ABSTRACT

Education industry is considered as one of the most dominant industrial sectors in modern economy. As a significant service sector in modern times there is much concern from the part of both academics and practitioners regarding the enhancement of its client satisfaction which in this case is considered as students’ satisfaction. This study is aimed at using Parasuraman’s SERVQUAL model to find out its impact on customer satisfaction in the private universities in Bangladesh. Since understanding service quality factors in higher education sector is still grey, the study has applied methodology triangulation in order to derive clear answers on both what and why questions i.e. the extent of the impact of SERVQUAL model on student’s satisfaction as well as the detail reason of such impact to judge its applicability in private universities of Bangladesh. The findings revealed that all the five factors of SERVQUAL were found to have significant impact on the students’ satisfaction of the private universities in Bangladesh. The qualitative techniques reveal the detail reasons of such impact from Bangladesh perspectives.

Keywords: Bangladesh, Higher Education, Service Quality, Student Satisfaction, Private Universities

INTRODUCTION

In today’s competitive academic environment where students have many options available to them, factors that enable educational institutions to attract and retain students should be seriously studied. Due to growing competition, higher education institutions need to find out new creative ways to attract, retain and build up stronger relationship with their clients i.e. their students to realize competitive advantage in the higher education market. Since, there is a lack of opportunities for the private higher institutions to receive any subsidies or financial assistances from the government, they have to depend more on the interaction and mechanism of the market. As a result, they need to focus more on better education service to their students to attract

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and acquire many new students as possible or so-called their “potential customer” to survive in this intense competition (Teo, 2001).

In modern times, Higher Education Institution (HEI) is considered as a significant industrial sector which is often labeled as education industry. Education is long lasting but the nature is such as it cannot be stored or produced on a large scale, it is intangible, thus the moment it is delivered, it is consumed, and however utilization is up to the customer (Hill, 1995; Herstein & Gamliel, 2006; Ruqi & Adrian, 2009; Houston, 2008). Thus HEI’s have to be concerned about the perception of students about their institution as well as the level of knowledge gained from the amount of income invested by the customers i.e. students (Abdullah, 2006b; Russell, 2005; Sakthivel & Raju, 2006). With increased competition in the sector, responsibility totally lies on HEI to be more translucent to their customers when providing information regarding their quality measurement methods. Due to the availability of the alternatives, institutions are likely to be continuously inspected by the customers until and unless proper evidence is not provided (Koslowski, 2006; Russell, 2005; Hill, 1995).

The management of service quality in higher education institutions (HEI) is becoming challenging these days, since fulfilling the customer requirement and maintaining a prominent position in the industry is not easy. Students are becoming aware of the significance of money and they want full return with respect to the outcome. Service quality according to the literature has been considered to be the ultimate competitive edge, thus the performance of the institution are attached to the service provided to the students (Smith, et al., 2007; Hill, 1995). Therefore effectual systems have been operated in the institution in order to cope with the performance related issues of the students (Mizikaci, 2006; Snipes, et al., 2006). That is the reason that quality service has connections with the administration as well as teaching and research conducted in the institution. Hence defining Quality service in the context of education is all about the institutions values and norms. When evaluating the system in the institution it should be in terms of the vision, adopted strategies and finally the outcome. This approach helps in synchronization among the departments, consciousness about the related problems, increasing the expectation relating to the performance of the institution (Mizikaci, 2006; Hill, 1995; Snipes, et al., 2006). Thus a proper quality system is essential for the management of an institution, since other quality evaluations are not in detail and leave many issues uncovered (Mizikaci, 2006). In Bangladesh education sector is also demanding the quality of service. Particularly, with the rapid growth of private universities in the country quality has become an important concern among the students, guardians and the university regulatory bodies of the country.

**Bangladesh Scenario**

Private universities have added a new horizon to the education sector in Bangladesh since the year of 1992 under the Private University Act, 1992(sec 3) (Act No.34 of 1992, published in Bangladesh Gazette Extraordinary dated 9th August, 1992). The establishment of private university is relatively a new phenomenon in this country. From the beginning, Bangladesh was found to have remarkable growth in the number of universities in the private sector with a popular appeal in this country. One very familiar feature of these private universities is the way they follow the American method of education rather than the British model. They offer four-year bachelor and one/two-year master degree programs with credit-based courses in different disciplines namely Business, Science & Engineering, Law, and Arts & Social Science etc.

Up to the year 1992, students of Bangladesh have limited options to choose universities for acquiring the higher education. There were 11 public universities (BBS, 1993) and some selected colleges that provided the opportunities for taking higher degrees for the students. The demand for higher educated graduates in job market was also limited except the government
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