Customers’ Perception of Service Quality in a Training Institute: An Assessment using Servqual

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ABSTRACT

SERVQUAL (Service Quality) model is being used to measure the service quality in almost every service sector globally. However, little research exists on its usage in evaluating the performance of the training sector despite its significant role in many developing economies. This article examines the performance of a very reputed training institute in India using SERVQUAL instrument. The first objective of the study was to check whether the customers were satisfied with the service of the institute. The second objective was to measure the gap between perception and expectations. Two expectation levels of the customers were studied—adequate (or minimum) and desirable (or maximum). The result of this study suggests that the training institute surpassed the minimum expectation level of its customers but fell short of the maximum expectation levels. The key dimension where the institute is lacking in terms of providing quality service is “assurance” and therefore the institute needs to revisit and improve the items considered under this dimension.

Keywords: Gap Analysis, Service Adequacy, Service Desirable, SERVQUAL (Service Quality), Training Organization

1. INTRODUCTION

In the last few decades, service sector has become the main driver of the economy in the developed world and in many developing countries as well. In United States, the value of the service industry’s output exceeds 80% of Gross Domestic Product (GDP), an important indicator of economic progress, and accounts for 80% of employment. In other countries of

the developed world, employment in the service sector has also grown substantially (Fitzsimmons & Fitzsimmons, 2006). India has been no exception to this trend. Since post liberalization, service sector has become the mainstay of the economic development and contributes 55.3% to the GDP compared to 51% in 2003 and 36% in 1980 (Sharma & Sharma, 2007). Service sector is the fastest growing sector of the Indian economy with an approximate annual growth rate of 9% since mid 1990s (Jauhari & Dutta, 2009). Hospitality, healthcare, banking,
insurance, tourism, education, and transportation are some of the key service sectors in India that had undergone major transformations and grown by leaps and bounds. Service sector is considered to be the most vibrant sector of the Indian economy based on its performance in the last decade. It contributes significantly to the Indian economy in terms of employment potential and contribution to national income. Researchers had observed this trend and carried out extensive research almost in all the service sectors and the same has been published widely. This empirical study focuses on one such sector of the service industry – the training organizations-- that had not captured the attention of many academic researchers.

There are incredible numbers of training organizations in the organized and unorganized sectors in India that offer variety of occupational trainings to individuals for building their careers. Training institutes offer training on developing technical skills or soft skills. The organization considered for this study is a government recognized institute located in medium sized city in Central India and well known for imparting driving skills to individuals. Since inception a little over a decade back, it has earned the distinction of training more than 70 thousands individuals. It provides training on various types of vehicles (small, medium, and heavy) and offers hands-on driving skills and supporting theoretical lessons. With a vehicle fleet of more than 50 and 14 branch offices, it caters to numerous customers spanning the entire length and breadth of the city.

In the western world, the vehicle is usually driven by the owner of the vehicle. In developing countries like India, many private vehicles and cabs are driven by persons who are not necessarily the owners of the vehicles. In other words, the drivers are paid for their service on a monthly basis or on a contractual basis. As the unemployment rate is high in India, many individuals with lower level of education, unemployed otherwise, venture into this trade. They take driving lessons from the training schools and obtain licenses from professional bodies. The training institutes not only provide driving lessons but also act as facilitator in getting licenses to its customers. Additionally, there is another group of individuals who want to drive their own cars, and therefore, take driving lessons and obtain licenses. Many such institutions have sprung up across many cities catering to employed or unemployed individuals.

Scholars have argued that service organizations can be evaluated along two basic dimensions of quality: technical and functional (Gronroos, 1984). Technical quality refers to the technical attributes of the service (for example, quality control procedures as in manufacturing) while functional quality refers to the manner (or process) by which the service is offered. For example, in a restaurant environment, technical quality would imply the quality of ingredients that goes into the recipe, the technology used to prepare the food, the quality procedures to ensure good quality food and so forth. Functional quality would mean the courteousness of restaurant staff, the ambience, the manner in which food is served and the like. Experts (Babakus & Mangold, 1992; Kovner & Smits, 1978) on service quality argued that customers face difficulty assessing technical quality and have relied more on functional quality to assess the quality of service.

2. LITERATURE REVIEW

Measuring service quality is quite difficult and complex than measuring quality in manufacturing primarily due to the fact that characteristics of services are quite different from manufacturing in terms of degree of tangibility. In services, we deal with customer’s behavioral attributes: deeds, acts or performances (Berry, 1980), or activities (Gronroos, 1990) as opposed to dealing with objects in a manufacturing setting. In manufacturing, objects are tangible and thus can be touched, measured, counted, and verified against pre-defined standards to ensure certain quality. It is usually produced in advance with the hope that it would be consumed immediately or later. In fact, the concept of statistical quality control (SQC) was developed to control and
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