

MÄLARDALEN UNIVERSITY
SCHOOL OF SUSTAINABLE DEVELOPMENT OF SOCIETY AND
TECHNOLOGY
ESKILSTUNA-VÄSTERÅS
BACHELOR THESIS IN BUSINESS ADMINISTRATION 15 ECTS
07 JUN 2009

TOPIC: THE IMPACT OF HUMAN RESOURCE MANAGEMENT ON CUSTOMER SATISFACTION

#### **ABSTRACT**

**COURSE:** Bachelor Thesis in Business Administration 15 ECTS

**AUTHORS:** Abdullahi Nur Hassan (5<sup>th</sup> May 1987) Stockholm

James Rad Anaman (15<sup>th</sup> July 1976) Västerås

### **RESEARCH QUESTION:**

How Mälardalens University can improve upon their human resource management so employees will be able to deliver better services to students.

#### **PURPOSE:**

To investigate how the business department of Mälardalen University can improve on their human resource management in order to deliver quality services to students.

#### **METHODOLOGY:**

This thesis is based on a qualitative study and since the research is a single-case study, the researchers have applied both primary and secondary data to conclude a qualitative analysis which will enable them to fulfill the purpose of the research.

#### **CONCLUSION:**

Based on this research, the authors have observed during their course of action that practices of human resource management applied by the business department of Mälardalen University has a dramatic impact on the students satisfaction towards the department's services. This is due to the fact that employees have control over the service delivery process which determines customer satisfaction. Moreover, the business department of Mälardalen University practices human resource management by hiring lectures and professors based on academic qualification, arrange interviews to select those with desired attitudes, offer them on job training, make available to them modern and sophisticated technology so communication flows easily, and rewards employees according to how well they perform. The authors have measured the students' satisfaction towards the business department's services and despite some complaints, satisfied students outnumbered dissatisfied ones. This means that though the department is doing well, the authors paid particular attention to the unsatisfied students and suggested improvement based on their complaints.

#### **ACKNOWLEDGEMENT**

Above all other things, we are very grateful to the Almighty God that gave us the opportunity to write this paper and experience it.

In addition, our appreciation goes to the University's president 'Ingegerd Palmér' who helped us for providing any information that were necessary to our analysis and all the students who have participated in the interviews, many thanks to you.

Furthermore, one who is also worth mentioning is our dearest friend '*Prosper*' who was a big help to us. Thank you for your kindness. You were a true friend.

Finally, we sending our best wishes to our families, thank you for the support you gave us during our study period. We could not have done it without you.

We hope you will enjoy reading our thesis.

**Thanks** 

## Table of contents

1.0 Introduction	1
1.1 Problem discussion	2
1.2 Research Question	3
1.3 Purpose	3
1.4 Target group	3
2.0 Methodology	4
2.1 Research strategy	4
2.2 Choice of the topic	5
2.3 Industry selection	5
2.4 Organization selection	6
2.5 Limitation	6
2.6 Search of the literature	7
2.7 Research approach	7
2.8 Sources of evidence	8
2.9 Primary data	9
2.10 Secondary data	10
2.11 Data analysis	11
2.12 TRUSTWORTHINESS	12
2.13 Method criticism	13
3.0 Mälardalen University Background	15
3.1 Schools of the university	16
3.2 University-wide functions	16
3.3 Mälardalen University beyond Sweden	16
3.4 Current facts and figures about the university	16
4.0 Literature overview	17
4.1 Service quality	17
4.2 Human Resources Management	23

5.0 Presentation of the Empirical Data	20
6.0 Analysis	30
7.0 CONCLUSIONS	35
8.0 RECOMMENDATIONS	37
References	
Appendixes	41

## 1.0 Introduction

Many organizations are successful because of their loyal customers. This is due to the fact that successful organizations have managed very well their human resources so the employees' performance will match the customers' expectations. To clarify this, Desatnick (1992, p. 69) defined customer satisfaction as the degree of happiness that a customer experiences with a company's products or services resulting from the interaction and interrelationship of all people within the company. Desatnick (1992, p. 69) argues that customers will be happy if they are happy with the service quality they perceive and their encounter with the service performers. That is why it is important to discuss Human resource management effects on customer satisfaction. Throughout this paper, it will be discussed on how Human Resources Management affects customer satisfaction. The research will be useful to the higher education sector in Sweden, and the authors will use Mälardalen University's Business Department as a case study.

According to the 2008 annual report of the Swedish National Agency for Higher Education (SNAFHE, p. 46), students' population in Sweden has increased dramatically for the last fifteen years. Sweden is a country that spends a large amount of their Gross Domestic Product (GPD) on education. There are fifty higher education institutions; some of them were funded by the government and others by the private sector. The government funds 14 universities, 7 independent colleges, and 15 University colleges among them is Mälardalens University. Education is free in Sweden for both Swedish and international students and there are basic loans and grants provided by the government to assist the students while pursuing their studies. Although there are certain guidelines laid down in the Higher Education Act and the Higher Education Ordinance, higher education institutions are organized and run internally by themselves. There is a governing board that runs each higher education institute which contains a Chair, Vice Chancellor and thirteen other members. The Chair is elected by the Government and representatives of the lecturers are chosen internally by the institutions. Employees' representatives have the right to attend meetings of the board and students are allowed to have three representatives in the board.

#### 1.1 Problem discussion

Many organizations have different ways of recruiting labor for employment. Whereas some are keen on recruiting employees based on their work experience, others recruit employees based on their academic qualification. The ineffective recruitment procedures designed by organizations affect the employee's ability to deliver effectively to the satisfaction of the customers (Zeithaml et al, 2006, p.366-367).

Gronroos (2007, p.4-5) also explained that the lack or insufficient training given to employees in most organizations affects their ability to deliver quality services to customers. Adding to this he indicated that the insufficient existence of support equipments given to employees within the organizations also affects their ability to communicate effectively in the organization.

Bolman and Deal (2003, p.136-138) also argued from a different point of view that, the inappropriate reward system given to employees affects their motivation and as such has affected many organizations' ability in achieving better results.

Due to the intangible nature of services, Zeithaml et al (1990, p.15) explained that the physical appearance of organizations facilities, personnel and equipments have become the bases for customers to evaluate how the establishment cares for them.

Relating the above arguments, an organization for example, Mälardalens University needs to consider how they choose lecturers for employment due to the fact that it can have an impact on their ability in delivering satisfactorily to the students. Adding to this, the form of working conditions and other benefits given to lectures could affect their attitudes towards the students and this would have an effect on how satisfied the students would be with regards to services rendered by the business department. Similarly, the communication system used at the business department would also have effect on how lectures correspond among themselves and students. This is likely to result in message distortion if the right form of communication system is not chosen. Based on the above discussion, it will be interesting to look into how Mälardalens University can improve on their human resource management so employees will be able to deliver quality services to students.

#### 1.2 Research Question

How do Mälardalens University implements its human resource management in order to deliver quality services to students.

### 1.3 Purpose

To investigate how Mälardalens University can improve on their human resource management in order to deliver quality services to students.

## 1.4 Target group

Customer satisfaction is important for every organization whether they are profit or non – profit seekers, and the outcome of this research will be helpful to non-profit service providers particularly Mälardalens University since analyzes will be made on the empirical findings gotten from the University's business department.

# 2.0 Methodology

This chapter explains and discusses the kind of method used for collecting data, its design and presentation. It will also exemplify the service areas that were being investigated according to the interviews. Moreover, the research group will explain the strategy of the research, choice of topic, choice of organization, where the literature were gotten from, what kind of techniques that has been employed when collecting the empirical data, and the data analyzes that has been concluded with the help of the theories. When doing research, it is very important that theories, empirical findings, and analyzes fit the purpose of the research and be reliable as well. This will be determined by the method used for gathering the information. And the authors are saying this because if the data does not fit the purpose, then you do not have a research at all.

## 2.1 Research strategy

A case study is useful investigation that investigates an existing experience limited by in existence life environment especially when the boundaries between phenomenon and concept are not clearly evident (Yin, 2003, p.13).

The researchers preferred to formulate a single- case study on a particular Phenomenon in one organization. A case study as a research investigation strategy is used in several situations to contribute to our knowledge of individual, group, organizational, social, political, and related phenomenon (Yin, 2003, p. 1-7).

Among other ways (i.e. experiments, surveys, histories and the analysis of archival information), case studies are one of several ways of doing collective science research. Furthermore, he stated that it is important to identify which type is the research question that has been asked and proposed that in general "how and why" questions are possible to favor the use of case studies, experiments or histories. Our research question is a "how" question and that is why we have preferred to use the case study approach. Interview questions have been design to identify the current human resources management practice of the business department and identifying that would enable the authors to further recommend how they could be further improved.

### 2.2 Choice of the topic

The researchers chose this topic because of the marketing courses they have taken previously and believed that it will be easy to find information about it. Customer satisfaction in the service market is more sensitive than in the goods market. In the goods market customers judge quality which determines one's satisfaction from the tangibles of the product. But since the services are intangible and cannot be produced in advance, customers find it hard to judge the quality and the need to find out what customers use or can use to evaluate service quality became important after the 1980s (Rabin, 1983, p. 5). Scholars have researched this matter and came into conclusion that customers evaluate service quality from their interaction and interrelationships with all the people in the service provider (Desatnick, 1992, p. 72). During the authors' findings, they felt that most researchers have focused on profit seeking service organizations and there was no much research done about none-profit service organizations and that's why the authors of this thesis decided to write about the 'impact of human resource management on customer satisfaction basing their research on the higher education sector in Sweden'.

## 2.3 Industry selection

We think that the higher education sector in Sweden is the best and simplest example for non-profit service marketing in which all determinants of customer satisfaction can be found. Unlike other developed countries, education is free in Sweden and universities are funded by the government (SNAFHE annual report, 2008, p. 50). This means that higher education in Sweden is not profit incentive and unlike other non-profit organizations where customers have difficult to trust the organizations and reluctant to participate, people will attend educational institutions as long as they are happy with the educational services they will perceive because education is something that everyone desires to accomplish at some point during their life time. Furthermore, our topic focuses on the employees' interactions with customers which affect their satisfaction and the best way to investigate the matter is to carry out research in a sector that is labor intensive which is the case for the selected industry. In addition, profit making organizations can monitor the performance of their employees by how much profit they contribute to the organization per months and the more contribution the better performances, while non-profit organizations will only be able to measure their

employees' performance according to their interaction with the customers or students in our case. This means that if non-profit organizations want to satisfy their customer, they have to improve on how their employees interact with them. And by choosing this industry, the customers (students) will consume the service as long as they are happy with the performances of the lecturers and the overall staff of the higher education institutions thus allowing the authors of the thesis to carry out an investigation that will provide enough information to satisfy the purpose of their study.

## 2.4 Organization selection

The main idea of choosing Mälardalens University to carry out our research was that the authors of this research are very grateful for the time they have spent in the University and wanted to return a favor somehow by investigating the standard of their service quality and recommend improvements. In addition, it is not easy to get access into companies when doing research and it is an advantage for having the customers (students), the performers, (lecturers, reception personnel, library staff, etc) and the management at one place. Furthermore, customers cannot judge service quality until they consume the service. The authors of this thesis were consuming the services of the University for the past three years. This experience will help them to formulate the interview questions and analyzing them effectively because they know how it is like to be a customer (student) in the university. And finally, we expect that the university will provide us enough information that will suit the purpose of our research. To be objective with the outcome, the researchers will not answer interview questions that will be used for analysis; other students of the business department of Mälardalens University were asked to give their opinion about the quality of the services rendered to them.

#### 2.5 Limitation

The organization is big so the authors of this research decided to focus on one department. The research will be limited in the business department of Mälardalens University which is part of the School of Sustainable Development of Society and Technology. In the theory part, it would not be discussed how prices affect customer satisfaction because the business department as well as Mälardalens University and most of the higher education institutes in Sweden are none profit organizations.

#### 2.6 Search of the literature

To find out who were the experts in the field and back their writings with our topic, we used the University's library to look for books, articles, and journals. Fortunately, the authors found Philip kotler, Zeithmal, and Gronroos books that were very useful in the entire research. The internet was used as well to find relevant theories and models and the most useful internet sources were gotten from elin@mälardalen and SAGE which is part of the University's library databases, Google was used as well. That is how the authors got the literature needed for their research.

## 2.7 Research approach

A research method tends to be more quantitative, qualitative or mixed (Creswell, 2003, p.20). This means that it's used either quantitative or qualitative or both methods to carry out a research. Below is the explanation of the two approaches which will allow the authors to find out which approach suits their research.

#### 2.7.1 Quantitative approach

The researcher mainly uses post positivist claims for developing knowledge (i.e. reduction to specific variables and hypotheses and questions, cause and effect thinking, the test of the theories and use of instrument and observations), carries out strategies of inquiry such as surveys and experiments for data collection on predetermined instruments that will produce statistical data (Creswell, 2003, p. 23).

Normally, quantitative research is referred to as hypothesis-testing research. To mention its characteristics, studies are started with statement of theory that the research hypotheses are derived. After that, an experimental design is created that will allow the measurement of the variables in question (the dependent variables) while at the same time controlling the consequences of selected independent variables. The subject in the study is randomly selected to avoid bias and reduce errors. The sample of subject is drawn to reflect the population (Newman & Benz, 1998, p. 9).

The course of actions of a quantitative approach is deductive in nature, adding to the scientific knowledge support by theory testing. This defines the nature of quantitative methodology.

Because real experimental designs need strongly controlled conditions and the measurement's richness and depth for contributors may be sacrificed. As a legitimacy concern, this can be a quantitative design limitation. (Newman & Benz, 1998, p. 65-67)

## 2.7.2 Qualitative approach

Qualitative method is a multi method in center of attention, involving an interpretative, naturalistic development on the way to its purposes. This clarify that qualitative researchers discover things in their everyday settings, trying to create sense of, or understand, observable fact in terms of the meanings people bring to them. (Newman and Benz, 1998, p. 65-67)

Qualitative study, is the one in which inquirer usually construct knowledge based mainly on constructivists perceptions (i.e., the numerous meaning of individual experiences, meaning publicly and historically created, with an intent of developing a theory or pattern) or advocacy perceptions (i.e. mutual or change oriented, political, problem-oriented) or a mix of the two. It's as well uses strategies of investigation such as narratives, phenomenology, ethnography, stranded theory studies or case studies. The researchers bring together open- minded, emerging data with main purpose of developing themes for the data. (Creswell, 2003, p. 27)

According to definition of the two methods, the authors of this thesis will apply a qualitative approach for this research work. Because, in order to fully understand what the business department of Mälardalen University is doing and could do to improve managing their human resources which has direct effect on their customers' (students') satisfaction, the researchers believe that a qualitative approach is more appropriate than a quantitative approach and therefore we will apply a qualitative method with this research work.

#### 2.8 Sources of evidence

There are six sources of evidence that can be applied in doing a research method; Documentation, archival records, interviews, direct observations, participant-observation, and physical artifacts (Yin, 2003, p. 83). By doing a case study, the researcher can gather data from archives, interviews, documentation, direct observations, participant observations and physical artifacts (Eriksson & Wiedersheim-paul, 2006, p. 43). The sources of evidence can be divided into two: primary and secondary sources of evidence. In this research the research

group will use both categories for data collection.

### 2.9 Primary data

In order to obtain an in-depth knowledge about how the business department manages it's personnel, the authors of this thesis have formulated interview questions based on the human resource theories that was mentioned under the literature review chapter and asked them to the University's Director (Appendix A) so they will be able to collect information that will help them to determine whether the department is managing their staff according to the theories and be able to recommend any improvements. The form of the questions was open question which means the director was not given a certain way to give the answer. To allow the director to have enough time to think and give detailed answers, the authors have opted to email the questions to her instead of going to her office and interview her face to face. Moreover, to suggest any improvements, it is necessary to know how well the personnel of the department is performing and therefore the researchers have formulated interview question based on the SERQUAL dimensions and asked them to full-time students of the department (Appendix B). Same as the questions that was sent to the director, the form of questions were non-detailed questions, which means that the students were not given a proper way to answer because the authors wanted to see how their opinions will differ from one another and they wanted to give them freedom to answer, which way they like.

The authors of this thesis chose to interview full-time students because the majority of the department's students are studying full-time and they are the ones who consume the services of the business department on regular basis. Furthermore, the researchers wish to mention that they only interviewed students. The interviews have been carried out during lecture breaks between 8am and 4pm because most of the lectures are scheduled during this time. To generalize the students' opinions about the services of the department, the authors chose 10 students from different nationalities of whom 8 were able to take part and complete the interviews. Furthermore, as it is mentioned under secondary data, SERVQUAL dimensions measure how customers perceive service quality which will result their confirmation or disconfirmation of what they expect to perceive. SERVQUAL dimensions focus more closely the interaction between the employees and the customers during the production and

consumption of the services. This is due to the fact that four of the five dimensions of the SERVQUAL are determined by the employees of the organization. And since we are investigating a labor intensive organization, we formulated our questions for the students according to the SERVQUAL dimensions. This will help us to find out how well the students are satisfied with the performance of the department's employees and by measuring their satisfaction; we will be able to suggest improvements to the department with the help of human resources theories described under the literature chapter.

There are 22 attributes (Appendix C) used to define the five determinants of the SERVQUAL and the customers are asked to scale their opinion on a seven-point scale 'from a strongly disagree to strongly agree' (Zeithaml et al, 1990, p.191-192). We will not use all the 22 attributes because we are applying a qualitative method in our research and usually SERVQUAL is applied on quantitative studies and the organization we are investigating is a non-profit organization. Therefore, it was necessary to choose the attributes (Appendix D) that was focusing the physical facilities, equipment, and the employees' interactions with customers when formulating interview questions for the students to collect a suitable data for the research.

#### Personal observation

The authors' have been students in the university for a period of three years and their personal observation reveals that communication at the business department includes the use of telephone and meetings. In addition projectors are used as audio visuals in lecture halls which facilitate the free flow of communication.

#### 2.10 Secondary data

Secondary data contains recent information, composed by researchers for various purposes, from external sources such us, articles, books, journals, internet, etc. Together with many other benefits of using secondary data, the most considerable benefit is saving time and money since the researcher employs accessible information. An extra advantage of collecting secondary data is that they give general idea on how to conduct the research and the best method to be use (Ghauri et al, 1995, p.107-110). However, there are shortcomings to

secondary data in terms of reliability, accuracy, and integrity. The age of the data and the issue of bias from the author and place where it was on paper affect its certainty.

Despite its shortcomings, articles, texts and academic journals written by researchers in the service industry was used in this research to find information that will support the authors to analyze their empirical findings.

SERVQUAL is an instrument for measuring how customers perceive the quality of a service (Zeithaml et al, 1990, p.175-176). Four of the five determinants of SERVQUAL; reliability, responsiveness, assurance, and empathy; are related with the people that perform the services and since the authors are investigating an organization that is labor intensive, they have chosen to use SERVQUAL dimensions' framework to analyze how well the students are satisfied with the services of the business department.

The authors believe that the sources chosen for data collection are to a logical extent reliable, i.e. Mälardalen University library, University Databases, Google Scholar and academic books from different authors.

In our own point of view, these sources enable us to notice different views of how customers evaluate service quality and how service providers should perform service to satisfy their customers so the authors of this thesis will be unbiased in our analysis while carrying out their research.

### 2.11 Data analysis

Two strategies can be applied to analyze a case study: within-case analysis and cross case analysis (Miles and Huberman, 1994, p.148-172). This means that the only strategy to apply for analysis for single case study is within-case analysis. This means that the researcher compares his/her findings with previous researches. Furthermore, the authors say that if the researcher is carrying out more than one case study then cross-case strategy is suitable for analysis. With this strategy, the researcher makes comparison between the cases.

Since the authors are carrying out a single case study, they will use within-case analysis to

analyze with their empirical findings that has been gotten through interviews. they strongly believe that this strategy will help the readers to get a clearer picture about the research because, it will allow us to compare our findings about business department with the theories and it will be easy to find out what they are doing right and wrong. This will help us to suggest how the department can improve upon their human resources management to have satisfied students thus answering to our research purpose.

#### 2.12 TRUSTWORTHINESS

There has been a remarkable uncertainty in evaluating qualitative study compared to quantitative studies, and because of this, researchers have to strongly motivate their method selection. Researchers should prove that their research is reliable and accurate (Broch el al, cited in Holme and Solvang, 1997, p. 167-168). For the authors to satisfy the purpose of their research, they chose theories and models that will assist them to explain the kind of services that is being offered in the business department of Mälardalen University to students and how they can improve upon it. For them to accomplish the research; it was necessary to carry out investigation in what has been written previously about the topic and formulate interview questions for both the director of Mälardalen University and the students of the business department.

The term Validity is used to find out whether the research fits its purpose (Eriksson and Wiedersheim-Paul, 2006, p. 64). In qualitative study method, there are four categories of validity (Johnson and Turner 2003, Maxwell (1992) cited in Maxwell and Loomis 2003, p. 298) of which three of those have been applied in this research.

### 2.12.1 DESCRIPTIVE VALIDITY

Descriptive validity refers to the amount of truth that the researchers have been able to determine of the data collected. Moreover, to be sure of the accuracy of the collected data, they also argued that it is essential that the researchers cautiously collect and confirm expressive information throughout the course of data collection to make sure its accuracy (Johnson and Turner 2003, Maxwell (1992) cited in Maxwell and Loomis 2003, p. 298). Data in this research was collected in the course of face to face interviews with the students of the department and a written email to the director of the University.

#### 2.12.2 INTERPRETATIVE VALIDITY

Interpretative validity refers to the legitimacy of statement regarding meanings said by participants. Moreover, it also refers how much the researcher/researchers will be willing to show the opinions and the meanings of the ones who were part of the research carried out (Johnson and Turner 2003, Maxwell (1992) cited in Maxwell and Loomis 2003, p. 299). By means of our research, information gathered through interviews was written on paper and will be used throughout the empirical data and analysis. Furthermore, since questions directed to the department's students were more direct ones, it is easy to understand their perceptions of the educations service they consumed.

### 2.12.3 Reliability test

Reliability test is demonstrating that a research process such us how data was collected can be repeated by others with the same result (Yin, 2003, p. 34). For example if other people pick the work and follow its steps, they should be able to have the same result as the original work. For the authors to demonstrate this, they have put a model about *customer perceptions of quality and customer satisfaction* in which it is clear that service providers need to take care five dimensions in order to satisfy their customers so they can be loyal to the organization (Figure 5.1 in page 15 of this paper) and they have picked theories of how organizations can manage these dimensions. Moreover the authors have put the interview questions in the Appendix as well as 22 attributes in which the questions was based so that future researchers will be able to understand without any difficulties while collecting data.

#### 2.12.4 THEORITICAL (explanatory) VALIDITY

Theoretical validity refers to how the theories are important to the research and whether questions are developed according to the theories chosen (Johnson and Turner 2003, Maxwell (1992) cited in Maxwell and Loomis 2003, p. 307). In our research, the analysis and interpretations shall be resulting only from the questions developed.

#### 2.13 Method criticism

Qualitative research is criticized for reason that is influenced by personal opinion. One disadvantage of qualitative method is that the information obtained might not lead to

objectivity but rather subjective interpretations (Gummesson, 2000, p. 310).

The authors of the thesis have carried out only one case study and all the empirical finding were restricted to business department of Mälaraden University in Västerås and this is one of the shortcomings of the research because the interviewed students were chosen from the business department and the research is lacking the opinion of other departments' students.

Furthermore, the business department is situated in both campuses of the University, Västerås and Eskilstuna, and the authors have only investigated the one that is situated in Västerås which means the research is lacking the opinion of Eskiltuna business department's student. Due to the fact that students interviewed cannot represent the whole Mälardalen University students and the research did not consider other higher educational institutions in Sweden, the authors wish to state that it will be difficult to generalize the higher education sector of Sweden with their research.

Further criticism of the method used can come from the non explained questions asked to the student while carrying out the interviews. The authors mean by this, that students were asked questions without explanation of how they should answer. Due to the fact that this study is a qualitative, the authors opted to ask the question on the possibility of the getting the best answer without restricting the student's responses.

Despite the criticisms, the authors are confident that they have gathered the necessary data and the theoretical back ground to certify their conclusions based on the research.

# 3.0 Mälardalen University Background

The University's mission is that, their graduates will be highly sought after in the labor market in Sweden and abroad because of the standard of their education and their capacity for critical thinking and innovation (mdh, n.d, E)

Mälardalen University was established in 1977 with the name University of eskilstuna/västerås. It was one of the new 20 higher education colleges that started up at the time but the only one that had campuses at two different regions that is close to each other (mdh, n.d, A).

The University's main focus was technical studies because of the industry's demand of technical workers and knowledge towards their technical processes. But the university was teaching some other programs at the time as well; preschool teaching education (mdh, n.d, A). Now, the technology/technical studies cover 35% of the university's programs and it's the only area that research degrees are offered (mdh, n.d, A).

In the beginning of 1980s, the university had around 1500 students and the figures were developing slowly until 1990s emerged. The university expanded its programs and introduced new business studies and language education. During the 1990s, the university expanded dramatically and it was due to the fact that higher education colleges were doubled in the country (mdh, n.d, A).

In 1993, the University changed its name to Mälardalen University. State owned colleges of health sciences in both regions joined the University which attracted more students, more teachers, new programs, and new opportunities. After that, Mälardalen University became the biggest nursing educational institution in the entire country (mdh, n.d, A).

At the end of 1990s, the university became the first higher educational college in Sweden or maybe in Europe which has been environmentally certified. Sustainable development and ecological economics became the profile area (mdh, n.d, A).

At the turning of the century, the university had 12000 students and was one of the biggest higher education colleges in the country (mdh, n.d, A).

In 2001, the university was licensed to offer its own doctoral degrees in technological sciences. Some of the doctor studies are production and robot technology (mdh, n.d, A).

### 3.1 Schools of the university

The University comprises of four schools; School of Health, Care and Social Welfare, School of Sustainable Development of Society and Technology, School of Innovation, Design and Engineering, and School of Education, Culture and Communication (mdh, n.d, B).

# 3.2 University-wide functions

University-wide functions consist of Mälardalen University Library, External Relations Office and Grants Office, and University Administration (mdh, n.d, B).

## 3.3 Mälardalen University beyond Sweden

The University has more than 100 agreements with others higher education colleges and universities around the world for teacher and student exchanges. These agreements help the University to develop its program curriculums. The University participates in different European projects, for example the EU-Canada and EU-USA higher education co-operation programs and the Socrates (mdh, n.d, C).

## 3.4 Current facts and figures about the university

Currently, the University has 13000 students, 992 employees, and 47 professors of whom 7 are women. Moreover, there are 750 courses, 30 programs, 26 supplementary courses, programs, and 12 international master programs at the Mälardalen International Master Academy (MIMA), (mdh, n.d, D).

### 4.0 Literature overview

The aim of marketing is to know and understand the customers so well that the product or the service fits them and sells itself (Kotler, 2008, p.45). The definition makes it clear that customer satisfaction must be taken in to consideration along the service or the product that is going to be marketed.

Service marketing is defined as comprising deeds, process, and performances Zeithaml et al, (2006) and arguing with this definition, there is no physical object that the customers will be able to see or touch before the purchase. Recalling to what Desatnick (1992, p. 69) stated; customer satisfaction will be based on how much customers are happy with the services that is offered to them. In other words the quality of the services they perceive. Desatnick (1992, p. 72) also mentioned in his definition; the interaction and interrelationship between the customers and the people that are performing the service will affect the customers' satisfaction. It is now clear that customer satisfaction depends on the service quality which further depends on the performance of the employees.

Therefore, theories and models about service quality and human resource management will be discussed and used as analysis throughout this thesis.

## 4.1 Service quality

The search for quality is arguably the most important consumer trend of the 1980s (Rabin, 1983, p. 5). The authors can picture from this statement that quality was not an important issue before 1980s and that customers are not only looking to satisfy their needs but are focusing how well their needs are satisfied, in other words how well is the quality of services they are consuming.

Bigger parts of defining and measuring quality come from the goods market. According to Crosby (1979, p. 132-139), quality is 'zero defects – doing it right the first time'. This means that if the employees' first encounter with the customers happens as the customers expected or the organization delivers what they promised to deliver, then the quality has no effect because the customer has got what he/she expected.

Quality is conformance to requirements (Crosby, 1979, p. 132-139). Quality can be measured by counting the incidents of internal failures; during the encounter with the employees, external failures, and how well the product satisfies the buyer (Garvin, 1983, p. 65).

It is not enough to apply the way quality has been defined and measured in the goods market to understand service quality because of the characteristics of services. To understand and be able to measure service quality, you have to understand the three well – documented characteristics of services; intangibility, heterogeneity, and inseparability.

### 4.1.1 Characteristics of services

*Intangibility:* Majority of the services are intangible (Bateson 1977, Berry 1990, Lovelock 1981, Shostak 1977, p. 80). Since services are performances rather than physical objects as Zeithaml (2006, p.22-23) argued when defining service marketing, customers will rarely be able to know what they are going to consume or purchase. Physical objects can be touched, tested, stored in advance but services which are process and performances cannot be touched, tested or stored in advance. And for this reason, firms will have difficulties to understand and evaluate how customers perceive service quality (Zeithaml, 2006, p.22-23).

*Heterogeneity:* Consistency of behavior from service personnel; i.e., uniform quality; is difficult to assure (booms and bitner 1981, p. 48). The authors argue that performances of services with highly labor content, which is the case in our research in the educational sector, will vary from college to college, teacher to teacher, and day to day. This can affect the customers' expectations because what the firm wants to deliver can be entirely different from what the customer receives.

*Inseparability:* Production and consumption of many services are inseparable (Carmen and Langeard 1980, Gronroos 2007, Regan 1963, Upah 1980, p. 7). This means that in labor intensive services, production and consumption happens at the same time and the quality will be judged during the encounter between the employees of the firm and the customers.

The writings of Gronroos (2007), Lehtinen and Lehtinen (1982), Lewis and Booms (1983), Sasser, Olsen, and Wyckoff (1978) about service quality suggest three points;

- Service quality is more difficult for the customers to evaluate than goods quality.
- Service quality perceptions result from a comparison of consumer expectations with actual service performance.
- Quality evaluations are not made solely on the outcome of a service; they also involve evaluations of the process of service delivery.

#### 4.1.2 Service quality more difficult to evaluate

When purchasing goods, the consumer employs many tangible cues to judge quality: style, hardness, color, label, feel, and package, fit (Parasuraman, Zeithaml, and Berry, 1985, p. 404). This statement argues that consumers have some cues to base their expectations before the consumption when the purchase is a physical object. The statement says that for example if you we are going to purchase a shirt, we will look at the color, its style, how well it fits us, etc. When purchasing services, tangible evidence is limited to the service provider's physical facilities, equipment, and personnel (Parasuraman, Zeithaml, and Berry, 1985, p. 404). This means that consumers in the service industry have no much tangible to look at so they will be able to judge quality before consumption. As the statement is saying, the only tangibles that consumers can see is the firm's buildings, the people that are performing the service and the equipments that they are using to perform it. Therefore, the research group argues that there are not enough cues to judge quality when purchasing services and that why it is difficult for consumers to evaluate service quality.

It is difficult for the firms to evaluate service quality as well. The intangibility of the service makes it difficult for the firms to know how consumers perceive services and service quality. The above paragraph discusses that consumers have difficulty in evaluating service quality and this is due to the fact that there is no enough tangible cues to consider before the purchase and that why the firms have difficult to understand the consumer's perception of the service. When a service provider knows how the service will be evaluated by the consumer, we will be able to suggest how to influence these evaluations in a desired direction (Gronroos, 2007, p.2). This means that if it was easy for the consumers to evaluate service quality then it would

have been easy for the firms to deliver the desired services because they know what is expected from them.

#### 4.1.3 Quality is a comparison between expectations and performances

Delivering quality service means conforming to customer expectations on a consistent basis (Lewis and booms, 1983, p. 102). Satisfaction with services is related to confirmation or disconfirmation of expectations (Smith and Houston, 1982, p. 59). Consumers compare the service they expect with perceptions of the service they receive in evaluating service quality (Gronroos, 2007, p. 2-9). Referring to the above statements, service quality is measured of how well the employees' performance during the consumption matches the consumers' expectations about the service. The better the matching is, the better the quality will be. The statements are telling us for example, if we come in a store, or hotel reception or university library and have expectations that the their staff will be helpful, be able to guide us, and be friendly, we will judge the quality of their services on how helpful, friendly, and guiding the staff is during the encounter.

#### 4.1.4 Quality evaluations involve outcomes and processes

There are three dimensions of service performance; levels of material, facilities, and personnel (Sasser, Olsen, and Wyckoff, 1978, p. 177-179). Two types of service quality exist; technical quality, which involves what the customer, is actually receiving from the service, and functional quality, which involves the manner in which the service is delivered (Gronroos, 2007, p.3). Service quality is produced in the interaction between a customer and elements in the service organization; physical quality, corporate quality, and interactive quality (lehtinen and Lehtinen's, 1982, p. 69). All these authors are making it clear that the employees' interaction with the customers which is the process that services are consumed is not the only determinant of service quality. Physical objects that are present on the surface in which the service will be performed have effects of the quality as well. The firm's image, the look of the employees, and the buildings of the firm, will all have effects of the quality. The researchers have discussed what is service marketing? What is service quality? What is the difference between service quality and goods quality? And how difficult it is to evaluate service quality for both consumers and service providers? Let's see what has been said about the determinants of service quality.

### 4.1.5 Determinants of service quality

Determinants of perceived service quality: reliability, responsiveness, competence, access, communication, credibility, security, understanding/knowing, courtesy, tangibles (Parasuraman, Zeithaml, and Berry, 1985, p. 412). The authors suggest that these 10 determinants are what consumers base their expectations about the services they want to purchase. And that service companies can work on improving these determinants to provide desired services. The determinants were reduced to 5 determinants: The SERVQUAL dimensions, which are tangibles, reliability, responsiveness, assurance, and empathy (Zenithal et al, 1990). There are two types of service quality as Gronroos (2007, p.3) stated which we mentioned in the previous paragraphs, technical and functional quality which will affect the customer's confirmation or disconfirmation of their expectations about the service quality. These five determinants are more focused, the importance of the functional qualities the service.

*Tangibles*: Tangibles are the physical facilities, appearance of personnel, tools or the equipments used to provide the service, other customers in the service facility, and physical representatives of the service (cards, etc). The framework argues that from example, students of the business school will consider when evaluating quality, the look of the departments' buildings, the lecturers' appearance, the design of lecture halls, the projectors is used by the lecturers when lecturing, and the other student that are present in the schools premises.

**Reliability:** It involves consistency of performance and dependability; accuracy in billing; keeping records correctly; performing the service at the designated time. In our case, this means that students' confirmation or disconfirmation of the expectations towards the department will be affected the punctuality of the lecturers when they are coming to lectures and the accuracy of the students' grade/credit records.

**Responsiveness:** This dimension concerns the willingness or readiness of employees to provide service; calling the customer back quickly and giving prompt service (e.g., setting up appointments quickly). According to this, it means that the students' experience of the departments' services will be affected on how quickly they get served when they visit the

reception of the department, how fast the lecturers respond to their emails, and how long it takes to wait for an appointment with the lecturers, with the director or with the student advisors.

Assurance: It's the knowledge and courtesy of employees and their ability to convey trust and confidence. This means that further more students' evaluation about the service quality of the school will be affect the lecturers' ability to clarify any questions that arise during the lectures, their ability to eliminate every student's doubts about the subjects that they are taking so the student will feel safe and see that the lecturers have the knowledge that is required to perform the service.

*Empathy:* It involves understanding the customer's needs; learning the customer's specific requirements; providing individualized attention, recognizing regular customers. Furthermore students' perceived quality will be affected how friendly are the lecturers, how polite they are, how welcoming are the department receptionists, etc.

If the business department of Mälardalen University manages the SERVQUAL dimensions as expected, students' experiences will match their expectation thus making the school successful. Figure 5.1 explains what is just being said.

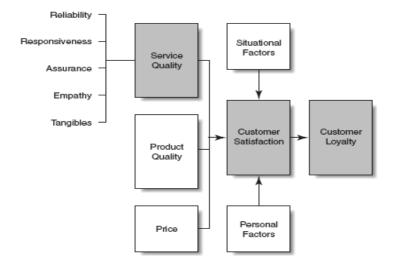


Figure 5.1; Zeithaml, Bitner, and Gremler: Service marketing 2006

## **4.2 Human Resources Management**

Service quality capability (SQC) is defined as the scope to which employees are satisfied with their ability to deliver service quality to customers (Zornitsky, 1991, p. 141).

Employee commitment is concerned with employees' recognition, involvement, and aim to remain with an organization, and has been linked to employees' attitudes and responses to their workplaces (Grebner et al, 2003, p. 344; Mathieu and Zajac, 1990, p. 174). Other scholars have found that service workers are more likely to deliver quality to customers when they perceive positive management approaches to them Gronroos, (2007, p. 9-14); Singh, (2000, p. 17) and are likely to treat customers in the same way that they are treated by the organization (Yagil and Gal, 2002, p. 217). It's been stated that leading firms and scholars proposed a possible relationship between the fair treatment of employees and excellent in service delivery (Bettencourt and Brown, 1997, p. 43).

Similarly, using a sample from six occupations, it has been reported positive relationships between employees' feelings of perceived organizational support with their commitment, job attendance and performance (Eisenberger et al, 1990, p. 53). Finally, a recent study was conducted in four call centre's of a UK bank, demonstrated that the organizational commitment of employees had a major blow on their- self-evaluated service quality performance (Malhotra and Mukherjee, 2004, p. 165). It is clear that organizations have to take care of their employees if they want to satisfy their customers. Let's see how organization can manage effectively their human resources.

#### 4.2.1 Hiring the right people

Successful internal starts with the employment and hiring of the correct people (Gronroos, 2007, p.4). This in turn requires proper job descriptions where the part-time marketing tasks of the contact and support employees are recognized. Furthermore he reiterated that in hiring for the right people an organization should have a designed recruitment procedures, job description, and career planning, salary and bonus system.

#### 4.2.2 Training

Training programs must be conducted for contact and sustain employees as well as for managers and supervisors in order to change unconcerned or unhelpful attitudes towards customers (Gronroos, 2007, p.4). Moreover its conduction must cover the aspect of communication and service skills, teamwork skills, empowerment, among others.

#### 4.2.3 Developing systems, knowledge support and information support system

Most managers and supervisors recognize that there is the need for them to notify employees about new service-oriented strategies and new ways of performing in internal and external services encounters and to make them understand and accept new strategies, task and ways of thinking (Gronroos, 2007, p.4). In view of this he stated that it is necessary to develop various kinds of supporting materials such as computer software, videotapes, intranets and other materials that would make contact easier in the organization.

### 4.2.4 Rewards system

In most of organization, rewards are considered to be incentive of employees to get better of their performance. Expert, motivated, and concerned employees should be rewards for their excellent involvement (Bolman & Deal, 2003, p.136-138). Successful performances ought to be rewarded (Svensson and Wilhelmson, 1989, p. 77). As soon as employees are rewards by accomplished the endeavor; the companies would as well gain more gainful results. Moreover, companies propose attractive benefits to remain and choose good people (Bolman and Deal, 2003, p.136-138).

### 4.2.5 Retain the Best People

An organization with the purpose of hiring the right people, trains and develops them to bring services quality, as well as provides the required support ought to also work to retain them (Zeithaml, 2006 p.366-375,). This says that, for employees to remain motivated and attracted in sticking with the organization and its goals, they need to share an understanding of the organization's vision. People who deliver services day all the time need to understand how their work fits into the big picture of the organization and its goals. They will be motivated to some extent by their paychecks and other payback, but the best employees will be involved away to other opportunities to the vision if that vision is kept secret from them. If a company

wants the strongest services performers to stay with the organization, it must reward and promotes them. Reward system needs to be linked to the organization's vision and to outcomes that are truly important.

# 5.0 Presentation of the Empirical Data

This part shall illustrate the empirical data that was collected through interviewing business Students at Mälardalen University. It is intended to express their satisfaction towards the services rendered at the business department.

- 1. How are you satisfied with the physical facilities and equipments (computer rooms, computers, lecture halls, etc) of the business department of Mälardalen University?

  5 out of the 8 students that were interviewed were satisfied with physical facilities and equipments of the Business Department, 2 of the 8 indicated that the photo copy machine and printers breaks down easily during continuous usage. The last student recommended that the photocopy machines are not sufficient in the university.
- 2. Do you think the appearance of the lecturers, receptionists, and the overall staff of the Business department is attractive?

All the 8 students were satisfied with this dimension.

- 3. According to your experience, would argue that the lecturers are always punctual when holding lectures.
  - 3 out of 8 students agreed that lecturers are always punctual, 3 out of 8 stated that lecturers are sometimes not on time while 1 student stated that the punctuality is 50% and complained about that the business department informs students late when a lecturer is sick which is annoying when you travel from long distance to attend lectures, for example a student who lives in Stockholm, and the remaining student argued that the lecturers are not punctual at all.
- 4. Do you think that your problems were solved with passion by the business department?

7 out 8 were satisfied with this dimension while 1 student stated that she never thought about it.

- 5. Do you think that the lecturers are eager to help students to understand the best way they can during the lectures?
  - 4 out of 8 were happy with this dimension, 3 out of 8 stated that they are not so eager to help but it is acceptable while the remaining student did not come across any lecturer who is eager to help except one during her study period.
- 6. Do the lecturers of Business department always answer your calls and emails on time? 6 out of 8 think that lecturers respond to them on time, 2 out 8 are not satisfied at all with the dimension, 1 student said that it takes a while to get an answer and the remaining student think that its acceptable but sometimes she has to wait up to a week to get a reply.
- 7. Do the Lecturers' behaviors make you feel confident with your study?

  All the 8 students expressed confidence in lectures but further indicated that it depends on the type of course taught by the lecturer.
- 8. Do the lecturers demonstrate the knowledge required in their subjects?

  7 students were satisfied with the level of knowledge possessed by lectures at the business department. The remaining student recommended lectures for the practical examples they give during seminars and lectures.
- 9. Are you satisfied with the opening hours of the department's reception?

  4 out 8 students were not satisfied with the reception's opening hours, 2 students said that the opening hours must be made earlier than the normal time and the reaming 2 students mentioned it is acceptable but suggested to extend their telephone and closing hours.
- 10. Do you agree that the lecturers and the receptionists of the business department are friendly and pay attention to your needs?
  - 7 students agreed that the lectures and receptionist at the business department are friendly and pay attention towards them. 1 student indicated that receptionists at the

business department sometimes wish students a better luck in exams when they don't get the required passing grade.

11. According to the above question, what improvements would you suggest to the department?

5 students did not want to pass any comment with this question. 2 students mentioned the need for seminars to be incorporated in all courses at the business department. The other student also explained that sometimes it is difficult for students to get companies for their project work and suggest that the business department should have a way of contacting companies on behalf of students.

#### Brief information about the correspondents:

Number	Nationalities	Study programs
1	Pakistan	Analytical Finance
2	Ghana	International Business Management
3	Swedish	International Marketing
2	Spain	International Business and Entrepreneurship

This part shall point out the correspondent the authors had with the Rector of the Mälardalen University by e-mail. It also includes personal observation made by students.

1. How do you choose workers for employment?

"By advertising positions for application; For recruiting professors and senior lecturers there is a specific national procedure, put down in the government regulation of universities. For other categories of staff internal recruitment committees are set up to interview and suggest whom to employ among the applicants".

2. How does the university introduce new workers to their jobs?

"Once every semester there is a day of general information about the university, and about being employed at the university for those newly employed. The university

recruitment policy prescribes a proper introduction of every new employee at their workplace (an academy, the central administration etc)".

3. How do the employees of the University communicate with each other and with what support systems? How often did they use it?

I interpret your question as regarding a technical support system: the university has an email system of course, and many of the local workplaces have internal communication areas on the web. The university will introduce a proper intranet this coming summer.

4. How often do you conduct training programs and which people do you include in such activities?

There are training programs for a couple of levels of management position; they normally run once a year. There is a training program (with three separate courses) to develop teacher's pedagogical competence. They run twice a year. There is a training program for PhD supervisors, which runs once a year. Irregularly there are training programs in speaking English, computer use, etc. Most of the staff competence development is on an individual level and agreed upon between staff member and manager in the yearly individual work plan

5. How do you reward employees in terms of salary and working condition?

The university has a salary policy, and the salaries are decided within a national framework/agreement between the union of government institutions and three different national unions of employees. The framework for most working conditions also is a national agreement, and some are set up in the law for government employees (which most university faculty and staff belong to in Sweden). Some things (e. g. working part time from home) are agreed between employee and manager at the university.

6. How do you retain your best lecturers?

That may be a trick! Generally by offering challenging tasks, stimulating working conditions, and a decent salary.

# 6.0 Analysis

This part shall analyze the empirical data displayed above.

Customer satisfaction is the degree of happiness that a customer experiences with a company's products or services resulting from the interaction and interrelationship of all people within the company (Desatnick, 1992, p. 69). To give a clear picture on customer satisfaction, students at the business department in Mälardalen University were interviewed to ascertain their satisfaction with regards to the services rendered by the department.

### **Tangibles**

This is described by Zeithaml et al (1990, p.26-27) as comprising of the physical facilities, appearance of personnel, tools or the equipments used to provide the service, other customers in the service facility, and physical representatives of the service. The authors identified that of the 8 students interviewed, 5 of them were satisfied with the physical facilities and equipments of the business department. The lack of satisfaction on the part of the other 3 students was as a result of the frequent break-down of the universities photocopiers and printers as well as their insufficient quantity. This would mean that the photocopy and printers lack some sort of effective servicing. Additionally the equipments can also be criticized with regards to the inadequate photocopier machines available in the university. This would result in delays to perform a specific task as students would have to queue in their numbers in order to make photo copies.

Even though the students are dissatisfied with this tangible dimension, their grievances cannot be generalized since they represent a smaller proportion of the students at the business department. In addition the satisfaction shown by students under this dimension is more than those dissatisfied.

#### Reliability

Zeithmal et al (1990, p.26-27) describes this dimension as consistency of performance and dependability; accuracy in billing; keeping records correctly; performing the service at the designated time. The authors' findings reveal that 3 of the 8 interviewed students were

satisfied with the departments' reliability; whereas the dissatisfaction of the other 5 students were due to lecturers not being always on time and the delays of informing them when lectures are cancelled. This means that lecturers are not always punctual and the department is not informing students about the cancellation of lectures as early as the students would have liked. Al though the students are complaining about the dimension, it cannot represent the overall picture of the department's students since the interviewed students are small percentage of them. Moreover, the dissatisfaction is higher than the satisfaction of students interviewed and the will therefore be an improvement concerning this dimension.

#### Responsiveness

According to Zeithmal et al (1990, p26-27), responsiveness concerns the willingness or readiness of employees to provide service; calling the customer back quickly and giving prompt service (e.g., setting up appointments quickly). Taking this into consideration, the authors identified that majority of the students were satisfied with the help given by lecturers to them as well as their timely return of e-mails and calls. It must however be understood that even though majority of students interviewed were satisfied under this dimension, there lies a criticism to this dimension concerning those dissatisfied. And since the views from the satisfied students cannot be regarded as the final perception under this dimension, improvements are inevitable.

#### Assurance

Zeithmal et al (1990, p26-27) describes this dimension as, the knowledge and courtesy of employees and their ability to convey trust and confidence. The authors indentified that all the students interviewed had confident in the lecturers as well as the respective knowledge they have in the courses. This satisfaction indicated by the student can be attributed to the fact that the university has a strict system for hiring qualified lecturers. Additionally the fact that lecturer are invited for an interview would provide a favorable grounds for authorities at the university to select knowledgeable applicants in every field.

### **Empathy**

Zeithmal et al (1990, p26-27) states that the dimension involves understanding the customer's needs; learning the customer's specific requirements; providing individualized attention, recognizing regular customers. The authors noticed that majority of the students indicated that lecturers and other staff at the business department exhibit friendly and caring attitudes towards students. There lies a critic with regards to the opening hours of the business department which the students think it is not in their best interest.

# **Human Resource Management**

The practice of good human resource management in every organization has been identified as having a dramatic impact on employees to deliver quality services to customers.

# Hiring the right people

Gronroos (2007, p.4) explained that in hiring for the right people, an organization should have a designed recruitment procedures, job description, and career planning, salary and bonus system. In a way to improve on the human resource management at the business department, the authors identified that the university has a designed criteria in recruiting its employees. To support this argument, the university initially advertises the vacant position. This would bring about competition in the position applied for and enable them to recruit from a wide range of applicants. In addition, the university recruits professors and senior lecturers according to a specific national procedure.

Even though the university did not categorically indicate the criteria they look out for, the authors believe that professors and lecturers are recruited based on academic qualification. This could also ensure that tuition provided by lecturers and professors conform to a particular standard in the university. Additionally, other recruitments are made based on interviews. The result of this would enable the university to employ people with desired attitudes.

### **Training**

Gronroos (2007, p.4) explained that training programs must be conducted for contact and sustain employees as well as for managers and supervisors in a way to improve on human resource management. The authors found out that training programs are carried out for both new recruits as well as existing employees at the business department as a way to improve on it human resource management. Additionally the training programs are conducted for both teaching and non-teaching staff. These training programs identified by the authors are linked with the aim of improving employees' technical skills, communication skills and empowerment. Even though these training programs are carried out to improve human resource management, the authors found out that there are no activities to promote team work. This could have effect on the transfer of critical information among lecturers in the university.

### Developing systems, Knowledge support and Support systems

In order to improve on human resource management, Gronroos (2007, p3-5) explained that systems must be developed in a way to enhance knowledge support in every organization. The authors found out that the main forms of communication used at the business department at Mälardalen University include the use of intranet, internet, meetings, telephones, visual aids. These would enhance the easy and quick transfer of information within the department

### Reward system

Svensson and Wilhelmson (1989) explained that successful performances should be rewarded in a way to improve human resource management. The authors identified that employees' salary and working conditions are determined through a national negotiation agreement between government institution and trade unions. This would result in determining a fair working compensation package for employees and reduce the effect of them being exploited cheaply. The authors however identified that the university does not have any system to encourage successful performers. This argument is supported by the fact that the inexistence of award scheme such as best lecturer or employee award in the university would affect the motivational attitudes of employees in the university.

# Retaining the best people

Zeithaml et al (2006, p.366-375) explained that retaining the best workers in an organization should be done by sharing the organizations vision with its employees. Contrary to this theory, the authors identified that offering challenging task, stimulating working conditions and attractive salary packages are used as measure to retain employees at the university. Even though such measures enacted are capable of retaining the best employees, the authors also think that it is a way of ensuring that the employees' work to enable the University achieves its stated objective. Additionally, the ability to achieve the University's objective could possibly be linked to its vision.

# 7.0 CONCLUSIONS

This section shall describe the concluding remarks in the research which shall be done in accordance with the analysis.

This research was conducted with the aim of investigating how the human resource management of the business department in Mälardalen University can be improved on. The sources of data used include both primary and secondary data. To facilitate this, the authors reviewed theories in order to accomplish the task. Based on the above measures employed, some findings were identified.

The authors found out that the business department has a well designed recruitment criteria which meets government regulation and as such hires lectures and professors based on academic qualification. Adding to this, applicants with desired qualification are made to attend an interview where those with desired attitudes are selected. The business department also offers on job training to new employees and also provides refresher training programs for existing employees with the aim of improving its human resource management. To explain this point, the university trains employees in the aspect of technical skills, communication skills and empowerment. The business department also employs the use of modern and sophisticated technology in its communication process and the authors identified that this could have an impact in the easy and quick transfer of information. Employees reward systems were identified by the authors as established through a negotiation process. Additionally, the authors identified that in a way to improve the human resource management in the business department employees are retained in accordance with those that can enable the department achieve its stated objective.

The above measures employed by the business department were discovered as having an influence on students' satisfaction concerning the universities services. To support this argument, the authors identified that students were satisfied with the services provided to them with regards to tangibles, responsiveness, assurance and empathy. A major weakness identified in this report was the reliability dimension with which majority of the students were

not satisfied. Even though the measures employed by the university tends to improve its human resource management, there would therefore be the need for further adjustment as there were some dissatisfaction in almost all of the dimension.

# 8.0 RECOMMENDATIONS

Taking into consideration the findings discovered as a result of interviewing the rector of the university as well as students of the business department, we propose that the following measures be adhered to:

- The business department must improve upon their reward system to its employees. This
  must include introducing an award scheme to motivate successful lecturers or staff. It
  could take the form of initiating a "best worker" or "best employee" of the month or of
  the year award.
- 2. The need to add other requirements during training programs for both new recruits and existing ones. By this, the business department must incorporate the promotion of teamwork and the timely response to students request in their training programs. This would improve on the transfer of critical information among employees and students.
- 3. The business department must increase the number of support systems or development systems in the university to enhance work effectively. This should include the provision of adequate photocopier machines preferably one at the reception premises. Adding to this, printers and other equipments used by students must be properly serviced to improve their efficiency.
- 4. The operating hours of the business department must be extended. This would mean either by opening at an early schedule than usual or closing at a late schedule. Doing this would result in an increase in students' patronage and also enhance their request to be attended on time.
- 5. The need to inform students adequately with any change in schedule of lectures or seminars. This could be done by sending emails at least 24hrs before the cancellation date.
- 6. All courses taught at the business department must be accompanied with seminars. This would enhance the practical knowledge of students and also improve their communication skills.

# References

Arne Svensson, Lars Wilhelmson (1989): Belöningssystem, uppl. 2, Solna: SIPA

Bateson, John E. G (1977): *Do We Need Service Marketing? In Marketing Consumer Services*: New Insights, Cambridge, MA: Marketing Science Institute Report.

Bettencourt, L.A. and Brown, S.W. (1997), "Contract employees: relationships among workplace fairness, job satisfaction and prosocial service behaviors", Journal of Retailing, Vol. 73 No. 1, pp. 39-61.

Booms, Bernard H. And Mary J. Bitner (1981): *Marketing Strategies and Organization Structures for services firms in marketing of services*, J. Donnelby and W. George, eds., Chicago American Marketing.

Carmen, James M. and Eric Langeard (1980): *Growth: Growth Strategies of Service Firms*, Strategic Management Journal.

Creswell, John W (2003), Research Design: *Qualitative, Quantitative and Mixed Methods Approaches*. Crosby, Philip B (1979): *Quality Is Free; the Art of Making Quality Certain*. New York, New American Library.

Desatnick, R.L., (1992). *Inside the baldrige Award guidelines category 7: Customer focus and satisfaction, Quality progress.* Am. Soc. Q., 25: 69-74.

Eisenberger, R., Fasolo, P. and Davis-LaMastro, V. (1990), "Perceived organizational support and employee diligence, commitment and innovation", Journal of Applied Psychology, Vol. 75 No. 1, pp. 51-9.

Eriksson, Lars-Torsten & Wiedersheim-Paul, Finn( 2006): Att utreda, forska och rapportera, LIBER AB. Ghauri, P.N., K.Grønhaug, I.Kristianslund. (1995). Research Methods in Business Studies: a practice guide. New York: Prentice-Hall.

Garvin, David A (1983): Quality on the Line, Harvard Business Review 61.

Grebner, S., Semmer, N.K., Lo Faso, L., Gut, S., Kalin, W. and Elfering, A. (2003), "Working Conditions, well-being, and job-related attitudes among call centre agents", European Journal of Work and Organizational Psychology, Vol. 12 No. 4, pp. 341-65.

Grönroos, Christian, JOHN WILEY & SONS LTD (2007), *Service management and marketing: customer management in service competition*.

Gummesson E (2000): *Qualitative Methods in Management Research*. London Sage Publications Ltd Holme, I. M. & Solvang(1997), *B. K: Forskningsmetodik: Om kvalitativa och kvantitativa metoder. Lund.* 

Johnson, B. & Turner (2003), L.A: Data Collection Strategies in Mixed Methods Research.

I A. Tashakkori & C. Teddue (Ed.), *Handbook of Mixed Methods in Social & Behavioral Research* (p. 297-319). Thousand Oaks: Sage Publications.

Lee G. Bolman, Terrence E. Deal (2003): *Reframing organizations: artistry, Choice and leadership, edition 3*, San Francisco: Jossey-Bass, cop.

Lehtinen, Uolevi and Jarmo R. Lehtinen (1982): *Service Quality; A Study of Quality Dimensions, unpublished working paper*, Helsinki: Service Management Institute, Finland OY.

Lewis, Robert C. and Bernard H. Booms (1983): *The Marketing Aspect of Service Quality, in Emerging Perspectives on Services Marketing*, L. Berry, G. Shostack, and G. Upah, eds. Chicago, American Marketing.

Links between service climate, employee commitment and employees' service quality capability, Marie Mikic Little. Monash University, Churchill, Australia, and Alison M. Dean. The University of Newcastle, Callaghan, Australia (Article)

Lovelock, Christopher H (1980): *Towards a Classification of Services, in Theoretical Developments in Marketing*, C. Lamb and P. Dunne, eds. Chicago, American Marketing.

Malhotra, N. and Mukherjee, A. (2004), "The relative influence of organizational commitment and job satisfaction on service quality of customer contact employees in banking call centers". 18 Journals of Services Marketing, Vol. No. 3, pp. 162-74. (Article).

Mathieu, J.E. and Zajac, D.M. (1990), "A Review and meta-analysis of the antecedents, correlates, and consequences of organizational commitment", Psychological Bulletin, Vol. 108 No. 2, pp. 171-94

Maxwell, J, A. & Loomis, D, M. (2003); *Mixed Methods Design; an Alternative* Approach. I A. Tashakkori & C. Teddue Ed. *Handbook of Mixed Methods in Social & Behavioral Research (p. 241-271)*. Thousand Oaks: Sage Publications Inc

Measuring Customer Satisfaction Using a Fuzzy Inference System (2009): Journal of Applied Sciences, Volume: 9 Issue: 3 Pages: 469-478 Provider: Asian Network for Scientific Information, Pakistan-DOAJ (Article).

Miles, M. B and Huberman, M (1994), *Qualitative Data analysis*; an expanded Source Book, Sage Publications, Thousand Oaks.

Newman, Isadore / Benz, Carolyn R (1998): *Qualitative-Quantitative Research Methodology*. Exploring the Interactive Continuum, U S A, Southern Illinois University Press.

Parasuraman, Valarie A. Zeithaml, and Leonard L. Berry (1985): *A Conceptual Model of Service Quality and Its Implications for Future Research*, Vol.49, Journal of marketing (Article).

Philip, Kotler & Keller, Kevin Lane (2008) *A Frame Work for Marketing Management*, PRENTICE-HALL, edition 4.

Rabin, Joseph H (1983): Accent Is on Quality in Services This Decade, Marketing News 17.

Regan, William J (1963): The Service Revolution, Journal of Marketing 27.

Sasser, W. Earl, Jr., R. Paul Olsen, and D. Daryl Wyckoff (1978): *Management of Service Operations: Text and Cases*, Boston: Allyn and Bacon.

Schlesinger, L.A. and Zornitsky, J. (1991), "Job satisfaction, service capability and customer Satisfaction: an examination of linkages and management implications", Human Resource Planning, Vol. 14 No. 2, pp. 141-9.

Shostack, G. Lynn (1977): *Breaking Free from Product Marketing*, Journal of Marketing 41.

Smith, Ruth A. and Michael J. Houston(1982): Script-Based Evaluations of Satisfaction with Services, in Emerging Perspectives on Services Marketing, L. Berry, G. Shostack, and G. Upah, eds. Chicago, American Marketing.

Singh, J. (2000), "Performance productivity and quality of frontline employees in service Organizations" Journal of Marketing, Vol. 64 No. 2, pp. 15-34.

Swedish National Agency for Higher Education; Annual report (2008).

Upah, Gregory D (1980): *Mass Marketing in Service Retailing*. A Review and Synthesis of Major Methods, Journal of Retailing 56.

Wilson, Alan & Zeithaml, Valarie A. & Bitner, Mary Jo & Gremler, Dwayne (2006): *Services Marketing: Integrating Customer Focus across the Firm*, MCGRAW-HILL PUBLISHING CO. www.mdh.se

A: http://www.mdh.se/hogskolan/historia, April 17, 2009

B: http://www.mdh.se/university/2.3657, April 17, 2009

C: http://www.mdh.se/university/internationalization, April 17, 2009

D: http://www.mdh.se/university/facts, April 17, 2009

E: http://www.mdh.se/news/facts, May 30, 2009

Yagil, D. and Gal, I. (2002), "The role of organizational service climate in generating control and empowerment among workers and customers", Journal of Retailing and Consumer Services, Vol. 9 No. 4, pp. 215-26.

Yin, Robert K (2003), Case Study Research - Design and Methods, SAGE PUBLICATIONS LTD. Zeithaml A Valarie, Parasuraman A, Berry Leonard (1990); Delivering Quality Service; Balancing customer Perceptions and Expectations, Printed by Free Press, New York.

# **Appendixes**

#### Appendix A

Questions asked to the Director of the University based on Human resource management theories.

- 1. How do you choose workers for employment?
- 2. How does the university introduce new workers to their jobs?
- 3. How do the employees of the University communicate with each other and with what support systems? How often did they use it?
- 4. How often do you conduct training programs and which people do you include in such activities?
- 5. How do you reward employees in terms of salary and working condition?
- 6. How do you retain your best lecturers?

### Appendix B

Questions asked to the students of the business department of the Mälardalen University that was based on SERVQUAL dimensions.

- How are you satisfied with the physical facilities and equipments (computer rooms, computers, lecture halls, etc) of the business department of Mälardalen University?
- 2. Do you think the appearance of the lecturers, receptionists, and the overall staff of the Business department is attractive?
- 3. According to your experience, would argue that the lecturers are always punctual when holding lectures.
- 4. Do you think that your problems were solved with passion by the business department?
- 5. Do you think that the lecturers are eager to help students to understand the best way they can during the lectures?
- 6. Do the lecturers of the Business department always answer from your calls and emails with no time?
- 7. Do The Lecturers' behaviors make you feel confident with your study?

- 8. How much do you think that the lecturers demonstrate the knowledge required in their subjects?
- 9. Are you satisfied with the opening hours of the department's reception?
- 10. Do you agree that the lecturers and the receptionists of the business department are friendly and pay attention to your needs?
- 11. According to the above question, what improvements would you suggestion to the department?

### Appendix C

### 22 attributes used to describe SERVQUAL dimensions

- 1. Excellent company will have modern-looking equipment.
- 2. The physical facilities in the companies will be visually appealing.
- 3. Employees at excellent companies will be neat- appearing.
- 4. Materials associated with the service (such as pamphlets or statements) will be visually appealing in an excellent company.
- 5. When excellent companies promise to do something by a certain time, they will do so.
- 6. When a customer has a problem, excellent companies will show a sincere interest in solving it.
- 7. Excellent companies will perform the first service right first time.
- 8. Excellent companies will provide their services at the time they promise to do so.
- 9. Excellent companies will insist on error- free records.
- 10. Employees in excellent companies will tell customers exactly when services will be performed.
- 11. Employees in excellent companies will give prompt services to customers.
- 12. Employees in excellent companies will always be willing to help customers.
- 13. Employees in excellent companies will never be too busy to respond to customers' requests.
- 14. The behavior of employees in excellent companies will instill confidence in customers.
- 15. Customers of excellent companies will feel safe in their transactions.
- 16. Employees in excellent companies will be consistently courteous with customers.
- 17. Employees in excellent companies will have the knowledge to answer customers' questions.
- 18. Excellent companies will give customers individual attention.
- 19. Excellent companies will have operating hours convenient to all their customers.
- 20. Excellent companies will have employees who give customers personal attention.

- 21. Excellent companies will have the customer's best interests at heart
- 22. The employees of excellent companies will understand the specific needs of their customers.

# Appendix D

### Attributes chosen and was based interview questions for students

- 1. Excellent company will have modern-looking equipment.
- 2. The physical facilities in the companies will be visually appealing.
- 3. Employees at excellent companies will be neat- appearing.
- 4. When excellent companies promise to do something by a certain time, they will do so.
- 5. When a customer has a problem, excellent companies will show a sincere interest in solving it.
- 6. Employees in excellent companies will never be too busy to respond to customers' requests.
- 7. The behavior of employees in excellent companies will instill confidence in customers.
- 8. Employees in excellent companies will have the knowledge to answer customers' questions.
- 9. Excellent companies will give customers individual attention.
- 10. Excellent companies will have operating hours convenient to all their customers.
- 11. Excellent companies will have employees who give customers personal attention.
- 12. The employees of excellent companies will understand the specific needs of their customers.