviously the economic benefits from increased purchases over time, coupled with lower costs (reduced costs of attracting new customers), lead to higher profits for an organisation. In the case of the university, student loyalty would mean that students are committed to completing their studies in the same university and that they are keen to take up other courses offered by the university. This would maintain or increase the student population over time and the result of this would be increased revenue.

Other organisational benefits associated with long-term relationships between customers and organisations include customer behaviour benefits and human resource management benefits. With a university, students who are loyal are likely to spread positive word of mouth. Loyal students are also more likely to engage the university in meaningful dialogue on how to improve service performance. Among other reasons, customer loyalty contributes to employee retention because people like to work for organisations whose customers are happy and loyal (Zeithaml et al.,
Considering the benefits to both the student and the university, it would be prudent for a university to pursue student loyalty.

Organisations make efforts to enhance customer loyalty. In addition to meeting customer expectations, an organisation may develop loyalty programmes that can be effective in generating committed customers (Hawkins & Mothersbaugh, 2010:646). The evaluation of loyalty needs to be done from time to time in order to inform the management of an organisation on the status, so as to make the appropriate decisions.

There are two approaches to evaluating customer loyalty namely behavioural and attitudinal (Buttle, 2009:44). For the behavioural approach, the enrolment numbers per year in a university and the general student population would be good indicators of student loyalty. Measuring or evaluating attitudinal loyalty is possible in a university where regular surveys would be carried out to assess students’ beliefs, feelings and future intentions regarding their university. An indicator of student loyalty is positive word of mouth to friends and acquaintances about their university.

Customer loyalty can be enhanced through increased interactions between the organisation and the customer (Kotler & Keller, 2009:178). When university staff members create time to dialogue, consult and interact effectively with the students, student satisfaction will be enhanced and so would student loyalty. Another way to enhance customer loyalty is by offering the students quality service (Kheng, Mahamad, Ramayah & Mosahab, 2010:62).

Inevitably, meeting students’ expectations on service delivery is the sure way of boosting student satisfaction and loyalty. Following this realisation, the following hypothesis was formulated:

\[ H^{1.8} : \text{There is a relationship between service delivery and students’ loyalty at a university.} \]
5.3.4 Student retention

In light of the discussion of student loyalty, it is clear that student loyalty leads to student retention. Customer retention is the maintenance of continuous trading relationships with customers over the long-term (Buttle, 2009:258). Student retention relates closely to student loyalty. Student retention is the ultimate prize for ensuring student satisfaction through high standards of performance of service delivery. Meeting or exceeding student expectations regarding service delivery leads to student satisfaction, loyalty and, eventually, retention. Some of the benefits of the long-term relationships of a customer and an organisation have already been highlighted earlier in this chapter.

Customer defections are costly and should be discouraged. Early withdrawals from higher education incur significant personal and societal costs (Grebennikov & Shah, 2012:224). There are significant financial penalties for uncertainties for every student not retained. High university student attrition rates have a negative impact on countries with respect to the intellectual capacity of a nation’s human capital, having skilful manpower to meet the changing needs of industries and professions, as well as contributing to the well-being and wealth of society (Scott, Shah, Grebennikov & Singh, 2008:224).

The following reasons were provided by students in an Australian university as essential for withdrawal from a course offered at a university (Grebennikov & Shah, 2012:226):

- course was not what students had expected;
- employment commitments;
- timetable made it difficult to attend classes;
- teaching and learning methods were not motivating;
- staff did not give enough feedback or individual help;
- staff were difficult to access;
• financial difficulties;
• difficulties with enrolments;
• students felt isolated;
• expectations about what to do in assessment were unclear;
• students felt pressured to enrol in a course in which they were not really interested; and
• online delivery was poorly used.

These reasons, highlighted by students, can be used by the university to avoid the withdrawal of students from its programs. Most of the reasons listed above are within the scope of the university to improve upon. Communicating well, and in time, regarding a particular course would successfully counter the ‘the course was not what students had expected’ reason.

It is important for an organisation to evaluate customer retention. Three measures have been suggested by Buttle (2009: 259):

• raw customer retention rate - this is the number of customers doing business with a firm at the end of a trading period, expressed as a percentage of those who were active customers at the beginning of the period,
• sales-adjusted retention rate - this is the value of sales achieved from the retained customers, expressed as a percentage of sales achieved from all customers who were active at the beginning of the period, and
• profit-adjusted retention rate - this is the profit earned from the retained customers, expressed as a percentage of the profit earned from all customers who were active at the beginning of the period.

For the university situation, an evaluation of student satisfaction with service delivery performance and a review of the student drop-out rate would provide an indication of
student retention. Customer retention is encouraged because of the various benefits associated with it. Buttle (2009:261) observes that there is a strong economic argument in favour of customer retention. This argument is supported by the fact that retention has the advantage of increased purchases over time, lower management costs over time and customer referrals with positive word of mouth. Also, the fact that loyal customers are less sensitive to price increases enables an organisation to charge premium prices, hence, increasing revenue. Following this argument, it is clear from existing literature that retained customers are generally more profitable than newly acquired customers.

Universities can adopt the strategies suggested by Buttle (2009:263-277) to ensure student retention. When these strategies are applied to the university context, they would be as outlined below:

- student delight. It would be difficult to build and maintain a long-term relationship with students if their needs and expectations are not understood and met in a satisfactory manner.

- added student-perceived value. Universities can explore ways to create additional value for students without incurring additional costs for the organisation. For example, liaising with donor communities to support those students who are in dire need or those who are high achievers. The students could also be encouraged to join clubs of their interest and be given some freedom to organise their own activities. Another form of this is student recruitment drives, used for customer acquisition. Retention-oriented sales promotions encourage repeat purchases from the customer.

- student bonding through social and formal interaction. The university alumni is a vehicle that could be used to form lasting bonds with university students.

- build student engagements. This happens when the students are convinced that their university is the best and they feel very satisfied. For this to happen, the values of the university are aligned with those of the students. The students have many and varied core beliefs, such as environmental consciousness, honesty, child protection, independence, family centeredness
or religious beliefs. For example, a religion-based university may manage to attract and retain those students that are of the religious affiliation of the university.

The above strategies of student delight, student perceived value, student bonding and building student engagements can be achieved during service delivery. The performance during service delivery would then affect student retention. This argument has led to the following hypothesis:

\[ H^{1.9} \]: There is a relationship between service delivery and student retention at a university.

5.4. SUMMARY

This chapter has explored the theoretical model proposed for the current study. For the purpose of this study, five dimensions of service performance measurement that influence service delivery in a university were identified. These dimensions are non-academic aspects, academic aspects, reputation, access and programme issues - were based on the HEdPERF model.

The chapter also covered the outcomes of the proposed model as obtained from the review of existing literature. The outcomes as indicated in the conceptual model, comprise of student expectation, student satisfaction, student loyalty and student retention. Various hypotheses were developed as a result of the discussion offered in this chapter; these hypotheses suggest the nature of the relationships that may exist between the variables identified.

Chapter Six describes the research methodology adopted in this study. The population of the study and sampling procedures are described in the next chapter. The procedures for data collection and analysis are also outlined in Chapter Six.
CHAPTER SIX  
RESEARCH DESIGN AND METHODOLOGY  

6.1 INTRODUCTION  

The preceding chapters suggested that service performance measurement (academic aspects, non-academic aspects, reputation, programme issues and access) might have an influence on service delivery. The study is set in a university context where the implications of service delivery are projected against student expectations. The conceptual model developed for the study was assessed, empirically, by the current study. This chapter seeks to describe the research methodology adopted in the study.  

Research methodology outlines the steps followed in carrying out a study. The methods or techniques applied are explained and justified in this chapter. An appropriate methodology has been chosen to achieve the primary objectives of this study.  

The chapter begins with a description of the research paradigm and research design adopted by the study. The population of the study is identified and the sampling design is unveiled in this chapter. The research instrument used to collect data for the study is discussed later in the chapter. Focus is placed on the design and structure of the research instrument and its evaluation so as to ensure its validity and reliability.  

The methods used for data sourcing and data analysis are also explained herein.  

6.2 FOCUS OF THE STUDY  

The primary objective of this study, as stated in Chapter One, is to empirically assess the influence of service performance measurement on service delivery. Students are treated as the primary customers of a university and their expectations are considered very important to the service performance of a university.
For the research objectives to be attained, a conceptual model was developed from a review of the existing literature. This conceptual model has five independent variables and three dependent variables. In this conceptual model, non-academic aspects, academic aspects, reputation, access and student programmes are the independent variables that influence service delivery. The dependent variables are student satisfaction, students, loyalty and student retention.

The hypotheses developed in the study state that relationships exist between the independent and dependent variables. These hypotheses were empirically tested in the study and the results are provided in the next chapter.

6.3 RESEARCH PARADIGM

A research paradigm influences the methodological choices made when carrying out a study and it is therefore important that the paradigm which is used is appropriate for good research. Two main paradigms are identified in the world of research the quantitative (positivistic) and qualitative (phenomenological) paradigms (Collis & Hussey, 2003:47). Each of these paradigms is based on distinctive foundations and applies a specific approach to researching the social world (Jupp, 2006:212). Quantitative research emphasises the measurement and analysis of data while the qualitative research is concerned with subjective social issues.

Tronvoll, Brown, Gremler and Edvardsson (2011:568-574) identified four paradigms that are used in service research. These paradigms are: positivist, monologic, dialogic and hermeneutic. The following sections discuss the four paradigms with the intention of justifying the paradigm chosen for the current study.

6.3.1 Positivistic paradigm

According to the positivistic paradigm, only phenomena and therefore knowledge confirmed by senses can genuinely be warranted as knowledge (Jupp, 2006:213). The fact that the positivistic paradigm is associated with objectivity makes it more
popular in research. It has been observed that the positivistic paradigm is the most frequently used paradigm within service research as it is deemed to be objective. Service research has its dominant roots in the positivistic paradigm (Tronvoll et al., 2011:568).

Jupp (2006:213) explains that the positivist approach is based on an epistemological foundation that emphasises the principles of measurement, causality, generalisations and replication. The research methods that are therefore adopted under this paradigm are surveys, questionnaires, structured interviews, experiments, quasi-experiments and the official statistics and content analysis of documents (Jupp, 2006:213).

There are many service research studies that have applied this paradigm. Leading service studies that have used the positivistic paradigm include Rust and Chung (2006) on ‘Marketing models of service and relationships’ and Gupta and Zethaml (2006) in ‘Competing paradigms in qualitative research’.

6.3.2 Monologic paradigm

The Monologic paradigm differs from the positivistic paradigm in that it pays close attention to time in dynamic service processes whereas the positivistic paradigm adopts a static approach (Tronvoll et al., 2011:572). It combines dynamic and a priori approaches as the researcher focuses on contributing to an understanding of processes and captures a temporal dimension to service provision as well as the dynamics of the relationship. A researcher using this paradigm is in a good position to examine complex, people-based concepts that must be studied within a certain time period.

Examples of studies that have used the monologic paradigm are a study by Vargo and Lusch (2008) on ‘Service-dominant logic; a continuing evolution’ and another by Matta and Folkes (2005) on inferences about the brand from counter stereotypical service providers.
The monologic paradigm seems to be the most appropriate method for any service research because it suits the nature of services that is dynamic and process oriented. However, the knowledge of necessary methods to accurately capture the dynamic elements of services is somewhat limited. Tronvoll et al. (2011:572) suggest the use of dynamic simulation and 3D technology to help researchers acquire more knowledge about service processes.

6.3.3 Dialogic paradigm

In the dialogic paradigm, the researcher and participants engage in discussion or dialogue in order to come up with 'more informed and sophisticated reconstructions' (Lincoln & Guba, 2000:170). The researcher and the participants are involved in some form of dialogue where beliefs and experiences are shared and uncertainties as well as certainties are revealed (Becker, Chasin, Chasin, Herzig & Roth, 2003:184).

According to Tronvoll et al. (2011:573) the dialogical paradigm is the most distanced paradigm from the positivistic one, both in the sense of dynamics and the relationship of the research participants. It is similar to the monologic paradigm as it captures the dynamism of services. As noted under the monologic paradigm, the knowledge of methods to properly capture the dynamic processes over time is limited.

Examples of studies in which this paradigm has been applied include a study by Tucker and Edmondson (2003) on ‘why hospitals do not learn from failures’ and another one by Zeithaml, Parasuraman and Malhotra (2002) on ‘Service quality delivery through websites’.

6.3.4 Hermeneutic paradigm

The term ‘hermeneutics’ is a Greek word that stands for ‘interpret’, and it refers to the interpretation and understanding of the proper context of a specific act of communication (Kinoti, 1998:14). ‘Service research is considered hermeneutic if it
assumes knowledge of reality can be gained only through social constructions and [an] open language system that features words and shared meanings’ (Tronvoll et al., 2011:574). In this paradigm, the researcher focuses on an understanding of complexity and diversity in the system at a certain point in time.

A major challenge experienced in this paradigm is that an extensive amount of data needs to be collected from the individual actors; it then needs to be sorted and interpreted in order to reveal the complex patterns of a service process at a given point in time (Tronvoll et al., 2011:574). Advanced computerised programs need to be developed further in order to analyse vast data such as observations, extensive interviews, video based data and narratives.

A leading service research study that has used this paradigm is a study by Huy (2002) on the ‘Emotional balancing of organisational continuity and radical change: the contribution of the middle manager’.

6.3.5 Paradigm adopted for this study

A positivistic paradigm has been adopted for this study. The positivistic paradigm is associated with objectivity and the methods under this paradigm are well developed. Many service research studies have used this approach. The monologic and dialogic paradigms, as indicated, face the challenge of paucity of methods that could capture the dynamic nature of a service process quite well. The hermeneutic paradigm requires advanced computerised programs to cater for the vast amounts of data required for studies of this nature.

6.4 TYPES OF RESEARCH

Research refers to a scientific and systematic search for knowledge and it is aimed at discovering answers to questions through the application of scientific procedures (Kothari, 2004:2). Research may be classified into several types, as revealed by the existing literature. The different types of research are discussed below.
6.4.1 Descriptive versus analytical research

Descriptive research aims to bring out the state of affairs, as they exist at the time of the research; it describes the characteristics of objects, people, groups, organisations or environments (Zikmund, Babin, Carr & Griffin, 2010:55). Furthermore, it is also referred to as ex post facto research in social sciences and business research. This research involves the use of survey methods of all kinds, including comparative and correlational methods (Kothari, 2004:2). In this type of research, the researcher has no control over the variables but only reports on the observations made.

Analytical research uses facts or information already available to conduct a critical evaluation of the material (Kumar, 2008:7).

Descriptive research, for the purposes of this study, is embraced where the survey method is applied to collect data from respondents.

6.4.2 Quantitative versus qualitative research

Quantitative research is usually associated with social surveys and experiments while case studies are associated with qualitative research (Krauss, 2005:759). Quantitative research is also known to deal with numbers and to be deductive in nature. Qualitative research uses words and is inductive in nature.

Both qualitative and quantitative methods may be used to complement each other. Jupp (2006:213) explains that combining elements of quantitative and qualitative research may enhance the validity of the research findings.

For the purpose of this study, the quantitative approach has been applied to empirically assess the primary data collected for the study.
6.4.3 Applied versus fundamental

Applied research is research carried out for the purpose of applying or testing theory and evaluating its usefulness in solving problems (Mugenda & Mugenda, 2003:157). It aims to find a solution to an immediate problem facing a society, an industrial or business organisation. Applied research also includes research to identify social, economic or political trends that may affect a particular institution.

Fundamental, basic research or pure research is concerned with the generation and formulation of a theory, which is ‘gathering knowledge for knowledge's sake’ (Kumar, 2008:7). It aims to add value to an already existing organised body of scientific knowledge (Kothari, 2004:3).

In the current study, applied research is used to evaluate the theoretical model developed for the study. The research aims to determine the influence of service performance measurement on service delivery.

6.4.4 Conceptual versus empirical research

Conceptual research is used by philosophers and thinkers to develop concepts or to reinterpret existing ones (Kothari, 2004:4). It is related to some abstract ideas or theory (Kumar, 2008:8). Empirical research relies on experience or observation alone, often without due regard for system and theory. It is data-based research which draws conclusions that can be verified by experiments or observations.

Empirical research is appropriate when proof is sought that certain variables affect other variables in some way. Evidence gathered through experiments or empirical studies is today considered to be the most powerful support possible for a given hypothesis (Kothari, 2004:4).

For the purposes of this study, both conceptual and empirical research methods have been utilised. The conceptual was applied when developing the theoretical model that forms the basis of the study. The hypotheses generated were empirically tested in order to draw conclusions from the study.
6.4.5 Cross-sectional study versus longitudinal research

In a cross-sectional study, data is collected about the various variables of a sample at a particular point in time, with the aim of establishing relationships between the variables. Longitudinal research collects data about the same sample over a period of time in order to reveal possible relationships through analysing the changes observed during the specific period (Kumar, 2008:10; Cooper & Schindler, 2008:197).

The current study adopts the cross-sectional approach where data was collected in relation to different variables from a sample of university students drawn from selected Kenyan universities. The hypotheses on the nature of relationships between the variables were statistically tested.

6.5 RESEARCH DESIGN

A research design is the framework or plan used as a guide to collect and analyse data (Lacobucci & Churchill, 2010:58). Cooper and Schindler (2008: 140) explain that research design constitutes the blueprint for the collection, measurement, and analysis of data. It therefore acts as a plan that clearly shows the steps followed in a study in order for it to meet its objectives.

The research design of a study may be described using the following basic characteristics (Cooper & Shindler, 2008:142):

- the degree to which the research question has been crystallised - in which case it can either be an exploratory study or a formal study;

- the method of data collection – monitoring or communication study depending on the extent of involvement of the researcher with the respondent. In monitoring, the researcher does not illicit responses from the respondent but in a communication study the researcher asks the respondent questions;
• the powers of the researcher to produce effects in relation to the variables under study - the study may be classified as experimental or ex post facto;

• the purpose of the study - depending on the purpose of the study, it may be classified as reporting, descriptive or causal. These classifications are expounded later in this section of the study;

• the time dimension - the study may be cross-sectional or longitudinal. These two kinds of research were distinguished under types of research earlier in this chapter;

• the topical scope in terms of breadth and depth - a study may be a case study or a statistical study;

• the research environment - the research may be classified in regards to the environment in which it is done. It may therefore be classified under field setting if the case survey method is used, laboratory research where experiments are carried out or simulation in manipulated conditions;

• the participants’ perceptions of the research activity - the research may be ‘actual’ or ‘modified’ routine, since the perceptual awareness of participants may influence the outcomes of the research, as evident in the Hawthorne studies.

No simple classification of a research system can incorporate all the aspects that must be considered in this regard. Three major classifications of research designs are identified by Lacobucci and Churchill (2010:58-59) exploratory, descriptive and causal research. Exploratory design, as the term infers, is carried out to discover or gather information, especially in situations that are ambiguous and/or about which very little is known (Zikmund et al., 2010:54). Cooper and Schindler (2008:145) acknowledge the fact that exploration is particularly useful when the researchers do not have a clear idea of the problems they will encounter during the study. An exploratory study can therefore be appropriate as a preliminary study before the main study is done.

Descriptive research is done in order to ascertain and be able to describe the characteristics of the variables of interest in a situation (Sekaran, 2003:121). It
describes the characteristics of objects, groups, organisations or an environment with the aim of ‘painting a picture’ of a given situation (Zikmund et al., 2010:55).

Causal research aims to identify cause-and-effect relationships (Zikmund et al., 2010:57). The element of causation is important where A ‘produces’ B or A ‘forces’ B to occur (Cooper & Schindler, 2008:153).

The current study is a formalised study that utilises descriptive research. A survey design was used to carry out the study where data was collected from university students in Kenya. The collected data was later subjected to statistical analysis; the interpretation hereof responds to the research questions that the study sought to answer.

Figure 6.1, below, summarises the stages followed in the selection of a sample.
The section that follows discusses the various stages that are highlighted in Figure 6.1 above.

Source: Adapted from Zikmund et al. (2010:391)
6.5.1 Population of the study

The population of a given study refers to the total collection of elements, about which the researcher wish to make some inferences (Cooper & Schindler, 2008:374). It is an entire set of individuals or objects of interest or measurements obtained from all individuals or objects of interest (Lind, Marchal & Wathen, 2010:7).

The target population for the current study is all undergraduate students in the 39 universities in Kenya that had the charter to operate as universities from the Commission for University Education by the end of March 2013. Twenty-two of these universities are public (state-owned) universities while the rest are classified as private universities.

6.5. 2 Sampling design, sampling frame and sample size

Where the population of a study is large, the researcher usually draws a representative sample. A sample is a segment of the population that is selected for investigation (Bryman & Bell, 2007:182). In order to obtain a representative sample, an appropriate sample design must be applied.

Sample design is a definite plan on how to obtain a sample from a given population (Kothari, 2004:58). The sample design incorporates the sample size, which is the number of items to be included in the sample. According to Kothari (2004:58) a good sample design should result in a truly representative sample. The sampling error should also be very small and the plan should be feasible in light of the funds available for the study.

Zikmund et al. (2010:404-405) classify sampling techniques into two broad categories nonprobability and probability sampling. Non-probability sampling methods include convenience sampling, judgement, quota and snowballing. In convenience sampling, the researcher uses the most convenient sample or economical sample units. In judgement sampling, an expert or experienced researcher picks the sample to fulfil a purpose. With quota sampling, the researcher classifies the population by quotas. In snowballing, the researcher identifies the
initial respondents and additional ones are obtained through referrals by the initial respondents.

Probability designs include simple random sampling, systematic random sampling, stratified sampling, cluster and multistage sampling (Zikmund et al., 2010:405). For simple random sampling, the researcher allocates numbers to the elements of the study and then selects sample units by random method. Systematic random sampling is where a random starting point is selected, and then every $K$th member of the population is selected. $K$ is calculated by dividing the population size by the sample size (Lind et al., 2010:262). Cluster sampling is where a population is divided into clusters using naturally occurring or other boundaries and then a sample is drawn randomly from selected clusters.

Stratified random sampling is the process by which the sample is constrained to include elements from each of the segments (Cooper & Schindler, 2008:390). With multistage sampling, progressively smaller areas are selected at each stage by any of the other probability sampling methods (Zikmund et al., 2010:405).

A sampling frame, also referred to as a ‘working population’, is a list of elements from which the sample may be drawn (Zikmund et al., 2010:391). For the purposes of this study, a list of accredited universities in Kenya (as at March, 2013) was obtained from the Commission for University Education. From this list of universities, fifteen universities (ten public and five private universities) were chosen for the study. This was to ensure that students from the two categories of universities in Kenya were represented.

Convenience sampling was then used to pick 750 university undergraduate students from the 15 selected universities in Kenya. At the time of the study, Kenya had a total of 39 universities fully accredited by the Commission for University Education in the country. 22 of these universities are classified as Public universities and the rest as private. A sample 15 out of 39 universities represent 38% of the population of fully accredited universities in Kenya. Fifty questionnaires were distributed in each of the selected universities to ensure an equal chance for each university to be represented. Convenience sampling is a method that is extensively used by researchers and the costs involved are minimal (Zikmund et al., 2010:404). It is
important to note that efforts were made to ensure that the sample was representative of the population under study.

Section 6.5.3, below, describes the profile of respondents that took part in the study.

6.5.3 Demographic profile of respondents

Although 750 questionnaires were distributed to university students in Kenya, only 630 were usable. The others were discarded due to incompleteness. This represents a response rate of 84%.

Table 6.1 shows the demographic profile of the 630 respondents.

**Table 6.1: Demographic profile of respondents**

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Range</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Female</td>
<td>307</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>323</td>
<td>51</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>630</td>
<td>100</td>
</tr>
<tr>
<td>Age group</td>
<td>18-23</td>
<td>496</td>
<td>79</td>
</tr>
<tr>
<td></td>
<td>24-29</td>
<td>109</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>30-35</td>
<td>18</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Over 35</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>630</td>
<td>100</td>
</tr>
<tr>
<td>Attendance mode</td>
<td>Full-time</td>
<td>575</td>
<td>91</td>
</tr>
<tr>
<td></td>
<td>Part-time</td>
<td>55</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>630</td>
<td>100</td>
</tr>
<tr>
<td>Ownership of University</td>
<td>Public</td>
<td>348</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>Private</td>
<td>282</td>
<td>45</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>630</td>
<td>100</td>
</tr>
</tbody>
</table>
### Demographics

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Range</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year of study</td>
<td>First year</td>
<td>204</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>Second year</td>
<td>201</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>Third year</td>
<td>106</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Higher than third year</td>
<td>119</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>630</td>
<td>100</td>
</tr>
<tr>
<td>Student population</td>
<td>Less than 5000</td>
<td>140</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>5001-10000</td>
<td>206</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>10001-15000</td>
<td>131</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>15001-20000</td>
<td>70</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>More than 20000</td>
<td>83</td>
<td>13</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>630</td>
<td>100</td>
</tr>
</tbody>
</table>

The sample was comprised of forty eight per cent (49%) female university students and fifty one per cent (51%) male students. Most of the participants were in the 18-23 year category, representing seventy nine per cent (79%) of the respondents. Seventeen per cent (17%) were drawn from the 24-29 year range, with three per cent (3%) coming from the 30-35 year age group. One per cent (1%) was drawn from those who are over 35 years old in the student community.

The majority of the respondents were full-time students who attend classes during regular working hours. The full-time students that took part in the study constituted ninety one per cent (91%) with part-time students making up nine per cent (9%).

As mentioned, universities in Kenya fall under two categories, public and private universities. The public universities are government sponsored universities while the rest are privately owned. Table 6.1 indicates that fifty five per cent (55%) of the respondents were from public universities and forty five per cent (45%) from privately owned universities.

The Kenyan education system runs an ‘8-4-4’ system of education where students are expected to go through eight years of primary schooling, four years of secondary education and four years at the university to study towards an undergraduate degree.
However, there are a number of undergraduate degree programmes that require a student to undergo more than four years for an undergraduate degree; for example, engineering and medicine. For the purposes of the study, thirty two per cent (32%) of the respondents were in their first year of study; another thirty two (32%) were students in their second year of study, seventeen (17%) from the third year students and nineteen per cent (19%) from the students in their fourth or higher year of study.

Twenty two per cent (22%) of the respondents were drawn from universities with a student population of less than 5000. Thirty three per cent (33%) of the respondents were from universities with a student population ranging from 5001 to 10000. Twenty one per cent (21%) came from universities with a student population of between 10001 and 15000 students. Twenty four per cent of the respondents were drawn from universities with student populations of more than 15000 students.

6.6 DATA COLLECTION METHODS

Data was sourced from secondary and primary sources. These two methods are described below.

6.6.1 Primary data sourcing

Primary data may be collected through communication or observation (Lacobucci & Churchill, 2010:186). Communication involves the use of a questionnaire or survey, be it oral or written. With observation, facts or behaviours are recorded.

For the purposes of this study, communication was employed to collect primary data where written questionnaires were administered. A structured questionnaire was administered to collect the data. The students’ responses were obtained on a seven-point Likert scale which incorporated all the variables. The design and structure of the research instrument is discussed in the next section.
6.6.2 Secondary data sourcing

Secondary data may be classified into internal and external data (Lacobucci & Churchill, 2010:148-149). Internal secondary data is data obtained from within an organisation. A lot of information is normally generated from within an organisation, such as sales and cost data. In the case of a university, student and staff records may form very good sources of data. External secondary data is obtained from outside sources. Sources of external secondary data include books and journals, financial statements published by an organisation and data from government institutions.

For the purposes of this study, both internal and external secondary data sources were used. International journal articles and books with information relevant to the study were the main external sources of secondary data. An extensive literature review was carried out to obtain information regarding service performance measurement, service delivery, customer expectations, customer satisfaction and loyalty. The Commission for University Education website, in Kenya, that has updated information on the ‘status of universities’ in Kenya was also used.

6.7 RESEARCH INSTRUMENT DESIGN

Several research instruments are available for use in social research. Data collection instruments fall under three broad categories; namely, questionnaires, interviews and observation schedules (Seale, 2006:182).

The questionnaire as an instrument has certain advantages over other instruments. For example, questionnaires offer a considerable advantage in administration as they present an even stimulus to a large number of people simultaneously and provide the researcher with a relatively easy accumulation of data (Wellington & Szczerbinski, 2007:96). Also with questionnaires, many variables can be measured without substantially increasing the time and cost (Shutt, 2012:231).

A well-designed questionnaire should meet the research objectives of the study at hand. Brace (2008:7) acknowledges that the role of the questionnaire is to elicit the
information that is required to enable the researcher to answer the objectives of the survey. Questionnaires should also aim to obtain the most accurate responses from the respondents and they should meet the interests of the stakeholders (Brace, 2008:7).

A survey was used to collect information regarding the influence of service performance measurement on service delivery from university undergraduate students. Use of a survey is supported by the fact that survey results can be used to test hypotheses or to add weight to a theory (Wellington & Szczerbinki, 2007:95). Errors in surveys need to be avoided for the survey to yield reliable results. Errors from a survey may result from the way in which the questions are worded, the characteristics of the respondents, the way the questions are presented or even a mismatch between the interviewer and the interviewee (Engel & Shutt, 2010:179).

For the purposes of this study, an 81 item questionnaire was designed with 6 of these items relating to the demographic profile of the respondents.

6.7.1 Service performance measures

In this study, the service performance measures are identified as non-academic aspects, academic aspects, reputation, programme issues and access factor. These measures represent the independent variables of this study.

The items were adapted from Firdaus (2006), as cited by Brochado (2009:188-190), who developed a thirty eight item scale to test the modified HEdPERF model for measuring service quality in higher education. This study used the modified HEdERF model as a basis for the theoretical framework. Additional sources on these dimensions include Seale (2006), Kayastha (2011), Gamage et al. (2008) and Nasser et al. (2008). The breakdown of items per variable is as follows:

- Non Academic Aspects = 7 items (relating to staff members’ adherence to student support programmes, engagement in community service programmes, dealing with enquiries and complaints efficiently and promptly).
• Academic Aspects = 7 items (relating to whether academic staff are highly qualified, allocate sufficient and convenient time for students’ consultation, provide feedback and treat students with respect and courtesy).
• Reputation = 8 items (relating to the university’s professional image, ability to offer good quality programmes and whether their graduates are easily employable).
• Programme issues = 7 items (relating to offering programmes that are valuable, relevant with a wide range of academic activities, with flexible syllabi and structure as well as well-managed research programmes.
• Access factor = 8 items (relating to ease of access for students to contact staff, application and registration, convenience and simplified service delivery procedures and responsiveness to correspondence and personal contacts);

6.7.2 Service delivery and outcomes of the study

The dependent variables of the study consist of service delivery, student expectations, student loyalty and student retention.

• Service Delivery

In this study, service delivery refers to the process in which a service or a product is brought to the customer (Kotler & Keller, 2009:366). These items are based on studies carried out by Rust and Chung (2006), and Janssen and Klievink (2009). There are six items relating to support and qualified staff; moreover, a wide range of services and delivery points are used to measure service delivery. Respondents were asked to indicate whether the universities are ensuring that their employees are rendering the requisite service to customers.

• Student Expectations

For the purpose of the study, the student expectations variable is treated as an outcome of service delivery. Student expectations refer to the beliefs that the students harbor regarding service delivery in regards to their university. The items used to measure this variable were adapted and based on the findings of studies carried out by Hsieh and Yuan (2010:1-19), and Ojasalo (2001:204). Eight items
relating to a safe, clean and conducive learning environment, professional staff, access to career enabling facilities, and the availability of financial resources for students’ tuition was used to measure student expectations.

- **Student Satisfaction**

In this study, student satisfaction may be defined as an individual student’s perceptions of the performance of the service or product in relation to their expectations (Schiffman & Kanuk, 2010:29). The items chosen to measure student satisfaction were based on the following studies: Roberts and Styron (2010:16), Kayastha (2011:18), Smith (2012b:1), and Lusch and Wu (2012:1-12). There are six items relating to career choices offered, service delivery performance and the quality of education and training that were used to measure student satisfaction. Respondents evaluated their levels of satisfaction regarding service delivery on a six item scale linked to a seven-point Likert scale.

- **Student Loyalty**

Student loyalty is concerned with building long-term relationships between the student and the university supplying services (Brandi, 2001:12). Student loyalty leads to the student’s attachment to the university.

A self-developed six-item scale is used to measure student loyalty. The items on this scale were developed based on previous studies by Firdaus (2006a,&b), and Helgesen and Nesset (2007:38-59). Respondents were asked to rate their ‘individual preference, choice to be a patron, and willingness to recommend the university to anyone who seeks study advice irrespective’ on a scale ranging from 1 (strongly disagree) to 7 (strongly agree).

- **Student Retention**

For the purpose of the study, student retention is referred to as an occurrence when the continuous trading relationships of universities develop between students and the universities and the relationship lasts for a long time (Buttle, 2009:258). Student retention is measured with a twelve-item scale linked to a Likert-type scale adapted from a study carried out by Scot et al. (2008:1-23).
The respondents were asked to rate the following aspects on a scale ranging from 1 (strongly disagree) to 7 (strongly agree): ‘responsiveness and quality of academic staff, teaching material, campus facilities, and availability and flexible module schedule’.

6.7.3 Instruments used for the demographic profile of the respondents

In the universities where fieldwork for this study was carried out, individual demographic variables were measured to evaluate their effects on the respondents’ views regarding service delivery. A two to five point response scale is used for all selected variables. Section (B) comprises the students’ biographic information. Six demographic models were requested namely gender, age group, attendance mode, nature of ownership, year of study and student population. The breakdown was as follows:

- **Gender** was a single item measured and scored on a two point scale

Table 6.1 shows that each gender was well represented in the sample with forty-eight per cent (48%) being female university students and fifty one per cent (51%) male students.

- **Age group** was a single item measure scored on a four-point scale

Table 6.1 reveals that the majority of respondents were in the 18-23 years category representing seventy nine per cent (79%) of the respondents followed by the 24-29 year category with seventeen per cent (17%). The 30-35 years age group formed 3% of the sample, with one per cent (1%) coming from those who are over 35 years old in the student community. This distribution of the sample can be explained by the fact that the majority of students attend university straight after high school.

- **Attendance mode** was measured with a two-point scale

The majority of students in Kenya attend university on a full-time basis during the regular semester (91%). The students who attend on a part-time basis form the
minority of the student population and are made up, primarily, of working class individuals who attend university during evenings or weekends (9%).

- **Ownership of University** was tested with a two-point scale

  The study population consisted of 22 (56%) public universities and 17 (44%) private universities. Table 6.1 shows that the sample represented this fact with fifty five per cent (55%) of the respondents drawn from public universities and forty-five per cent (45%) from privately owned universities.

- **Year of study** was measured on a four-point scale:

  Table 6.1 shows that thirty two per cent (32%) of the respondents were drawn from students in their first year of study, thirty two (32%) from students in their second year of study, seventeen (17%) from third year students and nineteen per cent (19%) from students in their fourth or higher years of study.

- **Student population** was tested on a five-point scale

  Table 6.1 shows that seventy six per cent (76) of the respondents were drawn from universities with a population of between 5000 and 15000 students.

### 6.8 Evaluation of the research instrument

The quality of a research study depends, to a large extent, on the accuracy of the data collection procedures followed in the study. Cooper and Schindler (2008:318) identify three major criteria for evaluating a measurement tool, namely reliability, validity and practicality. The section below expounds on these three criteria and explains how this study applies them.

#### 6.8.1 Reliability

Reliability is an indicator of a measure’s internal consistency (Zikmund et al., 2010:305). It refers to the extent to which a research instrument yields consistent results or data after repeated trials (Mugenda & Mugenda 2003:95). Reliability in
research is influenced by random error. Random error is the discrepancy from true measurement due to factors that have not effectively been addressed by the researcher. Random error may be due to the inaccuracy of the instrument, inaccuracy by the researcher or unexplained error. The higher the random error, the lower the reliability will be.

Reliability is a necessary contributor to validity but not a sufficient condition for validity (Cooper & Schindler, 2008:31). If a measurement is not valid, then it hardly matters whether it is reliable because it does not measure what the researcher intended it to measure. Four different methods of assessing reliability are identified in research (Zikmund et al., 2010:306, Mugenda & Mugenda, 2003:95-99):

- **Test-retest technique**, which involves administering the same instrument twice to the same group of subjects. There is usually a time lapse between the first test and a second test. The correlation obtained is referred to as ‘the coefficient of reliability and stability’. If the coefficient is high, the instrument is said to yield data that has high test-retest reliability.

- **Equivalent-form technique** that uses two equivalent instruments. Specific items in each form are different but they are designed to measure the same concept. They are of the same number, structure and level of difficulty. The scores obtained from the two forms of the instrument are correlated and if the correlation coefficient is high, the instrument is said to yield data that has high equivalent-form reliability. This method estimates the stability of data as well as the equivalence of the items in the two forms.

- In the **split-half technique**, an instrument is designed in such a way that there are two parts. Subject scores from one part are correlated with scores from the second part. Data with high split-half reliability will have a high correlation coefficient.

- For the **internal consistency technique**, a score obtained in one item is correlated with scores obtained from other items in the instrument. Cronbach’s alpha coefficient is then computed to determine how the items correlate
among themselves. A high coefficient implies that the items correlate highly among themselves; in other words, there is consistency among the items in measuring the concept of interest.

In the current study, Cronbach’s Alpha coefficients were computed to represent internal consistency. The closer Cronbach’s alpha coefficient is to 1.0 the greater the internal consistency of the items being measured (Gliem & Gliem, 2003:87).

6.8.2 Validity

Validity is the degree to which the results obtained from the analysis of the data actually represent the phenomenon under study (Mugenda & Mugenda, 2003: 99). It is the accuracy of a measure, as observed by Zikmund et al. (2010:307).

Validity can be classified into four major categories, namely face validity, content validity, criterion validity and construct validity (Zikmund et al., 2010:307 & 308; Cooper and Schindler, 2008:318-320, Mugenda & Mugenda, 2003:99-103).

- **Content or face validity** is a measure of the extent to which data collected using a particular instrument represents a specific domain of indicators or content of a particular concept (Mugenda & Mugenda, 2003:99). It involves subjective but systematic evaluation of the content of a scale for the measurement task at hand. To assess this form of validity, professionals or experts in the particular field are engaged.

- **Criterion-related validity** reflects the success of measures used for prediction or estimation (Cooper & Schindler 2006:319). It refers to the use of a measure to assess a subject’s behaviour in specific situations (Mugenda & Mugenda 2003:102). In this sense, the score against a given criteria is considered, and a high score will indicate a high degree of validity.

- **Construct validity** measures the degree to which data obtained from an instrument meaningfully and accurately represents a theoretical concept
If measurements are consistent with theoretical expectations, then the data has construct validity.

Other types of validity include internal and external validity (Mugenda & Mugenda 2003: 103). Internal validity depends on the extent to which variables that are extraneous to the study have been controlled. Where the researcher has controlled major extraneous variables, changes on the dependent variable can accurately be attributed to the independent variables.

External validity is the extent to which the research findings can be generalised to populations and environments outside the experimental setting (Mugenda & Mugenda, 2003:103). Internal and external validity are somewhat inversely related to each other. When the controls over extraneous factors increase, the internal validity also increases but the external validity decreases. This is because the more a research situation is controlled; the more it becomes less generalisable. This means that it is important to keep a balance between internal and external validities.

Validity for this study

Three senior members of faculty subjected the research instrument used in this study to expert evaluation before it was used to collect data. An extensive literature review was also carried out to ensure both construct and criterion validity. Factor loadings were computed to validate the measuring instrument by assessing the construct and convergent validity of predicted factors.

6.8.3 Practicality

‘Practicality is a characteristic of sound measurement concerned with a wide range of factors of economy, convenience, and interpretability’ (Cooper and Schindler, 2008:709). A study ought to be feasible in terms of cost and ease of administration. Usually, a trade-off between the ideal research project and the budget occurs (Cooper & Schindler, 2008:323). When a researcher employs the services of research assistants, it is advisable for the researcher to provide key pieces of
information to ensure correct interpretation. Interpretability becomes an issue when someone else other than the researcher or designer of the instrument is not the one administering it (Cooper & Schindler, 2008: 324).

The questionnaires used in this study were subjected to a pilot study to check on the issues of practicality. The cost, convenience and interpretability were assessed during the pilot study and adjustments made accordingly to ensure the practicality and, hence, the feasibility of this study.

The results of the pilot study are reported in section 6.8.4 that follows.

6.8.4 Pilot study

The most common method of testing the validity of a questionnaire is by conducting a pilot study (Lind et al., 2010:310). A pilot study is a where a research instrument is administered to a small sample before being administered as a full-scale survey. The purpose is to check and deal with any anomalies before the main research survey is carried out.

In this study, a preliminary questionnaire was piloted on 30 undergraduate students. It was noted that the students took between 20 to 30 minutes to complete the questionnaire. This was informative to determine if the survey was feasible in terms of the time and money available for the study, and whether the items were relatively clear to the respondents.

After the pilot study, the draft questionnaire was subjected to expert evaluation that advised on some changes before engaging on a full-scale survey. After the adjustments, the final questionnaire had 75 statements (in Section A) that required the respondents to address.
6.8.5 Administration of the questionnaire

A questionnaire may be administered through several ways. It may be administered through face-to-face interaction, through postal services or the drop and pick method. The electronic mode of administration of questionnaires has also gained popularity. Wellington and Szcezerbinski (2007:97) note that the electronic method can be potentially more efficient and much quicker than the traditional methods.

The data collection for the current study was done in the month of July 2013 using the face–to-face method of data collection. After gaining the necessary authorisation from the university management, questionnaires would be distributed to undergraduate students to complete them as the researcher (or university staff member) waited. This gave the respondents a chance to ask for any clarifications and it increased the chances of getting back the questionnaires. A total of 750 questionnaires were distributed to the students. 120 of them were discarded as they contained parts that had not been completed by the respondents. The questionnaires used for this study were therefore 630 in total, with a response rate of 84%.

6.9 DATA ANALYSIS METHODS

The primary data collected during the survey first underwent editing, coding and tabulating to make it easier to interpret. After the data cleaning, a factor analysis was done to establish construct validation (Harrington, 2008:5).

The Cronbach reliability coefficients were obtained to determine the reliability or internal consistency of the research instrument. The Cronbach alpha coefficient represents the internal consistency of the study and it demonstrates whether the different items converge (Zikmund et al., 2010:306).

Descriptive statistics were also used to obtain the mean scores and percentages that the responses obtained. Descriptive statistics summarised the data into a form that is easily understandable (Zikmund et al., 2010: 413).
A multiple linear regression analysis was done to test the hypotheses. Among the uses of multiple linear regression is the testing and explaining of causal theories (Cooper & Schindler, 2008:547). The results obtained provide information on the statistical significance of the independent variables, the strength of the association between one or more of the predictors and the criterion, as well as a predictive equation for future use (Cooper & Schindler, 2008:573).

A correlation analysis was carried out to determine the degree of association between service delivery and the variables (Panneerselvam, 2004:366). Correlation analysis is the most popular technique for indicating the relationship of one variable to another (Zikmund et al., 2010:559). The correlation coefficients obtained indicate the strength and direction of the relationships (Mugenda & Mugenda, 2003:133).

**6.10 SUMMARY**

This chapter describes the research methodology that was used to carry out the current study. The study adopted a positivistic approach with survey as the research method. A questionnaire was the measuring instrument applied to collect primary data. Secondary data from desk research was also obtained.

The population of the study and sample size were identified in the current chapter. The sampling design was explained and ensured that a representative sample was obtained.

An evaluation of the measuring instrument was done to assess its suitability. Issues of validity and reliability were explained. Pilot testing, to ensure the validity and practicality of the research instrument, was also conducted in the course of this study; this is discussed in this chapter. The results of the pilot study were utilised to improve the questionnaire. The structure of the questionnaire used was also captured in this chapter.

The chapter ends with a description of the data analysis procedures that were employed. The next chapter deals with the analysis of the data and empirical findings of the study.
CHAPTER SEVEN

EMPIRICAL EVALUATION OF THE INFLUENCE OF SERVICE PERFORMANCE MEASUREMENT ON SERVICE DELIVERY: EXPECTATIONS OF UNIVERSITY STUDENTS

7.1. INTRODUCTION

Chapter Six explored the research design and methodology; in that chapter, the steps followed to collect data for the study were explained. This chapter deals with the management of the data collected so as to meet the objectives of the study.

The current chapter begins by highlighting the primary objective of the study before embarking on a discussion of the procedures and methods followed in the analysis of data. The hypotheses from the proposed model of the study are tested and the results are clearly reported in this study.

The chapter ends with the results of the hypotheses testing that give an indication of variables that have great influence on service delivery in universities in Kenya.

7.2. SUMMARY OF THE EMPIRICAL INVESTIGATION OBJECTIVES

The primary objective of this study was to empirically assess the influence of service performance measurement on service delivery with regard to the expectations of university students in Kenya. Specifically, the study sought to apply the HEdPERF model to determine the performance measures that are used to evaluate service delivery in universities. Non-academic aspects, academic aspects, reputation, programme issues and access factors were treated as the independent variables in this study. The influence of these independent variables was measured against service delivery. The dependent variables considered for the study are student expectations, student satisfaction, student loyalty and student retention.

The empirically tested hypotheses are depicted in Figure 7.1 below
Figure 7.1: Theoretical model regarding service delivery

INDEPENDENT VARIABLES

- NON-ACADEMIC ASPECTS
- ACADEMIC ASPECTS
- REPUTATION
- PROGRAMME ISSUES
- ACCESS

DEPENDENT VARIABLES

- STUDENT EXPECTATIONS
- STUDENT SATISFACTION
- STUDENT LOYALTY
- STUDENT RETENTION

Source: Researcher’s own model
Hypotheses were generated based on the purpose of the study. The alternative hypotheses concerning the students’ perceptions are stated below:

H$^{1.1}$: There is a relationship between non-academic aspects and service delivery at a university.

H$^{1.2}$: There is a relationship between academic aspects and service delivery at a university.

H$^{1.3}$: There is a relationship between reputation and service delivery at a university.

H$^{1.4}$: There is a relationship between programme issues and service delivery at a university.

H$^{1.5}$: There is a relationship between access factor and service delivery at a university.

H$^{1.6}$: There is a relationship between service delivery and university students’ expectations at a university.

H$^{1.7}$: There is a relationship between service delivery and students’ satisfaction at a university.

H$^{1.8}$: There is a relationship between service delivery and students’ loyalty at a university.

H$^{1.9}$ There is a relationship between service delivery at the university and students’ retention at a university.

Primary data was collected from university students in Kenya using a questionnaire. This measuring instrument had statements that required the respondent to express their level of agreement on a seven-point Likert scale. The statements were based on the variables shown in Figure 7.1 above.
7.3 DATA ANALYSIS OF RESULTS

The primary data collected during the survey first underwent editing, coding and tabulating to make it easier to interpret. The data captured was then subjected to statistical analysis by use of the STATISTCA computer programme software (version 10). The analysis process was organised into four main stages:

- The Cronbach reliability coefficients were obtained to determine the reliability or internal consistency of the items used in the research instrument. The Cronbach alpha coefficient represents internal consistency and it demonstrates whether the different items converge (Zikmund et al., 2010:306).

- Factor analysis was done in order to assess the construct and convergent validity of the measuring instrument used to collect data (Harrington, 2008:5). The factor loadings were considered in determining the validity of the items.

- Descriptive statistics were also calculated to obtain the mean scores and percentages of the responses obtained. Descriptive statistics summarise the data into a form that is easily understandable (Zikmund et al., 2010: 413).

- Multiple linear regression analysis was done to test the hypotheses. Among the uses of multiple linear regression is its ability to test and explain causal theories (Cooper & Schindler, 2008:547). The results obtained from regression analysis provide information on the statistical significance of the independent variables, the strength of the association between them and one or more of the predictors and the criterion, as well as a predictive equation for future use (Cooper & Schindler, 2008:573).

Correlations analysis was done to indicate the relationships between the variables under study (Zikmund et al., 2010:559). A correlation coefficient that is between -1 and +1, indicate the strength and direction of association between the variables (Mugenda & Mugenda, 2003:133).
Table 7.1, below, shows the abbreviations of the independent and dependent variables of this study as identified in Figure 7.1 above.

Table 7.1: Abbreviations of variables

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>ABBREVIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non - Academic Aspects</td>
<td>NNA</td>
</tr>
<tr>
<td>Academic Aspects</td>
<td>AA</td>
</tr>
<tr>
<td>Reputation</td>
<td>REP</td>
</tr>
<tr>
<td>Program Issues</td>
<td>PI</td>
</tr>
<tr>
<td>Access Factor</td>
<td>AF</td>
</tr>
<tr>
<td>Service Delivery</td>
<td>SD</td>
</tr>
<tr>
<td>Student Expectations</td>
<td>SE</td>
</tr>
<tr>
<td>Student Satisfaction</td>
<td>SS</td>
</tr>
<tr>
<td>Student Loyalty</td>
<td>SL</td>
</tr>
<tr>
<td>Student Retention</td>
<td>SR</td>
</tr>
</tbody>
</table>

7.3.1. Reliability of the measuring instruments

Reliability is an indicator of a measure’s internal consistency among the items used (Zikmund et al., 2010:305). It is a measure to which a research instrument produces consistent results after repeated trials (Mugenda & Mugenda, 2003:95).

Internal consistency

Internal consistency represents the extent to which each indicator of a concept converges on some common meaning (Zikmund et al., 2010:305). The internal consistency amongst items of a measuring instrument can be obtained from taking a score in one item and correlating it with scores from other items in the instrument (Mugenda & Mugenda, 2003:99). Cronbach’s alpha coefficient is then computed to determine how the items correlate among themselves. The alpha coefficient ranges in value from 0 to 1, where 0 means there is no internal consistency and 1 means complete consistency (Zikmund et al., 2010:306). A high coefficient shows that the
items correlate highly among themselves, an indication that there is consistency among the items in measuring the concept of interest.

For the purposes of this study, Cronbach alpha values were computed by subjecting the data collected to a computer programme software (STATISTICA, version 10). Table 7.2 shows the Cronbach alpha values obtained for each of the variables tested in the study.

The results indicated in Table 7:2 show Cronbach’s alpha values that are above 0.8. The value > 0.8 was considered to represent a sufficient standard of reliability in this study. Zikmund et al. (2010:306) explain that measures with Cronbach alpha coefficients that fall within the range 0.80 and 0.95 are considered to have very good reliability. A high coefficient indicates that the items are highly correlated among themselves and it is a sign that there is consistency among the items measuring the concept of interest (Mugenda & Mugenda, 2003:99).

Table 7.2: Cronbach alpha values of measuring instruments: Theoretical model

<table>
<thead>
<tr>
<th>Measuring instrument</th>
<th>Final value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non- Academic Aspects (NNA)</td>
<td>0.84</td>
</tr>
<tr>
<td>Academic Aspects (AA)</td>
<td>0.83</td>
</tr>
<tr>
<td>Reputation (REP)</td>
<td>0.83</td>
</tr>
<tr>
<td>Program Issues (PI)</td>
<td>0.86</td>
</tr>
<tr>
<td>Access Factor (AF)</td>
<td>0.82</td>
</tr>
<tr>
<td>Service Delivery (SD)</td>
<td>0.89</td>
</tr>
<tr>
<td>Students’ Expectations (SE)</td>
<td>0.89</td>
</tr>
<tr>
<td>Students’ Satisfaction (SS)</td>
<td>0.87</td>
</tr>
<tr>
<td>Students’ Loyalty (SL)</td>
<td>0.89</td>
</tr>
<tr>
<td>Student’s Retention (SR)</td>
<td>0.88</td>
</tr>
</tbody>
</table>

Source: Author’s calculations
7.3.2 Validity of the Measuring Instruments

Factor loadings were computed using the Microsoft Excel and STATISTICA (Version 10.0) computer programmes to validate the measuring instrument by assessing the construct of predicted factors.

Construct validity measures the degree to which data obtained from an instrument meaningfully and accurately represents a theoretical concept (Mugenda & Mugenda, 2003:100). If measurements are consistent with theoretical expectations, then the data has construct validity. In assessing construct validity, convergent or discriminant validity may result. These two terms are explained below:

- Convergent validity refers to the degree to which scores on one scale correlate with scores on other scales designed to assess the same construct (Cooper & Schindler, 2008:292). Zikmund et al. (2010:307) reinforces the fact that highly reliable scales contain convergent validity.

- Discriminant validity is the converse of convergent and refers to the degree to which scores on a scale do not correlate with scores from scales designed to measure different constructs (Cooper & Schindler, 2008:292).

For the purposes of this study, the factor loading of 0.5 and above was considered to be statistically significant to confirm convergent and discriminant validity and were thus used for further analysis of the data. In this study, a cut-off point of three (3) items loading in a factor was considered significant.

The results of the first exploratory factor analysis are summarised in Table 7.3 and Table 7.4, below.
7.3.2.1 Perceptions of students towards non-academic aspects, academic aspects, reputation, programme issues and access factor

The first exploratory factor analysis results shown in Table 7.3 reveal that six of the seven items (NNA2, NNA3, NNA4, NNA5, NNA6, NNA7) expected to measure ‘non-academic aspects’ loaded on factor one (1). These six items, as well as one of the seven items (PI7) which were expected to measure ‘programme issues’ (PI) loaded on factor 1 and were regarded as measures of a single construct termed ‘non-academic aspects’. Only one item (NNA1) did not demonstrate sufficient convergent validity and was thus deleted.

Table 7.3 further indicates that five of the seven items, which were expected to measure the variable ‘academic aspects’ (AA2, AA4, AA5, AA6, AA7), loaded on factor two (2). This means that respondents view ‘academic aspects’ as a single construct. Only two items (AA1, AA3) did not demonstrate sufficient convergent validity and were thus deleted.

Table 7.3 also indicates that six of the seven items (PI1, PI2, PI3, PI4, PI5, PI6) which are expected to measure ‘programme issues’ and one of the eight items (REP5) which was expected to measure ‘reputation’ loaded on factor three (3). This means that respondents viewed these items as a single construct termed ‘programme issues’.

Table 7.3 also indicates that five of the eight items that are expected to measure ‘access factor’ (AF2, AF3, AF4, AF6, AF7) loaded onto factor four (4). This means that the respondents view the ‘access factor’ as a single construct. The other three items (AF1, AF5, AF8) expected to measure ‘access factor’ were deleted as they did not load, to any significant extent, on factor four (4).

Table 7.3 further reveals that four of the eight items that are expected to measure ‘reputation’ (REP1, REP2, REP6, REP8) loaded onto factor five (5). This means that respondents view ‘reputation’ as a single construct. Three items that are expected to measure ‘reputation’ (REP3, REP4, REP7), did not load to a significant extent and
this led to the deletion of these items; further, they were not used in subsequent analyses.

### Table 7.3: Factor loadings: Service performance measurements

<table>
<thead>
<tr>
<th>Items</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Factor 3</th>
<th>Factor 4</th>
<th>Factor 5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-Academic Aspects</td>
<td>Academic Aspects</td>
<td>Programme Issues</td>
<td>Access Factor</td>
<td>Reputation</td>
</tr>
<tr>
<td>PI7</td>
<td>0.504488</td>
<td>0.021174</td>
<td>0.271732</td>
<td>0.135535</td>
<td>0.291624</td>
</tr>
<tr>
<td>NNA1</td>
<td>0.433804</td>
<td>0.018933</td>
<td>0.361133</td>
<td>0.279086</td>
<td>0.275247</td>
</tr>
<tr>
<td>NNA2</td>
<td>0.695304</td>
<td>0.070399</td>
<td>0.161222</td>
<td>0.171256</td>
<td>0.052197</td>
</tr>
<tr>
<td>NNA3</td>
<td>0.694838</td>
<td>0.027718</td>
<td>0.168977</td>
<td>0.124673</td>
<td>0.015946</td>
</tr>
<tr>
<td>NNA4</td>
<td>0.768395</td>
<td>0.057894</td>
<td>0.154819</td>
<td>0.030959</td>
<td>0.139060</td>
</tr>
<tr>
<td>NNA5</td>
<td>0.635294</td>
<td>0.248646</td>
<td>0.234439</td>
<td>0.143868</td>
<td>0.094236</td>
</tr>
<tr>
<td>NNA6</td>
<td>0.635875</td>
<td>0.070399</td>
<td>0.200133</td>
<td>0.198737</td>
<td>0.025732</td>
</tr>
<tr>
<td>NNA7</td>
<td>0.695304</td>
<td>0.070399</td>
<td>0.161222</td>
<td>0.171256</td>
<td>0.052197</td>
</tr>
<tr>
<td>AA1</td>
<td>0.020142</td>
<td>0.429551</td>
<td>0.147573</td>
<td>0.089307</td>
<td>0.455733</td>
</tr>
<tr>
<td>AA2</td>
<td>0.156889</td>
<td>0.564552</td>
<td>0.089748</td>
<td>0.225009</td>
<td>0.268610</td>
</tr>
<tr>
<td>AA3</td>
<td>0.141889</td>
<td>0.432682</td>
<td>0.138961</td>
<td>0.488674</td>
<td>0.245128</td>
</tr>
<tr>
<td>AA4</td>
<td>0.088952</td>
<td>0.751113</td>
<td>0.122950</td>
<td>0.021790</td>
<td>0.028017</td>
</tr>
<tr>
<td>AA5</td>
<td>0.183080</td>
<td>0.075440</td>
<td>0.147432</td>
<td>0.109255</td>
<td>0.097603</td>
</tr>
<tr>
<td>AA6</td>
<td>0.075296</td>
<td>0.739978</td>
<td>0.264836</td>
<td>0.040007</td>
<td>0.201131</td>
</tr>
<tr>
<td>AA7</td>
<td>0.098976</td>
<td>0.706182</td>
<td>0.265075</td>
<td>0.077040</td>
<td>0.091957</td>
</tr>
<tr>
<td>PI1</td>
<td>0.060608</td>
<td>0.063778</td>
<td>0.709080</td>
<td>0.058329</td>
<td>0.314565</td>
</tr>
<tr>
<td>PI2</td>
<td>0.117880</td>
<td>0.117756</td>
<td>0.733221</td>
<td>0.022990</td>
<td>0.231858</td>
</tr>
<tr>
<td>PI3</td>
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<td>0.146182</td>
<td>0.715241</td>
<td>0.199120</td>
<td>0.085908</td>
</tr>
<tr>
<td>PI4</td>
<td>0.154366</td>
<td>0.238292</td>
<td>0.728185</td>
<td>0.125821</td>
<td>0.084738</td>
</tr>
<tr>
<td>PI5</td>
<td>0.362830</td>
<td>0.170532</td>
<td>0.634710</td>
<td>0.135338</td>
<td>0.071640</td>
</tr>
<tr>
<td>PI6</td>
<td>0.284379</td>
<td>0.125088</td>
<td>0.682436</td>
<td>0.233744</td>
<td>0.053663</td>
</tr>
<tr>
<td>REP5</td>
<td>0.144964</td>
<td>0.330459</td>
<td>0.539276</td>
<td>0.160825</td>
<td>0.411142</td>
</tr>
<tr>
<td>AF1</td>
<td>0.376914</td>
<td>0.409915</td>
<td>0.285244</td>
<td>0.324381</td>
<td>0.053406</td>
</tr>
<tr>
<td>AF2</td>
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<td>0.064710</td>
<td>0.234246</td>
<td>0.512868</td>
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<tr>
<td>AF3</td>
<td>0.002288</td>
<td>0.139373</td>
<td>0.374739</td>
<td>0.539407</td>
<td>0.065901</td>
</tr>
<tr>
<td>AF4</td>
<td>0.109590</td>
<td>0.020909</td>
<td>0.086137</td>
<td>0.746553</td>
<td>0.193896</td>
</tr>
<tr>
<td>AF5</td>
<td>0.221193</td>
<td>0.239127</td>
<td>0.206709</td>
<td>0.496406</td>
<td>0.287948</td>
</tr>
<tr>
<td>AF6</td>
<td>0.218169</td>
<td>0.060924</td>
<td>0.263456</td>
<td>0.526345</td>
<td>0.201161</td>
</tr>
<tr>
<td>AF7</td>
<td>0.319215</td>
<td>0.134811</td>
<td>0.319126</td>
<td>0.575776</td>
<td>0.079126</td>
</tr>
<tr>
<td>AF8</td>
<td>0.482929</td>
<td>0.189423</td>
<td>0.165714</td>
<td>0.496853</td>
<td>0.014872</td>
</tr>
<tr>
<td>REP1</td>
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<td>0.283908</td>
<td>0.118858</td>
<td>0.668927</td>
</tr>
<tr>
<td>REP2</td>
<td>0.253679</td>
<td>0.230661</td>
<td>0.150653</td>
<td>0.227879</td>
<td>0.621027</td>
</tr>
<tr>
<td>REP6</td>
<td>0.187579</td>
<td>0.277692</td>
<td>0.357873</td>
<td>0.021538</td>
<td>0.506243</td>
</tr>
<tr>
<td>REP8</td>
<td>0.089934</td>
<td>0.102301</td>
<td>0.216442</td>
<td>0.147523</td>
<td>0.607311</td>
</tr>
<tr>
<td>REP3</td>
<td>0.481488</td>
<td>0.226435</td>
<td>0.040344</td>
<td>0.160709</td>
<td>0.395656</td>
</tr>
<tr>
<td>REP4</td>
<td>0.367733</td>
<td>0.282877</td>
<td>0.199583</td>
<td>0.245695</td>
<td>0.326599</td>
</tr>
<tr>
<td>REP7</td>
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<td>0.158238</td>
<td>0.351795</td>
<td>0.002224</td>
<td>0.298029</td>
</tr>
<tr>
<td>Exp. Var</td>
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<td>4.832526</td>
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<td>2.979577</td>
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<tr>
<td>Prp. Totl</td>
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<td>0.107024</td>
<td>0.130609</td>
<td>0.085853</td>
<td>0.080529</td>
</tr>
</tbody>
</table>

Loadings greater than 0.5 were considered statistically significant.
7.3.2.2 Perceptions of Service delivery and outcomes

The results of perceptions of service delivery, student expectations, student loyalty and student retention are discussed below:

- **Service delivery**
  Table 7.4 further reveals that all items expected to measure ‘service delivery’ (SD1 – SD6) loaded onto factor three (3) as expected. These six items as well as two items expected to measure ‘student satisfaction’ (SS3), and ‘student retention’ (SR4) that also loaded on factor 3, were regarded as a measurement of ‘service delivery’.

- **Student loyalty**
  Table 7.4, below, indicates that five of the six items that were expected to measure ‘student loyalty’ (SL1, SL2, SL3, SL4, SL5) and four of the six items (SS1, SS4, SS5, SS6) that were expected to measure ‘student satisfaction’ loaded onto factor one (1). This means that respondents view these items as a single construct termed ‘student loyalty’. Only two items that are expected to measure ‘student loyalty’ and ‘student satisfaction’ (SL6, SS3) did not demonstrate sufficient discriminant validity and these led to the deletion of these items. The deleted items were not used in subsequent analysis.

- **Student expectation**
  Table 7.4 shows that all items expected to measure ‘student expectation’ (SE1–SE8) loaded onto factor two (2) as expected.

- **Student retention**
  According to Table 7.4, the respondents did not perceive ‘student retention’ as a single construct but as a two-dimensional construct. This means that respondents viewed ‘student retention’ as consisting of a dimension related to ‘convenience’ on the one hand and ‘student retention’ related to ‘quality assurance’ on the other. Five (SR6, SR7, SR8, SR10, EB11) of the twelve items that were expected to measure ‘student retention’ loaded onto factor four (4) and these items are termed ‘student retention related to convenience’. Three items (SR1, SR2, SR3) that were expected to measure ‘student retention’ loaded onto factor five (5), and are termed ‘*student retention related*
Three items that are expected to measure ‘student retention’ (SR5, SR9, SR12) did not load to a significant extent and were therefore deleted; they were not used in subsequent analysis.

Table 7.4: Factor loadings: service delivery and outcomes

<table>
<thead>
<tr>
<th>Items</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Factor 3</th>
<th>Factor 4</th>
<th>Factor 5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Loyalty</td>
<td>Expectations</td>
<td>Service Delivery</td>
<td>Retention- Convenience</td>
<td>Retention-Quality Assurance</td>
</tr>
<tr>
<td>SL1</td>
<td>0.693396</td>
<td>0.159723</td>
<td>0.284140</td>
<td>0.271894</td>
<td>0.058241</td>
</tr>
<tr>
<td>SL2</td>
<td>0.790653</td>
<td>0.134319</td>
<td>0.193407</td>
<td>0.088211</td>
<td>0.142722</td>
</tr>
<tr>
<td>SL3</td>
<td>0.760350</td>
<td>0.033892</td>
<td>0.353777</td>
<td>0.146822</td>
<td>0.064975</td>
</tr>
<tr>
<td>SL4</td>
<td>0.833418</td>
<td>0.060790</td>
<td>0.269983</td>
<td>0.143813</td>
<td>0.121226</td>
</tr>
<tr>
<td>SL5</td>
<td>0.762282</td>
<td>0.133151</td>
<td>0.209392</td>
<td>0.175507</td>
<td>0.089571</td>
</tr>
<tr>
<td>SL6</td>
<td>0.352590</td>
<td>0.022556</td>
<td>0.434037</td>
<td>0.305044</td>
<td>-0.123748</td>
</tr>
<tr>
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<td>0.139967</td>
<td>0.234861</td>
<td>0.160182</td>
<td>0.181388</td>
</tr>
<tr>
<td>SS2</td>
<td>0.387763</td>
<td>0.202960</td>
<td>0.460357</td>
<td>0.333741</td>
<td>0.109911</td>
</tr>
<tr>
<td>SS4</td>
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<td>0.195720</td>
<td>0.178037</td>
<td>0.264968</td>
<td>0.110787</td>
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<tr>
<td>SS5</td>
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<tr>
<td>SS6</td>
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<td>0.203231</td>
<td>0.226152</td>
<td>0.075926</td>
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<tr>
<td>SE1</td>
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<td>0.564010</td>
<td>-0.027340</td>
<td>-0.119246</td>
<td>0.326243</td>
</tr>
<tr>
<td>SE2</td>
<td>0.180740</td>
<td>0.629213</td>
<td>0.109241</td>
<td>-0.013302</td>
<td>0.310950</td>
</tr>
<tr>
<td>SE3</td>
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<td>0.811212</td>
<td>0.124971</td>
<td>0.128015</td>
<td>0.106111</td>
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<tr>
<td>SE4</td>
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<td>0.779971</td>
<td>0.059404</td>
<td>0.085029</td>
<td>-0.074073</td>
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<tr>
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<td>0.173813</td>
<td>0.113723</td>
<td>-0.000460</td>
</tr>
<tr>
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<td>0.841667</td>
<td>0.110975</td>
<td>0.108056</td>
<td>-0.008515</td>
</tr>
<tr>
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<td>0.770703</td>
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<tr>
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<td>0.677853</td>
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<td>0.170018</td>
</tr>
<tr>
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<td>0.674976</td>
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</tr>
<tr>
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<td>0.109646</td>
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</tr>
<tr>
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<td>0.736412</td>
<td>0.243627</td>
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</tr>
<tr>
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<td>0.134888</td>
<td>0.768715</td>
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<td>0.024837</td>
</tr>
<tr>
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</tr>
<tr>
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<td>0.151631</td>
<td>0.512174</td>
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<tr>
<td>SS3</td>
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<td>0.100539</td>
<td>0.624288</td>
<td>0.236725</td>
<td>-0.013355</td>
</tr>
<tr>
<td>Items</td>
<td>Factor 1</td>
<td>Factor 2</td>
<td>Factor 3</td>
<td>Factor 4</td>
<td>Factor 5</td>
</tr>
<tr>
<td>-------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td></td>
<td>Loyalty</td>
<td>Expectations</td>
<td>Service</td>
<td>Delivery</td>
<td>Retention-</td>
</tr>
<tr>
<td>SR5</td>
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<td>0.385870</td>
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</tr>
<tr>
<td>SR6</td>
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<td>0.087315</td>
<td>0.378878</td>
<td>0.570836</td>
<td>0.230915</td>
</tr>
<tr>
<td>SR7</td>
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<td>0.173907</td>
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</tr>
<tr>
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<tr>
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<td>0.110227</td>
</tr>
<tr>
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<td>0.379578</td>
<td>0.183736</td>
<td>0.229825</td>
<td>0.623255</td>
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</tr>
<tr>
<td>SR11</td>
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</tr>
<tr>
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<td>0.239209</td>
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<td>0.524914</td>
</tr>
<tr>
<td>SR2</td>
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<td>0.094995</td>
<td>0.297174</td>
<td>0.233757</td>
<td>0.617825</td>
</tr>
<tr>
<td>SR3</td>
<td>0.339981</td>
<td>0.196094</td>
<td>0.264852</td>
<td>0.333278</td>
<td>0.584374</td>
</tr>
<tr>
<td>Expl. Var</td>
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<td>6.085039</td>
<td>3.765820</td>
<td>1.868527</td>
</tr>
<tr>
<td>Prp. Totl</td>
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<td>0.134488</td>
<td>0.160133</td>
<td>0.099101</td>
<td>0.049172</td>
</tr>
</tbody>
</table>

Loadings greater than 0.5 were considered statistically significant.

Table 7.4, above, indicates that respondents perceived student satisfaction (SS) and student loyalty (SL) as a single construct and, as a result, ‘student satisfaction’ (SS) did not load as a separate factor. Student satisfaction therefore was not considered as a variable in the study. It can therefore be concluded that the items that were expected to measure ‘student satisfaction’ are not sufficiently valid for the respondents to interpret as expected, hence, some of these items were interpreted by respondents as measures of ‘student loyalty’.

Furthermore, Table 7.4 shows that as a result of the exploratory factor analysis, the dependent variable ‘student retention’ split into two separate variables, namely: ‘student retention related to convenience’ (SR1)’ and ‘student retention related to quality assurance’ (SR2). Based on these findings, the original hypotheses had to be reformulated and the theoretical model had to be adapted. The hypothesised relationships in this chapter are assessed in a modified theoretical model illustrated in Figure 7.2 below.
In conclusion, the study retains NNA, AA, REP, PI, AF, SD, SE, SL, SR (1), and SR (2), since their Cronbach alphas were above the cut-off point, but deleted SS as it did not load as a separate factor, and was not considered for further analysis.

7.3.2.3 Cronbach alpha values of latent variables in the theoretical model based on the results of factor analysis

As a result of the convergent and discriminant validity assessment with the exploratory factor analysis, one variable was deleted (SS) and two new variables were formed, SR (1) and SR (2). As a result, the original theoretical model had to be adapted. This means that the reliability of the new and adapted variables had to be reassessed.

Table 7.5 summarises the items that are regarded as measures of individual variables in the theoretical model following the exploratory factor analysis. The study retains NNA, AA, REP, PI, AF, SD, SE, SL, SR (1) and SR (2), since their Cronbach alphas were above the cut-off point. Table 7.5 indicates that all variables except student retention related to quality assurance; SR (2) have Cronbach reliability coefficients of between 0.7 and 0.95, which is considered to indicate good reliability (Zikmund et al., 2010:306,). Student retention, SR (2), was also accepted for this study with a Cronbach coefficient of 0.68. Scales with a coefficient alpha that lies between 0.6 and 0.7 are said to have fair reliability (Zikmund et al., 2010:306).

Table 7.5 shows the Cronbach alpha coefficients of the latent variables based on the comprehensive exploratory factor analysis.
Table 7.5: Factor loadings: Cronbach alpha coefficients of the latent variables based on the comprehensive exploratory factor analysis

<table>
<thead>
<tr>
<th>LATENT VARIABLE</th>
<th>ITEMS</th>
<th>A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Academic Aspects (NNA)</td>
<td>NNA2, NNA3, NNA4, NNA5, NNA6, NNA7, PI7</td>
<td>0.84</td>
</tr>
<tr>
<td>Academic Aspects (AA)</td>
<td>AA2, AA4, AA5, AA6, AA7</td>
<td>0.81</td>
</tr>
<tr>
<td>Programme Issues (PI)</td>
<td>PI1, PI2, PI3, PI4, PI5, PI6, REP5</td>
<td>0.87</td>
</tr>
<tr>
<td>Access Factor (AF)</td>
<td>AF2, AF3, AF4, AF6, AF7</td>
<td>0.75</td>
</tr>
<tr>
<td>Reputation (REP)</td>
<td>REP1, REP2, REP6, REP8</td>
<td>0.73</td>
</tr>
<tr>
<td>Service Delivery (SD)</td>
<td>SD1, SD2, SD3, SD4, SD5, SD6, SR4, SS3</td>
<td>0.91</td>
</tr>
<tr>
<td>Student Expectation (SE)</td>
<td>SE1, SE2, SE3, SE4, SE5, SE6, SE7, SE8</td>
<td>0.89</td>
</tr>
<tr>
<td>Student Loyalty (SL)</td>
<td>SL1, SL2, SL3, SL4, SL5, SS1, SS4, SS6</td>
<td>0.92</td>
</tr>
<tr>
<td>Student Retention –Convenience (SR1)</td>
<td>SR6, SR7, SR8, SR10, SR11</td>
<td>0.81</td>
</tr>
<tr>
<td>Student Retention –Quality Assurance (SR2)</td>
<td>SR1, SR2, SR3</td>
<td>0.68</td>
</tr>
</tbody>
</table>

Loadings greater than 0.6 were considered statistically significant.

Following the reliability and validity assessment, five independent variables (non-academic aspects, academic aspects, reputation, programme issues, access factor), one intervening variable (service delivery) and four dependent variables (student expectations, student loyalty, student retention-convenience, student retention-quality assurance) remained in the empirical model.

The latent variables, and the individual items measuring them, are summarised in Table 7.6.
Table 7.6: Empirical factor structure for regression analysis for latent variables

<table>
<thead>
<tr>
<th>LATENT VARIABLE</th>
<th>ITEMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Academic Aspects (NNA)</td>
<td>NNA2, NNA3, NNA4, NNA5, NNA6, NNA7, PI7</td>
</tr>
<tr>
<td>Academic Aspects (AA)</td>
<td>AA2, AA4, AA5, AA6, AA7</td>
</tr>
<tr>
<td>Programme Issues (PI)</td>
<td>PI1, PI2, PI3, PI4, PI5, PI6, REP5</td>
</tr>
<tr>
<td>Access Factor (AF)</td>
<td>AF2, AF3, AF4, AF6, AF7</td>
</tr>
<tr>
<td>Reputation (REP)</td>
<td>REP1, REP2, REP6, REP8</td>
</tr>
<tr>
<td>Service Delivery (SD)</td>
<td>SD1, SD2, SD3, SD4, SD5, SD6, SR4, SS3</td>
</tr>
<tr>
<td>Student Expectation (SE)</td>
<td>SE1, SE2, SE3, SE4, SE5, SE6, SE7, SE8</td>
</tr>
<tr>
<td>Student Loyalty (SL)</td>
<td>SL1, SL2, SL3, SL4, SL5, SS1, SS4, SS6</td>
</tr>
<tr>
<td>Student Retention – Convenience (SR1)</td>
<td>SR6, SR7, SR8, SR10, SR11</td>
</tr>
<tr>
<td>Student Retention –Quality Assurance (SR2)</td>
<td>SR1, SR2, SR3</td>
</tr>
</tbody>
</table>

The empirical factor structure as summarised in Table 7.6 was therefore subjected to a multiple regression analysis using the programme STATISTICA (version 10).

Figure 7.2 below shows the adapted model of students' perceptions regarding service delivery in Kenyan Universities.
Figure 7.2: The adapted model of the perceptions of students regarding service delivery in Kenyan Universities
As a result of the formulation of the adapted model, the tested hypotheses had to be reformulated.

**The Hypotheses subjected to empirical verification (Figure 7.3) were:**

$H^{1.1}$: There is a relationship between non-academic aspects and service delivery at a university.

$H^{1.2}$: There is a relationship between academic aspects and service delivery at a university.

$H^{1.3}$: There is a relationship between the reputation of a university and service delivery at a university.

$H^{1.4}$: There is a relationship between programme issues and service delivery at a university.

$H^{1.5}$: There is a relationship between access factor and service delivery at a university.

**Outcomes:**

$H^{1.6}$: There is a relationship between service delivery and university students’ expectations at a university.

$H^{1.7}$: There is a relationship between service delivery and students’ satisfaction at a university.

$H^{1.9A}$: There is a relationship between service delivery and students’ retention at a university.

$H^{1.9B}$: There is a relationship between service delivery and students’ retention at a university.
Given that student satisfaction (SS) did not load as a factor, hypothesis, H\textsuperscript{1.7} was not tested, as the modified model (Figure 7.3) did not include the SS variable.

In this chapter, the hypothesised relationships are assessed in a modified theoretical model.

Figure 7.3 below shows the hypothesised model of the students’ perceptions of service delivery in Kenyan Universities.
Figure 7.3: The hypothesised model of students’ perceptions of service delivery in Kenyan Universities
7.3.3. Descriptive statistics

Table 7.7 shows the descriptive statistics of each variable that were measured on a seven-point Likert scale. The scales ranged from strongly disagree (1) to strongly agree (7). A response of neither agree nor disagree was indicated by selecting option (4). Scales (1), (2) and (3) show some element of disagreement while scales (5), (6) and (7) have some element of agreement with the statement.

Table 7.7: Descriptive statistics for each variable: general sample response
per category

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>MEAN</th>
<th>STANDARD DEVIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>NNA</td>
<td>4.52</td>
<td>1.404</td>
</tr>
<tr>
<td>AA</td>
<td>4.94</td>
<td>1.267</td>
</tr>
<tr>
<td>REP</td>
<td>5.60</td>
<td>1.174</td>
</tr>
<tr>
<td>PI</td>
<td>5.50</td>
<td>1.182</td>
</tr>
<tr>
<td>AF</td>
<td>4.76</td>
<td>1.413</td>
</tr>
<tr>
<td>SD</td>
<td>4.20</td>
<td>1.506</td>
</tr>
<tr>
<td>SE</td>
<td>5.60</td>
<td>1.216</td>
</tr>
<tr>
<td>SL</td>
<td>5.32</td>
<td>1.500</td>
</tr>
<tr>
<td>SR (1)</td>
<td>4.84</td>
<td>1.410</td>
</tr>
<tr>
<td>SR (2)</td>
<td>5.00</td>
<td>1.400</td>
</tr>
</tbody>
</table>

Table 7.7 indicates that respondents agree that non-academic aspects (NNA) are present in their universities. For example, the students agree that active student unions exist in their universities and well-managed extra curricula activities are also present (NNA, mean = 4.52). Table 7.7 also indicates that the respondents agree that the academic staff at their universities show a positive attitude towards their work and communicate well with the students. Table 7.7 further shows that respondents agree that universities have a good reputation with a professional image and offer good quality training (mean = 5.6). From Table 7.7, it is evident that the respondents agreed that their universities offered valuable programmes within a flexible curricula (PI, mean = 5.5). Table 7.7 also shows that respondents agree with the items of
access factor (AF) where an updated university website is available to the students, and staff respond to their queries (mean = 4.76).

Table 7.7 further reveals that, to some extent, many respondents are satisfied with service delivery in their universities (mean = 4.2). However, the respondents feel that their expectations are met and fulfilled in their institutions. Table 7.7 also shows that the respondents consider themselves loyal patrons to their university and are willing to recommend their university to their friends (mean = 5.32).

Regarding student retention related to convenience (SR (1)), the respondents indicated that they would remain registered students of their universities because of the high quality of social life and career counselling services that are provided in their universities (mean = 4.84). Table 7.7 shows that quality assurance (SR (2)) is considered important to the students and they would thus remain registered students in their universities because there are good quality academic staff and an acceptable lecturer-student ratio (mean = 5.0).

7.4 REGRESSION ANALYSIS

Regression analysis is a statistical tool for evaluating the relationship of one or more independent variables (Kleinbaum, 2007:36). In this study, multiple linear regression was carried out to test the hypotheses. Zikmund et al. (2010:588) observe that multiple regression models are used to test some proposed theoretical model, as is the case of the current study. Cooper and Schindler (2008:547) also explain that multiple linear regression analysis is used to test and explain causal theories.

Regression analysis has some assumptions as noted by Mugenda and Mugenda (2003:137). It assumes that:

- each independent variable is linearly related to the dependent variable;
- observations are independent of each other;
- homogeneity of variance exists; and
• the dependent variable values are normally distributed around the mean at each level of the independent variable.

The results obtained from the regression analysis, provided information on the statistical significance of the variables, and the strength of the association between them (Cooper & Schindler, 2008:573). These results led to the rejection or acceptance of the hypotheses that were tested.

7.4.1 The influence of service performance measurement on service delivery and the impact of service delivery on the outcomes.

This section explores the influence of non-academic aspects, academic aspects, reputation, programme issues and access factors on service delivery, as depicted by results of the regression analysis shown in Table 7.8. The section also outlines the impact of service delivery on student expectations, loyalty and retention from the results shown in Table 7.9.

7.4.1.1 The influence of service performance measurements on service delivery

Table 7.8 indicates that $R^2$ of (0.534) points out that 53% of variability in the model is explained by service delivery. Table 7.8 also shows that non-academic aspects (NNA) exert a positive influence (SP) on service delivery ($b = 0.265, p < 0.000$). This implies that students perceive that their universities offer well-managed research programmes and extra curricula activities. This also implies that staff members are actively engaged in community service and have good knowledge of the university system and procedures in dealing with complaints.

Table 7.8 further reveals that academic aspects (AA) are positively related to service delivery ($b = 0.287, p < 0.000$). This indicates that students perceive of academic staff members as treating students with respect and courtesy. This also implies that members of staff communicate well with students and allocate sufficient and convenient times for student consultation.
The results further indicate that the access factor (AF) is positively related to service delivery ($b = 0.401$, $p < 0.000$). This finding implies that the universities provide updated websites with current information as well as standardised and simple service delivery procedures which are readily available.

Table 7.8 shows that ‘reputation’ ($r = 0.027$, NS) and ‘programme issues’ ($r = 0.040$, NS) do not exert a significant influence on ‘service delivery’.

Table 7.8: Regression analysis: the influence of service performance measurements on service delivery

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Beta $b^*$</th>
<th>Std Error</th>
<th>B</th>
<th>Std Error</th>
<th>T value</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Academic Aspects (NNA)</td>
<td>0.247929</td>
<td>0.035399</td>
<td>0.265762</td>
<td>0.037945</td>
<td>7.00381</td>
<td>0.0000***</td>
</tr>
<tr>
<td>Academic Aspects (AA)</td>
<td>0.241555</td>
<td>0.033050</td>
<td>0.287175</td>
<td>0.039292</td>
<td>7.30879</td>
<td>0.0000***</td>
</tr>
<tr>
<td>Reputation (REP)</td>
<td>0.026502</td>
<td>0.034948</td>
<td>0.033984</td>
<td>0.044815</td>
<td>0.75832</td>
<td>0.448548</td>
</tr>
<tr>
<td>Programme Issues(PI)</td>
<td>0.040222</td>
<td>0.037187</td>
<td>0.051244</td>
<td>0.047377</td>
<td>1.08163</td>
<td>0.279834</td>
</tr>
<tr>
<td>Access</td>
<td>0.376023</td>
<td>0.034382</td>
<td>0.400518</td>
<td>0.036622</td>
<td>10.93654</td>
<td>0.0000***</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>R</th>
<th>$R^2$</th>
<th>F</th>
<th>Std Error of estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>73%</td>
<td>.53429322</td>
<td>143.18</td>
<td>1.0318 p&lt; .00000</td>
</tr>
</tbody>
</table>

*  = $p < 0.05$
** = $p < 0.01$
*** = $p < 0.001$
7.4.1.2 The impact of service delivery on dependent variables

(a) The influence of service delivery on student expectation

Table 7.9, below, indicates that the $R^2$ of (0.122) explains that the 12% variability in the model is explained by student expectation variable. This shows that service delivery (SD) ($b = 0.2830, p < 0.0000$) has a positive relationship with student expectation (SE). This implies that service delivery leads to realised/met student expectations as the university provides students with facilities that can be used to develop individual interests and talent within a safe and clean environment.

As evident in Table 7.9, ‘service delivery’ has a strong influence ($t = 9.37598$) on ‘student expectation’ (SE).

Table 7.9: Regression analysis: the influence of service delivery on student expectations

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Beta b*</th>
<th>Std. Error</th>
<th>B</th>
<th>Std Error</th>
<th>T value</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>SD</td>
<td>0.350419</td>
<td>0.037374</td>
<td>0.283006</td>
<td>0.030184</td>
<td>9.37598</td>
<td>0.0000***</td>
</tr>
</tbody>
</table>

SE: $R^2$  
35% $R^2$ 0.12279358 87.909 1.1400 p<0 .00000

* = p < 0.05  
** = p < 0.01  
*** = p < 0.001

(b) The influence of service delivery on student loyalty

Table 7.10 indicates that service delivery ($b = 0.6418, p < 0.000$) has a positive relationship with student loyalty (SL), it also shows that the $R^2$ of 0.418 indicates that 42% of variability in the model is explained by student loyalty. This implies that service delivery in terms of high responsiveness of staff to students’ needs empowers them to feel confident about their decision to study in their institutions.
This also implies that they always recommend their universities to anyone who seeks university advice. As is evident in Table 7.10, ‘service delivery’ has a strong influence (t = 21.23796) on ‘student loyalty’ (SL).

**Table 7.10: Regression analysis: the influence of service delivery on student loyalty**

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Beta b*</th>
<th>Std. Error</th>
<th>B</th>
<th>Std Error</th>
<th>T value</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>SD</td>
<td>0.646535</td>
<td>0.030442</td>
<td>0.641825</td>
<td>0.030221</td>
<td>21.23796</td>
<td>0.0000***</td>
</tr>
</tbody>
</table>

**SE:**

<table>
<thead>
<tr>
<th>R²</th>
<th>F</th>
<th>Std Error of estimate</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>65%</td>
<td>0.418007</td>
<td>451.05</td>
<td>p&lt;0.0000</td>
</tr>
</tbody>
</table>

* = p < 0.05
** = p < 0.01
*** = p < 0.001

**c) The influence of service delivery on student retention related to convenience**

Table 7.11, shows that the R² of (0.636) explains the 64% of variability in the model, which is explained by student retention related to convenience variable. This shows that service delivery (SD) (b = 0.5954, p < 0.0000) has a positive relationship with student retention related to convenience (SR1). This implies that universities offer academic programs with a variety of courses within a flexible schedule of modules and courses.

In Table 7.11, it is indicated that ‘service delivery’ has a strong influence (t = 20.630) on ‘student retention related to convenience’ (SR1).
Table 7.11: Regression analysis: the influence of service delivery on student retention related to convenience

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Beta b*</th>
<th>Std. Error</th>
<th>B</th>
<th>Std Error</th>
<th>T value</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>SD</td>
<td>0.635573</td>
<td>0.030808</td>
<td>0.595376</td>
<td>0.028859</td>
<td>20.63025</td>
<td>0.0000***</td>
</tr>
</tbody>
</table>

SR(1):R

<table>
<thead>
<tr>
<th>R²</th>
<th>F</th>
<th>Std Error of estimate</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>64%</td>
<td>0.40395252</td>
<td>525.61</td>
<td>1.0900</td>
</tr>
</tbody>
</table>

* = p < 0.05  
** = p < 0.01  
*** = p < 0.001

(d) The influence of service delivery on student retention related to quality assurance

Table 7.12, below, indicates that service delivery (SD) (b = 0.5334, p < 0.000) has a positive relationship with students, in relation to quality assurance (SR2). R² of 0.330 indicates that 33% of variability in the model is explained by student retention-quality assurance (SR2). This implies that universities have good quality academic staff who are able to manage a low drop-out rate and promote an acceptable lecturer/student ratio.

It is clear from Table 7.10 that ‘service delivery’ has a strong influence (t = 17.558) on ‘student retention related to quality assurance’ (SR 2).
Table 7.12: Regression analysis: the influence of service delivery on student retention related to quality assurance

<table>
<thead>
<tr>
<th>Parameter</th>
<th>REGRESSION SUMMARY FOR DEPENDENT VARIABLES: STUDENT RETENTION RELATED TO QUALITY ASSURANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SD</td>
<td>Parameter β*</td>
</tr>
<tr>
<td>SD</td>
<td>0.573829</td>
</tr>
<tr>
<td>SR(2):R</td>
<td>R²</td>
</tr>
<tr>
<td>57%</td>
<td>0.32927950</td>
</tr>
</tbody>
</table>

* = p < 0.05  
** = p < 0.01  
*** = p < 0.001

A t-test may be carried out to determine the statistical significance between a sample distribution mean and a parameter (Zikmund et al., 2010:483). A t-test utilizes a t-distribution; a family of symmetrical bell-shaped distributions with a mean of zero and standard deviation of one whose shape is influenced by the degrees of freedom (Zikmund et al., 2010:518). An independent variable is considered to have a significant impact on a dependent variable when the absolute t-value of the regression coefficient is greater than the absolute critical t-value (Mugenda & Mugenda, 2003:136).

The t-values reported in Tables 7.8 to 7.12 indicate that the higher the t-values, the stronger the impact of the independent variables on ‘service delivery’. Also, the t-value of the intervening variable indicates a strong impact on dependent variables.

It is evident from Table 7.9 that student loyalty has a stronger impact on service delivery with the highest t-value (t = 21.237), followed by a strong impact of service delivery on student retention related to convenience with a high t-value (t = 20.630) in Table 7.11. Equally significant in Table 7.12, is the strong impact of ‘service delivery’ on student retention on quality assurance with a high t-value (t = 17.558), followed by a strong impact of access factor on service delivery with a high t-value (t =10.936), as shown in Table 7.8.
Equally significant, in Table 7.9, is the strong impact of service delivery on student expectations with a high t-value (t = 9.375). Furthermore, Table 7.8 indicates that academic aspects have a strong impact on service delivery with a high t value (t = 7.308). Also, non-academic aspects have a high impact on service delivery with a high t value (t = 7.003), as evident in Table 7.8. It can therefore be concluded that most of the correlations between the latent variables are positive and significant.

7.5 CORRELATION ANALYSIS OF THE HYPOTHESES

Correlation refers to the degree of association between two variables and is represented in terms of correlation coefficients (Panneerselvam, 2004:366). It is the most popular technique for indicating the relationship of one variable to another (Zikmund et al., 2010:559). The correlation coefficients (r) range between -1 and +1 depending on the direction and strength of the relationship between the two variables. The correlation coefficient indicates the strength and direction of association between variables (Mugenda & Mugenda, 2003:133).

The sign of the correlation coefficient provides an indication of the direction of the relationship while the number is an indication of the strength of the relationship (Cooper & Schindler, 2008:510). A negative sign shows that the variables are inversely related.

In this study, correlation coefficients between variables are shown in Table 7.12.
Table 7.13: Analysis of the correlations

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std Dev</th>
<th>NNA</th>
<th>AA</th>
<th>PI</th>
<th>AF</th>
<th>REP</th>
<th>SL</th>
<th>SE</th>
<th>SD</th>
<th>SR(1)</th>
<th>SR(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NNA</td>
<td>4.522</td>
<td>1.405</td>
<td>1.000</td>
<td>0.449</td>
<td>0.562</td>
<td>0.481</td>
<td>0.434</td>
<td>0.542</td>
<td>0.343</td>
<td>0.572</td>
<td>0.629</td>
<td>0.422</td>
</tr>
<tr>
<td>AA</td>
<td>4.941</td>
<td>1.267</td>
<td>0.449</td>
<td>1.000</td>
<td>0.411</td>
<td>0.383</td>
<td>0.484</td>
<td><strong>0.418</strong></td>
<td>0.317</td>
<td>0.527</td>
<td>0.433</td>
<td>0.387</td>
</tr>
<tr>
<td>PI</td>
<td>5.492</td>
<td>1.182</td>
<td>0.562</td>
<td>0.411</td>
<td>1.000</td>
<td>0.535</td>
<td>0.524</td>
<td><strong>0.603</strong></td>
<td>0.380</td>
<td>0.494</td>
<td>0.560</td>
<td>0.447</td>
</tr>
<tr>
<td>AF</td>
<td>4.758</td>
<td>1.414</td>
<td>0.481</td>
<td>0.383</td>
<td>0.535</td>
<td>1.000</td>
<td>0.462</td>
<td><strong>0.538</strong></td>
<td>0.370</td>
<td>0.622</td>
<td>0.522</td>
<td>0.451</td>
</tr>
<tr>
<td>REP</td>
<td>5.593</td>
<td>1.174</td>
<td>0.434</td>
<td>0.484</td>
<td>0.524</td>
<td>0.462</td>
<td>1.000</td>
<td><strong>0.569</strong></td>
<td>0.282</td>
<td>0.446</td>
<td>0.468</td>
<td>0.410</td>
</tr>
<tr>
<td>SL</td>
<td>5.316</td>
<td>1.495</td>
<td>0.542</td>
<td>0.418</td>
<td>0.603</td>
<td>0.538</td>
<td>0.569</td>
<td>1.000</td>
<td>0.364</td>
<td>0.647</td>
<td>0.640</td>
<td>0.548</td>
</tr>
<tr>
<td>SE</td>
<td>5.690</td>
<td>1.216</td>
<td>0.343</td>
<td>0.317</td>
<td>0.380</td>
<td>0.370</td>
<td>0.282</td>
<td>0.364</td>
<td>1.000</td>
<td>0.350</td>
<td>0.386</td>
<td>0.351</td>
</tr>
<tr>
<td>SD</td>
<td>4.203</td>
<td>1.506</td>
<td>0.572</td>
<td>0.527</td>
<td>0.494</td>
<td>0.622</td>
<td>0.446</td>
<td><strong>0.646</strong></td>
<td><strong>0.350</strong></td>
<td>1.000</td>
<td><strong>0.636</strong></td>
<td><strong>0.574</strong></td>
</tr>
<tr>
<td>SR(1)</td>
<td>4.837</td>
<td>1.411</td>
<td>0.629</td>
<td>0.433</td>
<td>0.560</td>
<td>0.522</td>
<td>0.468</td>
<td>0.640</td>
<td>0.386</td>
<td><strong>0.636</strong></td>
<td>1.000</td>
<td>0.561</td>
</tr>
<tr>
<td>SR(2)</td>
<td>4.999</td>
<td>1.400</td>
<td>0.421</td>
<td>0.387</td>
<td>0.447</td>
<td>0.451</td>
<td>0.410</td>
<td>0.548</td>
<td>0.351</td>
<td><strong>0.574</strong></td>
<td>0.561</td>
<td>1.000</td>
</tr>
</tbody>
</table>

According to Table 7.13, above, AF is positively correlated to SD with a coefficient of 0.622; the table further reveals that NNA is positively correlated to SD with a coefficient of 0.572. According to Table 7.13, AA is positively correlated to SD with a coefficient of 0.527 and PI is positively correlated to SD with a coefficient of 0.494. Table 7.13 further indicates that SD is positively correlated to REP with a coefficient of 0.446.

Table 7.13 indicates that SL, SR (1) and SR (2) have a significant positive correlation to SD with coefficients of 0.647 (SL); 0.636 coefficient (SR(1) and 0.574 coefficient (SR(2)) respectively. Table 7.13 further indicates that SD is positively correlated to SE with a coefficient of 0.350.

The Hypotheses subjected to empirical verification (Figure 7.3) were:

(i) **Findings on the first set of hypotheses:**

H¹.¹: There is a relationship between non-academic aspects and service delivery at a university.
Tables 7.8 and 7.13 reported a statistically significant positive relationship between the non-academic aspects and service delivery ($p < 0.000$). This means that there is a significant positive correlation between the non-academic aspects and service delivery, with a correlation coefficient of 0.572. Therefore, $H^{1.1}$ is accepted.

$H^{1.2}$: There is a relationship between academic aspects and service delivery at a university.

Tables 7.8 and 7.13 reported a statistically significant positive relationship between the academic aspects and service delivery ($p < 0.000$). There is therefore a significant positive correlation between the academic aspects and service delivery, with a correlation coefficient of 0.527. $H^{1.2}$ is therefore accepted.

$H^{1.3}$: There is a relationship between reputation and service delivery at a university.

Tables 7.8 and 7.13 indicated that although reputation has a correlation coefficient of 0.446, it is not significantly related to service delivery ($r = 0.026$, NS). This means that there is a weak relationship between the reputation and service delivery. Therefore, $H^{1.3}$ is rejected.

$H^{1.4}$: There is a relationship between programme issues and service delivery at a university.

Tables 7.8 and 7.13 show that ‘programme issues’ are not significantly related to service delivery ($r = 0.04$, NS). This means that there is no significant correlation between programme issues and service delivery, with a correlation coefficient of 0.494. $H^{1.4}$ is therefore rejected.

$H^{1.5}$: There is a relationship between access factor and service delivery at a university.

Tables 7.7 and 7.12 reported a statistically significant positive relationship between the access factor and service delivery ($p < 0.000$). This means that there is a
significant positive correlation between the access factor and service delivery, with a correlation coefficient of 0.621. Therefore, H\textsuperscript{1.5} is accepted.

(ii) **Findings on the second set of hypotheses**

\(H^{1.6}\): There is a relationship between service delivery and student expectations at a university.

Tables 7.9 and 7.13 revealed a statistically significant positive relationship between service delivery and the students’ expectations (\(p < 0.000\)). This means that there is a significant positive correlation between service delivery and students’ expectations, with a correlation coefficient of 0.350. \(H^{1.6}\) is therefore accepted.

\(H^{1.8}\): There is a relationship between service delivery and student loyalty at a university.

Tables 7.10 and 7.13 reported a statistically significant positive relationship between service delivery and student loyalty (\(p < 0.001\)). This means that there is a significant positive correlation between service delivery and student loyalty, with a correlation coefficient of 0.647. Thus, \(H^{1.8}\) is therefore accepted.

\(H^{1.9A}\): There is a relationship between service delivery and student retention related to convenience at a university.

Tables 7.11 and 7.13 indicated a statistically significant positive relationship between service delivery and student retention (1) (\(p < 0.001\)). This means that there is a significant positive correlation between service delivery and student retention related to convenience, with a correlation coefficient of 0.636. Thus, \(H^{1.9A}\) is accepted.

\(H^{1.9B}\): There is a relationship between service delivery and student retention related to quality assurance at the university.

Tables 7.12 and 7.13 revealed a statistically significant positive relationship between service delivery and student retention (2) (\(p < 0.000\)). This means that there is a
significant positive correlation between service delivery and student retention related to quality assurance, with a correlation coefficient of 0.574. H¹.⁹⁸ is therefore accepted.

The summary of the regression analysis results is provided in Figure 7.4.
Figure 7.4: Summary of the regression analysis results

b = 0.265, p < 0.000
r = 0.027, NS
b = 0.287, p < 0.000
r = 0.040, NS
b = 0.401, p < 0.000
b = 0.5334, p < 0.000
b = 0.5954, p < 0.000
b = 0.6418, p < 0.000
7.6 SUMMARY

Chapter seven has examined the elements of the empirical evaluation of influences of service performance measurement on service delivery within universities in Kenya. The chapter started by highlighting the main objective of the study. The procedures followed and methods employed to carry out the empirical assessment were also outlined herein.

The reliability of the measuring instrument was established through computation of the Cronbach alpha coefficients. The validity of the measuring instrument was also established by analysing factor loadings.

The chapter also covered the regression analysis for the determination of statistical significance of variables and for hypotheses testing.

This chapter provides an outline of the main sample’s descriptive results and the main findings of the influences of the service performance measurement on service delivery at universities in Kenya.

Chapter Eight provides a summary of the findings, conclusions and recommendations of the study.
CHAPTER EIGHT

SUMMARY, CONCLUSIONS, MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

8.1 INTRODUCTION

This chapter starts by revisiting the objectives of the study followed by a summary of the chapters already covered. The chapter presents a conclusion regarding the problem statement and attempts to provide answers to the research questions of the study. Recommendations based on the empirical findings of the study are provided in this chapter.

This chapter outlines the managerial implications of the study findings, for university management. It highlights the contributions of the study, its limitations and makes suggestions for future research.

8.2 CONCLUSIONS RELATED TO THE PROBLEM STATEMENT AND RESEARCH QUESTIONS OF THE STUDY

The literature review and empirical results attempted to examine the influence of service performance measurement on service delivery in relation to the expectations of university students in Kenya:

8.2.1 The gap in Kenyan literature with regard to the influence of service performance measurement on service delivery

This study presents a review of literature related to the influence of service performance measurement and service delivery. The literature in this study provides a discussion of service performance measurement and related concepts. The literature on service measurement methodologies was described with a specific focus on those models that relate to universities. From the literature, it is apparent that the HEdPERF model provided appropriate performance measures for service delivery in
universities.

The study evaluated the concept of service delivery and the important role that it plays as a service differentiator in gaining competitive advantage. The literature provided a discussion on the key participants in the service delivery process. The importance of the service encounter, during service delivery, on customer satisfaction was also emphasised. The literature reiterated the fact that organisations ought to embrace customer-focused service delivery. Student-focused service delivery at a university is suggested by the literature presented in this study.

The empirical results of this study led to the conclusion that non-academic aspects, academic aspects and access factors have a strong influence on service delivery at a university.

8.2.2 The gap in Kenyan literature in regards to the impact of service delivery on student expectations in universities in Kenya

The study examined literature on student expectations and student loyalty at universities. The discussion presented in this study revealed that university students expect flexibility, choice in the delivery of education, access to technology and accurate information about their courses (Davies, 2002:110). The discussion from existing literature on student expectations, in this study, supports the position that universities should aim to meet or exceed students’ expectations in order to register student satisfaction and loyalty.

From the empirical results of the study, it can be concluded that changes in service delivery would impact students’ expectations to a significant extent. The empirical results also indicate that the improvement of service delivery would have positive and significant effects on student loyalty. From the results, it can also be concluded that service delivery on items of convenience and quality assurance impacted student retention.
8.2.3 Conclusions on the research questions of this study

Table 8.1 summarises the resolutions to the research questions of the study.

Table 8.1: Conclusions on the research questions of this study

<table>
<thead>
<tr>
<th>RESEARCH QUESTIONS</th>
<th>ATTEMPTS MADE/RESOLUTIONS</th>
</tr>
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<tbody>
<tr>
<td>RQ1: What service performance measures influence service delivery in universities in Kenya?</td>
<td>Non-academic aspects make one of the important measures of service performance measurement in universities. Students view student support, in terms of both financial and social assistance, as important measures of service delivery. Gamage et al. (2008:185) and Nasser et al. (2008:88) support this notion. The academic aspects of the university, are viewed by university students as an important measure of service delivery. The dedication and positive attitude of academic staff towards their work and the assistance they provide towards their students’ academic performance count when evaluating service delivery. Nadiri (2006:125) also supports this notion. The access factor is an important dimension in Kenyan universities. The availability of an updated website and simple service delivery procedures are important attributes that university students consider. It is important that information regarding the facilitation of university services, rules, regulations and simple standardised procedures be available online for students. Nasser et al. (2008:87) support this view. The study established that reputation and ‘programme issues’ are not related to service delivery and therefore do</td>
</tr>
<tr>
<td>RQ2: What are the expectations of university students in Kenya?</td>
<td>The study revealed that students generally expect high standards of service delivery and employees who are professional. Students also expect a safe, clean and conducive learning environment as well as financial support in the form of scholarships. The students expect a favourable learning environment. University students also expect relevant and up-to-date literature and adequate facilities to support their learning. This view is supported by Davies (2002:110) and Dunbar (2010:40).</td>
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</table>
| RQ3: Are students in universities in Kenya satisfied with the service delivery at their universities? | From this study, students perceived student satisfaction the same as being loyal to their universities. This is in agreement with the satisfaction-profit chain that views customer satisfaction as an antecedent of customer loyalty (Buttle 2009:43). This view is also supported by Eid (2011) who observed that higher levels of customer satisfaction led to greater customer loyalty. Students perceived themselves as loyal patrons of their universities, among others, because of the quality of academic programmes and useful career choices offered in their institutions. Thus, fulfilling service performance measurements to improve service delivery would lead to student satisfaction and loyalty. The fact that university students exhibited student loyalty is, to a great extent, evidence enough that university students in Kenya are satisfied. The students agreed that the service delivery of their
university exceeded their expectations. This confirms that student satisfaction is present and borders on student delight. Kotler and Keller (2009:399) support this position.

<table>
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<th>RQ4:</th>
<th>What are the effects of service delivery on student loyalty?</th>
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<td></td>
<td>The empirical results indicate that there exists a significant positive relationship between service delivery at the university and student loyalty. Students in universities in Kenya demonstrated that they are even willing to spread good ‘word of mouth’ to their families and friends. Student loyalty develops after many small encounters with a university during service delivery. This notion is supported by Kotler &amp; Keller (2009:165).</td>
</tr>
<tr>
<td></td>
<td>Customer loyalty can be enhanced through increased interactions with the customer (Kotler &amp; Keller, 2009:178). When the members of staff from the university create time to dialogue, consult and interact freely with students, student satisfaction will be enhanced and so would student loyalty.</td>
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</table>

<table>
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<tr>
<th>RQ5:</th>
<th>How does service delivery impact on student retention?</th>
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<td></td>
<td>The importance of a customer experience during service delivery is what drives those organisations that have a strong service culture to clearly emphasise the customer’s experience (Wilson et al., 2008:289). In this study, empirical results revealed that university student retention assumes two forms: retention related to convenience and retention related to quality assurance. Quality control and convenience during service delivery influenced student retention. For example, the availability of flexible schedules of courses, variety of courses and access to high quality campus facilities as well as a safe housing environment led to student retention. Lovelock and Wright (1999:209) support this notion. In addition, the quality of academic staff and class size influence student retention</td>
</tr>
</tbody>
</table>
RQ6: What is the relationship between service delivery and university students’ expectations?

The findings of this study indicate that there exists a positive and significant relationship between service delivery and the expectations of university students. The current study suggests that students expect universities to provide a conducive learning environment which is safe and clean, with professional, qualified staff and facilities that can enable them to develop their interests and talents. The empirical findings reveal that students also expect high standards of service delivery with regard to the availability of scholarships for good achievers and relevant learning material to support the learning process. Service delivery in universities should be tailored to meet student expectations.

A positive change in service delivery would cause an increase in student expectations, which would then require that the university further improves service delivery. However, care must be taken not to create too high expectations, as it may eventually prove difficult to meet these expectations. The latter may lead to dissatisfaction. It is evident that customer expectations play a major role in the evaluation of service by a customer (Zeithmal & Bitner, 2003:66).
8.3 EMPIRICAL FINDINGS AND MANAGERIAL IMPLICATIONS

The variables indicated in Figure 8.1, below, show that there are five influences on service delivery at the university. These influences are non-academic aspects, academic aspects, reputation, programme issues and access factors. The outcomes of service delivery are: student expectations, student loyalty, student retention related to convenience and student retention relation to quality assurance.

Figure 8.1: Empirical evaluation of the proposed influences and outcomes of service delivery at universities
The influences were adapted from the modified HEdPERF model developed by Firdaus (2006b). These dimensions are explained by Firdaus (2006, in Brochado 2009:177) as follows:

- Non-academic aspects are items that are essential for students to fulfil their study obligations. They relate to the duties carried out by non-academic staff of a university.
- Academic aspects are the responsibilities of the academic staff of a university.
- Reputation refers to the items that suggest the importance of universities.
- Access factors relate to issues such as approachability, ease of contact, availability and convenience.
- Programme issues stress the importance of offering a wide range and reputable programmes within flexible structures.

8.3.1 The empirical findings and implications based on the influence of non-academic aspects on service delivery

The empirical results of the study indicate that there is a significant, positive, relationship between the non-academic aspects and service delivery of a university. The students believe that staff members have good knowledge of the university systems and procedures in dealing with complaints and there are measures in place to safeguard the confidentiality of student information and students’ records in their universities. This confirms the assertions of Firdaus (2006b:43) who identified non-academic aspects as an important dimension for measuring service quality in higher education.

The implication of these empirical results is that the improvement of non-academic aspects would lead to improved service delivery for students in a university. The university management could ensure that students are able to access well managed extracurricular activities such as entertainment and sports, and participate in well-managed research programmes, such as regular research workshops, seminars and conferences. The university management could provide student support in terms of
counselling and employment internships. It is important for university management to ensure that its members of staff are actively involved in community service activities and that they are knowledgeable in university systems and procedures, through timely and proper briefing as well as providing staff training and development. This view is supported by Wilson et al. (2008:282-285) who assert that it is important for an organisation to develop their employees through training them on technical and interactive skills. An organisation can also improve their service delivery by empowering their employees and promoting teamwork among them.

8.3.2 The empirical findings and implications based on the influence of academic aspects on service delivery at a university

The empirical results related to the academic aspects reveal that these have a positive and significant relationship with service delivery. The students perceived academic staff as interested and sincere in solving their problems and communicating well with them. The managerial implication of these results is that the performance of academic staff would positively influence service delivery at a university. These findings are supported by a study carried out by Petruzzellis and Romanazzi (2010:140) in an Italian university.

It is important for universities to ensure that their academic staff members allocate sufficient and convenient time for student consultations. Academic staff members at universities ought to treat students with respect. Moreover, university management should ensure that their staff members are motivated and exhibit a positive attitude towards their work and students.

8.3.3 The empirical findings and implications based on the influence of reputation on service delivery at a university

The empirical results related to reputation and service delivery at the university indicate that the influence of this factor is minimal. The hypothesis testing reveals that the relationship between reputation and service delivery is weak. Although
reputation may be beneficial to an organisation in other ways, this study suggests that its influence on service delivery is very small. Hess Jr (2008:398), however, observed that reputation offers an organisation a 'buffering effect' from the negative consequences of service delivery failures. The university students in Kenya noted that their universities projected a professional image.

The implication of these findings is that universities need to maintain their image and probably reallocate resources to other dimensions that would influence service delivery more positively.

8.3.4 The empirical findings and implications based on the influence of programme issues on service delivery at a university

Programme issues, as explained by Firdaus (2006a:575), deal with the nature of programmes in terms of their flexibility and the variety from which students are able to choose. The findings of this study, in terms of the influence of programme issues on service delivery, indicate that there is no significant relationship between programme issues and service delivery. This finding suggests that programme issues have little influence on service delivery.

The managerial implication is that universities in Kenya need only maintain their investment of time and other resources in programme issues and pay more attention to improving dimensions like the non-academic and academic aspects that would influence service delivery positively.

8.3.5 The empirical findings and implications based on the influence of the access factor on service delivery at the university

The empirical findings, from this study, established a positive and significant relationship between the access factor and service delivery. Students are satisfied with the availability of standardised and simple service delivery procedures. The implication of this, for the management of universities in Kenya, is that improving the access factor so that students access services at a university more easily, would
improve service delivery. The attributes that the university management could pay attention to include: ease of application and registration process for students, and having an updated website with current information about the university. The students at a university need to access their examination results easily and the administrative offices should open at convenient times for students.

Another managerial implication is for universities to embrace cutting edge technology as one way of improving the accessibility of information and services for students. Studies by Glenn (2008) and Davies (2002:110) support this notion.

8.3.6 The empirical findings and implications based on the impact of service delivery on students’ expectations at a university

Student expectations are beliefs about service delivery that serve as standards or reference points against which they judge performance (Wilson et al., 2008:55). Students form service expectations from many sources such as word of mouth, past experiences and advertising (Kotler & Keller, 2009:399).

The empirical results of this study reveal that service delivery has a positive and significant relationship with student expectations. This indicates that students feel that the service delivery of their universities exceeds their expectations. These findings are supported by Davies (2002:110).

The implication of these findings is that students expect to find high standards of service delivery at universities. They expect to be served in a safe and clean learning environment with professional, qualified staff in their universities.

It is the responsibility of university management to ensure that high standards are maintained at a university by providing students with the relevant learning material that supports and promotes the learning process, in order to meet students’ expectations. Students also expect that scholarships are available to deserving and good academic achievers. The university management needs to ensure the availability of facilities that can develop students’ interests and talents, as appropriate to the needs of their universities.
8.3.7 The empirical findings and implications based on the impact of service delivery on student loyalty at a university

Student loyalty is concerned with building long-term relationships between the student and university where the student is registered (Brandi, 2001:12).

The results of the empirical assessment reveal that there is a significant and positive relationship between service delivery and student loyalty. This implies that improving service delivery would increase student loyalty. Students are confident in their choice of university. They also consider themselves to be patrons of their universities and they are prepared to recommend their universities as preferred choices to whoever is in need of tertiary education. Thus, loyal students spread positive ‘word of mouth’ and are willing to enrol for additional courses at a university. Schiffman & Kanuk (2010:30) support this finding. Students are also satisfied with the quality of academic and non-academic programs offered at their universities.

The managerial implication is that as long as the university maintains high standards of service delivery, the students are likely to remain loyal. Customer loyalty is associated with increased profitability as observed in the satisfaction-profit chain referred to earlier in this study. Management should offer study options that allow for useful career choices.

If the universities delight the student, during service encounters at the university, trust and commitment would develop and eventually lead to increased student loyalty and increased profitability. Various researchers support this view, such as Donio et al. (2006:453).

8.3.8 The empirical findings and implications based on the impact of service delivery on student retention related to convenience

Student retention is the maintenance of continuous trading relationships with students over the long term (Buttle, 2009:258). Student defections can be costly and should be discouraged, as observed by Grebennikov and Shah (2012:224) who
noted that early withdrawals from universities lead to significant personal and societal costs.

The empirical findings of the study indicate a positive relationship between service delivery and student retention related to convenience. Students feel that there is a low dropout rate and acceptable lecturer/student ratio that promotes individual attention being given to students; this ensures convenience, for students, and would lead to student retention.

Universities should find strategies that would promote convenience to students and increase student retention so as to avoid cases of student dropout, which would be a great cost to a university. The future lies in providing easy access to the services a university has to offer, because more and more students are going to attend classes online, study part-time, study courses from multiple universities and defect from one university to the other. Evidence shows that online education is making inroads where traditional modes of education have for years dominated the education landscape. Some of the reasons for online education gaining ground, include its flexibility and convenience to students and the advantages of cost effectiveness for both students as customers and universities. Management needs to manage defection and early withdrawals from universities as these problems lead to significant personal and societal costs. Counselling can be offered to students who need coping skills and financial assistance in order to keep students grounded and focused in their studies. Various researchers support this view, such as Scott et al. (2008).

Management should focus on creating a flexible schedule and choice of modules and courses within academic programs offered by an individual university. Universities should also ensure the availability of a variety of courses in academic programmes together with the safety of students’ accommodation environments in order to promote convenience and increase student retention.
8.3.9 The empirical findings and implications based on the impact of service delivery on student retention related to quality assurance

In this study, student retention related to quality assurance refers to those quality assurance attributes that lead to student retention, like good quality facilities and highly qualified members of staff.

The empirical findings show that there exists a significant positive relationship between service delivery and student retention related to quality assurance. It can therefore be concluded that service delivery, in terms of quality assurance, impacts student retention in a positive way. The managerial implication of these findings is that service quality must be ensured for student retention to occur. The quality assurance aspect must be ensured in universities through establishing a quality development process that is focussed on continuous training of academic staff and quality assessors in the universities. Management should focus on improving high quality campus facilities and offer accessible high quality of career counselling services as an individual university. These universities should also promote a good quality of social life in order for them to promote retention.

8.4 RECOMMENDATIONS OF THE STUDY

8.4.1 Service performance measures

This study identified the following dimensions as the appropriate performance measures for service delivery, namely non-academic aspects, academic aspects and the access factor.

- Non-academic aspects

Non-academic aspects refer to the responsibilities of non-academic members of staff. These members of staff include the administrative and support staff. The study recommends that universities must ensure that the staff members who interact with students have good knowledge of university systems and procedures. The universities should also ensure that staff members deal with
enquires or complaints from students efficiently and promptly. The university must find a way of involving their staff members in community service activities such as HIV & Aids awareness days. To achieve this, the university management needs to ensure that their non-academic staff members are motivated and appropriately trained.

The current study further recommends that universities must put well managed research programmes, in which seminars and conferences are held on a regular basis, in place. It is also important for universities to provide well-managed extracurricular activities and support the activities of student unions.

- **Academic aspects**

  Academic aspects refer to the responsibilities of academic staff members of the university. This study observed that academic aspects influence service delivery in a positive manner and to a significant extent. This means that improving academic aspects would lead to improved service delivery. Therefore, the study recommends that universities pay great attention to academic staff in order to ensure that they communicate well with the students and show them respect and courtesy when dealing with them.

  It is also the recommendation of this study that academic staff members of the university allocate sufficient time for student consultation and show sincere interest in solving student problems. The academic staff must also show a positive attitude towards their work and students.

  In order to reap from improved academic aspects which lead to improved levels of service delivery, the management of these universities must realise that the academic staff need to be highly motivated. An example of this motivation could be an appropriate rewards and remunerations programme. Training and development of staff is another way to motivate academic staff.

- **Access factor**

  The access factor refers to the ease with which the staff and services at the university can be accessed by potential or current students. The study findings
indicate that this access factor and service delivery have a positive and significant relationship. It is the recommendation of this study that universities increase access to services for students in order to improve service delivery. The university could accomplish this through making service delivery procedures easy to follow. Application and registration procedures, for example, should be made easier and an updated website should be provided for ease of communication between students and the university administration.

8.4.2 Perceptions of service delivery

Service delivery is the process by which a service or product is brought to the customer (Kotler & Keller, 2009:366). Service delivery is discussed by considering the student as the primary customer of university services. The findings of the study reveal that students are satisfied with the high responsiveness of staff to their demands. Generally, they also feel a wide range of services are delivered satisfactorily in order to meet individual changing needs at their universities. These findings concur with the findings of Sasser, Olsen and Wyckoff (1978, as quoted in Palmer 2005:50).

University management needs to improve the availability of administrative staff and lecturers who maintain error-free records. Moreover, management ought to provide an equitable service to individual students. The university should have many service delivery points for ease of access of services by students. The university needs to manage queues at service delivery points so that the queues are maintained at a minimum or eliminated altogether. University management should also provide sufficient well-trained and qualified members of staff to manage and monitor delivery points in order to assist students efficiently.

On the whole, the service delivery at universities ought to meet or exceed student expectations through the high responsiveness of staff to student demands and needs.
8.4.3 Outcomes of service delivery

The empirical results of the current study show the outcomes of service delivery to be student expectations, student loyalty, student retention related to convenience and student retention related to quality assurance.

- **Student expectations**

  The current study findings indicate that service delivery has a positive and significant relationship with student loyalty. It is the recommendation of this study that university management becomes aware of their students’ expectations in order to tailor their service delivery to these expectations. From this study, it is clear that students expect to find a safe and clean environment at the university. The students also expect that the members of staff are well dressed, neat and professional. It is important for the university to ensure that it has up-to-date literature and learning material to support their learning. Efforts should also be made by university management to offer scholarships to students with good achievements. Unnecessary ‘red tape’ ought to be removed in order to ease the administration procedures of the university. For example, a student should be able to register online for study at a university in Kenya, without having to appear in person to complete the process. It is also important for universities to provide facilities that can be used to develop students’ interests and talents, such as a variety of sports facilities. It is evident from this study that it would benefit a university to maintain high standards of service delivery when serving their students.

- **Student Loyalty**

  The findings of this study indicate that service delivery impacts positively on student loyalty. The study recommends that universities work to improve service delivery in order to improve student loyalty. Increased student loyalty would lead to increased revenues and, as a result, improved profitability (Buttle, 2009:43).

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It is evident from this study that students are loyal to their universities in Kenya as they are willing to recommend their universities to others and would like to remain registered students of their university. What this study recommends to university management is to maintain and/or improve the standards of service delivery to ensure student satisfaction that leads to student loyalty, and avoid generating dissatisfaction amongst students, which may result in disloyalty or defection (Zeithaml & Bitner, 2003:91)

- **Student retention related to convenience**

University students want convenience while accessing services and this study has established that service delivery has a positive and significant relationship with student retention related to convenience. This is in line with the observations made by Lovelock and Wright (1999:209), who assert that customers want to access services at their convenience. Universities need to make it convenient for students to access services and enjoy their experiences while at the university, through providing a good social life. Quality counselling services ought to be provided to students in order to improve student retention. The universities could ensure that high quality campus facilities are provided and that a variety of courses in academic programmes are offered.

- **Student retention related to quality assurance**

It is important for universities to maintain high quality assurance as they deliver their services. From this study, offering quality services leads to student retention. Kheng *et al.* (2010:62) concluded in their study that improvement in service quality enhances customer loyalty and support.

This study recommends that universities ensure good quality academic staff in order to retain students. Maintaining class sizes that are acceptable would also enhance student retention. Low drop-out rates send a good signal to students and universities must therefore make efforts to ensure low drop-out rates at all times. In any case, withdrawal from the university would cost the university heavily (Grebennikov & Shah, 2012:224).
Strategies for convenience and quality assurance

Sharf (2013:1) warns that customers expect more from companies today than ever before, particularly when it comes to offering convenience, thus making the convenience aspect a key part of developing an innovative business strategy. Universities are no exception. University services should be made as easy as possible for students to access. Students’ convenience is the future: more students will attend classes online, study part time, take courses from multiple universities, and defect from one university to the other. Werf & Sabatier (2009:3) support this notion. Evidence shows that online education is making inroads, where traditional mode of education, have for years dominated the education landscape. Some of the reasons for online education gaining ground include its flexibility and convenience to students and the advantage of cost effectiveness to both the students and the university as observed by Christensen and Horn (2013:1) and Werf and Sabatier (2009:3).

Quality assurance can be ensured in universities through establishing a quality development process that is focused on continuous training of academic staff and quality assessors. Kaghed and Dezaye, (2009:71) support this notion. Quality assurance can also be ensured in a university through provision of adequate facilities, for example, library and computer facilities.

8.5 CONTRIBUTION OF THE STUDY

The findings of this study will assist the university management bodies of universities in Kenya, and other developing countries, to focus on the right performance measures that would improve service delivery in these universities. Top management can use the performance measures suggested by this study to develop strategies on how to improve service delivery in their universities. These performance measures are non-academic aspects, academic aspects and the access factor.

Further, from the findings of this study, it is apparent that university management can formulate strategies that would ensure student loyalty and student retention which
are key benefits to the institution, and their improvement would enhance the overall performance of a university.

This study can inform the Government of Kenya through the ‘Commission for University Education’ on how to promote student welfare and performance in universities in Kenya. This study provides a win-win situation where students would gain from improved service delivery and universities would, in turn, gain from the decreased costs and increased revenue gained from student loyalty and retention.

The theoretical model developed in this study can be utilised by other tertiary institutions in Kenya, and in other developing countries, to formulate strategies on how to improve performance in those institutions. Apart from adding to the wider body of knowledge, the model can also be used in other countries to assess the situation of service delivery in their universities. This study will serve as a resource for other studies on service performance measurement, service delivery and education institutions.
8.6 LIMITATIONS OF THE STUDY AND FUTURE RESEARCH

Data collection for this study was done in the month of July 2013. Most universities in Kenya were nearing the end of a semester and examinations were looming. As a result, a number of students did not answer all the questions in the questionnaire, which could have been as a result time pressures. This led to ninety questionnaires being discarded.

The study population constituted thirty-nine universities, that had been accredited by Commission for University Education in Kenya, as at 31st March 2013. This resulted in conducting the study without students who are studying in universities that received their Charter after 31st March 2013.

This study was carried out in Kenya. A similar study could be done in another country and assess whether the theoretical model would hold for the particular country. In addition, a comparison study on the service delivery of public and private universities can be conducted as well as an assessment of applicable performance measures in a comprehensive university with multiple delivery sites.

Similar studies could be conducted in other service organisations from other sectors in order to determine the specific dimensions that influence service delivery in those sectors.
8.7 CONCLUSION

Several conclusions may be drawn from this study.

Universities must embrace performance measurement in order to improve their performance and reach their desired goals. When performance measurement is done properly, it gives an organisation a competitive advantage over others in the same industry. The discussion of business excellence models in the current study also reveals that performance measurement is used by organisations to ensure continuous improvement in the organisation.

As indicated from the present study, the main purpose of performance measures is to improve performance. An organisation must strive to establish appropriate performance indicators or measures in order to achieve correct performance measurement. With regard to service delivery, the empirical results of the current study indicate that non-academic aspects, academic aspects and the access factor are the performance measures that influence service delivery in universities in Kenya to a great extent. Improvements in non-academic aspects, academic aspects and the access factor would therefore lead to improved service delivery at the university.

Service delivery is a service differentiator and is a tool that could be used by universities gain competitive advantage. This study identifies the participants in service delivery at the universities as the non-academic staff, academic staff and the students themselves. The role of the frontline employees who interact directly with the students cannot be overemphasised as far as service delivery to university students is concerned. It is also important for university management to have mechanisms to establish students’ expectations with the intention of meeting them or even exceeding them. The literature reviewed in the study drew a link between Customer satisfaction, customer loyalty and profitability. The satisfaction-profit chain referred to in the study illustrates clearly this link.

This study concludes that improvement in service delivery at a university would lead to higher student expectations, student loyalty, student retention related to convenience and student retention related to quality assurance. It is, therefore,
important for university management to formulate their strategies based on these findings, in order for them to realise improved service delivery. More importantly, university management needs to align service delivery strategies with student expectations. This would ensure student loyalty and student retention, which would impact positively on the profitability and overall performance of the university.

This study provides the top management of universities in Kenya and other developing countries with crucial information for decision-making with regard to service performance measurement and service delivery. Focusing on the right performance measures would improve service delivery in these universities.

This study also informs the Government of Kenya, through the ‘Commission for University Education’, on how to promote student welfare and increased performance in universities in Kenya. The theoretical model developed in this study can also be utilised by other tertiary education institutions in Kenya and other developing countries to formulate strategies on how to improve performance in those institutions.

The study provides a win-win situation where students would gain from improved service delivery and universities would gain from the decreased costs and increased revenue resultant of student loyalty and retention.
LIST OF SOURCES


McQuitty, S., Finn, A. & Wiley, J. 2000. Systematically varying consumer satisfaction


APPENDIX A
04 December 2013

To Whom it May Concern

I herewith confirm that I have edited the dissertation entitled *The Influence of Service Performance Measurement on Service Delivery: Expectations of University Students in Kenya* by Lydia Mtui, for language and editorial errors.

I suggested relevant changes, where I saw fit, using the “Track Changes” function in MSWord; the student could thus either accept or reject my suggestions at her own discretion.

I trust that this is in order.

Kind regards,

Nancy Morkel
MA English (NMU), PGCHET (UEP), BA(Hons) English (UEP), BA-MCC (UEP)
nancy.morkel@nmru.ac.za
NCST/RCD/14/013/1168

Lydia Muthoni Muthia
Nelson Mandela Metropolitan University (NMMU)
SOUTH AFRICA.

RE: RESEARCH AUTHORIZATION

Following your application dated 25th June, 2013 for authority to carry out research on “The influence of service performance measurement on service delivery: Expectations of University students in Kenya,” I am pleased to inform you that you have been authorized to undertake research in Selected Universities for a period ending 31st December, 2013.

You are advised to report to the Vice Chancellors of selected Universities before embarking on the research project.

On completion of the research, you are expected to submit two hard copies and one soft copy in pdf of the research report/thesis to our office.

DR. M. K. RUGUTI, PhD, HSC.
DEPUTY COUNCIL SECRETARY

Copy to:

The Vice Chancellors
Selected Universities.

"The National Council for Science and Technology is Committed to the Promotion of Science and Technology for National Development"
Copies to:
Supervisor: Prof E Mazibuko
Co: Prof M Tait

Summerstrand South
Faculty of Business and Economics Sciences
Tel. +27 (0)41 504 2504 Fax. +27 (0)41 504 2826
lindie@nmmu.ac.za

25 June 2013

Ms L Mboithia

PROJECT PROPOSAL: THE INFLUENCE OF SERVICE PERFORMANCE MEASUREMENT ON SERVICE-EXPECTATIONS OF UNIVERSITY STUDENTS IN KENYA (DCOM: BUSINESS MANAGEMENT)

Please be advised that your final ethics from (REC-H) has been approved by the Faculty RTI and NMMU REC-H committee, in accordance with the NMMU ethics approval policy.

Your ethics number is: H13 BES BMa 020

The approval is given on the condition that the Department of Education (Kenya) will provide an ethics approval letter to the Faculty of Business and Economic Sciences (NMMU).

Kind regards

Dr C Rootman
Faculty of Business and Economic Sciences
APPENDIX D
Date 19th June 2013

Ref:  
Contact person: Prof NE Mazibuko

Dear Participant,

You are being asked to participate in a study of ‘the influence of service performance measurement on service delivery: expectations of university students in Kenya’. The study is expected to highlight the level of service delivery in universities in Kenya and probably bring out areas that need improvement. We will provide you with the necessary information to assist you to understand what would be expected of you as a participant. Please feel free to ask the researcher to clarify anything that is not clear to you, at any stage of the process.

You have the right to query concerns regarding the study at any time. It is important that you are aware that the ethical integrity of the study has been approved by the Research Ethics Committee (Human) of the university. The REC-H consists of a group of independent experts who have the responsibility of ensuring that the rights and welfare of participants in research are protected and that studies are conducted in an ethical manner. Studies involving human subjects, in any capacity, cannot be conducted without REC-H’s approval. Queries with regard to your rights as a participant can be directed to the Research Ethics Committee (Human), Department of Research Capacity Development, PO Box 77000, Nelson Mandela Metropolitan University, Port Elizabeth, 6031.

If no one could assist you, you may write to: The Chairperson of the Research, Technology and Innovation Committee, PO Box 77000, Nelson Mandela Metropolitan University, Port Elizabeth, 6031.

Participation in the research is completely voluntary and you may complete the questionnaire anonymously. Although all data sources will be treated as confidential, the results of the research study may be presented at scientific conferences or specialized publications.

This informed consent statement has been prepared in compliance with current statutory guidelines.

Yours sincerely,

Ms. L. Mbuthia  
RESEARCHER
This questionnaire comprises of two sections. Section A investigates the performance of service delivery as indicated by students on a seven-point Likert scale (1 = strongly disagree, 2 = disagree, 3 = somewhat disagree, 4 = Neither agree nor disagree, 5 = somewhat agree, 6= agree, 7 = strongly agree). Please indicate the extent to which you agree with these statements by means of a tick in the appropriate block. Section B seeks to solicit biographical information from respondents. Please indicate your response to the options provided by placing a tick in the appropriate block.

### SECTION A

<table>
<thead>
<tr>
<th>At my university, academic staff members…</th>
<th>Strongly disagree (1)</th>
<th>Disagree (2)</th>
<th>Neither agree nor disagree (4)</th>
<th>Agree (6)</th>
<th>Strongly agree (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. are highly qualified and experienced in their respective fields.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2. allocate sufficient time and convenient time slots for students’ consultation.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>3. provide timely feedback about my academic performance and progress.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>4. treat students with respect and courtesy.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>5. show sincere interest in solving student problems.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>6. show a positive attitude towards their work and students.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>7. communicate well with students.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

### My university…

<table>
<thead>
<tr>
<th>My university…</th>
<th>Strongly disagree (1)</th>
<th>Disagree (2)</th>
<th>Neither agree nor disagree (4)</th>
<th>Agree (6)</th>
<th>Strongly agree (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. has a professional image in our country.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>9. has adequate academic facilities such as lecture halls, a library, science and computer labs, etc.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>10. has well-managed and adequate recreational facilities such as a student centre, sport fields, gymnasium, etc.</td>
<td>1</td>
<td>2</td>
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<td>4</td>
<td>5</td>
</tr>
<tr>
<td>11. has modern and adequate residential facilities and equipment.</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<td>5</td>
</tr>
<tr>
<td>12. has the ability to offer highly reputable good quality programmes.</td>
<td>1</td>
<td>2</td>
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<td>4</td>
<td>5</td>
</tr>
<tr>
<td>13. offers good quality education.</td>
<td>1</td>
<td>2</td>
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<td>5</td>
</tr>
<tr>
<td>14. makes graduates easily employable.</td>
<td>1</td>
<td>2</td>
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<td>5</td>
</tr>
<tr>
<td>15. has an ideal location with excellent campus lay out</td>
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<td>2</td>
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</tr>
<tr>
<td></td>
<td>Strongly disagree (1)</td>
<td>Disagree (2)</td>
<td>Some-what disagree (3)</td>
<td>Neither agree nor disagree (4)</td>
<td>Some-what agree (5)</td>
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<tr>
<td>16.</td>
<td>ensures that class sizes are kept to a minimum to allow for personal attention.</td>
<td>1</td>
<td>2</td>
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</tr>
<tr>
<td>17.</td>
<td>ranks among the top ten universities in the country.</td>
<td>1</td>
<td>2</td>
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</tr>
<tr>
<td><strong>My university...</strong></td>
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</tr>
<tr>
<td>18.</td>
<td>offers valuable programmes.</td>
<td>1</td>
<td>2</td>
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</tr>
<tr>
<td>19.</td>
<td>offers a wide range of academic programmes with various specializations.</td>
<td>1</td>
<td>2</td>
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</tr>
<tr>
<td>20.</td>
<td>offers academic programmes with flexible syllabi and structure.</td>
<td>1</td>
<td>2</td>
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</tr>
<tr>
<td>21.</td>
<td>offers programmes that are in line with the developmental goals of the country.</td>
<td>1</td>
<td>2</td>
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</tr>
<tr>
<td>22.</td>
<td>revises its academic programmes regularly to reflect the needs of the community it serves.</td>
<td>1</td>
<td>2</td>
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</tr>
<tr>
<td>23.</td>
<td>offers programmes that assist in keeping up with the new and changing trends in the economic system of the country.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>24.</td>
<td>has well-managed research programmes, e.g., holds regular research workshops, seminars and conferences.</td>
<td>1</td>
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<tr>
<td><strong>At my university .....</strong></td>
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<tr>
<td>25.</td>
<td>there are measures in place to safeguard the confidentiality of information and student records.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>26.</td>
<td>well managed extracurricular programmes, such as entertainment and sports, are offered.</td>
<td>2</td>
<td>3</td>
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</tr>
<tr>
<td>27.</td>
<td>staff members are actively engaged in community service programmes, e.g, HIV &amp; Aids, social responsibility, etc.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>28.</td>
<td>student-support programmes like counselling and employment/internships are offered.</td>
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<td>29.</td>
<td>staff members have good knowledge of the university systems and procedures in dealing with complaints.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>30.</td>
<td>staff members deal with any enquiries or complaints efficiently and promptly.</td>
<td>1</td>
<td>2</td>
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</tr>
<tr>
<td>31.</td>
<td>there is an active student union.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>32.</td>
<td>the staff always ensure that they can easily be contacted by telephone.</td>
<td>1</td>
<td>2</td>
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</tr>
<tr>
<td>33.</td>
<td>the opening hours of administrative offices are convenient for me.</td>
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<tr>
<td>34. application to the university and registration are done online.</td>
<td>1</td>
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<tr>
<td>35. students access their examination results online.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>36. the fees paid to access education are within reach of most Kenyans.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>37. there is an updated website which provides current information about the university.</td>
<td>1</td>
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<tr>
<td>38. standardized and simple service delivery procedures are available.</td>
<td>1</td>
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</tr>
<tr>
<td>39. the staff ensures that they respond to students’ e-mails.</td>
<td>1</td>
<td>2</td>
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</tr>
<tr>
<td>40. I recommend this university to friends and acquaintances who seek advice.</td>
<td>1</td>
<td>2</td>
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</tr>
<tr>
<td>41. I am studying towards my degree/diploma from this university because it is the best choice for me.</td>
<td>1</td>
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<tr>
<td>42. If I had to study all over again, I would register and study at this university.</td>
<td>1</td>
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<tr>
<td>43. In comparison to other universities I know, this university is my preferred choice.</td>
<td>1</td>
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<tr>
<td>44. I consider myself to be a loyal patron of this university.</td>
<td>1</td>
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<tr>
<td>45. I would continue to do business with this university even if its tuition fees increased.</td>
<td>1</td>
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</table>

**I will remain a registered student of this university because...**

<p>| | | | | | | | |</p>
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<tbody>
<tr>
<td>46. there is a low drop-out rate.</td>
<td>1</td>
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<tr>
<td>47. it has a low lecturer/student ratio.</td>
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<tr>
<td>48. there are good quality academic staff.</td>
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<tr>
<td>49. there is high responsiveness of staff to students.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>50. there is high standard of quality of teaching materials.</td>
<td>1</td>
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<tr>
<td>51. it has high quality campus facilities</td>
<td>1</td>
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<tr>
<td>52. it has a flexible schedule of courses/modules.</td>
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<td>6</td>
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<tr>
<td>53. the availability of variety of courses in academic programmes offered.</td>
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<td>6</td>
<td>7</td>
</tr>
<tr>
<td>54. effort is made to prepare students for employment.</td>
<td>1</td>
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<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>55. quality of career counselling services.</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>56. good quality of social life.</td>
<td>1</td>
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<td>3</td>
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<td>6</td>
<td>7</td>
</tr>
<tr>
<td>57. availability and safety of housing (residence) environment.</td>
<td>1</td>
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<td>6</td>
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<tr>
<td>I will remain a registered student of this university because...</td>
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<tr>
<td>58. I am quite certain that I made the best decision choosing to study at this institution.</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>59. staff members’ behaviour instills confidence in me.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
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<tr>
<td>60. I am sure that the service delivery of this university exceeds my expectations.</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>61. the study options offered by this institution allow for useful career choices.</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>62. overall, I am very satisfied with the performance of service delivery at this university.</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>63. I am satisfied with the quality of degree/certificate programs offered at my university.</td>
<td>1 2 3 4 5 6 7</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>At my university ...</th>
</tr>
</thead>
<tbody>
<tr>
<td>64. support staff and lecturers maintain error free record keeping.</td>
</tr>
<tr>
<td>65. equitable service is delivered to individual students, as well as to groups of students.</td>
</tr>
<tr>
<td>66. a wide range of services are delivered to meet the changing needs of individuals.</td>
</tr>
<tr>
<td>67. there are many service delivery points to make it easy for students to access the services.</td>
</tr>
<tr>
<td>68. there are minimal queues experienced at service delivery points.</td>
</tr>
<tr>
<td>69. qualified staff are always available at the service delivery points, during normal working hours.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>When I joined this university, I expected to find ....</th>
</tr>
</thead>
<tbody>
<tr>
<td>70. a safe and clean environment</td>
</tr>
<tr>
<td>71. employees to be well-dressed, neat and professional</td>
</tr>
<tr>
<td>72. relevant and up to date literature and learning material to support the learning process</td>
</tr>
<tr>
<td>73. availability of scholarships for students with good achievements</td>
</tr>
<tr>
<td>74. ease of administration related with the curricul</td>
</tr>
<tr>
<td>75. facilities that can be used to develop students interests and talents (e.g. career services, access to internet, etc.)</td>
</tr>
<tr>
<td>76. high standards of service delivery</td>
</tr>
<tr>
<td>77. a beautiful campus, with conducive learning environment.</td>
</tr>
</tbody>
</table>
SECTION B
BIOGRAPHIC INFORMATION

Kindly indicate with a tick in the appropriate block, your answers to the statements given below.

1. **Please indicate your gender**
   - Female 1
   - Male 2

2. **Please indicate your age group (years)**
   - 18 – 23 1
   - 24 – 29 2
   - 30-35 3
   - Over 35 4

3. **Please indicate whether you are a part time or a full time student**
   - Full – time student 1
   - Part – time student 2

4. **Please indicate whether the university is a public university or private university.**
   - Public university 1
   - Private university 2

5. **Please indicate your year of study**

<table>
<thead>
<tr>
<th>First year</th>
<th>Second year</th>
<th>Third year</th>
<th>Higher than 3rd year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

6. **Please indicate the student population (approximately) at your university by March 2013**

   | Less than 5000 | 1 | 5001-10 000 | 2 | 10 001 – 15 000 | 3 | 15001-20 000 | 4 | More than 20 000 | 5 |

THANK YOU FOR YOUR TIME AND COOPERATION