

The Role of Service Quality on Building Student Satisfaction

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Abstract The objectives of this study are: 1) To analyze the effect of service quality on the institution image at Gorontalo University; 2) To analyze the effect of service quality on student satisfaction at Gorontalo University; 3) To analyze the effect of institution image on student satisfaction at Gorontalo University; 4) To analyze the effect of service quality on student satisfaction through the institution image at Gorontalo University. Methodology: The method used in this study was explanatory study. The data used were primary data collected through distributing questionnaires to students at the Gorontalo University with a population of 3,726 people and a total sample of 200 people. The sample used descriptive analysis and quantitative analysis to explain all hypotheses with the Partial least square (PLS). The results of study were: 1) service quality influenced institution image, 2) service quality influenced student satisfaction, 3) institution image influenced student satisfaction and 4) service quality influenced student satisfaction through institution image as an intervening variable.

Keywords Service Quality, Institutional Image, Student Satisfaction

1. Introduction

Students who enter higher institution have many hopes, such as opportunities for employment, career development, satisfaction, pleasure, and pride as students in the college. Prospective benefits that can be received must be greater than if the factor is used in other activities, for example in a business venture. If the benefits received are smaller than the benefits that can be received in other activities, the activities of attending higher education are deemed unsatisfactory (Bachmid, 2016).

Customer satisfaction is the level of one's feelings after comparing the performance or results he feels compared to his expectations (Kotler & Keller, 2012), while Wilkie (Tjiptono, 2008) defines customer satisfaction as an emotional response to the evaluation on the consumption experience of a product or service.

The phenomenon that occurs is that universities sometimes pay less attention to aspects of student satisfaction such as frequent student complaints about changes in lecture schedules, lecturers' skills in teaching, academic support staff services, facilities supporting academic and non-academic activities and accreditation values (study programs and institutions).

The theory used in explaining the phenomenon of customer satisfaction from a psychological perspective is Contrast theory. This theory was first introduced by Sherif, Taub, and Hovland (1957) who presented a view of the consumer evaluation process after the use of a product or service that led to predictive results in contrast to performance against satisfaction (Tjiptono, 2008).

According (Tjiptono, 2008), contrast theory increases the difference between expectations and performance of products / services. That is, if performance exceeds expectations, consumers will feel very satisfied. But if product performance is below expectations, consumers will be very dissatisfied. This implies that consumers are very sensitive to expectations that are not met and can overreact. This excessive reaction can also affect the sense of public trust in the company, so that it can change the company's image in the public perception to be bad.

Various studies has produced different findings about the factors that student satisfaction has been carried out as referring to research (Abd-el-salam & Shawky, 2013) and (Ahmed Nasser. M, Bt Md. Salleh, & mahmood Gelaidan, 2012) in his research explained that image and reputation contribute to customer satisfaction. But things are different from the findings (Suyanto, Modding, Bima, & Hasan, 2017) which stated that institution image has no significant effect on student satisfaction.

Furthermore (Ebrahimi & Tootoonkavan, 2014) in his research in Iran suggested that the quality of services perceived to be very influential on institution image, brand image, customer satisfaction, and intention to repurchase. Then (Heri, 2017) in his research findings stated that service

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quality affects image and satisfaction.

Based on the theory and results of research relating to consumer satisfaction have inconsistent results, it motivates researchers to conduct similar research to obtain findings on the model of student satisfaction at Gorontalo University.

The researcher formulated several problems as follows: 1) How did the quality of service affect the institution image at Gorontalo University; 2) How does the quality of service affect student satisfaction at Gorontalo University; 3) How does the institution image affect student satisfaction at Gorontalo University; 4) How does the quality of service affect student satisfaction through the institution image at Gorontalo University. The objectives of this study were: 1) To analyze the effect of service quality on the institution image at Gorontalo University; 2) To analyze the effect of service quality on student satisfaction at Gorontalo University; 3) To analyze the effect of institution image on student satisfaction at Gorontalo University; 4) To analyze the effect of service quality on student satisfaction through the institution image at Gorontalo University.

2. Literature Review

Quality of Service

The total service quality as customer's perception of difference between the expected service and the perceived service (Grönroos, 1982). Asubanteng, et al (1996) defined service quality as the difference between customers' expectations for service performance prior to the service encounter and their perceptions of the service received.

Parasuraman, et al (1985) defined service quality as the comparison between customer expectations and perceptions of service. In addition, they suggested three underlying themes after examination of the previous writing and literature on services: 1) service quality is more difficult for customer to evaluate than goods quality, 2) service quality perceptions result from a comparison of consumer expectations with actual service performance, and 3) quality evaluations are not made solely on the outcome of service; they also involve evaluations of the process of service process of service delivery.

Image

Corporate image is defined as the perception of a company (Bernstein, 1986; Zinknan, et al, 2001). Corporate image can also be defined as the impression of an organization created through corporate communication, e.g. mission statements and advertising, and the name, symbols or reputation to give just a few examples. (Gray & Balmer, 1998; Bernstein, 1986). Gray & Balmer (1998) define corporate image as the mental picture of the corporation and include value judgements of the companies attributes.

Satisfaction

Satisfaction is defined as the outcome of the subjective evaluation that the chosen alternative meets or exceeds

expectations (Engel et al., 1990). Kotler et al., (2013), defined customer satisfaction as a person's feeling of pressure or disappointment that result from comparing a product's perceived performance or outcome to the expectation. Juran (1998) cited by Esmaceli, Manesh, & Golshan, (2013) argues that customer satisfaction as a state of mind where the customers think that the product features are compatible with their personal expectations. According to them if the performance falls short of expectation, the customer dissatisfied and if it matches the expectation, the customer is satisfied. If it exceeds the expectation, the customer is delighted. Gronholdt et al., (2000), defined customer satisfaction as —perception of customers' towards products or services.

3. Research and Method

In accordance with the objectives of the study that will be achieved, this study explains the relationship and the effect of service quality, institution image and student satisfaction. The data was obtained by observation, interviews, questionnaires in data analysis to explain existing phenomena. The sample used descriptive analysis and quantitative analysis to explain all hypotheses with the using Partial Least Square (PLS).

The techniques of data collection used in this study are:

1. Observation (survey) that is taking data on the object of research based on observations to see phenomena as material for follow-up research.
2. Interview that is collecting data with the form of oral question and answer to the respondent, using interview guides that have been prepared relating to research, so that data or information can be obtained relating to the object of research.
3. The questionnaire used is a questionnaire that is structured in a closed form that is shared by Gorontalo University student as a respondent. The questions in the questionnaire are designed in various ways in order to obtain the data and information needed for the study.

The data used was the primary data obtained by distributing questionnaire to Gorontalo University student which population was around 3.726. The sample was 200 respond.

4. Findings and Discussion

The data analysis starts with validity and reliability test of each construction on the latent variable.

Based on table 1, the value of Standardize loading factor (SLF) obtained from each indicator above 0.6, the indicators of all latent variables meet the requirements of convergent validity.

Table 1. Construction of Validity dan Reliability

Variable	Indicator	CV/SLF	AVE	CR	CA
Services Quality	Reliability	0.803	0.654	0.904	0.868
	Responsiveness	0.801			
	Assurance	0.826			
	Tangibles	0.824			
	Empathy	0.788			
Institution Image	Reputation	0.826	0.749	0.900	0.834
	Institutional culture	0.895			
	Personality	0.874			
Student Satisfaction	Hope	0.819	0.674	0.861	0.761
	Involvement	0.844			
	Handling complaints	0.798			

Source: SmartPLS, 2018

Besides being seen from loading factors, testing of convergent validity can be seen from the value of Average Variance Extracted (AVE). In table 1, it can be seen that the AVE value is above 0.5 according to the value referenced in this study. So convergent validity on all variables in this study has been fulfilled.

Structural models in PLS are evaluated using path coefficients and their significance is assessed based on t-statistical values and p values in each path.

Table 2. The results of study

Variable	T Statistics	P Values	Information
Institution Image -> Student Satisfaction	4.211	0.000	Positive Significant
SERVQUAL -> Institution Image	9.589	0.000	Positive Significant
SERVQUAL -> Student Satisfaction	5.875	0.000	Positive Significant
SERVQUAL -> Institution Image -> Student Satisfaction	3.829	0.000	Positive Significant

Source: SmartPLS, 2018

The table 2 above shows that path coefficient from all coefficients has a positive value. It means that the direct relationship among variables is proportional.

The value of *t-statistic* among variables is above the value of *t* table (1,97) and *p* values is below 0,05. It means that the direct relationship among variables is significant.

Showed that there was a positive and significant influence on the quality of service on the institution image, this showed that the quality of service is really able to improve the institution image. These results are appropriate (Quoquab, Bashiruddin, & Abdul Rasid, 2013), (Malik, Danish, & Usman, 2010) (Sutrisno, Brahmasari, & Panjaitan, 2016) and (Heri, 2017) stated that the effect between quality latent variables service and significant institutional image latent variables.

Positive and significant influence are also obtained on the quality of service to satisfaction. This proves that increasing the quality of service can increase student satisfaction. (Razi-ur-Rahim, 2013), (Mansori, Vaz, & Ismail, 2014), (Leonard, Daryanto, Sukandar, & Yusuf, 2014), (Nilasari & Istiatin, 2015), (Sutrisno et al., 2016), and (Mohammed & Abderrezzak, 2017) in his research found a significant effect on service quality to customer satisfaction (students).

Furthermore, there are a positive and significant effect of institution image on student satisfaction, this proves that a good institution image can significantly improve student satisfaction. These results support (Tu, Li, & Chih, 2013), (Hermawan, Hadiwidjojo, Rofiaty, & Solimun, 2014), (Leonard et al., 2014) and (Adinegara, Suprapti, Yasa, & Sukaatmadja, 2017) his research found a significant effect on service quality to customer satisfaction (students).

Furthermore, there are a positive and significant effect of institution image on student satisfaction, this proves that a good institution image can significantly improve student satisfaction. These results support (Sánchez-Fernández, Rivera-Torres, Ángeles Iniesta-Bonillo, & Schlesinger-Díaz, 2010) and (Ebrahimi & Tootoonkavan, 2014) who found positive and significant effects to the image on customer satisfaction.

5. Conclusions

Based on the result of the study and discussion stated previously, it can be concluded as follows:

1. Service quality has a positive and significant effect on the institution image of the Gorontalo University. The result indicates that if the service quality better, the institution image will increase significantly.
2. Service quality has a positive and significant effect on the student satisfaction. The result indicates that if the service quality is better, the student satisfaction will increase.
3. Institution image has a positive and significant effect on the student satisfaction. The result indicates that if the institution image is better, the student satisfaction will increase significantly.
4. Service quality has a positive and significant effect on the student satisfaction through institution image. These result indicates that if the service quality is better, the student satisfaction will increase positively through institution image.

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