

SERVICE QUALITY AT BUSINESS SCHOOLS AND ITS CORRELATION WITH STUDENTS' SATISFACTION AND ENTREPRENEURIAL SELF-EFFICACY

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Abstract: The quality of higher education is increasingly becoming an important issue as the socio-economic development of a country owes much to it. The objective of the study is to measure quality of services being provided at business schools in Pakistani public and private sector universities on SERVQUAL model and students' perceived level of entrepreneurial self-efficacy on Entrepreneurial Self Efficacy model and to further prove any correlations between both. The Data was collected from MBA students of four universities, two from public and two from private sector. The data was analyzed using SPSS. The results revealed that private sector university students are quite satisfied from the services of their universities and their perceived entrepreneurial self-efficacy level is also higher. The students of public sector universities are dissatisfied and their perceived entrepreneurial self-efficacy level is lower. Furthermore, Quality of services of universities has positive impact on students' satisfaction and perceived entrepreneurial self-efficacy level.

Introduction

Quality of higher education has become a point of grave concern in recent decades. Globalization, swift technological advancements, knowledge based economies and intense competition in market put heavy responsibility on higher educational institutions to deliver quality services to satisfy customers and stakeholders for larger public interest. Moreover, the socio-economic development of a country owes much to the quality of its higher educational institutions. Ideally, higher educational institutions should respond proactively to the changing environment which ultimately enables them to transform youth into a valuable human resources to build a nation, equipped with knowledge, skills and abilities demanded in market. Evidence exists that business schools have not responded proactively to adapt to the changing environment (Butt & Rehman, 2010; Muller, Porter, & Rehder, 1988). Recently, recruiters and business managers have also shown dissatisfaction from business graduates for lacking innovative thinking and being too restricted to their field (Macy, Neal, & Waner, 1998). The ultimate goal of business schools should not only be to enable students to serve business organizations efficiently but also to instil entrepreneurial spirit that will ultimately lead them to embark upon the journey of starting a business venture, to be self-employed and to create more employment opportunities for society at large. But unfortunately, the reality is dismal in Pakistan where students are found searching meagre job after graduation from business school instead of starting a small business. Until 1980, total number of universities in Pakistan was 20. To deal with the problem of availability of educational facilities for growing population, government enacted new laws and motivated private

sector to invest in educational sector. Initially there was some hesitation but in last decade of 20th century educational sector was fully commercialized and witnessed a mushroom growth of private educational institutions in the country. Now, in Pakistan, there are two parallel types of education systems as public and private from grade one to university stage. There is a considerable gap of learning facilities between both types of institutions. A primary goal of any of educational facility is to make student more curious and creative. Creativity have a direct positive relationship with entrepreneurship but unfortunately during school level education in Pakistan, creativity is mostly discouraged and education is mainly based on the reproduction of already learned knowledge. In higher secondary schools and degrees colleges, students are primarily prepared to get a good job, not to be self-employed. Only in few of higher education institutions, mostly reserved financially for elite class, students are taught about innovation, creativity and leadership. This phenomenon raised serious concerns about the quality of education. The problem of availability has been almost solved but question regarding the quality of education is yet to be answered.

Global Entrepreneurship Monitor is the largest consortium in the field of entrepreneurship established in 1999 as a joint effort between London Business School, UK and Babson College, USA. The prime objective was to evaluate the level of entrepreneurial propensity and associated reasons in member countries. Third and most recent GEM Pakistan report was published in 2012 that highlights people having positive attitude towards entrepreneurship in Pakistan is less than the average of other factor driven economies and Total Early stage Entrepreneurial Activity (TEA) rate in Pakistan is also lower (11.57 %) as compared to factor driven economies (23.68%) (Qurashi & Mian, 2012).

Entrepreneurship has gained wider attention of diverse stakeholders including academia, researchers, students and economic policy makers round the globe in recent years. Entrepreneurial activity has become the best determinant of economic performance and it widely assesses the future potential of an economy. According to Schumpeterian school of thought, entrepreneurship is the engine of economic growth and entrepreneurial activity increase healthy competition in economy as the number of businesses increase, and this competition leads economy towards growth. Entrepreneurial activity is panacea for ailing under-developed economies. But why entrepreneurial activity is lower in some countries as compared to others? Research results states that entrepreneurial propensity is the factor of numerous interlinked and interlocked variables including family background, attitude toward risk, business and entrepreneurship education, prior work experience of business students, economic and cultural factors (María-Soledad Castaño, 2015) and more significantly gender. Numerous studies concluded that men are more entrepreneurial as compared to women (Kourilsky & Walstad, 1998; Sasu & Sasu, 2013; Shinnar, Hsu, & Powell, 2014). The importance of entrepreneurship has been empirically proved to be very significant for the economic growth of a country (Toma, Grigore, & Marinescu, 2014; Van Stel, Carree, & Thurik, 2005), its ability to create new jobs in an economy (Tether, 2000) and its contribution towards lowering unemployment (Faria, Cuestas, & Mourelle, 2010). The entrepreneurs with clear vision and courage can tap previously untapped business sectors and can commercialize innovative ideas into manufacturing of new products or delivery of services with innovation. While number of factors affect negatively or positively on entrepreneurial propensity in a society, we will

specifically study service quality at business schools and students' satisfaction from business education and their correlation with entrepreneurial self-efficacy in Pakistani students.

Although there is much debate on the issue that whether entrepreneurial spirit is born or it could be developed in the students (Merle Küttim, 2014), yet there is complete consensus among researchers that with quality education, entrepreneurial spirit can be motivated in students (Drucker & Noel, 1986; Kuratko, 2005; Varadarajan Sowmya, Majumdar, & Gallant, 2010). Business School at universities are charged with the prime responsibility of creating innovators and entrepreneurs for the economy who can materialize the dream of sound economy and can prove to be the "job inventors" not "job seekers" (Schulte, 2007). Conclusively, the target of business education is to make students more entrepreneurial.

Numerous studies measured quality of higher education and its correlation with customers' satisfaction (Aldridge & Rowley, 1998; Athiyaman, 1997; Oldfield & Baron, 2000; Yousapronpaiboon, 2014). Measuring quality of services provided by universities has become a pivotal issue for all stakeholders in recent years (Leonard & Sasser, 1982; Newman, 2001; Sureshchandar, Rajendran, & Anantharaman, 2002). Quality has been defined as meeting or exceeding customers' requirements. Recent decades have seen development of numerous models to measure quality including, but not limited to Functional and Technical Quality model by Christian Grönroos (Grönroos, 1984), Attribute Service Quality model by Haywood Farmer (Haywood-Farmer, 1988), Attribute and Overall Affect model presented by Pratibha A Dabholkar (Dabholkar, 1996), Synthesized Service Quality model by Andrew A. Brogowicz (Brogowicz, Delene, & Lyth, 1990), Perceived and Expected service quality Gap Model devised and refined by Parasuraman (A. Parasuraman, Zeithaml, & Berry, 1985) and PCP Attribute model presented by Philip and Hazlett (Philip & Hazlett, 1997). But the model devised and further refined by Parasuraman in his series of articles (Arun Parasuraman, Berry, & Zeithaml, 1991; A. Parasuraman, et al., 1985; Arun Parasuraman, Zeithaml, & Berry, 1988; Ananthanarayanan Parasuraman, Zeithaml, & Berry, 1994) is widely believed to be the robust tool to measure service quality of any organization (Charles & Kumar, 2014; Yousapronpaiboon, 2014). It uses five dimensions of quality namely: Tangibility, Reliability, Responsiveness, Assurance and Empathy. Each dimension has its sub-dimensions and respondents are required to rate their perceived and expected service quality level on a likert scale. The mean difference of perception and expectation (P-E) of all dimensions determines the overall quality of services. A positive difference indicates customers are satisfied while negative difference indicates dissatisfaction.

Self-Efficacy is the perception of one's own abilities, skills and the inner belief that he/she can effectively and efficiently use those skills for performance of a specific task. The higher self-efficacy one has, the higher are his chances for success. Research indicates that perceived self-efficacy is more important for inventions and venture creation as compared with outward realities (Markman, Balkin, & Baron, 2002). But is there any association exists between quality of business education with entrepreneurial self-efficacy? Entrepreneurial self-efficacy is the firm belief of a person to successfully perform leadership and managerial practices and tasks required to start and run a

new business. To measure entrepreneurial self-efficacy, the most comprehensive and widely used tool is entrepreneurial self-efficacy devised by Jeffrey E. McGee, (McGee, Peterson, Mueller, & Sequeira, 2009). It assesses entrepreneurial self-efficacy with six dimensions of entrepreneurial behaviour namely Searching, Planning, Marshalling, Implementing People, Implementing Financials and Overall Venture Behaviour.

Lack of entrepreneurial spirit in business graduates of Pakistani universities, as suggested by GEM Pakistan Report (Qurashi & Mian, 2012) served as a motivation factor of this study. The prime objectives of this study are to evaluate the followings:

1. To what extent students of public and private sector universities are satisfied from the quality of business education in Pakistan?
2. Whether satisfied students have higher entrepreneurial self-efficacy than dissatisfied?

The data for study was collected from MBA students of four universities in Pakistan namely Punjab University, Government College University, University of Central Punjab and Superior University (hereinafter referred to as PU, GCU, UCP and SU, respectively). Former two are public sector universities and latter are from private sector. Satisfaction level of students is measured with SERVQUAL measure and entrepreneurial self-efficacy with Entrepreneurial Self-Efficacy measure.

The remainder of this paper is constructed as such. First, methodology used for data collection and to draw results is described. Second, the results of the study are presented followed by a section on discussion on those results. Fourth section elaborates conclusion. Fifth section summarizes some policy recommendations and last section indicates limitation of the study and future directions.

Research Methodology

A questionnaire was designed for data collection according to SERVQUAL and Entrepreneurial Self-Efficacy dimensions with a five point Likert scale with 5 denoting strongly agrees and 1 as strongly disagrees. The instrument was pre-tested to check its reliability and validity. In first part of questionnaire, respondents were asked to provide their demographics information including age, gender, name of institution and year of business education. Second part of questionnaire records expectation of services provided by university and perceived satisfaction of services of respondents on 5 SERVQUAL dimensions and its 17 sub dimensions as Tangibility (4 sub-dimensions), Reliability (3 sub-dimensions), Responsiveness (4 sub-dimensions), Assurance (3 sub-dimensions) and Empathy (3 sub-dimensions). As social, economic and institutional conditions vary among countries and regions, a model devised in a specific country or environment may not work well in another. Therefore, instrument was slightly modified from original version proposed by Parasuraman (A. Parasuraman, et al., 1985) to properly assimilate with local educational context. Third part of questionnaire includes questions recording response of students about their perceived level of entrepreneurial self-efficacy to start a business venture as proposed by (McGee, et al., 2009). Using this questionnaire, data was collected from PU, GCU, UCP and SU. We distributed our questionnaire to randomly selected 100 students of MBA from each university and received back 336 questionnaires. Elimination of

incomplete and/or invalid questionnaires left us with 323 questionnaires. Ethical considerations were taken into account while collecting data. The participants were assured about informed consent, confidentiality, and anonymity of their responses. Response rate remained 84%. SPSS version 22 was used to analyze data and draw results. Cronbach's Coefficient Alpha, developed by Cronbach Lee J (Cronbach, 1951) was calculated to determine the internal consistency and reliability of data. A score of 0.70 or higher is considered to be good. For this study, Cronbach's Coefficient Alpha was found 0.78, 0.81 and 0.77 for perceptions, expectations and entrepreneurial self-efficacy, respectively. Independent sample T-Test was used to determine demographics variable results and One sample T-Test was used to measure the perceived satisfaction of students from business education. One-way ANOVA with post-hoc analysis was run to determine the variance of perceived satisfaction on the basis of institutions.

Results

Demographic variables of respondents include gender, age and year of business education. Table 1 indicates that 45.5 % of the respondents are male and 54.05 % are female. Furthermore, 83% respondents were between 20 to 23 years in age followed by 15.2% between 24 to 28 years. 46.7% students are in their 3rd year of business education followed by 2nd year students at 23.5%, 14.9 % students were in their 1st year, 13.6% in their 4th year and only 1.2% students have taken more than five years business education. Average years of business education remained 2.6.

Table 1 Demographics Variables of Respondents

Variable	Group	No.	%
Gender	Male	147	45.5
	Female	176	54.5
Age Structure	20-23	268	83
	24-28	49	15.2
	29 and Above	6	1.9
Year of Business Education	1 st Year	48	14.9
	2 nd Year	76	23.5
	3 rd Year	151	46.7
	4 th Year	44	13.6
	More than Five Years	4	1.2

Table 2 highlights Overall mean scores of Perception (P), Expectation (E) and their difference on SERVQUAL dimensions. The difference of mean scores of Perceptions and Expectations (P-E) determines the level of satisfaction or dissatisfaction of students. A positive score indicates satisfaction meets or exceeds expectation while negative score highlights dissatisfaction from quality of services.

Table 2 Overall Satisfaction Level of Students

SERVQUAL Dimension	Sub-Factor	Perceptions of Students (P)			Expectations of Students (E)			Difference (P-E)
		Mean	S.D.	Sig.	Mean	S.D.	Sig.	
Tangibility	Modern Equipment	3.899	1.2039	.000	3.551	1.0073	.000	0.348
	Provision of Physical Facilities	4.137	1.2269	.000	3.252	1.005	.000	0.885
	Well-Dressed Staff	4.322	1.3093	.000	3.251	0.855	.000	1.07
	Comfortable Accommodation Arrangements	3.254	1.3444	.000	3.025	0.6985	.000	0.229
	Total	3.903	1.2711		3.27	0.8914		0.633
Reliability	Fulfillment of Promises	4.233	1.2616	.000	3.811	0.9676	.000	0.422
	Sympathetic Staff	3.456	1.1672	.000	3.848	0.99	.000	-0.392
	Efficient and Effective Record Maintenance	3.524	1.2189	.000	4.164	0.6648	.000	-0.64
	Total	3.737	1.2159		3.941	0.8741		-0.204
Responsiveness	Communication of time for Services	4.212	1.2113	.000	3.021	0.9409	.000	1.191
	Delivery of Services in First Attempt	4.322	1.2314	.000	3.607	0.9817	.000	0.715
	Willingness of Staff for Help	4.252	1.2432	.000	4.295	0.7151	.000	-0.04
	Quick Response of Staff	4.322	1.2331	.000	3.021	0.6859	.000	1.301
	Total	4.277	1.2298		3.486	0.8309		0.7917
Assurance	Trustable Staff	3.857	1.2109	.000	3.256	1.16	.000	0.601
	Safe Enjoyment of Services	4.024	1.2015	.000	3.842	1.1542	.000	0.182
	Knowledgeable Professors	4.254	1.1572	.000	3.322	0.7514	.000	0.932
	Total	4.045	1.1899		3.473	1.0219		0.572
Empathy	Individualized Attention	4.237	1.17	.000	3.986	0.6315	.000	0.251
	Understanding of Specific Needs by Professors	3.985	1.1881	.000	3.78	1.2227	.000	0.205
	Convenient Timing	2.824	1.2671	.000	3.656	1.2322	.000	-0.83
	Total	3.682	1.208		3.81	1.029		-0.13
	Grand Total	3.9288	1.2294		3.596	0.9294		0.332

Difference of mean score of perception and expectations of services is positive in 3 dimensions (Tangibility, Responsiveness and Assurance) and negative in 2 dimensions (Reliability and Empathy) of SERVQUAL. Overall P-E is positive (0.332), which indicates that students are satisfied from services of their respective universities. The total mean score of all five dimensions of service quality remained 3.9288 for perceptions and 3.596 for expectations. The difference of P-E is 0.332, which means that students are satisfied from services provided by universities. But the satisfaction level is relatively lower. Moreover, students were found dissatisfied in dimensions of Reliability and Empathy as P-E for these dimensions is negative (-0.204 and -0.13 respectively). The difference of mean scores of Tangibility, Responsiveness and Assurance is positive (0.633, 0.7917 and 0.572 respectively) which indicate students are satisfied in these dimensions. Highest mean score in expectations were given to the dimension of Reliability (3.941) followed by Empathy (3.81). Mean scores of Tangibility, Responsiveness and Assurance were found to be 3.27, 3.486 and 3.473, respectively. In Perceptions, mean score of Responsiveness was found to be highest (4.277) followed by Assurance (4.045). Tangibility, Reliability and Empathy got 3.903, 3.737 and 3.682, respectively. Well-dressed staff, sub-dimension of Tangibility, delivery of services in first attempt and quick response of staff, which are sub-dimensions of Responsiveness got an equally high score (4.322), while Convenient timing, sub-dimension of Empathy was given the lowest (2.824). Similarly in expectations, willingness of staff for help, sub-dimension of Responsiveness was given the highest score (4.295) and communication of time for services and quick response of staff, which are sub-dimensions of Responsiveness were equally given lowest (3.021)

Table 3 summarizes results of one way ANOVA with post hoc analysis. Out of four universities, students of one public sector university (GCU) are dissatisfied, while students of other three universities are quite satisfied from quality of services. Overall, students of private sector universities were found more satisfied (0.2379 and 0.0669 for UCP and SU respectively) as compared to public sector university students (0.0898 and -0.0394 for PU and GCU respectively).

The results also indicate considerable difference of perception and expectation of service quality level on institutional basis. Students of both public sector universities (PU and GCU) were found dissatisfied in dimensions of Responsiveness (-0.0121 and -0.0128 respectively) and Empathy (-0.2689 and -0.6261 respectively) contrary to students of private sector universities (UCP and SU) for Responsiveness (0.0636 and 0.0609 respectively) and Empathy (0.3835 and 0.1723 respectively). In sub-dimensions of SERVQUAL, mean difference of comfortable accommodation arrangements and quick response of staff is negative for all four universities. Students of both private sector universities were found dissatisfied with the sub-dimension knowledgeable professors. While in the same dimension students of both public sector universities are satisfied. It indicates that material resources are better available in private universities but they lack knowledgeable staff that is at the heart of the whole learning process. At the same time, both public sector universities students showed dissatisfaction from quick response of staff. So, there is a clear difference of satisfaction level of students of public sector from their academic and non-academic staff. Moreover, students of both public sector universities are dissatisfied and private sector universities are

satisfied from individualized attention and understanding of specific needs by professors. Mean difference of both public sector universities (PU and GCU) is higher for Reliability dimension (0.3883 and 0.462 respectively) than both private sector universities (UCP 0.3564 and SU 0.1293).

Table 3 Institutional Variance of Satisfaction Level

		Mean Score of Perception (P)				Mean Score of Expectation (E)				Difference (P-E)			
		PU	GCU	UCP	SU	PU	GCU	UCP	SU	PU	GCU	UCP	SU
Tangibility	Modern Equipment	3.965	3.875	3.875	3.221	3.252	3.328	3.221	3.021	0.7133	0.5467	0.6539	0.2
	Provision of Physical Facilities	3.995	4.211	3.986	3.897	3.904	3.916	3.958	3.861	0.0918	0.2954	0.0279	0.036
	Well-Dressed Staff	4.123	3.985	4.322	4.235	4.072	4.084	3.655	4.151	0.0509	-0.099	0.667	0.0839
	Comfortable Accommodation	3.888	2.783	2.972	2.895	4.265	4.277	4.113	4.163	-0.3776	-1.494	-1.140	-1.2675
	Total	3.9928	3.714	3.789	3.562	3.873	3.901	3.737	3.799	0.1196	-0.1877	0.0519	-0.237
Reliability	Fulfillment of Promises	4.231	3.89	3.885	4.023	3.964	3.819	3.606	3.826	0.2673	0.0705	0.2789	0.1975
	Sympathetic Staff	3.255	3.754	4.002	3.885	3.022	3.232	4	3.721	0.2331	0.5226	0.0021	0.1636
	Efficient & Effective Record Maintenance	3.846	3.897	3.887	4.353	3.181	3.104	3.099	4.326	0.6646	0.7929	0.7884	0.027
	Total	3.7771	3.847	3.925	4.087	3.389	3.385	3.568	3.957	0.3883	0.462	0.3564	0.1293
Responsiveness	Communication of time for services	3.785	3.655	3.635	3.745	3.723	3.615	3.221	3.023	0.0623	0.0403	0.4141	0.722
	Delivery of Services in First Attempt	3.756	3.625	3.746	3.047	3.024	3.251	3.323	3.19	0.7328	0.3739	0.4224	-0.143
	Willingness of Staff for Help	3.977	3.836	3.875	4.023	3.651	3.253	3.541	3.021	0.3253	0.5829	0.3333	1.0021
	Quick Response of Staff	3.108	3.241	3.366	3	4.277	4.289	4.282	4.337	-1.1687	-1.0482	-0.9155	-1.337
	Total	3.6566	3.589	3.655	3.454	3.669	3.602	3.592	3.393	-0.0121	-0.0128	0.0636	0.0609
Assurance	Trustable Staff	4.164	3.993	3.875	3.745	3.759	3.771	3.023	3.245	0.4052	0.2214	0.8514	0.5
	Safe Enjoyment of Services	3.178	3.512	4.022	4.032	3.023	3.111	3.124	3.142	0.155	0.401	0.8975	0.8897
	Knowledgeable Professors	4.552	4.423	4.023	3.885	4.374	4.422	4.409	4.337	0.1788	0.0014	-0.3854	-0.452
	Total	3.9648	3.976	3.973	3.887	3.719	3.768	3.519	3.575	0.2463	0.2079	0.4545	0.3124
Empathy	Individualized Attention	3.875	2.831	4.232	3.991	3.995	3.868	3.817	3.791	-0.1198	-1.0362	0.4146	0.2005
	Understanding of Specific Needs by Professors	2.892	2.795	4.322	3.888	3.687	3.639	3.732	3.581	-0.7951	-0.8434	0.5891	0.3061
	Convenient Timing	3.843	3.544	3.541	3.79	3.735	3.542	3.394	3.779	0.1083	0.0014	0.1468	0.0105
	Total	3.536	3.057	4.031	3.889	3.806	3.683	3.648	3.717	-0.2689	-0.6261	0.3835	0.1723
Grand Total		3.790	3.638	3.856	3.744	3.700	3.677	3.618	3.677	0.0898	-0.0394	0.2379	0.0669

Table 4 presents results of Entrepreneurial Self-Efficacy level. Highest perceived ESE level was reported by students of a private sector university UCP (3.1810) followed by students of a public sector university PU (3.0155). ESE level of students of GCU and SU were found almost equal (2.9618 and 2.9651 respectively). No significant variance was found in any sub-dimension of ESE in any public or private sector university's students.

Table 4 Entrepreneurial Self Efficacy

ESE Dimensions	PU	GCU	UCP	SU
Searching	3.012	3.3373	3.152	2.9767
Planning	3.115	2.7711	2.986	2.9535
Marshalling	3.0482	2.8795	3.0282	2.9186
Implementing People	2.9157	2.9398	3.452	2.9651
Implementing Financials	3.123	2.8434	3.256	3.0349
Overall Venture Behaviour	2.8795	3	3.212	2.9419
Total Mean Score of ESE	3.015567	2.96185	3.181033	2.965117

Table 5 Correlation level of SERVQUAL and ESE

University	Mean Score of SERVQUAL	Mean Score of ESE
PU	0.08985	3.015567
GCU	-0.0394	2.96185
UCP	0.237976	3.181033
SU	0.06698	2.965117

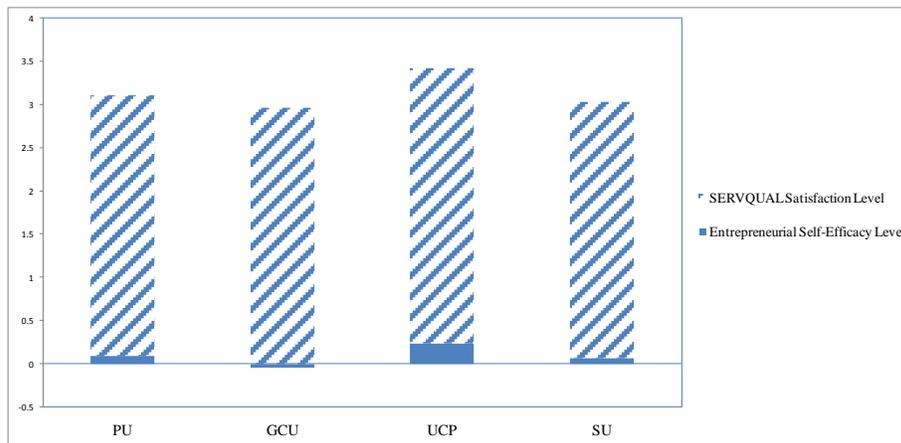


Figure 1 Correlation of Level of ESE and SERVQUAL Satisfaction

Finally, fig. 1 depicts the correlation of satisfaction from quality of education with entrepreneurial self-efficacy. Students of UCP reported highest level of satisfaction on SERVQUAL and their perceived level of entrepreneurial self-efficacy is also the highest (3.181033 and 0.237976 respectively) followed by students of PU (3.015567 and 0.08985 respectively). Mean score of ESE of GCU and SU is almost the same (2.96185 and 2.965117 respectively) but SERVQUAL satisfaction level of former is negative and latter is positive (-0.0394 and 0.06698 respectively).

Discussion

SERVQUAL model with its five dimensions was used to measure service quality and satisfaction level and Entrepreneurial Self-Efficacy model with its six dimensions to measure entrepreneurial self-efficacy of students. The results revealed that students of private sector universities are quite satisfied while students of public sector universities are not much satisfied and are even dissatisfied from quality of services. Moreover, satisfaction level of private sector universities' students is higher as compared with public sector universities' students. A possible reason of higher level of entrepreneurial self-efficacy of private sector universities' students might be wealthy family background that makes their risk orientation much different from their counterparts included in the study. PU is among one of most prestigious public sector universities in Asia established in 1882 and ranks among the top three public universities in Pakistan but its sheer positive value of SERVQUAL (0.08985) puts a big question mark on the quality of services of the remaining public universities, especially those working in remote areas with less human and physical resources. The results of this study corroborate the findings of a previous study conducted in Pakistan to measure satisfaction of students of 8 business schools in 2010 (Zeshan, Afridi, & Khan, 2010) but another study conducted in 2006 found students dissatisfied with higher education (Abdullah, 2006). This phenomenon leads us to believe that quality of higher education is improving gradually but slowly in Pakistan. Surprisingly, students of both private sector universities were dissatisfied by lack of knowledgeable professors. This could be due to the practice of private universities mostly hiring fresh graduates on temporary contracts to increase their profits. Butt examined the satisfaction level of students of Pakistan in both type of universities on the factors of teachers' expertise, courses offered, learning environment and overall classroom facilities provided by universities. The results proved that all these factors have significant positive impact on the overall satisfaction level of students of both genders and both type of institutions. However, teachers' expertise is the factor most influential on the satisfaction level of students (Butt & Rehman, 2010) and the results of this study corroborated it to an extent. Study showed that accommodation arrangements of both type of universities are not good and students are dissatisfied with it. Dormitories lack basic living facilities and students unions formed on political and even religious basis exists. The possible reason of poor accommodation arrangements might be lack of funding and greed of profit maximization in public and private sector universities, respectively. Students of both public sector universities are dissatisfied in dimensions of Responsiveness and Empathy. These two dimensions of SERVQUAL mostly deal with behaviour of staff of an organization with its customers and in public sector organizations; behaviour of staff is not very polite given the lower level of accountability, lack of motivation, and shabby working conditions. In contrast, private higher educational institutions provide best available physical resources with excellent working environment and hire self-motivated and dedicated staff to satisfy their customers. Customers' satisfaction increases their overall repute in society, university's ranking and profits.

Conclusions

Quality of services of higher educational institutions is imperative to facilitate the students for learning. The objective of the study was to empirically measure the perceived level of satisfaction of public and private sector university students from quality of services being provided by their universities and their perceived level of entrepreneurial self-efficacy. The results proved that quality of business education is quite higher in private sector

universities and lower in public sector universities in Pakistan. Resultantly, satisfaction level of students of private sector universities is higher and public sector is lower and this dissatisfaction is negatively affecting students' self-efficacy in their respective fields. The students are most dissatisfied in the fields of Reliability and Empathy and much satisfied in the fields of Responsiveness and Tangibility. Furthermore, significant room for improvement exists in higher educational institutions of Pakistan, though the areas of improvements are different in public and private sector universities. Private sector universities are in need to improve intangible resources to create a true learning environment and public sector universities need to improve physical and tangible resources to facilitate students. The study also shed light on correlation between satisfaction level and perceived entrepreneurial self-efficacy. Students of private sector universities are more satisfied from quality of services and their perceived entrepreneurial self-efficacy level is higher. The relationship is proved to be *positive* as perceived level of entrepreneurial self-efficacy of satisfied students is higher (UCP and PU), while perceived level of entrepreneurial self-efficacy of dissatisfied students (GCU) is lower.

Policy Implications

Government should invest more in public sector universities to build tangible facilities with a positive learning environment. Non-academic staff of public universities should be accountable on clear service benchmarks to evaluate their performance which would in turn drive up students' satisfaction. Clear regulatory policy should be issued for appointment of academic staff in private universities. Small and Medium Enterprises Development Authority (SMEDA)¹ should collaborate closely with business schools to facilitate and inculcate entrepreneurial spirit in business graduates.

Limitations and Future Directions of the Study

All four universities included in this study are situated in Lahore, provincial capital of most developed Punjab province of Pakistan. Geographical proximity of sample universities is a limitation. Business education is not the sole factor affecting entrepreneurial propensity. Numerous other personal, social and economic variables should also be taken into account.

For future research, a comprehensive set of variables should be taken into account. It includes, personal psychological and social factors that affects positively or negatively on entrepreneurial propensity of an individual. Additionally, rule of law in society, economic and political stability in the country and availability of competitive jobs in market should also be considered. Within research methodology, a diverse population and heterogeneous sample should be selected for future research.

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¹ A public sector organization responsible for development, facilitation and strengthening of entrepreneurship and small and medium sized enterprises in Pakistan

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